PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FIFTH PARLIAMENT

FIRST SESSION

Wednesday, 23 November 2005

(extract from Book 9)

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By authority of the Victorian Government Printer

The Governor

JOHN LANDY, AC, MBE

The Lieutenant-Governor

Lady SOUTHEY, AM

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Minister for Gaming, Minister for Racing, Minister for Tourism and Minister assisting the Premier on Multicultural Affairs	The Hon. J. Pandazopoulos, MP
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Minister for Energy Industries and Resources	The Hon. T. C. Theophanous, MLC
Minister for Consumer Affairs and Minister for Information and Communication Technology	The Hon. M. R. Thomson, MLC
Cabinet Secretary	Mr R. W. Wynne, MP

Legislative Council committees

Privileges Committee — The Honourables W. R. Baxter, Andrew Brideson, Helen Buckingham and Bill Forwood, Mr Gavin Jennings, Ms Mikakos, the Honourable R. G. Mitchell and Mr Viney.

Standing Orders Committee — The President, the Honourables B. W. Bishop, Philip Davis and Bill Forwood, Mr Lenders, Ms Romanes and Mr Viney.

Joint committees

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

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

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

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

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

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

Law Reform Committee — (*Council*): The Honourables Richard Dalla-Riva, Ms Hadden and the Honourables Geoff Hilton and David Koch. (*Assembly*): Ms Beard, Ms Beattie, Mr Hudson, Mr Lupton and Mr Maughan.

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

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

MEMBERS OF THE LEGISLATIVE COUNCIL

FIFTY-FIFTH PARLIAMENT — FIRST SESSION

President: The Hon. M. M. GOULD

Deputy President and Chair of Committees: Ms GLENYYS ROMANES

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

Leader of the Government:
Mr JOHN LENDERS

Deputy Leader of the Government:
Mr GAVIN JENNINGS

Leader of the Opposition:
The Hon. PHILIP DAVIS

Deputy Leader of the Opposition:
The Hon. ANDREA COOTE

Leader of The Nationals:
The Hon. P. R. HALL

Deputy Leader of The Nationals:
The Hon. D. K. DRUM

Member	Province	Party	Member	Province	Party
Argondizzo, Ms Lidia	Templestowe	ALP	Jennings, Mr Gavin Wayne	Melbourne	ALP
Atkinson, Hon. Bruce Norman	Koonung	LP	Koch, Hon. David	Western	LP
Baxter, Hon. William Robert	North Eastern	Nats	Lenders, Mr John	Waverley	ALP
Bishop, Hon. Barry Wilfred	North Western	Nats	Lovell, Hon. Wendy Ann	North Eastern	LP
Bowden, Hon. Ronald Henry	South Eastern	LP	McQuilten, Hon. John Martin	Ballarat	ALP
Brideson, Hon. Andrew Ronald	Waverley	LP	Madden, Hon. Justin Mark	Doutta Galla	ALP
Broad, Ms Candy Celeste	Melbourne North	ALP	Mikakos, Ms Jenny	Jika Jika	ALP
Buckingham, Hon. Helen Elizabeth	Koonung	ALP	Mitchell, Hon. Robert George	Central Highlands	ALP
Carbines, Ms Elaine Cafferty	Geelong	ALP	Nguyen, Hon. Sang Minh	Melbourne West	ALP
Coote, Hon. Andrea	Monash	LP	Olexander, Hon. Andrew Phillip	Silvan	LP
Dalla-Riva, Hon. Richard	East Yarra	LP	Pullen, Mr Noel Francis	Higinbotham	ALP
Darveniza, Hon. Kaye	Melbourne West	ALP	Rich-Phillips, Hon. Gordon Kenneth	Eumemmerring	LP
Davis, Hon. David McLean	East Yarra	LP	Romanes, Ms Glenyys Dorothy	Melbourne	ALP
Davis, Hon. Philip Rivers	Gippsland	LP	Scheffer, Mr Johan Emiel	Monash	ALP
Drum, Hon. Damian Kevin	North Western	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, 23 NOVEMBER 2005

Wednesday, 23 November 2005

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

ROYAL ASSENT

Message read advising royal assent on 22 November to:

Crimes (Homicide) Act
Firearms (Further Amendment) Act
Groundwater (Border Agreement) (Amendment) Act
Major Events (Crowd Management) and Commonwealth Games Arrangements Acts (Crowd Safety Amendment) Act
Prisoners (Interstate Transfer) (Amendment) Act
Retail Leases (Amendment) Act.

PETITIONS

Planning: Diamond Creek and Yarrambat land

Mr SCHEFFER (Monash) presented petition from certain citizens of Victoria requesting the Minister for Planning and the government to — (1) include Ironbark and Pioneer roads in Diamond Creek and Yarrambat in the amended new urban growth boundary, in order to recognise previous urban designation and infrastructure for that land, including rights to utilise the infrastructure attached to that land which had been paid for directly by residents or bought as valuable assets; (2) ensure equity and justice now for any properties that may have been discriminately treated within the legislated urban district by planning or zone changes without notification or proper process; (3) further investigate this matter based on new information to ensure equitable and fair compensation to those affected; and (4) meet with residents to discuss and clarify the new information (5 signatures).

Laid on table.

Planning: Diamond Creek and Yarrambat land

Mr SCHEFFER (Monash) presented petition from certain citizens of Victoria requesting the Minister for Planning and the government to include in the amended new urban growth boundary of Nillumbik shire all of the Ironbark Road, Diamond Creek acreage properties and all of the Ironbark Road and Pioneer Road, Yarrambat, acreage equitably with all other lands of Diamond Creek and Yarrambat (5 signatures).

Laid on table.

Water: Diamond Creek and Yarrambat land

Mr SCHEFFER (Monash) presented petition from certain citizens of Victoria requesting the Minister for Environment and Minister for Water to — (1) investigate the situation of materially affected landowners-stakeholders of land on Ironbark and Pioneer roads in Diamond Creek and Yarrambat who are affected by the provisions of the Water (Resource Management) Bill; (2) defer the passing of the bill in order to assess if these people will be impacted and enable consultation with them if they are to be affected; (3) assist them in the protection of water rights to which they may be entitled; and (4) meet with the petitioners to discuss their concerns (5 signatures).

Laid on table.

Disability services: accommodation

Hon. W. A. LOVELL (North Eastern) presented petition from certain citizens of Victoria requesting that the state government act immediately to resolve the shortage of shared supported accommodation facilities for disabled adults in the Goulburn Valley and north-east Victoria (9 signatures).

Laid on table.

Hazardous waste: Nowingi

Hon. W. A. LOVELL (North Eastern) presented petition from certain citizens of Victoria requesting that the state government immediately withdraw its plan for transporting waste along the Calder Highway and further withdraw its proposal to store toxic waste at Nowingi and explore an alternative, safer and more economically and environmentally feasible storage site within 100 kilometres of Melbourne (122 signatures).

Laid on table.

Disability services: language disorder program

Hon. W. A. LOVELL (North Eastern) presented petition from certain citizens of Victoria requesting that the state government immediately reinstate the severe language disorder funding program thereby improving Victorian children with autism,

Asperger's syndrome or other language disorders access to quality speech pathology (7 signatures).

Laid on table.

Education: public system

Ms ROMANES (Melbourne) presented petition from certain citizens of Victoria requesting that any new legislation dealing with the state public education and training system — (1) be separate and distinct from any legislation dealing with private schools; (2) defines public education as free, secular and universal; public in purpose, outcome, ownership and accountability; and accessible to all children; (3) gives primacy to public education in all areas; and (4) includes proper, transparent, publicly accessible accountability measures for expenditure of all taxpayers money (64 signatures).

Laid on table.

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Report 2004–05

Ms ROMANES (Melbourne) presented report, including appendices.

Laid on table.

Ordered to be printed.

Ms ROMANES (Melbourne) — I move:

That the Council take note of the report.

This annual report of the Public Accounts and Estimates Committee is a slimmer volume then the many other volumes presented by the PAEC, but it is an important snapshot of the work undertaken on behalf of the Parliament by the committee, which has the purpose of scrutinising and assessing the government's performance and making suggestions for improvements to government.

This annual report highlights the fact that during 2004–05 PAEC completed six major reports with five in progress. In all there were 91 meetings and hearings of the full committee or subcommittees, and 390 recommendations were made to the government. The committee is always pleased to get a response from the government to its work and suggestions. In her summary at the beginning of the report the chair of the committee notes that 79 per cent of its recommendations were supported by government.

A second responsibility of the Public Accounts and Estimates Committee is ensuring the Auditor-General's accountability to Parliament. To fulfil that function the committee meets on a regular basis with the Auditor-General and his staff to consult on his work plan and the objectives of various performance audits conducted by the Auditor-General. In 2004–05 the committee also commissioned work by an independent auditor on the performance audit of the Victorian Auditor-General and his office.

Another task undertaken by the PAEC is to review the Auditor-General's performance audits of various sectors of government. One of the reviews that was conducted in 2004–05 was on the Auditor-General's performance audit of services for people with an intellectual disability. Another of the committee's key initiatives was to publish a report on the review in an easy English version. This was an initiative of the chair, the member for Pascoe Vale in the other place. It is designed to be easily read by people with intellectual disabilities.

It is very pleasing that in correspondence to the committee on 26 May 2005 Sue Jackson, the executive director of the Council of Intellectual Disability Agencies, congratulated the committee for its work in producing the easy English version of the report, which as she said:

> … will help to ensure that people with cognitive impairment can access information and participate in decisions relevant for their lives and their futures. This is a groundbreaking initiative. We are not aware of any previous instance in which a parliamentary committee has sought to produce such broadly accessible information.

There are other things I would like to say, but I would be remiss if I failed to pass on the thanks of the chair to other members of the Public Accounts and Estimates Committee for all their hard work during the year.

When presenting the annual report it is very important to note that nothing that has been achieved by the committee would have been possible without the indefatigable Michele Cornwell — I wanted Mr Drum to hear that, but he is not here — and the members of the staff of the Public Accounts and Estimates Committee office. As well as Michele Cornwell, the executive officer, I acknowledge Ms Jennifer Nathan, Mr Ian Claessen, Ms Pek Toh, Mr Kai Swoboda, Mr Martin Newington, Mr Roger Farrer, Mr Peter Stoppa, Mr Trevor Wood and Ms Karen Taylor for all the effort and hard work they put in to the work of the PAEC.

Hon. BILL FORWOOD (Templestowe) (*By leave*) — I want to add my words to those of

Ms Romanes. Honourable members in this place know that it is a privilege to serve on the Public Accounts and Estimates Committee with Mr Baxter, Mr Rich-Phillips, Ms Romanes and Mr Somyurek, who is most welcome as a recent arrival on the committee. As he will tell you, the committee is doing good work all the time. The annual report, which I recommend and commend to honourable members, is worth reading to see the breadth of interest that the committee has. I particularly commend Michele Cornwell, the executive officer, and all her staff for the contribution they make to the accountability of the Bracks government. As everybody knows, this government is very slippery, and if it were not for the diligent work of the Labor, Nationals and Liberal members of the Public Accounts and Estimates Committee and — —

Ms Hadden — There is no Independent member!

Hon. BILL FORWOOD — There used to be an Independent member, Susan Davies, but she was not independent. As honourable members know, she was a signed, paid-up member of the government. She later became a member of the Labor Party and stood in the federal seat of Latrobe but luckily was defeated.

The PRESIDENT — Order! Mr Forwood has leave to speak on the report.

Hon. BILL FORWOOD — I am trying to speak on the report, President, but as you can understand the animals in the zoo are restless.

Honourable members interjecting.

Hon. BILL FORWOOD — I thank the staff for their outstanding contribution to the work of the Public Accounts and Estimates Committee. I look forward in my last year in this place to doing more diligent work, which because of the bipartisan nature of the committee will again be reported to this place, as it always has been, without fear or favour.

Motion agreed to.

PAPERS

Laid on table by Clerk:

Innovation, Industry and Regional Development Department — Report, 2004–05.

Subordinate Legislation Act 1994 — Minister's exemption certificate under section 9(6) in respect of Statutory Rule No. 140.

VITS LanguageLink — Minister's report of receipt of 2004–05 report.

BUSINESS OF THE HOUSE

Standing orders

Mr LENDERS (Minister for Finance) — By leave, I move:

That —

(1) the resolution of the Council of 24 May 2005 requiring the Standing Orders Committee to undertake a review of the standing orders and present its report to the Council no later than the first sitting day of 2006 be now amended to require the committee to present an interim report on the review no later than 7 February 2006 and a final report no later than 15 June 2006; and

(2) when the Honourable Barry Bishop is unable to attend a meeting of the committee, another member of The Nationals may attend in his place, provided he has been nominated in writing to the President and that substitute member is a member of the committee for all purposes.

Hon. BILL FORWOOD (Templestowe) — The committee is making good progress. This is a sensible motion which we wholeheartedly support. We believe the work that is being done will be of real benefit to the house. The committee should have proper time to do it.

Hon. P. R. HALL (Gippsland) — I would like to indicate that The Nationals support this motion and urge other members to do so as well. I think it is a sensible provision to provide an interim report on the important work being undertaken by the Standing Orders Committee. I am sure all members would be interested to know exactly what is being proposed by members of the committee. We receive some verbal briefings from our representatives on that committee, but it would be most constructive to have an interim report.

I would also like to thank the committee for accommodating the needs of The Nationals regarding representation on that committee. Mr Bishop, our representative, lives some 600 kilometres away from Melbourne and it is difficult for him to attend on all occasions when Parliament is not sitting. It will be very helpful for us to ensure we can have a substitute when Mr Bishop is not available to sit on the committee. I thank the committee for that. I am happy to support the motion.

Motion agreed to.

MEMBERS STATEMENTS

Electricity: Mortlake power station

Hon. DAVID KOCH (Western) — The proposed Mortlake gas-fired power station project developed by Origin Energy recently reached a number of milestones in the planning and development phases of this major energy initiative for Western Victoria which culminated in the release of a number of documents including an environment effects statement on 17 November 2005. The construction of the power station and pipeline will require a peak work force of about 400. Recruitment of the construction work force will be the responsibility of the contractors engaged to build the project.

While experienced gas pipeline crews will undertake specialised construction, opportunities for local contracting and employment of associated trades will be available. Once regulatory approval is received and specific project considerations are met, a detailed tender process will be undertaken for the engineering, procurement and construction of the power station gas pipeline. In the absence of delays in the approval, tender and economic evaluation processes, the earliest date for the commencement of construction is late 2006 with construction to be completed in two and a half years. The commissioning of the power station is expected to be in early 2009.

The Minister for Energy Industries continues his drivel saying that the opposition does not support this fantastic opportunity for Mortlake and western Victoria. He knows this is a blatant lie, as opposition members have continually expressed their support. I wish this project every success.

Mr Pullen — On a point of order, President, I take exception to the phrase 'a blatant lie' in Mr Koch's statement in relation to the Minister for Energy Industries.

The PRESIDENT — Order! As I understand it, the member used the phrase that he knew it to be a 'blatant lie' which referred to the minister. The member has taken offence on behalf of the minister, who is not in the chamber. If the member did use those words, I ask him to withdraw.

Hon. DAVID KOCH — I withdraw and replace 'blatant lie' with 'blatant mistruth'.

Hon. J. H. Eren — On a point of order, President, the member has just clearly rephrased his comment. He called the minister a liar. He then rephrased his comment and used another word which means the same thing. The phrase must be withdrawn unconditionally.

The PRESIDENT — Order! The member should be aware that in this house when a member withdraws it is done unconditionally. They do not put conditions on their withdrawal. I have asked the member to withdraw, if he used those terms. Based on the original point of order by Mr Pullen, who was followed by Mr Eren, who said the member had conditionally withdrawn, I ask the member to withdraw the comments he made regarding the minister.

Hon. DAVID KOCH — I withdraw the word 'lie' only.

Templestowe Park Primary School: facilities

Ms ARGONDIZZO (Templestowe) — Last Monday I had the pleasure on behalf of the Bracks government of officially opening the new learning facility at Templestowe Park Primary School in my electorate. Templestowe Park Primary School was established 28 years ago to serve the educational needs of young families in the Templestowe and Doncaster East district. Today the school has a population of 430 children and a P-2 class average of 20.3 students. Templestowe Park enjoys a well-earned reputation in the eastern metropolitan region as a caring school with a strong focus on academic achievement, offering diverse educational opportunities for all students.

The school's new facilities include six general-purpose classrooms, a modern art and craft facility and a multipurpose hall with kitchenette and toilets. The new buildings were completed at a cost of almost $1.4 million. The Bracks government provided more than $1 million, while the Templestowe Park school community raised $340 603 for the project. On behalf of the Bracks government, I congratulate the Templestowe Park Primary School community on its commitment to the ongoing development of each child in a secure and stimulating environment.

I commend the work of the school staff, school council and parents for striving to provide the best possible opportunities for their children. In particular I congratulate the principal of Templestowe Park Primary School, Jenny Turpin; assistant principal, Chris Boag; and school council president, Craig Waldon, for their leadership in the development of these new facilities.

Local government: mayoral elections

Hon. J. A. VOGELS (Western) — This Saturday is election day for 54 councils across Victoria, and I urge as many ratepayers and residents who have not yet voted to do so. Each of the 78 of Victoria's 79 councils

will be electing a mayor between 26 November and 31 December. Most of the wheeling and dealing on who will be the next mayor will already have been sorted out for the 20-odd councils that are not going to the polls this year. However, each decision will have to be ratified at a formal council meeting held before 31 December 2005.

It seems that the mayoral election in Geelong each year has more to do with politics than good governance of the state's second-largest city. This year it seems especially so because of Labor Party preselections for both the state and federal governments. In other words, it is a case of, 'If you support me for mayor, I will support your candidates'. The emails are running hot, as are mobile phones.

Geelong deserves better than that. When elected in 2006 the Liberal Party will, in partnership with the people of Geelong, have a dialogue to consider whether the direct election of their mayor is something they would support. I believe a mayor popularly elected by the residents of Geelong would be a good start in enhancing this great city's profile.

Telemarketing: do-not-contact register

Hon. H. E. BUCKINGHAM (Koonung) — I rise to congratulate the federal member for Chisholm, Anna Burke, for the work she has recently undertaken in attempting to protect Australian families from unwanted telemarketing calls to their homes. On 31 October this year Anna introduced a private member's bill into federal Parliament, calling for legislation to protect residential telephone subscribers' rights to avoid receiving telephone solicitations to which they object. The bill proposes that the Australian Competition and Consumer Commission be required to establish and maintain a list of telephone numbers of people who request not to receive telephone solicitations and for telemarketing companies to be prohibited from soliciting people on that list. The bill also calls for a complete ban on telemarketing on Sundays and public holidays, and between 8.00 p.m. and 9.00 p.m. on any other day.

Anna Burke has received much support from her constituency and the wider Australian community, both directly and through the media, particularly for the establishment of a do-not-contact register. Disappointingly, the Howard government has disallowed a vote on the private member's bill and has asked for a discussion paper to be prepared, which is a joke when they will not discuss the more complex issues of the sale of Telstra or industrial relations. I commend the member for Chisholm's work on this important issue for Australian families, and I condemn the Howard government's procrastination and failure to protect the privacy of all Australians from unwanted telemarketing calls.

Local government: elections

Hon. B. N. ATKINSON (Koonung) — I wish to express my concerns about the local government elections that are proceeding in the eastern suburbs. I have noticed in each of the councils that make up part of my province a genuine concern has been raised by both candidates and residents about the veracity of those elections. I note that one of the City of Knox candidates, Cathryn Boyle, has declared that she is using her daughter as a running mate and as a dummy candidate. I praise her honesty for owning up to the fact that she is running a dummy candidate. In most of the other councils, dummy candidates are being run without anybody declaring who they are. They are trying to manipulate the election results and frustrate democracy in those councils.

I notice George Droutsas has been associated with a considerable number of signatures for candidates for the City of Whitehorse. In fact, there are residents coming to me asking for those election results to be set aside on the basis that people do not understand who they are voting for and are concerned about the credentials of those candidates who are putting themselves forward. I notice that Monash City Council has a similar situation where people are claiming credentials that other people have said are not true. Indeed, there are a number who are masquerading as Liberals and standing for those seats when they are clearly not Liberals.

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

Cr Diana Asmar

Hon. KAYE DARVENIZA (Melbourne West) — I want to take this opportunity to congratulate Cr Diana Asmar on her term as mayor of the City of Darebin, and say how delighted I was to be able to attend the mayoral ball last Saturday night, along with my parliamentary colleagues Ms Mikakos, the Honourable Theo Theophanous and Michael Leighton and George Seitz, the members for Preston and Keilor in another place. This mayoral ball marked the end of Diana's term as mayor in Darebin, and raised $75 000 for research into multiple sclerosis. Diana suffers from multiple sclerosis and she has used her term of office to raise not only money but also awareness of multiple sclerosis. She has encouraged people to support and

understand the suffering of those who have this very debilitating disease. Leading medical researchers from Monash University were at the ball to talk about the research they have been involved in and the exciting opportunities for research in the future. I want to take this opportunity to congratulate Diana not only on a successful mayoral ball but also on a very successful term as the mayor of the City of Darebin.

Timber industry: Otway Ranges

Hon. P. R. HALL (Gippsland) — At the start of lunchtime last Thursday when the house was sitting in Colac I strolled outside and spoke with timber workers who were assembled peacefully outside the complex where we were sitting. I had the opportunity to talk to some workers. I am pleased to say I met many of them about 18 months ago when I spoke at a rally at Apollo Bay. In talking to those workers I was surprised to learn that when they lose their jobs in 2008 or earlier, as a result of the Bracks government's decision to end timber harvesting in the Otways, they will not receive any compensation at all. That stands in stark contrast to the government's Our Forests Our Future policy, implemented in 2003, where timber workers were provided with an opportunity to apply for and receive compensation. I might add that not all those workers received compensation, but the majority of them did.

I happily accepted the protesters' blue flyer, which says in part:

> The state government has done nothing for the Otways workers and contractors.
>
> We are the forgotten families.
>
> We call on the government to immediately put in place the same arrangements received by all other timber workers who were made redundant because of state government policy.
>
> We demand fairness so that we can plan for our futures.

Today I join with those timber workers in the Western District in calling on the Bracks government to, if it cannot keep them in jobs, provide them with appropriate compensation.

Industrial relations: federal changes

Hon. J. H. EREN (Geelong) — The huge demonstrations protesting the Howard government's industrial relations reforms last week must surely send a very strong message to the federal government and particularly the federal member for Corangamite, Stewart McArthur, who keeps telling us that the WorkChoices legislation will be good for Australian workers. I can assure Mr McArthur that there is real concern in Geelong because of this legislation. I urge the Liberal Party to stop its arrogance and take into consideration the concerns of working people.

The Howard government has spent $55 million on a media blitz to tell us that the legislation which will rip the guts out of an industrial relations system that has worked well for over 100 years is good for us. However, the media blitz does not seem to be working. About 10 000 workers attended a rally that was held a couple of months ago in Geelong to protest the changes. Yet only last week, following the disgraceful misuse of taxpayers money on a media blitz, there was another rally.

This time there were 25 000 to 30 000 people marching against this backward piece of legislation — normal mums, dads and kids, everyday people who realise that this legislation is focused firmly on eroding the work entitlements of ordinary men and women. The Geelong rally, per capita, was the biggest rally in Australia, and I urge Mr McArthur to vote against this draconian piece of legislation for the sake of the working men and women in his electorate whom he is supposed to represent. It is clear from the rallies Australia wide that people are not being conned by the Howard government's $55 million ad blitz.

Landcare: Corangamite

Ms CARBINES (Geelong) — Last Friday I had the pleasure of launching, on behalf of the Corangamite Catchment Management Authority (CMA), its Landcare support strategy. The launch took place at Camperdown and was hosted by both the Heytesbury District Landcare Network and the Mount Leura/Mount Sugarloaf Development Committee. The site for the launch was particularly well chosen, as over the last few years what was formerly a farm paddock has been completely replanted by local Landcare groups and is now an extremely attractive, densely vegetated area, returned to its natural state. I was told on Friday that koalas have been seen recently at the site, which is surely an indication that it has returned to its natural state.

Across the Corangamite CMA area there are 130 Landcare groups with some 3000 volunteers who tirelessly devote their time to caring for our natural environment. Many local Landcare members attended the Landcare support strategy launch. I was particularly impressed by the attendance and work of students from St Patrick's Primary School and Camperdown College. The strategy was developed by the Corangamite CMA, Landcare and other natural resource management groups and is designed to practically assist the

operation of Landcare groups across the Corangamite region.

The Bracks government values highly the commitment and dedication of Landcare groups across our state, and those in the Corangamite region are no exception. I congratulate the chair, Dr Peter Greig, and chief executive officer, Don Forsyth, for their excellent work in supporting Landcare volunteers across the Corangamite CMA area. They are making a real and positive difference to natural resource management in our region. Their vision is encapsulated in the following — —

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

Graffiti: removal

Hon. S. M. NGUYEN (Melbourne West) — I wish to congratulate the government and the Minister for Police and Emergency Services in another place on their positive approach to the problem of graffiti. As we are aware, the state government launched a graffiti strategy in 2003, and these new proposals strengthen the Bracks government's commitment to stamp out graffiti. The creation of a specialist task force to crack down on graffiti leading up to the Commonwealth Games is a responsible approach to a major problem in our society. Graffiti is an act of vandalism and needs to be stopped. Further, we will be showcased to the world during the Commonwealth Games and hosting many thousands of visitors to our city. The responsible thing to do is clean up inner Melbourne, the Commonwealth Games venues and adjoining precincts.

I commend the key elements of the strategy, which will create a specialist anti-graffiti police task force. Crime Prevention Victoria will administer grants to allow the areas around the Commonwealth Games venues to be cleaned up and double an existing program under which offenders who are on community-based orders will also clean up graffiti. Many local councils work very hard to clean up graffiti and have programs in place to encourage their communities to be involved. The state government's $1 million fund will be in addition to these existing programs. I look forward to future state government initiatives that will tackle the graffiti problem statewide.

Commonwealth Games: community participation

Hon. J. G. HILTON (Western Port) — On Sunday I attended, as I am sure many other members in this place did, local events surrounding Warming Up for the Games Day. On the Mornington Peninsula there was a bike ride from Rosebud to Hastings and in Bass Coast shire there was a mini Commonwealth Games baton relay with a baton which contained a message from the Governor, who fortuitously was visiting the shire at the same time. Both events were very successful.

The games themselves, in spite of the killjoy efforts of the opposition, will be a great success, but they will only last 11 days, and I believe a longer lasting legacy will be the great community spirit which has been engendered across Victoria by the games and the adoption of the second teams. This lasting legacy will be a testament to both the minister and this government of which it gives me such pleasure and pride to be a member.

RACING AND GAMBLING ACTS (AMENDMENT) BILL: ROYAL ASSENT

Hon. BILL FORWOOD (Templestowe) — I move:

> That this house condemns the government, and in particular the Minister for Racing, for its failure to explain adequately the reasons for its decision to interfere with the royal assent of the Racing and Gambling Acts (Amendment) Bill and calls on the government to immediately —
>
> (1) detail all of its dealings with Betfair;
>
> (2) detail all of its dealings with the Tasmanian government over the licensing of betting exchanges and, in particular, Betfair;
>
> (3) detail all of its dealings with Publishing and Broadcasting Ltd, a major shareholder in Betfair, over the introduction of betting exchanges in Australia, and in particular over the decision to delay the royal assent of the bill; and
>
> (4) provide details of all other persons and organisations who lobbied the government to delay the royal assent of the bill.

I will recap the situation before the house: the government introduced a piece of legislation that was designed to protect the integrity of the racing industry in Victoria. It passed both houses of Parliament; it was then stopped by this government from being given royal assent. The opposition is asking today — who put the fix in?

In *Hamlet*, act 1, scene 4, Marcellus says, 'Something is rotten in the state of Denmark'. If you go to the *New Dictionary of Cultural Literacy* it defines this as meaning corruption or a situation in which something is wrong, and there is absolutely no doubt that in its handling of this particular piece of legislation, the

Racing and Gambling Acts (Amendment) Act, something is wrong. There is a stench, there is a sniff — a whiff — about this whole transaction.

In the second-reading speech in the Legislative Assembly on 26 May 2005 the Minister for Racing said:

> I am proud to present this bill to the house today. This bill contains measures which protect racing industry and government revenue, enhance the integrity of racing and wagering and support the industry to efficiently and effectively administer the conduct of racing.

If that is the case, why did the government prevent its own piece of legislation passing through the houses and becoming law on 12 October, before the Spring Racing Carnival? If the government's view was that the legislation was important, that it was a piece of legislation it would be proud to bring to this place because it enhanced the integrity of racing in Victoria, why did it stop its passage? What was the process by which it was stopped?

We know this government is not shy about advertising what it does. It is not shy about telling the world what it does, so let me put on the record the Minister for Racing's form in relation to betting exchanges. In April 2003 a press release was headed 'Bracks government leading the way on betting exchanges'. On 10 July another press release was headed 'Racing minister calls for federal action on betting exchanges'. A third press release dated 31 October 2003 headed 'Victoria seeking states' agreement on betting reform …' refers to betting exchanges. It says:

> I'll also be seeking agreement to present a united position to the federal government … that betting exchanges should be banned in Australia.

A press release of March 2004 carries the headline 'Minister calls on federal government to act on illegal gambling'. It says that the minister had:

> … urged the federal government to act immediately to regulate off-shore betting exchanges —

of which a leading one is Betfair!

A press release dated 18 July 2004 is headed 'Victoria urges federal rethink on betting exchanges'. Another, in May 2005, has the headline 'New laws tighten reins on out-of-town bookies'. The minister was out there arguing for action on betting exchanges for at least two years — a minister who, along with other ministers, was a party to the racing minister's conference preparing a number of reports. It had a cross-border betting task force. It had a particular task force on betting exchanges in 2003.

The minister was actively out there trying to protect the integrity of the Victorian racing industry, and then at 5 minutes to midnight, after his own legislation had been passed, he stopped it. You have to ask what happened between 5 o'clock on 4 October, when the bill passed this place, and 12 o'clock on Friday, 7 October, when the Clerk of the Parliaments received a phone call from the Department of Premier and Cabinet saying that the bill should not be forwarded to the Governor for royal assent. What happened in that window of opportunity? That is what we are putting to the house today.

What we want from the government is some answers. What happened between 5 o'clock on Tuesday night and lunchtime on Friday which stopped a piece of legislation which had been developed for over two years with the agreement of all the states? How was it stopped? Members of this place know that no other piece of legislation in the history of the Victorian Parliament has been stopped in this way. So who put the fix in? And why was it put in? Because there is no doubt that there is a sniff of corruption about what has happened here. No government can behave like this and hope to get away with it. The answers the government needs to provide go to the heart of its integrity and they go to the heart of the integrity of racing in Victoria.

It is ironic that at the same time as we are debating this motion, in Tasmania a piece of legislation is being debated which may lead to the licensing of this organisation, Betfair. As honourable members know, that is partly owned by Publishing and Broadcasting Ltd. I make the point that PBL is absolutely entitled to vigorously pursue its commercial interests; I have no problem with that. This motion is about the government explaining to the people of Victoria why it pulled its own piece of legislation. To date the only reason given, which was given by both the Premier and the minister, was that the industry is not ready. That is a blatant lie. That is not true. That statement is a complete misstatement.

Let us put something else on the record as well. This government will advertise, will issue press releases, will put out its point of view on absolutely everything, will it not? We all know how good it is at doing that. When it decided to block this piece of legislation and to prevent the passage of its own bill which would have assured integrity in racing, who did it tell? Absolutely no-one at all. It was stopped by the government on 11 October. The first anybody — including the industry — knew about it was when in this place the President reported on 19 October that the Governor had declined to assent to the legislation.

Honourable members who were here that day will know that I stood up and said, 'Hey, can somebody tell us what is going on?'. And you should have seen the row of blank faces on the government benches from the leader down. This was so hush-hush no-one knew what was going on. The government had hoped that this dodgy act, this particular misuse of the system, this particular breach of integrity would slide under the radar and no-one would know what was happening.

What did we do? We asked the minister if he could get us some information and explain to the house what was going on. He did not know. Away he went and he came back some time later — two days I suspect — with a statement. The statement says:

> After the bill passed through Parliament —

this is the minister's statement —

> it was brought to the attention of the government that there are issues with a group of stakeholders with respect to the new enforcement regime …

As Mr Viney is the lead speaker for the government perhaps he could tell us who the people were who contacted the government.

An honourable member — They were stakeholders.

Hon. BILL FORWOOD — Who were the stakeholders? The Premier said in the other place that it was Racing Victoria. Who else said that? The Minister for Racing in the other place, Mr Pandazopoulos, said it was Racing Victoria Ltd. Sorry, but no, it was not! If any proof of that is needed you can go to the press releases issued by Mr Nason, who is the chief executive officer of Racing Victoria, and read his absolute denials that Racing Victoria had sought the delay of the bill. One needs to ask why the Premier misled the people of Victoria and why the minister, both on Jon Faine's ABC radio program and on ABC's *Stateline Victoria* program, misled the people of Victoria. Who got to them and what did they offer that led to this bill being stopped in its tracks just before the Spring Racing Carnival?

Members opposite cannot hide behind the fact that it has never happened before, and they cannot hide the fact that this could not have been about consultation with the industry because it had been going on for two years. What happened? Someone got to the government.

Hon. J. A. Vogels — It was nobbled!

Hon. BILL FORWOOD — It was nobbled — thank you! In racing parlance, it was nobbled — and why was it nobbled? Because we know that betting exchanges, which enable people to bet on losing horses, lead to corruption in the racing industry. We know from his own admissions that Mr Pandazopoulos was at the forefront of fighting for the integrity of the industry until the fix came in, when it all stopped dead!

On 10 August Graham Duff, as chairman of Racing Victoria, wrote to the government saying:

> The board has agreed to make arrangements for granting interim approvals to interstate and offshore wagering service providers except in the case where the wagering services offered by any provider is deemed to create, or is likely to give rise to, an unacceptable risk to the integrity of the Victorian thoroughbred racing industry.

That is an important paragraph written on 10 August. What it says is that Racing Victoria Ltd had put in place an interim approvals system, and this was going to capture corporate bookies from interstate — and others — but not those where the wagering services offered by any provider would be deemed to create or likely to give rise to an unacceptable risk — code for Betfair. In other words, Betfair had been told that if this legislation went through it would not get licensed.

It went on later in the letter to say it recognised the administrative difficulties and asked if it could be amended so that the act would come into operation on 1 March 2006. In August it said it had the interim approvals in place, it would not let Betfair through, but it would help if the government decided to delay the implementation of this legislation until March 2006. Would you believe, on 8 September — three weeks later — the minister wrote in these terms:

> Your comments regarding the granting of interim approvals to selected interstate and offshore wagering providers have been noted and are supported. I would be grateful if you could keep myself and the Office of Racing appraised of your progress in exercising this statutory function in the months ahead.
>
> In your letter you have requested that consideration be given to amending section 2.5.16A to provide that it will come into operation on 1 March 2006. I have noted the issues you have raised however I will not have the opportunity to amend the bill currently before the Parliament. I am able to advise that on present indications, the bill is likely to be passed and come into operation on 20 September.

So Racing Victoria said, 'Delay it', and the government said, 'No, we are intending to bring it in'. And at that stage government members intended to bring in this piece of legislation that protects the integrity of Victorian racing well before the Spring Racing Carnival, a major event on our racing calendar.

The government quite legitimately could have stopped the passage of this piece of legislation or could have amended it right up until 4.30 p.m. on the afternoon of 4 October. Government members could have said to us, 'We have decided that what we want to do is finish the second-reading debate, but not put it to the vote'. They could have put it to the vote, but not gone to the third reading. At any time up until 5 o'clock on 4 October they could have said, 'We have been lobbied, and we do not want to proceed with this piece of legislation'. This government controls the legislative program: it has the numbers in both houses. If government members had wanted to hold up the bill, they could have; if they had wanted to amend the bill, they could have. But there was silence!

Hon. David Koch — They had not had the phone call.

Hon. BILL FORWOOD — Thank you — they had not had the phone call. Who made the phone call? What was in the call, and why did the government then pull its own piece of legislation? What we subsequently discovered was — —

Mr Viney — This is called a conspiracy theory.

Hon. BILL FORWOOD — Thank you. The honourable member says this is a conspiracy theory.

Mr Viney — You are not producing anything; you are just speculating as to what might have happened — complete speculation.

Hon. BILL FORWOOD — I thank the honourable member for his introduction to the debate. Let me make the point that I know that when the bill was between houses and there was some significant lobbying going on about whether Betfair would be licensed in Tasmania, Racing Victoria went to Tasmania to lobby down there, and I am informed that the Premier of Tasmania at that time told — —

Mr Viney — By?

Hon. BILL FORWOOD — Yes. I was not there. The Premier of Tasmania told Racing Victoria, 'The Victorian legislation will not see the light of day' — and boy, was he right! The other thing that needs to be put on the record is that the President came into this place and said that the legislation would be passed in six weeks. I invite honourable members to do the maths. Six weeks from 11 October — there are the weeks commencing 18 and 25 October, and 1, 8, 15 and 22 November — that is six weeks! The government has had its six weeks and has got through this six-week period that it said the bill would be delayed for, and it still has not seen, to quote the Tasmanian Premier, 'the light of day'.

Yes, I am proud to admit that there is a conspiracy theory, and it will remain a conspiracy theory unless the government is prepared to answer honestly the questions that are put to it. If, as the Minister for Sport and Recreation said on behalf of the racing minister, Mr Pandazopoulos, it was brought to the government's attention that there were issues with a group of stakeholders, can we have the names of the stakeholders? We know that it certainly was not the racing industry. We only have to turn to the words of the Minister for Racing because during the ABC *Stateline* program of 28 October he said:

> I advised the Premier's office that I had concerns about being 100 per cent satisfied that the industry was ready to hit the ground running.

The industry was; we have already established that point. He then went on to say:

> The Premier's office, I'm pleased, accepted our advice …

Then Josephine Cafagna said:

> There's been intense lobbying behind the scenes over this legislation. Some of the heaviest has come from the British betting exchange Betfair which has joined forces with Kerry Packer's PBL to try and obtain a licence to operate in Australia.

The chief executive officer, Mr Nason, said:

> I have met with James Packer on several occasions with the Betfair organisation to discuss where they were going and what they were doing and our lobbying versus their lobbying … I have a lot of respect for the Packer organisation and the Betfair organisation, very smooth running, a very efficient model, it's just that — as I've explained to James Packer and the Betfair executives — it just doesn't work for us in Australian racing in terms of our integrity concern and we can't support the licensing of it.

Josephine Cafagna then said that Robert Nason has:

> … been at the forefront of lobbying against the licensing of betting exchanges in Australia and he says it's been a difficult task.

Mr Nason said:

> The lobbying pressure has been very intense. Legal action has been threatened against the Australian Racing Board, Racing Victoria, the National Harness Racing Council. I have two defamation actions pending against me which I'm defending very vigorously. So this is an organisation that is determined to have a presence in Australia …

The chief executive officer of Racing Victoria says this is an organisation determined to have a presence in

Australia. The way I interpret that is with the old Graeme Richardson line: whatever it takes.

Mr Smith — A good book.

Hon. BILL FORWOOD — Thank you. I pick up the interjection from Mr Smith — —

Hon. M. R. Thomson — The New South Wales right.

Hon. BILL FORWOOD — The New South Wales right, whatever it takes. According to Josephine Cafagna, Mr Nason said:

> … the Victorian government has also been lobbied heavily but it's not something the racing minister … wants to elaborate on.

Why not? This government took an unprecedented action. Does it have an obligation to explain to the people of Victoria why it took that unprecedented action? As I have said before, the only reason it gave was that the racing industry was not ready; but the racing industry said it was.

Hon. D. K. Drum — It had been ready for six months!

Hon. BILL FORWOOD — Thank you. The racing industry was ready and had notified the minister that it was ready. The bill could have been stopped if it had not been ready; we have already established that. So there is a three-day window, and an organisation that is on the record as lobbying heavily, and it is now down in Tasmania lobbying heavily. If you look for the executives of the Australian Racing Board or the representatives of Racing Victoria you will find they are in Tasmania today lobbying the Tasmanian government against Betfair.

Hon. D. K. Drum — Trying to save their industry.

Hon. BILL FORWOOD — Trying to save their industry and trying to protect the integrity of racing in Victoria when this government went weak at the knees and has not explained why in any way, shape or form. The government can say arrogantly that it does not have to, and perhaps that is the line it will take. It is the sort of line I would expect from the government. But it would be useful in terms of the Parliament and the integrity of the racing industry if the questions we have put forward were answered. We want to know who lobbied for the delay.

We have an admission from the Minister for Racing that he contacted the Premier; that admission is on the record. The minister said the Premier was pleased to accept the advice that he gave him. If that is the case, then the minister owes it to the people of Victoria to come out and say two things. Firstly, who were the people that spoke to him and persuaded him to go to the Premier, and secondly, what did they say to him at 5 minutes to midnight that so convinced him that the unprecedented action of stopping the bill should be taken?

The easy way for this government today to solve this matter once and for all is for those questions to be answered, for someone to come in here and say, 'After 5 o'clock on 4 October we were contacted by A, B, C and D, and they said X, Y and Z. That was plausible; we sought the advice of the government about the best way, but we could not stop the bill because it had passed the house, and that is why we took the action'.

On this side of the house we are waiting with real interest to see what sort of information the government will put to us to defend its actions. I say quite bluntly that, if government members do not come out today and tell us who did it, then the people of Victoria are rightly able to conclude that they did have the fix put in. And what we want to know then is: what was the fix? What do they have over the government? What did they give you? What did they offer you to cause you to behave illegally and unconstitutionally, to lie to the Parliament? These are the issues that government members have to answer. I do not have to answer them.

Mr Viney — You ask the question and answer it!

Hon. BILL FORWOOD — I do not have to answer those questions. You do.

Let us just look at some of the actions. Would members believe this? The minister, Mr Pandazopoulos, the member for Dandenong in the other place, in answer to the Public Accounts and Estimates Committee questionnaire, wrote on 22 July:

> The establishment of a licensed betting exchange within Australia would also be likely to have a profound impact on the integrity and the perception of integrity of Australian (and Victorian) racing. A repeat of the British experience to date, which has seen British police make a number of arrests of high-profile racing industry personnel including jockeys and other industry associated people such as farriers would quickly erode the confidence of the betting public.

That is what he said in July. That was from the same minister who later undermined his own legislation without a single word of explanation. You do not need to just listen to me talking about how bad all this stuff is. Peter Savill wrote recently to the Premier of Tasmania, Paul Lennon. His letter is dated

24 October — that is, after the bill had been pulled. He wrote, in part:

> I hope you will forgive me writing to you personally, but I know you are in the process of deciding whether to license Betfair or not.
>
> Until June last year when I retired, I was the chairman of the British Horseracing Board for six years.

He was the chairman of the British Horseracing Board, and some of us saw him on television during the Spring Racing Carnival saying to the Australian industry, 'Do not license Betfair.'.

The letter goes on:

> I have visited Australia at least annually over the past 10 years and have studied the Australian model particularly closely. I believe its combination of off-course, pari-mutuel system allied to on-course (only) bookmakers provides the perfect balance of income for the racing industry and opportunity and choice for the punter.
>
> I have seen first hand how betting exchanges have eroded margins and threatened both the integrity and finances of the sport in Great Britain. I believe they will ultimately prove the ruination of the British racing industry and can see that they have the ability to damage Australian racing to an even greater extent.

This letter was not from Mickey Mouse but from the person who spent six years heading up the British racing system; and he comes to us with his wisdom of dealing with Betfair and writes that. He goes to a minister who, by his own record as I outlined before, has had and has articulated integrity concerns of his own, a minister who had acted to protect Victorian racing and to stop people like Betfair ruining the Victorian industry, but who stopped his own action after someone got to him. He goes on to attach a particular article about Betfair. It seems to me that if there is any doubt about what happened here, you can say that Mr Savill is absolutely right in his concerns.

The South Australians have been very active also in relation to this particular matter, as all the states have been, until Tasmania pulled the pin. The South Australian racing minister, the Honourable Michael Wright, gave a speech in the United Kingdom recently where he talked at some length about the task force inquiry into betting exchanges, and he is reported as saying:

> The task force, in broad terms, recommended that betting exchange licences not be granted in Australia …

He also goes on to say:

> Of even greater importance, as far as the Australian racing industry is concerned, is the weakness of the argument presented by exchange operators regarding the supposed transparency of the wagering aspects of their business operation. As Peter Savill observed, 'What is the point of a paper trail that leads to 21 High St, Kowloon, which, when you get there, is empty anyway.

These are the people we are dealing with. We cannot get over the fact that Minister Pandazopoulos, acting in concert with other ministers, moved to outlaw this and then at the very last moment went weak at the knees — he was nobbled! Not only was he nobbled, he then tried to hide the fact. He did not tell anybody he had been nobbled. He just hoped that it would slide under the radar. If it had not been for the Clerk of the Parliaments writing to the President saying, 'This bill has been stopped', no-one would have known they had been got to.

What you would have expected this government to do if it decided to take that action to stop it was to come out with a press release, like all the other press releases that have been put out, and say, 'Today the Victorian government has taken the unusual action of deciding not to proceed to royal assent with this particular legislation because we have concerns about A, B, C, and D. If it had we would have raised our eyebrows, but at least we and the people of Victoria would have known what was going on, and we would not have got suspicious and to the stage where we can now plausibly establish the conspiracy theory that someone got to the government. Of all the indications about the way this government operates, the fact that this time it will not tell you what is going on when the rest of the time it always is telling you what is going on puts this among the most telling.

The South Australian government in a news release of yesterday said under the heading 'Betfair not fair at all':

> South Australia's Minister for Racing, Michael Wright, has supplied the Australian Racing Board with a copy of his draft legislative amendments aimed at blocking the controversial Betfair exchange's ability to take wagers from South Australian punters.

South Australians are moving along this line. I make another point about the influence that this organisation has in Victoria and about the contempt with which it treats Victorian racing. Betfair was asked to show on its web site that it is illegal for people to use its web site in Western Australia. It was asked by the New South Wales government to put on its web site that it was illegal to bet on Betfair if you were in New South Wales. You have to go looking to find it, but if you do you can find a little paragraph which says, 'It is illegal if you are physically located in New South Wales or Western Australia to bet on Betfair'. What we all know is that the Victorian government asked for exactly the same thing.

Hon. David Koch — It went through both houses.

Hon. BILL FORWOOD — Thank you, Mr Koch. The government did it by asking Betfair to put on its web site that in Victoria it was illegal.

Guess what? Betfair gave him a two-fingered salute. It had absolutely no intention of taking any notice of Minister Pandazopoulos because it has him wrapped up, and it knows it has him wrapped up, because he pulled a piece of legislation. It was a case of, 'Do not take any notice of Mr Pandazopoulos, he is a lightweight'. Mr Wright went on to say yesterday that:

> British-based Betfair allows punters to back horses to both win and lose.
>
> … the Rann government is vehemently opposed to Betfair because it believes it will compromise the integrity of the horse racing industry.

If it compromises the integrity of the horseracing industry, why did Victoria pull its legislation? Could someone answer the question? If it compromises the integrity of the industry, can someone please tell me why?

This motion before the house is simple in that it asks, straightforward and honestly, for somebody to please give us the explanation, for someone to please tell the truth. Could someone let us know why such an important and vibrant industry is being put at such risk?

On 17 August the Australian Racing Board put out a press release with the heading 'United, Unanimous and Determined'. It states in part that betting exchanges are to be shown the door by Australian racing. It goes on to say that the ministers were going to act in a way that prevented betting exchanges and some have and some are and some, in particular Victoria, have started the process and then stopped at the very last moment. If there is anything the people of Victoria are entitled to, it is an explanation of why!

Mr PULLEN (Higinbotham) — I join the debate on the motion moved by Mr Forwood. I love racing, and I am a member of the Melbourne Racing Club; I have a bet on most Saturdays. The last time the opposition moved a motion in relation to racing it was by Mr David Koch. I wonder why as the racing spokesman he did not move this motion today. Maybe last time Mr Koch did not put on such a good performance. I like Mr Koch, but his was then an ordinary performance, and I must say that I did him over. I said at the time that he must have drawn the short straw; I say today that Mr Forwood is clutching at straws — keeping it in relation to the straw market.

In the short time I have been here this must be the worst motion I have seen moved in this place. Mr Forwood's performance pales into insignificance when compared with his colleague Mr Koch who moved the most recent opposition motion on the racing industry; it was pathetic. I wanted to hear something new, but I heard nothing new. All I heard was abuse directed at a fantastic racing minister, with no evidence whatsoever to back it up. All we got was a conspiracy theory. No evidence was produced and nothing was put to back up the conspiracy theory alleged by the opposition today.

We know about the record of the opposition in relation to racing because it did nothing in its seven years in office. I have no doubt my colleagues will outline some of the benefits the racing industry has received since the Bracks government was elected in 1999.

The motion refers to the Racing and Gambling Acts (Amendment) Bill, which I spoke on. I recommend to Mr Forwood that he take the transcript to bed one night and read it — he will not fall asleep because it is riveting. Then he may learn about the aims of this racing industry bill.

The Racing and Gambling Acts (Amendment) Bill continues the Bracks government's work to minimise the leaking of wagering revenue away from the Victorian racing industry by the activities of unauthorised operators such as bookmakers and Betfair, which is mentioned in this motion. This is another example of the Bracks government listening and acting. We have listened to the Victorian racing industry and acted with the legislation.

Honourable members interjecting.

Mr PULLEN — You can laugh all you like, Mr Forwood, but this is a serious motion. You have made serious accusations against this government, and that is why I am answering them. I suggest you just stop grinning and treat this as a serious matter, which you claim it is.

The PRESIDENT — Order! Mr Pullen, through the Chair.

Mr PULLEN — Yes, through the Chair, President. I just want to cover a couple of the letters the government has received in relation to this matter. I will not read out all of them because I will not have time. The first is from Racing Victoria Ltd. It says:

> Racing Victoria Ltd wishes to express its appreciation for the Victorian government's — —

Hon. Bill Forwood — On a point of order, President, if the member is going to quote from a letter, he needs to tell us the date of the letter.

The PRESIDENT — Order! The rules of the house are that if a member is quoting a letter he needs to identify the source of the letter and the date of the letter — who wrote it and when.

Mr PULLEN — Sorry, I apologise for that. It is from Racing Victoria Ltd and is dated 10 June 2005. It is from Graham Duff, the chairman. I will just read the first paragraph:

> Racing Victoria Ltd wishes to express its appreciation for the Victorian government's introduction of the above bill in support of our earlier submissions to —
>
> > introduce a new offence prohibiting the unauthorised publication of race fields by wagering operators;
> >
> > formalise the transfer of the Racing Victoria Centre from the VRC to RVL; and
> >
> > clarify technical drafting issues in previous amendments associated with the establishment of the Racing Appeals and Disciplinary Board.

Now another letter.

Hon. D. K. Drum — No, you haven't got to anything in that letter yet. There is no point in that letter.

Mr PULLEN — Damian, you sit there and keep your mouth shut and you will learn a bit.

The next letter is from the Fédération Internationale des Autorités Hippiques de Courses au Galop — in other words, the International Federation of Horseracing Authorities — and is dated 23 June 2005. It states:

> The International Federation of Horseracing Authorities (IFHA) wishes to congratulate you on the legislation you have sponsored dealing with the unauthorised publication of race fields. The IFHA is the single representative body for the global racing industry with membership comprising the racing authorities in over 50 countries, including all of the world's major racing nations.

I mention that most of those nations have not introduced any legislation against Betfair at this particular time.

Hon. Bill Forwood — Holland has.

Mr PULLEN — I said most of them, and there are 50 countries. Listen! The final paragraph goes on to say:

> We view the legislation you have sponsored as representing a major step forward in implementing these principles and congratulate you on your initiative. Indeed this legislation sets an excellent example for other legislators around the world to follow.

Hon. Bill Forwood — When? You haven't passed the legislation. Tell me why. You did not say why.

Mr PULLEN — I will fill you in, you just keep your ears open.

Hon. Bill Forwood — I will.

Mr PULLEN — We have another letter here from the Asian Racing Federation.

Hon. Bill Forwood — And what's the date of this one?

Mr PULLEN — And this one is dated 30 June 2005.

Hon. Bill Forwood — Give us the October letters.

Mr PULLEN — I am coming to those. This letter from Dr Lawrence Wong says:

> On behalf of the Asian Racing Federation … I extend my congratulations on the legislation you have sponsored dealing with the unauthorised publication of race fields.
>
> …
>
> The legislative amendments you have introduced in Victoria are a major achievement by your government and will be applauded by the racing community around the world. They represent a textbook legislative expression of the principles of enshrining the GNP and article 28, and I am confident they will be mirrored by other legislators seeking to emulate your foresight.

Mr Forwood quoted a number of press releases from the Minister for Racing just to fill up his time, but I am not going to do the same. I will just quote from the one headed 'New laws tighten reins on out of town bookies'.

Hon. Bill Forwood — And what was the date?

Mr PULLEN — This was released by the minister on 27 May 2005.

Hon. Bill Forwood interjected.

Mr PULLEN — We are coming to that. The bill that was passed includes provisions that require wagering service providers outside Victoria to first obtain the approval of the appropriate controlling body before publishing or otherwise using Victorian race fields in the course of their business. The bill sets out the offence provisions that apply for non-compliance with the new requirements.

The new laws are being introduced — and I will give members an idea of when very shortly, so they should sit on the edge of their seats — in response to representations to the government by the racing industry. They are designed to further protect the integrity of our racing industry from the activities of wagering service providers who are not licensed in Victoria. These include corporate bookmakers operating from other Australian jurisdictions, as well as offshore wagering service providers. We know who they are, but there are probably a lot more of them than Betfair because this bill was not introduced only for Betfair; it was introduced for all bookmakers offshore and throughout Australia, such as the Darwin bookmakers.

Hon. Bill Forwood — Is it working at the moment?

Mr PULLEN — It is coming, don't worry. I told members to sit on the edge of their seats. They are going to learn a bit this morning.

As I said, these laws are designed to protect the integrity of our racing industry from the activities of wagering service providers who are not licensed in Victoria. These include corporate bookmakers operating from other places. The transactions of these operators are invisible to our racing regulators, and unless adequate access can be gained to their betting records, the integrity of our racing industry is exposed to risk. Reasonable access to this information will be a prerequisite of the controlling bodies in considering authorisation for the use of race field information.

I have no doubt that people like the Darwin bookmakers will apply for a licence and do the right thing. The same applies to Mr Packer. I have a lot of time for Mr Packer. His name happens to be mentioned with Publishing and Broadcasting Ltd (PBL**)** in Mr Forwood's motion. I think he is a genuine Australian businessman and a good man. I want to put that on record.

These operators also generate significant financial benefits from the wagering service provided on Victorian racing events but return nothing to the industry. In terms of the effect on Victorian racing, the industry estimates that in 2003 the leakage from the Victorian racing industry was around $324 million.

Hon. Bill Forwood — How much?

Mr PULLEN — It was $324 million — a lot. Our legislation is a direct response to these concerns. It will enable racing controlling bodies to have regard to the extent to which wagering service providers are contributing back to our industry in Victoria. The government is also aware that any transfer of wagering turnover from the Victorian Totalizator Agency Board (TAB) and bookmakers also represents a cost to the people of Victoria in forgone taxation revenue.

Why is there a need for the delay? That is what we are all here about. I want to give members some information on what the bill covers so that it is on the record. The government has stated in Parliament, as Mr Forwood pointed out; and outside this place in press reports, as Mr Forwood has again reported, that it has requested the short delay in obtaining royal assent for this bill to ensure that both the racing industry was ready to exercise its powers granted under this legislation and affected wagering providers would be adequately aware of their obligations.

Hon. D. K. Drum — You know that is not true, Noel.

Mr PULLEN — No, it is true. I do not want to repeat that, but I want members to read it again later.

I point out that the bill also provides for criminal sanctions for organisations acting in violation of its provisions, with serious and commercial consequences for their operations. As a government we needed to be confident that all was in readiness for the new requirements for the controlling body approval for the use of the race fields.

Despite some assurances from the relevant codes — and Mr Forwood only spoke about the thoroughbred racing industry, he did not talk about the harness racing industry or the dogs — we only discovered it because Betfair will bet on anything. It will even bet on the Liberals trying to win an election — and I tell you what, everyone will jump on that one, that is for sure. There will be good odds on that one; good odds that they cannot win. I would like to back a loser there, if I could get on. I would bet that the Liberals certainly would not win the next election. If you know anyone in Betfair, let me know.

Hon. D. K. Drum — Would you like to lay that bet?

Mr PULLEN — No, I do not bet illegally. I am just saying I would like to know if anyone knows anyone going to the UK, if they can get the price on the Liberal Party not winning the next election, let me know, and I will give them some dough to take over there to put on.

Hon. Bill Forwood interjected.

The ACTING PRESIDENT (Mr Smith) — Order! Mr Forwood has made his contribution, I think.

Hon. Bill Forwood — And I am going to make another one.

The ACTING PRESIDENT (Mr Smith) — Order! I am not sure about that.

Mr PULLEN — It was not very good, and I know he wants to have another go. Despite some assurances from the relevant codes, the government was not convinced that these important aspects of the operation of the legislation provisions were fully established. The government has sought advice and confirmation from the relevant codes as to how they will exercise their powers under the act.

Hon. Bill Forwood — When?

Mr PULLEN — I am coming to that. I told you — hold your horses. Sit on the edge of the seat. You will learn.

This is being assessed by the Department of Justice as a matter of urgency to provide the basis for advice to the government. As the government has stated, we remain committed to this important legislation. We are proud of this innovative legislation and we have taken — and listen to this because this is the knockout line — all steps to ensure its effective operation on receiving royal assent by the end of November this year.

This is a conspiracy theory. Do you think we are going to get this legislation and withdraw it? Do you really think that? You have got something wrong with you. This is legislation where we have asked for a few issues to be looked at because there were requests by the relevant codes. Do you really think we are going to withdraw this legislation?

Hon. Bill Forwood interjected.

The ACTING PRESIDENT (Mr Smith) — Order! Mr Pullen, through the Chair.

Mr PULLEN — Through the Chair, Acting President, do they think we are going to withdraw this legislation and do it in such a way that it will not go through? It is an absolute joke for the opposition and, I have no doubt, The Nationals to come into this place and think there is some sort of conspiracy theory and the legislation will not go through.

Hon. Bill Forwood interjected.

Mr PULLEN — The grandstanding by members of the opposition here today just proves their incompetence. Mr Forwood raised these matters. Let us have a look at the issue of unauthorised Internet gambling — he raised this very clearly and I give him credit for that. The issue of unauthorised Internet gambling was originally raised by the Minister for Racing, who led the charge by calling on the federal government — the mob of both those lots over there, the federal government — which has jurisdiction over Internet regulation to legislate to enable the states and the territories to deal with unauthorised Internet gambling. What did any of them do about it? Nothing. Typical of the opposition, typical of the federal Liberals — they did absolutely nothing, and members of the opposition are coming into this place now and criticising us.

In July 2003 the minister, with his fellow ministers for racing in New South Wales, South Australia, Western Australia and the Australian Capital Territory, jointly wrote to the then federal minister for communications and information technology seeking his support for legislation to enable state and territory governments to effectively regulate betting exchanges. Mr Forwood came in here and quoted South Australia. Has South Australia introduced the legislation yet, or Western Australia? No. We have introduced the legislation, and it will be passed before the end of the year. The action has been supported by the Victorian racing industry and all the sister codes throughout Australia. How did the federal colleagues of the opposition respond? They refused to act.

In July 2004 their federal colleagues announced their rejection of the industry and the state government's call for action from state governments and the racing industry. Not one member of the opposition in this place supported the Victorian racing industry's intense lobbying of the federal government on this issue. Where was Mr Forwood? Where was Mr Koch? And where was Mr Drum? They are all their mates up there in Canberra, and they did not put in any effort to get them to support this sort of legislation. Why not? That is what I want to hear in response from the opposition in this place.

The opposition is no friend of racing. My colleagues will no doubt tell us how good we have been to the racing industry — and I could go on for hours and hours. I even win at the track now. Since the election of the Bracks government, everything has gone well. Before the Bracks government was elected I never won at the races; now I win. It just goes to show that there is so much excitement in Victoria.

I just want to touch on a couple of things. The opposition did not support anything; it just ran down its laissez faire, free-enterprise path and decided to sell off the TAB. It sold off the TAB, and of course the TAB is

in a mess. It provides little or no service. As to people who claim it supports the small punter and that sort of stuff, if you go to the TAB now the minimum bet you can put on is $3. That is the great TAB that the opposition privatised.

An honourable member — Who made the call?

Mr PULLEN — You privatised; you could not care less about the racing — you never have and never will. I have been going a bit too long, I think.

Hon. Bill Forwood — No, you have not!

Mr PULLEN — The clock says I have 40 minutes. I know that is wrong, because I was told I had about 15 minutes and I have now been going for about 20 minutes. But I will keep going because I know you are learning something here.

Hon. Bill Forwood interjected.

Mr PULLEN — I have already told you what is happening.

Hon. Bill Forwood — No you have not! Who made the call?

Mr PULLEN — We on this side recognise the economic, social and cultural value of racing in Victoria. It is worth more than $2 billion — and that is why we have passed this legislation and why it will be signed off — and it employs over 60 000 people. Unlike the opposition, this government is committed to the racing industry all over the state.

I want to conclude on a few points. Unlike the opposition, this government has acted to support the racing industry in this state. That is what the legislation is all about, and that is why it will be signed off. This is demonstrated in our action through legislation and our continued financial support to the industry. The government has acted to provide every support it can to ensure the integrity and financial security of the industry and its future. Our legislation on the race fields is just that — our legislation. We have introduced it and are committed to ensuring its effective operation.

Before I finish I will return to the motion. I started off by referring to its words:

> That this house condemns the government, and in particular the minister …

As I said, that is an absolute disgrace because Mr Pandazopoulos has been, without doubt, the best minister since Nipper Trezise was in the government. He is an outstanding Minister for Racing and is seen as outstanding everywhere you go. Mr Koch, who is looking at me at the moment, would even agree with that. Everywhere you go throughout the state, all the racing clubs, the punters and all the bookies — and no doubt my colleagues will say how good we have been to the bookies and that sort of stuff — tell you that without doubt he is an outstanding minister.

Hon. David Koch — I never see him.

Mr PULLEN — You are always at the races; we see you there.

Hon. David Koch — I don't see the minister.

Mr PULLEN — No, you see me there, and that is pretty good, too. I refer to Mr Forwood's motion which states:

> (1) detail all of its dealings with Betfair;

What does that actually mean? What do you think this is all about? We have clearly outlined our position as far as that goes. It also states:

> (2) detail all of its dealings with the Tasmanian government over the licensing of betting exchanges and, in particular, Betfair;

Mr Forwood pointed out the fact that Mr Nason went to Tasmania and spoke to all the members of Parliament over there in relation to this. In fact, as members would know, we were very pleased to have Don Wing, the President of the Legislative Council of Tasmania, down at Colac with us.

Hon. David Koch — He is really worried about it.

Mr PULLEN — No — did you talk to him about it?

Hon. David Koch — I did.

Mr PULLEN — So did I. I think there are something like 15 members in that Legislative Council — 5 are members of the Labor Party and 10 are Independents.

He did not tell me how he thinks the vote will go but I talked to him about it for some time. It will be interesting to see how the overall vote goes. Mr Nason certainly went there and spoke to every member of the Tasmanian Parliament.

The next paragraph of the motion states:

> (3) detail all of its dealings with Publishing and Broadcasting Limited, a major shareholder in Betfair, over the introduction of betting exchanges in Australia —

and, as I said, I hold PBL in high regard. It has done a lot of good in Australia, particularly in my favourite sport of cricket, which it revolutionised. Any implication that PBL would have any control over the government is ludicrous, to say the least.

Hon. Bill Forwood interjected.

Mr PULLEN — I repeat: that is ludicrous. It might have control over the Liberal Party, but certainly not over the Labor Party, I can assure the house of that. That third paragraph of the motion further says:

> … and in particular over the decision to delay the royal assent of the bill; and
>
> (4) provide details of all other persons and organisations who lobbied the government to delay the royal assent of the bill.

This whole motion is clutching at straws. A conspiracy theory is being put forward by the opposition, which did absolutely nothing to try and get the federal government to do anything about Internet gambling. I would like to hear opposition members say how they feel about that. I certainly say that the motion should be and will be defeated.

Hon. D. K. DRUM (North Western) — Parliament finds itself in an amazing situation at this stage. The government said this sort of thing — a bill not receiving royal assent — had happened previously, but that was quickly trounced by the opposition in the following days**.** This type of thing has never happened before in the Victorian Parliament.

Mr Pullen wasted the time of Parliament because he spent his entire time during his contribution to the debate saying that his government is a strong opponent of betting exchanges and unregistered betting agencies, yet he did not tell us why it has taken such an extraordinary step. As the lead speaker for the government, Mr Pullen had the prime opportunity to answer the questions: why did the government take the extraordinary step of pulling the royal assent from under the Governor's nose? Standard procedure was being followed, and, as Mr Forwood said, the government had all the opportunities in the world up until this house passed the third reading of the bill. Until then the government had all the opportunity to look at some of the concerns that were supposedly raised by the industry.

It is nothing other than a blatant lie for anyone in the government to turn around and say that this delay had been sought by the racing industry. That has been said by the Premier and by the Minister for Racing in the other place, and it has been echoed by ministers in this chamber — but it is a blatant lie. The government needs to be held to account for making open-ended statements that effectively imply the delay was sought by the industry.

The industry is absolutely livid that it has been linked with the delay in this legislation being implemented. The industry had some concerns, as was pointed out by Mr Pullen, back in June about whether it would be able to get its administrative operations ready in time, but it addressed those administrative issues or concerns. The industry prepared its group of 40 or so interstate and unregistered bookmakers and agencies that it was prepared to go with. All were ready and eagerly awaiting this legislation to come through, but all were extremely surprised when they were informed that the legislation had been held up.

I congratulate Mr Forwood for moving this motion. This issue, the subject of the motion, could have been put to bed three or four weeks ago. It is now just six weeks from when the delay was first mooted by the government, that someone had alerted it. As Mr Pullen said, the government is apparently now concerned as to how it will exercise the power it has given itself under this legislation. What Mr Pullen failed to ask was: what exactly are the powers the government is concerned about?

Originally the government put the blame for this delay on the stakeholders, including Racing Victoria Ltd, but we know it is not to blame. Racing Victoria was prepared to move with the new legislation and simply called for the introduction of the bill in March 2006. As we have heard, this government said, 'That will not be possible. The bill will come into being on 20 September 2005'. We all know why that was — the government wanted to get the bill introduced prior to the enormous amounts of money wagered during the Spring Racing Carnival, but that did not happen.

The government has obviously been approached by somebody with strong connections to Betfair. What is the big issue about the timing? As Mr Pullen and Mr Forwood said in their contributions, we understand that almost the entire racing industry is currently in Tasmania talking to members of its Legislative Council. Tasmania has a different system: the bill is introduced into the house; the bill is adjourned; the house goes away, makes inquiries and takes evidence. Members then go back and discuss the bill after they have received expert advice.

The government informed the racing industry that this bill would be given royal assent either on 22 or 29 of November and that it would not be reintroduced into

the Parliament to be further amended. This delay has further exacerbated the problem, because the Tasmanian government is about to jump into bed with Betfair on the promise of untold wealth flowing into the state. The reality is that if Betfair enters Tasmania, the Tasmanian government will receive $5 million unconditionally from Betfair, irrespective of whether Betfair gets access to the Victorian market. It will receive that $5 million this year, and it will also receive $5 million next year. It is a large carrot for the people of Tasmania to knock back.

After the first two years, with $5 million going each year from Betfair to the Tasmanian government, Betfair will have to negotiate with the government about the arrangements for then on. That will depend upon the types of deals and access that users of the Betfair system will have within the Australian racing calendar. That will be very important, and that is where the Victorian government can have a huge impact on what the Tasmanian Parliament decides. If the Victorian government had acted a week ago — if on this Monday it had clearly indicated to the Australian public that nobody using Betfair will have access to any races in Victoria — then the Tasmanian Parliament would assess the benefits of Betfair and decide that the financial benefits are no longer available. If Betfair customers cannot access the Victorian racing calendar, if they cannot access any Victorian races of any of the three codes, obviously the financial benefits flowing to Tasmania will be dramatically less.

Why not just let Betfair come in, take the $10 million and then take a lesser deal in the future? One thing that seems to have been forgotten by the Victorian government — and I am sure the racing industry is alerting it to that at the moment — is that currently some $11 million is effectively gifted to Tasmania by this government through a tax exemption on all the moneys that Tasmanians wager in the SuperTAB pool. It is an enormous amount of money.

If the Victorian government wanted to make the Tasmanian government and racing industry abide by the letter of the law it would make the industry pay a tax on the contribution to the SuperTAB pool. Currently the Victorian government exempts it from that, and that is effectively a gift to the Tasmanian racing industry. If Tasmania goes ahead and introduces Betfair, which will effectively give it access to Australian markets, the Victorian government will obviously insist that the tax exemption that is an $11 million gift be wound up. The Tasmanian racing industry will find itself $11 million per year worse off. If that is the case, members of the Tasmanian Parliament will, in voting for the introduction of Betfair, be voting the state into a negative cash flow or balance sheet. They will be losing not making money for their state.

The Victorian government has allowed this crucial decision to lie out there in the wind. It could have been more decisive. If the bill had been signed and stamped by the Governor it could have taken the wind out of the sails of Betfair in its move to push into Tasmania and consequently into Australian markets. The legislation should have been finalised weeks ago but once the government had made the decision to present the legislation to the Governor for royal assent that should have been done at the very latest on the Monday just past. It would have had an enormous impact on the decision that the Tasmanian Parliament is about to make. We expect the government to come clean and tell us why it has chosen not to meet that time frame.

On Betfair, my question to people in the racing industry is whether their main concern is, as Mr Pullen said, about the $320-odd million that leaks out of the industry every year because people are not gambling through the TAB or the registered bookmakers who return the profits to the racing industry. Members of the industry tell me that is a concern but the major concern is the attack on the integrity of the sport. Racing without integrity is a very shoddy sport. Once people lose confidence in the integrity of the racing industry they will stop gambling or wagering on the sport. People at the TAB understand that and that to continue their push for racing to become one of the great sports and pastimes in this country integrity is at the forefront.

As members know, because there has been plenty of press about it, in the United Kingdom the official inquiry list goes to more than 80 — and I think it is more like 500 — racing events that have had to be investigated by the police. The number of suspicious racing events where short-price favourites inexplicably have run poorly and that poor run coincided with a large losing wager placed through a betting agency totalled 500, with 80 official inquiries and investigations by the police over the past two years.

On the one hand the Victorian government is saying it is strongly opposed to betting agencies such as Betfair being set up here. But what it is saying is different from the actions it is taking. Its actions are advancing the chances that Betfair will get a stranglehold in this country. Who will monitor the suspicious racing events in this country? The behaviour will fall outside the racing and gambling and casino control provisions and outside the racing industry.

When there are suspicious events where short-price favourites lose and that coincides with a large bet to lose through a betting agency or exchange, investigations will have to be undertaken by Victoria Police. We already have an under-resourced Victorian police force. Now we are going to lump onto it an additional 50 or 60 inquiries — which is 50 or 60 investigations per annum. The police will have to find people within their organisation that have an in-depth knowledge of the racing industry and an in-depth knowledge of the Internet betting industry. They are going to have to spend unlimited amounts of time without the expertise and the resources. The Victorian police will have to be out there investigating whether or not a trainer or a handler or a track work jockey or the race day jockey or the owners or whatever were able to have any connection to a betting exchange, and they are normally based overseas.

As Mr Forwood has said, these people do not ring up the betting agencies themselves. They ring up a franchise, an agency of the betting exchange. We have these groups that base themselves in Kowloon, in Dubai and right around the world, and their sole aim is to accept phone calls from anyone who tells them what to lay and what horse is not going to win. So it is not a straight link from the people involved with the horses. The actual people in the racing industry who would have prior knowledge of a horse which is not going to perform well would simply be making phone calls to betting exchanges and their agencies. They call them losing agencies. You just ring up the losing agency and they will do all the rest for you. They will put the wager on. In the event that your laying of a bet is successful, then they will fix you up at a date and in a manner that will escape any of the investigators who are going to be coming after you if you are seen to be too close to a losing horse. How are Victorian police going to investigate that? That question has not been answered. We need to understand that this is going to be an enormous impost on our police force if the police believe something like that is happening.

Mr Pullen's earlier contribution to the debate was not one of his best — I suppose it might have been one of his best, but it was not great!

Ms Romanes — It was good.

Hon. D. K. DRUM — It was not great. Mr Pullen read out many congratulatory letters from the June and July period. Of course the whole racing industry was supportive of the government at that time. The racing industry has pushed for this legislation. We need to protect ourselves from betting exchanges. The integrity of the industry needs to be protected. The industry needs to be protected from a loss of revenue. That does not need to be stated: we are all agreed on that fact. But Mr Pullen did not read out some of the letters which have been written by members of the racing industry and sent to the government after October. That was certainly remiss. Mr Pullen, the lead speaker for the government on this issue, danced around the crucial matter of why the government has taken this unprecedented action. As a member of Parliament, I think that was irresponsible of him. He should have been more exact.

I picked up the issue of powers in Mr Pullen's contribution. Mr Pullen said the government was concerned as to how it would exercise the powers within the act. What are the powers that it is concerned about? Is it concerned about — —

Mr Pullen interjected.

Hon. D. K. DRUM — You said the government was concerned as to how it would exercise the powers it has under the act.

The ACTING PRESIDENT (Mr Smith) — Order! Through the Chair, Mr Drum.

Hon. D. K. DRUM — That is my recollection of what Mr Pullen said. As I understand it, Mr Pullen said that the government is concerned as to how it will exercise its powers under the act. I will take great interest in what is in *Hansard* tomorrow. The question that needs to be asked is: what are the powers that it is concerned about? It has been clearly stated to Racing Victoria that once this bill is passed it will be in a position either to accept the racing exchange into the industry or not to accept it. That is fine, but there is also a part in the bill which effectively means there is a direct route for a betting exchange to bypass Racing Victoria and go straight to the minister, and there is a possibility — a probability — that will happen. I am led to believe that has caught the government unaware.

Betfair has no intention of following the spirit of this bill and applying to Racing Victoria Ltd (RVL) for a licence to be registered in this state. Betfair has no intention of going through those channels and has no intention of dealing with Racing Victoria. It has told Racing Victoria that it is not going to be seeking approval from the racing industry itself. Betfair has every intention of going straight to the Minister for Racing and applying for a licence under his special powers, which are contained in the original act. Therefore, as I understand it — and I am open to listening to anybody who is able to clarify that this is not the case — the minister is going to be the one who

will have the sole discretionary power as to whether Betfair is allowed to be licensed in this state.

Extraordinary pressure will be placed on the minister because betting exchanges are going to be coming straight to him, and he will be faced with making the decision that perhaps he thought he was palming off to the racing industry itself. If that is what is going to happen, I would have thought that the minister would have been well and truly aware of it. If those are the powers that Mr Pullen is talking about — the fact that the government is concerned about how it is going to handle and exercise those powers — we would have thought that that should have been known in the preliminary consultation stages of the bill. The minister should be well and truly aware of his current responsibility and the fact that those powers will not be relinquished in the bill which has been passed by the Parliament but on which the Victorian government has withheld royal assent. Maybe following speakers can ascertain whether what the government is concerned about is how it is going to exercise its power.

Mr Pullen went on to say that the government had been good for the racing industry. The racing industry might beg to differ. Only five or six months ago the health levy in this state was doubled from $40 million to $80 million. That money was taken out of Tabcorp. It might seem as if that money came from electronic gaming machine (EGM) profits; however, Tabcorp losing $40 million from its bottom line effectively impacts on the racing industry. I advise Mr Pullen that it affects the racing industry and that the racing industry will be $5 million worse off this year than last year because of this government's decision to double its health levy by taking money from electronic gaming machines. The racing industry would clearly question Mr Pullen's statements that his government has in fact been good for racing.

There was another little episode where the racing industry, without consultation, had the government announce a $3.5 million sponsorship of the Commonwealth Games. That sponsorship of the Commonwealth Games comes out of the joint venture that is Tabcorp, EGMs and the three separate codes of the racing industry — for example, just the gallops industry will find itself $3.5 million out of pocket as part of that sponsorship package to the Commonwealth Games. That was done without consultation, by the way.

That just happens as a matter of course with this government. It thinks it needs to prop up the Commonwealth Games sponsorship, so all of a sudden it just takes $3.5 million out of RVL. I cannot do the maths off the top of my head but I imagine it would be in the vicinity of $6 million to $7 million that is coming out of Tabcorp to support the Commonwealth Games. Again, this government made those decisions without consulting the racing industry at all.

If the government is serious in its claim that it has been good for the racing industry, I would like to put the argument that there are provisions in the Gambling Regulation Act 2003 which effectively mean Betfair is already operating in an illegal fashion. Division 7 in chapter 2 of that act is headed 'Services relating to betting'. Section 2.5.45 is headed 'Offence to promote or advertise betting or offer or provide services relating to betting'. Subsection (1) states:

> If a course of conduct is being engaged in of unauthorised betting on one or more sporting events, a person must not, knowing such conduct is being engaged in —
>
> (a) distribute any document to the public promoting or advertising the unauthorised betting …

Betfair is currently advertising unauthorised betting and is guilty of an offence under section 2.5.45(1)(a). Paragraph (b) states:

> (b) make any transaction relating to the unauthorised betting …

Betfair is doing that at the moment so it is guilty of an offence under paragraph (b). Paragraph (c) states:

> (c) offer or provide accounting, administrative or other services relating to the unauthorised betting.

Betfair is guilty of that because it provides a whole range of accounting procedures for its members.

We have a situation where a government is bragging in this Parliament that it is good for the racing industry. The racing industry is crying out for help in the fight against Betfair. Betting exchanges are operating in this state. They are already guilty of breaking state law but this government is doing absolutely nothing to penalise these breaches of our law. Betfair needs to be held accountable for the fact that it is breaching state law in three different ways. We have government spin and rhetoric on the one side saying all the things people want to hear but when we compare the spin with the government's actions, we find they are a long way apart. We expect a little bit more consistency with the government line and what it should be doing.

I must put the other side of the argument. An awful lot of straight up-and-down punters out there enjoy the opportunity to bet on the Internet. They enjoy the better odds Betfair offers. They enjoy the service. When betting on football, Commonwealth Games events and

a lot of these sporting events — tennis, golf, all sports betting — you will get a lot better odds through Betfair. It is a very popular way to bet. Those people who are serious about wagering find it is a very attractive way to find the best odds. They can bet for their favourite team to win but if they think there is dumb money on a favourite team and people are going to bet for sentimental reasons, if they think those silly Collingwood supporters do not have enough brains to realise that their team has no talent and will keep betting on them to have success, they can bet on Collingwood to lose, which would always be a pretty safe bet. We have to understand that this is popular with a lot of Victorian and Australian gamblers. However, we have to look at what happens when it comes to racing because when it comes to racing we have genuine integrity issues which need to be addressed.

We also need to understand the breakdown. We talk about the $324-odd million that leaks out of the industry but we must understand that for every $1000 that is wagered in this state, $840 is returned to the punter. That is a strong return, and Tabcorp structures itself so that there is that 84 per cent return. The remaining 16 per cent is averaged across a whole range of areas. That 16 per cent — for a $1000 bet it is $160 — is split between government taxes, which in this instance we are missing out on because obviously Betfair is not registered and therefore not paying any government taxes, and Tabcorp's operating costs and shareholder dividends. The remainder then goes back into the racing industry.

We know that in this state at the moment the racing industry is doing very well, but we have to be careful when government members stand up here and say those in the industry are doing well because of the way the government is treating them. We know that is not the case. They are simply doing well because of the strength of the industry, because of the quality of our horses, trainers and jockeys, and the fact that over a long period we have built up a Spring Racing Carnival which makes genuine money. We have also introduced an electronic gaming regime which generates enormous sums towards Tabcorp and Tattersall's, and certain aspects of the Tabcorp profit margin are simply pushed into the racing industry. We do enormously well in our racing industry on the back of what we do with electronic gaming machines. We must stay aware of that sort of thing and not just look at racing as an industry all by itself.

Regarding Betfair we need to be very sure that this government will in fact proclaim the legislation on 29 November. Without any doubt it should have had royal assent granted on 22 November. It should have come clean right from day one and told us the specific areas of concern and why the government elected to take the unprecedented action of stopping the bill. It would not have hurt the government to come clean with the people of Victoria, starting with the members of this chamber. I cannot understand why the government would not be up front and transparent as to why it took this action. It has left all of the Victorian racing industry puzzled and simply guessing. There have been four or five guesses, and we think they are qualified and reasonably accurate estimations as to why the government has taken this action to delay royal assent, but we should have been told. As members of Parliament we should have been told, and the Victorian racing public should have been told. The Tasmanian government needs to understand exactly where the Victorian government is heading with this and should have been told.

For the Victorian government to keep all these decisions behind closed doors, to handle all this in-house, has effectively already had a detrimental effect on the racing industry. It has already given Betfair a leg-up in its endeavours to get into the Australian racing industry, and that is something we certainly are opposing. We believe the government has only a few days left this month to uphold its final promise. It must come clean on that, and if there is any way it can influence the Tasmanian government by stating it will withdraw the tax exemption from Tasmanian money that gets wagered in the super pool fund, that is an $11 million impost that will then be put on the people of Tasmania and the Tasmanian racing industry. Then perhaps Tasmania's allowing Betfair into the state will not look so good. If the Victorian government takes that action, perhaps then and only then will we reach the result that we are all looking for.

I congratulate Mr Forwood for bringing this motion into the house, and I congratulate the racing industry for standing up to the government and saying, 'Do not include us in your excuse making. We did not ask for this to be delayed post-October'. We were ready for this bill to come into the house. Do not put out press releases saying it has been delayed because the stakeholders, including Racing Victoria, sought the delay. They did not seek to delay post October. They sought a delay back in June, July and September, and then got themselves ready for it and were well and truly ready. All of the stakeholders within the racing industry were ready and eagerly awaiting this legislation, and for them to be implicated in this delay is absolutely immoral and wrong, and the ministers doing it are liars!

The ACTING PRESIDENT (Mr Smith) — Order! That is an inappropriate comment, and I ask Mr Drum to withdraw.

Hon. D. K. DRUM — I withdraw.

Hon. DAVID KOCH (Western) — I would like to make a minor contribution to the debate today, which I believe has been a very good one. It is an historic debate, and I think the contributions by Mr Forwood and Mr Drum clearly outlined the situation in which we find ourselves in relation to the Racing and Gambling Acts (Amendment) Bill not gaining royal assent, having been pulled on 7 October.

I do not think for a second that this house would believe there is a conspiracy theory running here. What has taken place is pretty black and white, and I do not have any doubt in my mind that royal assent will not be granted to this legislation, which had passed through both houses by 4 October, as has been said here today, until the situation in Tasmania is resolved. We are aware that there is currently much lobbying going on in Tasmania, not only from Racing Victoria and its chief executive officer, Mr Nason, who I believe is there, but also from the Australian Racing Board and its chairman, Mr Andrew Ramsden. They are obviously in Tasmania doing everything they can to hold up progress on any thoughts of licensing online wagering outlets similar to Betfair or having access to information some of our corporate bookmakers will be using.

One of the main concerns of the mainland racing organisations is that these exchanges make absolutely no contribution to our racing product. As we have heard, Betfair has been operating without licence or authority in Victoria for about two years and has been raking off huge amounts of wagering dollars, principally due to the fact that those who wish to have punting opportunities are getting a larger return. As Mr Forwood and Mr Drum indicated, we currently see that 16 per cent of wagers is retained to support the industry following the privatisation of Tabcorp, a position that is certainly not responded to by Betfair and others.

We recognise that we find ourselves in an extraordinary situation. I agree that the racing industry should be bearing no blame or responsibility for what has taken place with the minister on this occasion, and certainly the industry was given a commitment that this legislation would be in place prior to the Spring Racing Carnival. The question that remains in the house is: who — —

The ACTING PRESIDENT (Mr Smith) — Order! Unfortunately the house will have to guess that question as the honourable member's time has expired.

Ms ROMANES (Melbourne) — I rise to oppose the motion moved by the Honourable Bill Forwood on behalf of the opposition this morning. I begin by stating my support for the magnificent job the Minister for Racing and Minister for Gaming, Mr John Pandazopoulos, has been doing over the last few years. I come to that view from the perspective of a non-believer in terms of the racing and gaming industry but also as one who has watched the initiatives taken over past years and who has become convinced, through the work of the minister and other government MPs like Mr Pullen and Mr Robinson — both firm advocates for this industry — of the important role of the industry as a major economic driver in this state. It is the provider of important recreation and tourism and jobs to many people across Victoria. Of course that is in the context of the Bracks Labor government's very clear, firm policies about responsible gaming. Also there has been a firm commitment to the welfare and integrity of the racing and gaming industries in this state.

It is a bit rich for the opposition to have moved this motion, given its record in government, when it did nothing except privatise the TAB and leave it to its own devices. It has done nothing in opposition to support the industry when compared with the Bracks Labor government's record of action and achievement, particularly in the racing industry.

We have seen a lot of conspiracy theories from the opposition this morning spinning out of control because of the delay in the proclamation of the Racing and Gambling Acts (Amendment) Bill. I want to respond to Mr Drum's comments on what Mr Pullen said in explaining the delay. There are heavy criminal sanctions attached to enforcement provisions of the act, and the government made it clear that it needed to be confident that everything was in readiness for the introduction of the new requirements for controlling body approval of the use of race fields.

Despite some assurances from the relevant codes the government was not convinced that these important provisions in the operation of the legislation were fully established. In other words, even though the racing industry may have said it was ready, the government was not convinced that all codes were ready. Mr Pullen made the comment not that the government was concerned about how the relevant codes would exercise their powers but that the government had sought formal advice and confirmation from the relevant codes about

how they will exercise their powers under the act. The advice from the Department of Justice was that there was a need for further assessment. In response to the delay we have seen these conspiracy theories floating around, getting Mr Forwood and others very excited about what they might make of them and putting forward all sorts of ideas about what it all may mean.

But everything that the minister and the Bracks government have done over the past few years has been to support the racing industry. It would not be consistent for the minister to put this formidable record at risk by doing anything to mitigate against the viability, security and welfare of the racing industry. The minister has worked tirelessly to support, promote and regulate the industry.

I could refer to a considerable list of achievements if I had more time. There is a range of them, including the Living Country Racing program supporting 95 country racing clubs and 195 minor capital works projects throughout Victoria, the racing tourism action plan and the Racing Community Development Fund, which has committed $11.5 million over two years to fund industry and community development projects across the three codes and throughout the state. There is support for the Spring Racing Carnival and for the Melbourne Cup tour as well as support to the tune of $3.75 million for the relocation of the Australian Racing Museum to Federation Square.

The Bracks government has introduced a range of reforms to ensure the viability of Victorian bookmakers to guarantee they remain a colourful presence on Victorian racetracks and do not get forced off by other interests. The Bracks government has passed legislation that provides the Chief Commissioner of Police with the power to exclude undesirable characters from licensed racecourses. It has supported research into the welfare of retired jockeys and a range of other initiatives to support jockeys as equal participants in the racing industry and provide for their welfare and their future.

Labor has amended the Racing Act 1953 to ensure that stakeholders in the racing industry are adequately consulted and both harness and greyhound racing bodies have developed long-term consultation plans with the assistance and input of their industries. Some of us who spoke on the Harness Racing Victoria topic in general business a few weeks ago have been kept constantly in contact with what Harness Racing Victoria has been doing ever since in terms of its consultation and other initiatives. We know a lot about what is going on across the state and, as I said before, it is a formidable record of achievement by the Minister for Racing in the other place, who is also the Minister for Gaming, and by the Bracks government.

It is all designed to make sure that this industry remains financially viable and also that there is confidence in the integrity of the industry and confidence in the future of the industry. My contribution this morning is in order to highlight the many achievements of the Bracks Labor government in supporting this industry. The opposition's motion is all about whipping up a storm and undermining the confidence of the industry. I do not support that and I urge members of the house to vote against that motion.

Mr VINEY (Chelsea) — Mr Forwood and Mr David Davis are like peas in a pod — they love the smell of conspiracy on a Wednesday morning. Both members come in here week after week on a Wednesday morning and put up the straw man to beat it down — they do it every week. As I have said about Mr David Davis, he could have got a job as a scriptwriter on that great movie *JFK*. In fact I am going to hire the DVD over the weekend and check to see whether Mr Forwood and Mr David Davis are mentioned in the subtitles, in the concluding remarks — —

Hon. Bill Forwood — Whether we are in the credits?

Mr VINEY — The credits, that is it! I want to see whether those members are in the credits because they love the smell of conspiracies on a Wednesday morning and they come in here week after week running them out. Mr Forwood in his contribution gave absolutely no evidence whatsoever of any conspiracy, any arrangements, any agreements, any discussions or any contacts between the government and anyone Mr Forwood regarded as untoward. Mr Forwood gave no evidence as to who the untoward characters in this conspiracy theory of his might be. Mr Forwood gave no evidence at all of anything to do with the issues he was raising or to back up his suggestion that somehow there was some improper action on the part of the government, as he said, putting in a fix and all the rest of it. Mr Forwood has no evidence because it did not happen. I am sorry, but if it did not happen there is not normally any evidence.

How can the member come in here without any evidence and say there must be something wrong? The member has simply chosen not to listen to the government's advice on this matter. But when the government has clearly said that it formed its conclusion on advice that — —

Hon. Bill Forwood — What advice? Whose advice?

Mr VINEY — Bill, you will get an opportunity to sum up.

Hon. Bill Forwood — And do you reckon I'll take it?

Mr VINEY — I'm sure you will, but just hold your horses, and listen to what we on this side are going to say. The government drew the conclusion that the industry was not yet ready.

Hon. D. K. Drum — The industry said it was ready.

Mr VINEY — No, Mr Drum, you're wrong.

Hon. Bill Forwood — Give us one piece of evidence.

Mr VINEY — I will come to it in a minute. Let me just say that the thoroughbred industry is one part of the racing industry, as is greyhound racing and as is harness racing. The government observed of the latter two in particular that there was no indication they were ready for the introduction of this legislation — certainly there was no mention of it on their web sites. The government came to the conclusion, on advice from its departments, that the codes were simply not ready. The minister came to this conclusion on advice from his department. We were left with a situation where breaches of certain parts of the legislation would be regarded as criminal breaches, which would mean people would be liable to criminal action, and the government did not want to put people in the position of possibly being in breach of the criminal law in the early stages of the introduction of important but complex legislation.

Mr Forwood said in his contribution, and has said to me privately, that if I relayed to him the advice the government had got in relation to this matter, he would move to have the motion not put. On 29 July the Australian Association of Bookmaking Companies wrote and asked for a delay. Racing Victoria Ltd, in a letter from Graham Duff, communicated in a similar vein with the government. Mr Forwood came in here and said he was going to pull the vote if he got the information. I am giving him that information, and I invite him to honour the commitment he made in his contribution and separately to me. Those are two pieces of evidence I can advise Mr Forwood of — and I can only go on what I am advised. Mr Forwood is at liberty to use the normal processes to get further into those if he wishes.

The more important concern of the government was based on those requests from the industry and on its observations of the industry. The conclusion it drew was that the codes were not ready for the implementation of the legislation. That is the reason for royal assent being withheld for six weeks. There is no conspiracy. If Mr Forwood wants to deal with the matter of Internet gaming, then he ought to pick up the eau de Cologne and call his federal colleagues, because they are the ones empowered with the capacity to make laws and regulations covering this matter. It will require — as he well knows, having been a legislator for 12 years now — —

Hon. Bill Forwood — More!

Mr VINEY — He has done the 12; it is an important number! But as he well knows, it requires both state and commonwealth cooperation to implement this legislation. The Honourables Bill Forwood and David Davis have done their regular Wednesday morning thing — they have come in here and alleged a conspiracy, when in fact they ought to be talking to their federal colleagues about the issues surrounding Internet gaming and the ability to back a starter to lose a race. I can tell members of one bet that is certain to be a winner, one where someone could use Internet gaming to bet on a starter losing — that is, opposition losing the election in November 2006.

The opposition does not do any of the hard work in policy matters. It does not connect with the community on the issues that are important. It did nothing to assist the racing industry when it was in government. This is nothing more than a conspiracy theory to try to create some TV coverage for Mr Forwood at the zenith of his career — and the concluding moments of his career. I invite Mr Forwood to withdraw the motion on the evidence that I have given him, but if he does put it, then I invite the house to reject it.

Hon. BILL FORWOOD (Templestowe) — Let me start by saying that I did make the offer to government members that if they were to come in and explain to the house why the bill, which passed this house legitimately on 4 October, was not given royal assent, then I would happily withdraw the motion condemning the government and the minister.

Hon. T. C. Theophanous — Okay. Do it! We have just given you the evidence.

Hon. BILL FORWOOD — I would, but what I got from Mr Viney was a letter dated 29 July asking for a delay, and a letter from Graham Duff of Racing Victoria Ltd dated 10 August. No-one has come in here

and said what happened to stop the royal assent after 4 October when the bill passed. No-one has said it. Let us not put too fine a point on this: we were advised in this place by the President of our house on Tuesday, 15 November — that is, last Tuesday, eight days ago — and she said:

> Following concerns raised in both houses regarding the delay in granting royal assent to the Racing and Gambling Acts (Amendment) Bill, I wish to inform the house that the Speaker and I have written to the Premier seeking advice on why there has been a delay in granting the assent to this bill and when the bill is likely to receive royal assent.

The President in this chamber and the Speaker in the other chamber have written to the Premier asking for a piece of information, and it is a contempt of the Parliament that the Premier has decided not to respond. We have asked here today why this legislation was stopped in its tracks, but we got nothing — nothing from any government speaker. The lead speaker for the government, Mr Pullen, was absolutely no wiser than anybody else about why this was pulled. In his contribution Mr Viney tried to pretend that while Racing Victoria Ltd may have been ready others were not, but his Premier, the responsible minister in this place and the Minister for Racing in the other place, Mr Pandazopoulos, all said that Racing Victoria was not ready.

Let us see what Racing Victoria said. An article in the *Herald Sun* of 21 October states:

> Racing Victoria has rejected government claims it had sought a delay in the introduction of laws to protect the state's racing industry from corruption.
>
> Racing Victoria chief executive Robert Nason said he had no idea why the government had directed Governor John Landy …

And here we are, over a month later, and the people of Victoria still have no idea why the government pulled this bill.

Mr Viney accuses me of having a conspiracy theory, but I say to him: where there is a stink and a whiff you normally find a pile of something causing the stink, and in this case the stink has come from the corrupt behaviour of the Bracks government and the corrupt behaviour of the minister responsible for racing and gaming. We know that the government itself brought a bill in here which was designed to protect the probity and integrity of the Victorian racing industry, and the government itself — without explanation — pulled its own piece of legislation. Let us be very clear about this: if industry was not ready, then the government had the capacity right up to 4.30 on the afternoon of 4 October not to put the bill.

What is the government telling us? That it did not know until after 4 October that it was not ready? That the justice department — —

Honourable members interjecting.

Hon. BILL FORWOOD — Sorry? You were ready?

Mr Viney — The industry was not.

Hon. BILL FORWOOD — So you are saying that you thought it was ready at 4 o'clock, but by 5 o'clock it was not ready. What are you saying? I am saying: who made the phone call? Who put the fix in? Which person got to the government? Where was the brown paper bag? Who got to you? What was the cause?

Mr Pullen — You are getting mixed up with Joh Bjelke-Petersen and the brown paper bag.

Hon. BILL FORWOOD — Until somebody — not the Premier — comes in here and says, 'We stopped the bill for this reason', what is the difference between 4 October — —

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

House divided on motion:

Ayes, 20

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

Noes, 23

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

Motion negatived.

SUPERANNUATION LEGISLATION (GOVERNANCE REFORM) BILL

Second reading

Mr LENDERS (Minister for Finance) — I move:

That, pursuant to sessional order 34, the second-reading speech be incorporated into *Hansard.*

In doing so I advise the house that there were some minor technical amendments to this bill which made no substantive difference to the bill but tightened up a few clauses.

Motion agreed to.

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

The primary purpose of the bill is to facilitate the integration of the State Superannuation Fund and the Emergency Services Superannuation Scheme.

Over the past two decades the Victorian government, in line with governments around Australia, has pursued a public sector superannuation reform agenda. This policy has seen the total number of public sector schemes decline significantly.

From around 100 funds in the 1980s, Victoria now has two major public sector funds, the State Superannuation Fund and the Emergency Services Superannuation Scheme, run by separate administrators.

The State Superannuation Fund comprises the remaining members of a number of closed public sector defined benefit schemes. All of these schemes have been closed to new members for over a decade and, naturally, membership numbers are steadily declining.

On the other hand, the Emergency Services Superannuation Scheme is an open defined benefit scheme. It is one of the few public sector defined benefit schemes in Australia that is open to new members. It will remain open to new emergency services workers. This is a recognition of the unique nature of work performed by Victoria's emergency services workers and the high value that the government and the general community places on the contribution of emergency services workers.

Transferring the administration of the closed State Superannuation Fund to the Emergency Services Superannuation Scheme is a logical further step in the rationalisation of Victoria's public sector superannuation.

As a consequence of this bill, from 1 December 2005 all of the administrative functions for Victoria's public sector superannuation schemes will be the responsibility of one entity. This means one board accountable to members and government. This is logical and makes economic sense.

A single administrator with a single management structure provides considerable opportunities for cost savings. It allows for the reduction of duplication in areas of IT, accounting, legal, and other consulting services and addresses the diseconomies associated with the declining membership of the State Superannuation Fund.

From the perspective of members, a single larger entity will be better placed to meet the needs of members moving forward.

Importantly, safeguards have been put in place to ensure that no member's benefit will be affected by the integration. Government also believes that it is important that the current high standards of service that members of both funds receive are maintained and, to that end, government will be entering into a memorandum of understanding on this matter with relevant parties.

The ESSS board will be restructured so as to represent the interests of members of the State Superannuation Fund and the Emergency Services Superannuation Scheme. The board will consist of six member-elected representatives and six members nominated by the Minister for Finance.

The bill also facilitates the Victorian Funds Management Corporation centralised model that will see VFMC responsible for investment strategy setting in relation to defined benefit assets.

However, the ESSS board will retain responsibility for investment matters in relation to its accumulation funds. This is appropriate as these funds comprise members' money and members bear the investment risks. It is therefore proper that the board which includes member-elected representatives retains control over investment decisions for these funds.

The changes contained in this bill reflect this government's commitment to sound prudential management.

The savings will ultimately benefit all Victorian taxpayers.

The bill also includes some minor amendments unrelated to the integration of the two funds.

First, the bill contains a minor amendment to remove an anomaly regarding the payment of deferred benefits to certain State Superannuation Fund members. The amendment will enable persons, upon attaining the age of 55, to access their deferred benefit regardless of any subsequent re-employment by the Crown. This brings the access requirements for these members into line with the rest of the State Superannuation Fund schemes.

Second, the bill extends the policy of allowing public sector defined benefit employees' access to salary sacrifice, in the context of enterprise bargaining negotiations, to emergency services workers.

I commend the bill to the house.

Debate adjourned for Hon. C. A. STRONG (Higinbotham) on motion of Hon. Andrea Coote.

Debate adjourned until later this day.

DUTIES AND LAND TAX ACTS (AMENDMENT) BILL

Second reading

Mr LENDERS (Minister for Finance) — I move:

That, pursuant to sessional order 34, the second-reading speech be incorporated into *Hansard*.

In doing so I advise the house that this bill also had some minor technical amendments in the Legislative Assembly.

Motion agreed to.

Mr LENDERS (Minister for Finance) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

This bill makes a number of amendments to Victoria's taxation legislation, for much of which there is already a level of industry or public awareness and support. Indeed a number of the changes are in direct response to industry submissions.

The Duties Act 2000 is amended in a number of ways. Firstly, as announced on 16 June 2005 there will be an exemption from duty for arrangements where senior Victorians enter into equity release programs with financial institutions. These programs are designed to give older people with limited funds access to equity tied up in their homes. Under these programs the customer can continue to live in their own home and continues to own the majority of their home. The financial institution does not realise their share of the proceeds until after the home is sold. The stamp duty exemption will apply for all transactions entered into from 15 June 2005. This is an example of the government working with financial institutions to encourage innovative schemes that help bring security and comfort to senior Victorians.

The motor vehicle duty provisions are amended in a number of ways, although the changes largely clarify existing intent rather than change policy. The government is confirming that there is an exemption from duty where there is a transfer of registration to effect repossession or restoration by finance companies. This has always been the intent though by reason of a technicality these were inadvertently brought to duty.

Some particular exemptions from motor vehicle duty currently depend upon a reference in the Duties Act to circumstances as established by VicRoads regulations — i.e., whether or not particular transfer fees are payable. This can lead to disparities and is unnecessarily convoluted. Therefore the government has decided to bring exemptions from duty currently governed by VicRoads regulations directly into the Duties Act itself. Whilst the government recognises that there should be a policy nexus between the application of VicRoads fees and the charging of duty this policy should be plain on the face of the taxing statute. A provision that exempts a transfer from duty should be located in the primary taxing act and not by reference to regulations.

A third change to motor vehicle duty is to confirm the intent that the due date for duty payable on an application for transfer of registration of a motor vehicle is the same as the due date for lodgment of the application, and penalty and interest does apply to late payment of duty. This change is necessary, as some taxpayers have mounted a counter argument on a technical reading of the current legislation.

There are a number of changes to the land-rich provisions of the Duties Act 2000 which have been the subject of consultation with the Law Institute of Victoria and other industry players. Indeed a number of these amendments flow directly from submissions received from stakeholders calling for recognition of changed practices in the land-rich area or for acknowledgment of evolving products and standards.

As well as receiving submissions in relation to the provisions, the State Revenue Office has had the benefit of exposure to a number of different transactions and has reviewed the provisions with a view to their detailed operation. The tightening of the threshold criteria in May 2004 and the closer scrutiny of the SRO to industry practices has led to specialist practitioners querying many areas of the new legislation. These proposals reflect these submissions and this review.

The changes have been the subject of consultation with industry representatives who had the chance to comment on the draft provisions. I thank them for their constructive approach and positive suggestions, most of which have been adopted.

The amendments fall into three categories: those that promote clarity; those implementing requests for change by industry; and those aimed at preventing potential avoidance. An example of a change that promotes clarity is where the commissioner's right to recover valuation costs are to apply separately to each property, not to the total valuation. This is also an example of where comment on the draft provision by industry led directly to a slight variation of this change — this ensures taxpayers are only liable for undervaluations if they actually lead to an increased liability.

A specific industry submission the bill adopts is to expand the definition of qualified investors in wholesale unit trusts to include wholly owned Australian investment vehicles for foreign investors, Investor Directed Portfolio Services, licensed Australian financial service providers and charitable trusts. These changes are reflective of evolving business practices and greater exposure to the land-rich provisions.

There are some proposed amendments that are necessary in light of an ongoing review of potential avoidance schemes that could be developed or utilised. These changes are expected and necessary to ensure the existing tax base is protected. Were the provisions left unamended, these potential avoidance schemes could have a serious and adverse revenue impact. Examples of such measures are the proposals to provide an ability to address the use of listing on non-Australian stock exchanges to avoid duty, and bringing to duty changes in the beneficial ownership of land-holders through the use of trusts declared over existing unit holdings. These provisions are important to protect the revenue base and maintain the robustness of the land-rich regime.

The government signalled in the May 2005 budget its intention to introduce a new regime for dealing with land tax on lands held in trusts. This followed a range of consultations between the State Revenue Office and various industry representatives last year. Although there have been a number of recent judicial decisions around the current provisions it is

the government's view that these provisions do not subject lands held in trusts effectively and equitably to land tax. The nature of trusts makes the usual assessing and aggregation provisions difficult to apply. There is an acknowledgment amongst tax advisers and industry groups that the existing provisions are not robust and are prone to misapplication.

Following the initial round of consultations in late 2004 and the government's public commitment in the budget to enact a new regime there has been a range of further consultations and various submissions have been received from different organisations. The model which is to be enacted in this bill is drawn largely from that proposed in a joint submission from major industry representatives, the Property Council of Australia and the Law Institute of Victoria. I thank these organisations, and others, who have contributed to this process.

As members of this Parliament are aware there is currently a bill before the Parliament which replicates the Land Tax Act 1958 in modern language and which deletes obsolete references, restructures the act in a logical manner and brings land tax under the administrative auspices of the Taxation Administration Act 1997. The new land tax trusts regime is an entirely separate project. The new trusts regime was not introduced directly with the Land Tax Bill 2005 as it is a significant change of policy worthy of particular scrutiny and consideration. The Land Tax Bill 2005 has been drafted on a no major policy change basis and so is not the appropriate vehicle for introducing such significant change. This Duties and Land Tax Acts (Amendment) Bill necessarily enacts the new land tax trusts provisions in both the Land Tax Act 1958 and the Land Tax Bill 2005. The reason for this is to ensure the information gathering provisions can take effect immediately upon royal assent to this bill. The government wishes to ensure that the new trusts model is in place for the 2006 land tax year.

The key elements of the new land tax trusts model are as follows:

Repeal of the existing trust provisions, contained in sections 51 and 52 of the Land Tax Act 1958, and clauses 18 and 44 of the Land Tax Bill 2005.

Introduction of a tax surcharge of 0.375 per cent for trusts with aggregate property holdings above $20 000. The default position is that trustees will be assessed at the new surcharge rates, on the aggregate value of land held in each trust.

As a transitional measure, trustees of existing discretionary trusts will have a once-off opportunity to nominate a beneficiary of the trust. The trustee will then be assessed at ordinary land tax rates on the trust land. The nominated beneficiary will also be assessed, at ordinary rates, on the aggregate value of the trust land and any other land owned by the beneficiary, subject to a deduction for any tax payable by the trustee. Land acquired by a discretionary trust after 31 December 2005 will be taxed solely in the hands of the trustee at the surcharge rate.

Trustees of fixed trusts will be able to provide the State Revenue Office with details of the beneficial interests in trust land. Equally, trustees of unit trust schemes will be able to furnish details of unit holdings. Trustees that take up this option will be assessed on the trust land at ordinary land tax rates. Beneficiaries and unit holders will also be assessed, at ordinary rates, on the aggregate value of a proportion of the trust land (calculated by reference to their proportionate beneficial interest or unit holding) and any other land they own. This assessment will be subject to a deduction for tax payable by the trustee.

Certain types of trusts will be excluded from the above arrangements. A trustee of an excluded trust will be assessed on the land held in the trust at ordinary rates, without the addition of the surcharge. Excluded trusts include charitable trusts, certain testamentary trusts, complying superannuation funds, public unit trust schemes and trusts for disabled persons.

In most cases, land held in a trust which is used as a principal place of residence of a beneficiary of the trust, and which is not otherwise exempt from land tax, will not be subject to the trusts surcharge.

Current exemptions for land which is held in a trust will not be affected by the new provisions.

All trustees holding Victorian land in trust will be required to submit a one-off return prior to 31 December 2005. There will also be various ongoing reporting requirements for trustees in certain circumstances.

In my second-reading speech to this Assembly in introducing the Land Tax Bill 2005 in early September I noted that bill would not be debated until later in the session and welcomed comments on the draft bill from interested parties. I am pleased to note that virtually no significant flaws have been detected. There are two minor oversights where provisions from the Land Tax Act 1958 were not replicated fully in the Land Tax Bill 2005. These were ensuring that orders in council made under the current act continue to have effect under the Land Tax Bill 2005, and a minor exemption from land tax where certain lands are used for market stalls. Therefore this bill contains these two further amendments to the Land Tax Bill 2005.

The bill reflects the government's commitment to an effective partnership with Victoria's taxpaying community, their advisers and industry representatives. This government will listen to fair and considered comment on its legislative proposals and is committed to a taxation system that is fair and equitable.

I commend the bill to the house.

Debate adjourned for Hon. BILL FORWOOD (Templestowe) on motion of Hon. Andrea Coote.

Debate adjourned until later this day.

WORKPLACE RIGHTS ADVOCATE BILL

Second reading

Ordered that second-reading speech be incorporated for Mr GAVIN JENNINGS (Minister for Aged Care) 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:

Introduction

The bill establishes an independent office-holder, appointed by the Governor in Council to promote the fair treatment of Victorian working families in the face of changes by the commonwealth government. These changes have the potential to undermine basic fairness at workplaces built up since Federation by removing the independent umpire that establishes and protects basic minimum conditions and industrial entitlements.

The federal government's so-called WorkChoices legislation has the potential to undermine current award conditions, not just the minimum rate of pay but other arrangements such as penalty rates, annual leave, meal breaks, public holidays, long service leave, allowances and hours of work.

This represents an attack on working people and will seriously impact upon work and family balance.

Victorian workers will be in a position where they will need to negotiate or accept agreements without any protective legislation or the independent arbiter to ensure that they are not being exploited. Workers will be under pressure to accept inferior workplace agreements that undercut existing wages and conditions. Employers too will come under pressure to reduce their employee's entitlements in order to compete. We saw this happen in Victoria when the former Kennett government referred industrial relations powers to the commonwealth without appropriate safeguards. This saw a race to the bottom as some employers were able to undercut others.

For this very important reason the Victorian government is establishing the workplace rights advocate.

Without legislation that ensures that agreements cannot undercut award conditions, and without an independent arbiter to ensure agreements do not disadvantage workers, it will be more important than ever to ensure that all Victorian workers negotiate or accept agreements in as informed a way as possible.

Access to information, advice and support will be crucial for workers negotiating new workplace agreements without the protection of a genuine safety net.

The workplace rights advocate will ensure that Victorian workers do not sign away existing rights and entitlements without knowing what they are, and without understanding the consequences of doing so. The WRA will also perform a watchdog role and track the impact of the commonwealth's changes on Victorian workers and their families.

The bill provides a broad framework for the Office of the Workplace Rights Advocate. This will enable the workplace rights advocate to flexibly respond to unfolding circumstances as the commonwealth changes are implemented over the coming years.

The workplace rights advocate will have two principal functions:

Firstly, to inform and educate employees and employers on rights and responsibilities; and secondly, to monitor and report on industrial relations matters.

The first role encompasses a broad range of strategies to provide assistance to Victorian workers. There will be an information and advice service using telephones and Internet. Strategies will be developed to actively promote industrial relations best practice in Victoria, for example by developing and promoting a code for bargaining in good faith, or by developing negotiation skills and materials for workers.

Research shows that workers are not well informed of their current industrial rights. This imbalance in knowledge, information and skills can be readily exploited, and it is appropriate for government to play a role in redressing this imbalance — in the same way as it has in relation to small business and consumer affairs. This information balance is critical for fair and informed agreement making. Under the bill the workplace rights advocate will report on specific issues such as the level of information provided to employees prior to entering into agreements.

In performing this role, the workplace rights advocate can engage other suitably qualified bodies to assist. Such bodies would assist the workplace rights advocate in the role of providing support and assistance to Victorian workers in light of the commonwealth changes.

The second major role of the workplace rights advocate will be to study and report on the industrial relations arrangements in Victoria, particularly the impact of the federal government's WorkChoices changes. As Victoria operates under the commonwealth regulatory framework, it is important that current and accurate information is available as to its operation in Victoria. The commonwealth has failed to conduct follow-up surveys to the groundbreaking Australian workplace industrial relations survey in previous decades, which makes monitoring and evaluation of recent and proposed changes difficult. Relying predominantly on research provided by my department, the workplace rights advocate will monitor and report both to me and to this Parliament on the impact of the commonwealth reforms on Victorian working families.

Particular attention will be taken to the impact of the changes on groups such as young people, families, women and the low paid and to particular industries or issues such as tourism and/or skill development. The workplace rights advocate will also examine instances of unfair or illegal practices, with the potential for employers who engage in such practices to feature in reports to this Parliament.

It will be an offence to victimise a person who seeks assistance or support from the workplace rights advocate.

The bill enables regulations to be made consistent with the functions and powers conferred on the workplace rights advocate by the act, for example the making of codes of practice.

The functions and powers of the workplace rights advocate are generally analogous to those of the small business commissioner in Victoria.

This office has been created to protect and support Victorian workers as a direct result of the commonwealth changes. A fair industrial relations system continues to be a priority for the Bracks government.

I commend the bill to the house.

Debate adjourned for Hon. C. A. STRONG (Higinbotham) on motion of Hon. Andrea Coote.

Debate adjourned until later this day.

HEALTH PROFESSIONS REGISTRATION BILL

Second reading

Ordered that second-reading speech be incorporated for Mr GAVIN JENNINGS (Minister for Aged Care) 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 services provided by Victoria's health professionals are fundamental to the delivery of high-quality health care to all Victorians. Victoria's regulatory arrangements for the health professions date back to 1862 when the first Medical Practitioners Act was passed. Since then successive health professions have achieved statutory regulation. Today there are 12 Victorian acts of Parliament and associated regulations that regulate separately the professions of medicine, nursing, dental care, chiropractic, osteopathy, optometry, podiatry, physiotherapy, pharmacy, psychology, medical radiation technology and, most recently, Chinese medicine.

The bill presented to Parliament today reflects the extensive research and consultation with professional bodies, the registration boards and consumers. Indeed, in unveiling these reforms, it is important to formally acknowledge the important role played by registration board members and their staff, highly committed people who are dedicated to their task of protecting the public.

All health practitioners have an obligation to act professionally and to provide quality services to the public. However, statutory registration boards play an important role in protecting the public and affording Victorians the confidence that our registered health professionals are well qualified to do the difficult jobs they do. Registration boards not only set standards for entry to the profession, they also protect the public by investigating complaints from consumers about unprofessional conduct by individual practitioners, and they apply sanctions to those practitioners if necessary.

The current Victorian legislative model for the health professions was established following an extensive review in the late 1980s, with the passage of the Nurses Act in 1993 and the Medical Practice Act in 1994. Since that time, as the various existing acts have been reviewed and updated, they have adopted the common legislative framework, and a new act has been passed to regulate the profession of Chinese medicine.

Following 10 years of operation of the Victorian legislative model, it was considered timely to examine its effectiveness, to ensure it equips our registration boards to protect the public and address emerging challenges.

Since the review was commenced in 2002, there has been extensive consultation with professional bodies, consumer groups and other regulatory authorities. In October 2003 a discussion paper titled Regulation of the Health Professions in Victoria was released. The paper canvassed a number of proposals for structural reform, as well as detailing many issues that had arisen with the current scheme and proposed some reforms to the model provisions.

In response to the discussion paper, over 120 submissions were received from individuals, professional bodies and registration boards. A number of studies were commissioned to provide further input to the review, including a study of the experiences and views of those who have made complaints to registration boards. In April of this year, a further options paper was released, narrowing down the structural reform proposals and inviting further comments. Public forums were held and submissions were again received and taken into consideration in developing final proposals for reform.

There are a number of important principles that have guided the review.

The first is accountability. Registration boards must be accountable to the Victorian community in carrying out their statutory functions.

Second, transparency. The decision-making processes of registration boards should be open, clear and understandable for both the consumers and the professions.

Third, fairness. Registration boards should maintain an acceptable balance between protecting the rights and interests of patients and those of the practitioners.

Fourth, effectiveness. The regulatory system should be effective in protecting the public from harm and supporting and fostering equity of access and the provision of high-quality care.

Fifth, efficiency. The resources expended and the administrative burden imposed by the regulatory system must be justified in terms of the benefits to the Victorian community.

Sixth, flexibility. The regulatory system should be well equipped to respond to emerging challenges in a timely manner, as the health care system evolves and the roles and functions of health professionals change.

And finally, consistency. As far as possible there should be consistency across Australian states and territories in the regulatory arrangements for the health professions.

This bill recognises and retains the strongest elements of the existing scheme, but also introduces a number of important reforms to ensure it is sufficiently flexible and fair to meet evolving service needs.

First, it repeals 11 registration acts that regulate the health professions, including relevant provisions within the Health Act 1958 and replaces them with a single act. Under the current scheme, with 12 separate acts, it is a resource-intensive task to keep all the acts up to date, and there is considerable lead time between when a reform is introduced in one act and when it is applied to the remaining

11 acts. This bill provides an overarching regulatory framework for all the registered health professions, while ensuring the unique regulatory requirements for each of the professions are met. The bill provides for the existing registration boards to continue in operation but under a single regulatory framework, with a consistent set of powers for each board.

Second, the bill establishes better separation of powers in the disciplinary processes of boards. The bill provides for the hearing of serious allegations of professional misconduct by the Victorian Civil and Administrative Tribunal, rather than within each board. This reform separates the investigation and prosecution function undertaken by boards from that of hearing and determining such disciplinary matters.

With the transfer of this function to VCAT, the bill preserves the principle of peer review in disciplinary decision making while creating a structural framework to ensure procedural fairness. Panel hearings within VCAT that make final determinations concerning health practitioners will be constituted by at least three persons, of whom two must be practitioners from the same profession as the practitioner who is the subject of the disciplinary action.

Third, the bill addresses some of the concerns that consumers and others have raised about the transparency and fairness of complaints handling by registration boards. There is a new right for complainants to seek a review of a board's decision not to investigate a matter, or to take no further action following an investigation. In such circumstances, a board will be required to establish an 'investigation review panel' comprising at least one practitioner, one lawyer and a nominee of the health services commissioner. The panel will have powers to reconsider the matter, and, if necessary, reopen the investigation and reach a different decision.

The bill also includes a range of reforms aimed at strengthening the transparency, accountability and flexibility of the complaints management and disciplinary processes:

> Complainants will have the right to seek reasons for decisions, and there will be a statutory requirement for boards to provide periodic reports on the progress of investigations.
>
> Boards will have more flexible powers to finalise less serious complaints through agreement with the practitioner and at times if this is constructive, by agreement between the practitioner, the complainant and the board.
>
> The informal hearings that boards currently run will be replaced by 'health panels' to deal with practitioners who may be unwell or incapacitated, and 'professional standards panels' to deal with conduct or performance matters.
>
> Panels will have the power to impose conditions on a practitioner's registration following a hearing, and the health panel will have the power to suspend a practitioner's registration without the need to go to a VCAT hearing.

Fourth, the bill establishes a limited requirement for boards to obtain the Minister for Health's approval of codes or guidelines that relate to qualifications for registration or the scope of practice of registered practitioners.

It is intended that these powers be used where such instruments have the potential to adversely impact on the work force and its capacity to deliver effective health services in times of changing demand. There are significant challenges facing the community in providing for the health needs of all Victorians. It is essential that the regulatory arrangements for the health professions not only support acceptable standards of training and practice, but also facilitate quality improvement and work force flexibility.

The bill also establishes a role for the boards in collecting information from registrants for work force planning purposes. In doing so, however, the need to protect the privacy of individuals is recognised, and necessary safeguards will be put in place by each of the boards to ensure this.

Fifth, the bill establishes consistent registration categories across all regulated health professions, including a student registration category so that responsible boards may regulate students who are undertaking clinical training. The powers of the boards in relation to students are limited to instances where a student may be suffering ill health or has been charged with or found guilty of an indictable offence.

The bill makes provision for endorsement of the registration of nurses who have qualifications to practise in midwifery. There are also provisions that allow registration of those who have direct entry midwifery qualifications but not general nursing training. This approach to regulation of midwives is considered to be in the public interest, as it will facilitate greater flexibility in the development and deployment of the nursing and midwifery work force.

There is also provision for the medical practitioners board and the dental practice board to endorse the registration of suitably qualified practitioners in approved areas of specialty practise. It is expected that these boards will exercise such powers within a common national framework for recognition of specialities.

Sixth, the bill provides for suitably qualified podiatrists to be endorsed by the podiatrists registration board to prescribe to their patients from a limited list of medicines. Establishment of this scheme, coupled with other reforms to streamline the process for adding new drugs to the list approved for prescribing by optometrists and nurse practitioners will improve access to services for consumers and make the best use of the expertise available in our Victorian health work force.

Finally, the bill extends to all boards the reforms to board structure and membership that were adopted with the passage of the Pharmacy Practice Act. Boards are to be constituted with between 9 and 12 members, of whom at least half must be registered practitioners from the profession that the board regulates, 3 must be persons who are not practitioners registered by the board, and 1 must be a lawyer.

The bill provides that the president and deputy president of a board will usually be practitioners from the profession. This is in recognition of the important leadership role these office bearers carry out for their respective professions. Only in special circumstances, where it is necessary for the effective operation of a board, would these roles be filled by board members who are not practitioners.

The provisions do not specify detailed requirements as to the types of practitioner members who must be appointed to

boards. However, the government is committed to ensuring that both the size and the membership of a board is reflective of the range of work roles of each profession and the settings in which practitioners work.

For example, on the dental practice board and the medical radiation practitioners board there should be a presence of practitioners from each of the divisions of their respective registers. On the nurses board there should be nurse members from rural and metropolitan work settings, from hospital and community settings, and from clinical, management and academic roles. There should be a presence of members from the different divisions, and those with expertise in psychiatric nursing, midwifery and aged care nursing.

Last year the government enacted a new Pharmacy Practice Act. This act contains important reforms relating to regulation of pharmacists, pharmacy businesses, pharmacy departments and depots. The bill replicates these provisions and allows the pharmacy board to continue its work. The provisions that regulate ownership of pharmacy businesses are continued and pharmacists should notice very few changes from their current regulatory scheme.

The bill establishes a new board, the Medical Radiation Practitioners Board of Victoria, to replace the Medical Radiation Technologists Board of Victoria. The new board will be an independent statutory authority rather than an administrative unit of the Department of Human Services.

The bill will bring the administration of the registration scheme for the medical radiation profession into line with that of the other regulated health professions. The Medical Radiation Practitioners Board of Victoria will move to the same model as the other 11 boards.

This bill does not address the regulatory requirements for the range of health professions that do not have statutory registration boards. Further work is being undertaken to address the regulatory requirements for these health professions, in particular to explore the feasibility of systems of negative licensing to deal with unregistered practitioners who engage in serious misconduct.

Finally, I would particularly like to thank the interested consumers, professional bodies and registration boards and their staff, who have put in many hours of their time reviewing documents, attending forums, and assisting the Department of Human Services throughout the review. Their contribution has been invaluable.

Both consumers and the professions stand to benefit from a regulatory scheme that is fair, accountable, effective and efficient. It operates to protect both consumers and practitioners and provide the best possible regulatory environment to support the delivery of high quality health services. These reforms will ensure a proper balance is struck between the rights and interests of consumers and those of the practitioners who deliver health services.

I commend the bill to the house.

Debate adjourned for Hon. D. McL. DAVIS (East Yarra) on motion of Hon. Andrea Coote.

Debate adjourned until later this day.

CHILDREN, YOUTH AND FAMILIES BILL

Second reading

Debate resumed from 22 November; motion of Mr GAVIN JENNINGS (Minister for Aged Care).

Ms ROMANES (Melbourne) — I thank the house for the opportunity to make a few comments on the Children, Youth and Families Bill. The provisions in the bill represent the most extensive changes to the child protection system for some decades. In its initiatives to tackle ongoing difficulties with the child protection system the bill reminds us that this is one of the most complex and difficult areas government and the community have to deal with.

It is most critical that the changes contained in the bill succeed, because it is so important to improve the prospects and the future opportunities for children who are caught up in protection services. The Bracks Labor government is committed to these changes and improvements both in the culture and practice of the way child-protection services are conducted and dealt with.

There are no easy answers in this area. There are challenges in terms of the balance that we need to keep in reconciling competing tensions while trying to do the best for any child who needs the support of the child-protection system and who is in a family that is dysfunctional, is not coping and, in some cases, is abusing children. Those two competing tensions are the importance of the identity of the child in maintaining solid relationships with the birth parents compared with the evidence that a lack of stability in the life of a small child aged 0 to 5 years can damage the child, and rotating care in and out of different foster homes so that the child is not given some stability can do irreparable damage. There are those sorts of competing tensions in trying to work out what is the best way forward to support the future development and life of children who need the help of this state and of the broader community.

The principles embodied in the bill that the government stands committed to are to continue to provide with a stronger focus than ever before early intervention and support to families to better maintain those solid relationships so that children do not have to be removed to out-of-home care or foster care if that removal can be prevented. That early intervention needs to be flexible and needs to be given in a way that takes into account the various complexities of different situations facing parents and children and to look to the best result for the children who are concerned.

The bill contains a head of power so that in the worst cases where there is a need to act swiftly to protect a child it will be possible to move a child into permanent out-of-home care after the child has been in foster care or out-of-home care for six months. That is to address the issues that have prevailed in some circumstances where there has been a culture of leaving a decision in regard to permanent out-of-home care sometimes too long. This head of power is designed to provide for a situation where stability planning and concerns about the lack of stability in a child's life can be taken into account and addressed.

A number of different organisations have made clear to me their ongoing concerns about some aspects of the bill, in particular the need for very close, vigorous and ongoing monitoring of how the provisions in the bill are implemented. Monitoring is needed to ensure that the shift in culture happens, that the accountability from the Department of Human Services and other agencies is there, and that everything possible is done before serious decisions like permanent out-of-home care placement are made. I think driving the concerns of many stakeholders in the community who are often dealing with these sorts of cases on a daily basis is the spectre of the stolen generation in the indigenous community and a concern that we do not want to be seen in years to come to have provoked or created more stolen generations, which creates its own ongoing problems.

It seems to me that there are two elements to effective ongoing monitoring which those stakeholders are concerned to see happen. Certainly as members of Parliament when we are introducing such important legislation my parliamentary colleagues and I will want assurances in place. Those two elements for ongoing monitoring are oversight of the implementation of the provisions of the bill and the resources to do better in terms of supporting families that are in trouble and helping them at a very early stage to get their family relationships back on track and to support families to work through some difficult situations.

I am heartened by the fact that in recent months we have put in place the new child safety commissioner; that appointment was made a few months ago and Bernie Geary has been appointed to that position. It is my understanding that the child safety commissioner does have functions to oversee the work in this area, including overseeing the functions of the advocate for children in care, including promoting and advocating for the needs of children in out-of-home care to ensure their safety, rights, best interests and wellbeing are protected; and advising on systemic issues relating to the provision of out-of-home care services and their impact on children in care. We are expecting — and I am sure this expectation will be realised — both the office and the person in that office to be a strong and independent voice for children and young people in the community.

For those who query whether this position is independent enough, because the funding for this Office of the Child Safety Commissioner does in fact come from the government, I point out that a lot of activity in the community at both government and non-government levels comes from the public purse. The proof of the pudding will be in the way in which the child safety commissioner carries out the task, but it is a position which is designed to be strong and independent and to primarily give a voice to children in this state, and to report not to the government but to the Parliament. We can expect to see very clear advocacy and information coming through from the commissioner to the Parliament, albeit while working with the department and other government and non-government agencies across the state, but alerting the Parliament to what some of those systemic issues are that may continue to be a barrier to providing the best outcomes for children who need the protection of the state. There is also the ministerial advisory committee which looks at children's needs and other bodies that we would expect also to play that ongoing monitoring role.

In respect of extra funding, again I was heartened at the announcement yesterday by the Premier, Steve Bracks, of an extra $75 million over the next four years to boost the funding available for Victoria's child protection and foster care systems. It is the single biggest boost to the state's child protection system in more than a decade and comes on top of a $101 million investment in child services and protection announced in April this year as part of the government's A Fairer Victoria package. As well as the actual funding, the Minister for Children in the other place, Sherryl Garbutt, also announced yesterday further initiatives to promote a better quality of foster care and child protection practice.

The government has a strong commitment not only to putting this bill through the Parliament to advance the mechanisms for working more effectively in the area of child protection, but also to providing extra funding to resource at a higher level the needs in this area. Of this funding, $25 million has been allocated to recruit 60 new child protection workers; $5 million for more training for child protection workers; $2 million to set up a new investigative unit to monitor child protection practice; $6 million to set up a specialist paediatric forensic assessment service to help doctors, hospitals and child protection workers to assess if the child has

been physically or sexually abused; $16 million to improve the quality and safety of foster care agencies, including stronger internal procedures to investigate and report abuse allegations, a central register and regular reviews of all foster care agencies; $2 million to set up a Victorian carers list to maintain a central list of approved carers and to identify more quickly any found to be unsuitable; and $6 million will be used to better assist foster carers, including a new support network, funding for planned respite if needed, and more assistance to manage and treat the complex behaviour of children in foster care.

This new funding will enable the government to bring forward the implementation of many of the reforms contained in the Children, Youth and Families Bill and the Child Wellbeing and Safety Bill. Nonetheless, there is a need to look carefully in the coming months and years at how the provisions of this bill are implemented. It is a weighty task for those involved in child protection services to take on such a difficult and complex job and to do it well. The commitment from the Bracks government is that it will work with those who are involved to do the best for children in this state. As I said earlier, there are no easy answers; we have got to keep watching, listening, learning and putting in place improvements all along the way so that we have the best outcomes for the children who are most vulnerable and most in need. I commend the bill to the house.

Hon. B. W. BISHOP (North Western) — I have much pleasure in rising on behalf of The Nationals to make a short contribution to the Children, Youth and Families Bill. I would like to congratulate my colleague Damian Drum for the work he has done on this bill, and other members in this house who have spoken on this bill and dealt with what I think is quite a difficult subject.

Nothing is more important than our children. I speak in more of a global sense, I suppose; certainly in respect of the troubled children we are talking about such as kids from broken homes and others we are dealing with today. I am not an expert in this area, but I do know what a difficult task it is. I put on the record that I take my hat off absolutely to the people who work with those children. It is a difficult task and I think they do a magnificent job.

I want to concentrate much more on the structure of the relationship between the department and the agencies. It is very important that that structure is right and that there is a feeling of partnership and of unity between the agencies and the department. That flows through, of course, to the people who look after the children in those particular circumstances.

It does appear to us in The Nationals that the government, and therefore the department, wants total and ultimate control through this bill. Again I make the point that it is absolutely crucial that this be a partnership exercise; that control in a difficult situation like that is geared to keeping the government and the department off the front pages of the paper and out of the media. But without partnership I think the task becomes much more difficult.

As I have said before, I am no expert in this field, so I requested some information and some background from a person who has worked in this area for almost 40 years — that is, Cr Vernon Knight who heads up Mallee Family Care, which operates across a lot of the Mallee. It also operates in New South Wales and I believe does some work in South Australia as well. That organisation is certainly spread across a fair part of Victoria and some other states.

The concern Mallee Family Care has with this bill is clearly stated, when it says it agrees with a number of Victoria's community based agencies and joins with them in strongly opposing the provisions of the children's bills concerning the appointment of an administrator in the event that an agency is deemed to be 'inefficiently or incompetently managed'. Those are the two words used — 'inefficiently' or 'incompetently' managed. Its concern is that it cannot find in the bill, and neither can we, where these terms are defined.

It may be that an agency could be targeted on the basis that its views are offside with the government or the department. I suspect that could happen. I know that Mallee Family Care stands up for its rights very strongly, but it stands up for its rights in an absolutely non-political way. I can guarantee that because I can remember in the previous government I took a deputation down to the minister of the time and certainly Mallee Family Care put its views very strongly to the minister, as it has done all the way through without fear or favour.

I wonder how the legislation reconciles the prospect that an agency could be deemed to be, again using those two words, 'inefficient' or 'incompetent' if they are maintaining an international standard that is well recognised. That is a good question because Mallee Family Care has full ISO accreditation, so I wonder where a decision by the department comes in in relation to that independent, international audit that is done on organisations that have the full ISO accreditation.

The legislation does not appear to involve any independent appeal procedures. I suspect in today's world that is hardly fair and, whilst I concede that the department may want to move very quickly at times — and everyone concedes and understands that, because their responsibility at the end of the day is to protect the children, and that is absolutely paramount — it does seem that there should be some provision in there for an appeal process.

The other interesting part we came to when we looked at this, and I suppose it is particularly driven by those of us who live in the border areas where a number of our community service organisations have contractual arrangements with other governments — for example, the New South Wales government and the commonwealth and the communities where they work — it does not appear that the legislation takes any account of this particular circumstance.

The question that was raised with us went along the lines of, 'How would the Victorian government view the possibility that its services could be managed by the New South Wales government in the event that the New South Wales government adopted similar provisions in relation to administration?'. We often struggle with border anomalies, but that would be one of the biggest we have ever seen, if it came to that circumstance.

If you follow that right through, you see that the full disclosure requirements in the bill would conceivably provide the Victorian government with access to information that might be commercial in confidence between the agency and other governments — the commonwealth government, in the case of Mallee Family Care, the New South Wales government and perhaps the South Australian government. There is no doubt that the legislation should provide for the rights and interests of those other jurisdictions.

The legislation also does not appear to take any account of the fact that many agencies are quite independent, with their assets being owned by incorporated associations or companies limited by guarantee. An interesting point in relation to administration is: what would give the government any right to take charge of buildings and equipment which had been bought and paid for by the communities these organisations serve? In the case of Mallee Family Care, as an example, all the operating assets are independently owned by Mallee Family Care Inc. That is a fact and can be well and truly proven.

They are some of the issues, and there are others. As I said, I think the situation with border agencies is particularly interesting, given the likelihood that they work in at least two states, perhaps three, and most of them would also work in the commonwealth jurisdiction. Again using Mallee Family Care as an example, it is interesting to note where its business is generated from. The Victorian government makes up 58 per cent of its business; the New South Wales government, 8 per cent; the commonwealth government, 10 per cent; and local government and/or the community, 24 per cent. So you can see that it is a diverse organisation whose responsibilities are spread over many jurisdictions.

When Mallee Family Care had a close look at the bill it went to its audit committee and asked for a review. The audit committee was concerned that the organisation would not easily be able to accept the current provisions in the bill without speaking to the other stakeholders who make up part of its business. It would be interesting to know what the other stakeholders said when they were approached on this particular issue — again, they could well be the commonwealth, New South Wales or perhaps South Australia. Another good example, of which my colleague Mrs Andrea Coote is well aware, is Chances for Children.

Hon. Andrea Coote — An excellent organisation.

Hon. B. W. BISHOP — A magnificent organisation which is under the umbrella of Mallee Family Care but is community driven. It has provided some tremendous opportunities in all levels of education to children who had not had those opportunities. In fact, it has been such a successful model that it has been adopted in other parts of the state. But clearly it is not a government thing, it is a community thing, and that raises questions about what would happen if administration were brought into play.

Mallee Family Care could feel so strongly about this that unless all these issues are sorted out it believes it could be forced to relinquish its work for the Victorian government. I do not think that will happen, because I am quite sure the system will be able to sort out the issues I raise today. When we talked about administration we could not find set out in the bill the terms of an administration — such as, how long the administrator is likely to be there and whether there are any directions or guidelines relating to that. That is another issue that is concerning a lot of our community service organisations.

While I have been using the circumstances of Mallee Family Care to make some points during my contribution to the debate, there are a lot of other organisations which are just as concerned — namely,

Anglicare, MacKillop Family Services, Upper Murray Family Care, Oz Child and Community Connections.

In its response to the exposure draft of the bill and the policy white paper Anglicare said:

> This is a draconian measure that provides government with an extraordinary level of power to intervene and determine the future of an agency. There is a presumption that community service organisations can control all the variables that might impact on performance outcomes, including unlimited resources.
>
> Anglicare Victoria is deeply opposed to this provision being enshrined in the proposed legislation.

Then we come to it today. I am sure that with goodwill and a lot of application those concerns can be addressed and will be. I know a lot of work has already been done while the bill has been between the two houses of Parliament, particularly on the issues I have raised today. I understand there is a reference group either in place or being put in place, or a committee, however it is described, that will be looking at these issues. I urge the government to address what I believe are very important circumstances which will either make or break the system.

As this bill moves through the house today, I require some comfort from the minister in his summing up and in the committee stage to ensure that these issues can be negotiated through. The issues are about partnerships between the government, the department and the organisations that supply this care and the people who provide that service — to whom I take my hat off. I will be interested to see how we go during the committee process, but I urge the minister to respond positively to the questions we will raise today on this very important bill for the future care of our children.

Hon. D. McL. DAVIS (East Yarra) — I am pleased to make a contribution to the Children, Youth and Families Bill, a large bill that makes many changes and a bill that the opposition does not oppose. The purpose of the bill is to update the Children and Young Persons Act, including incorporating parts of the Community Services Act, to provide community services to support children and families, to provide for the protection of children; to make provision for children who have been charged with or have been found guilty of offences, and to continue the Children's Court of Victoria as a specialist court dealing with matters that relate to children.

As has been said already, this is a large and complex bill. The opposition supports its general directions which expand the role of the non-governmental sector and bring a greater focus to family support and early intervention. However, there are concerns. I think it is fair to say that the bill does not really address a number of issues in that there will not be sufficient integration of mental health services, drug and alcohol services and other services of family support.

My colleague Mrs Shardey, the member for Caulfield in the other place, contributed to the debate on this bill in the other place and has thoroughly examined the legislation. I compliment her for the work she has done on this large and difficult bill. My contribution, particularly given the hour of the day, is to draw attention to a number of small matters that have been raised with me by medical and other health practitioners. In particular, issues around medical privilege have concerned a number of health practitioners who have made comments to me about this bill, both in writing and verbally. It is important that the government think that issue through more carefully. It is important to put down the Bracks government's increasing practice in this Parliament where legislation is brought late in a sitting with very little time provided for members to undertake the wide consultation that is necessary. While there is much in this bill that we support — —

Ms Hadden interjected.

Hon. D. McL. DAVIS — It is designed to crunch through things and make it hard for the Independents, The Nationals and the Liberal Party to fully and properly analyse legislation. What the government did with the Health Professions Registration Bill, the Children, Youth and Families Bill and its sister bill, the Child Wellbeing and Safety Bill, is scandalous and reprehensible. That practice has to be improved — for example, when we include another bill that will be debated in this place in the next few days, we find that there is now a serious pattern of human services legislation being brought to Parliament without proper examination.

Whilst I have not had primary responsibility for this bill — the member for Caulfield in the other place has — I have responsibility for the Health Professions Registration Bill, and I am very concerned about the way the government is behaving. It is simply impossible to consult sufficiently with 12 professional groups that have thousands of members in just a few weeks. This is a real problem. With legislation of the complexity of this bill you need people who can look at it very carefully and give independent and fearless advice. It is very difficult to do that when the bill is introduced on a Thursday, the end of a sitting week, then has its second reading, after which you get the material and a briefing is arranged for some time in the

following week. Often there is then only a week or so before the bill is subject to serious debate in the lower house. That is not satisfactory.

The government should understand that we have a bicameral system which allows a bill to sit between chambers and allows improvements to be made to it as it comes to the second chamber. However, that is not the approach it is taking. Increasingly it is just using numbers to ram important and far-reaching social legislation through this Parliament. I do not believe this is the sort of open and transparent approach the community expects from the Premier and his senior ministers. I implore them to reconsider this practice, because in the long run much of it will backfire.

The commencement date for this bill is 1 October 2007 and the commencement date for the Health Professions Registration Bill is 1 July 2007. It seems to me that any argument for a rush — for the need to crunch these bills through with just a few weeks examination by the community — is farcical.

The Minister for Health was tackled this morning on country radio by the member for South-West Coast in the other place. I have heard several reports of the debate that ensued on radio, but my point is that the minister had no serious answers to the questions put to her. She had no explanation of why the government is so determined to rush this legislation through the Parliament, ramming it through by using its overwhelming numbers in the lower house and its majority in this chamber. It is not clear why this government is so afraid of scrutiny, of the sort of approach that could be adopted.

I make a small number of additional points. Concerns have been put to me by medical and other health practitioners relating to the composition of the therapeutic treatment board, which is dealt with by part 4.13, and the need to ensure that properly qualified practitioners, particularly medical practitioners, are on the board. There are also issues around consent to the disclosure of information. In my view and in the view that has been put to me, the bill should be more explicit about the obligations of agencies to inform clients of the information they can disclose to third parties under this legislation, which gives the Secretary of the Department of Human Services and others wide powers to disclose information. Finally, there is the issue of medical privilege.

Clause 29 of the bill deals with unborn children, and the 1996 Australian Medical Association position statement on this issue is instructive about the need to consider a proper set of procedures with respect to those issues.

In conclusion, the opposition does not oppose the bill. We support the general direction of expanding the activity of the non-government sector, but we do have concerns — and I have particular concerns — about the process the government is using with this bill and with other important human services legislation.

Sitting suspended 12.59 p.m. until 2.03 p.m.

Business interrupted pursuant to sessional orders.

QUESTIONS WITHOUT NOTICE

WorkCover: reforms

Hon. BILL FORWOOD (Templestowe) — My question without notice is to the Minister for WorkCover and the TAC, Mr Lenders. I refer in particular to the $155 million reforms for injured workers announced by the government on 3 November. Could the minister outline to the house what investigations were undertaken to determine what benefits needed to be improved in those areas and what level of consultation took place in conducting those investigations?

Mr LENDERS (Minister for WorkCover and the TAC) — One of the things that I have been delighted about in the 11 months since I was appointed to the WorkCover portfolio has been the chance to be looking at a system which delivers benefits to injured workers within a reasonable premium to employers who pay it and focuses on a strong and vigorous occupational health and safety secretariat that provides both information to workers and workplaces and also enforcement in those areas.

The schemes have been in operation for a long time. Rules are in place and there is ongoing consultation on a range of levels, whether it be with the consultation bodies dealing with lawyers, employers and others, which the Victorian WorkCover Authority operates; with committees like the Occupational Health and Safety Advisory Committee, which was set up under the act in December last year and Mr Forwood is familiar with; or in meetings that I as the minister may have with employers, employees with their representatives, plaintiff lawyers and various others.

Out of that range of discussions which were held with various people, the WorkCover authority and I came up with a proposal which we think addresses some of the issues about benefits and gaps for some vulnerable

people, and particularly trying to get people back into the work force as early as possible. They were the areas of the discussion and that was the consultation we had. It was not a formal process like that of the Maxwell review of the act and other areas, but there were ongoing discussions by the VWA and me, as the Minister for WorkCover and the TAC, on which we formed the policy conclusion.

Supplementary question

Hon. BILL FORWOOD (Templestowe) — I thank the minister for his answer. I note that the minister did not mention the review done by Deloittes, and I ask whether he will make the Deloittes document available to the opposition.

Mr LENDERS (Minister for WorkCover and the TAC) — I will take on notice the status of the review with the Victorian WorkCover Authority, but there is nothing secretive about the Deloittes document. It was simply an effort — —

Hon. Bill Forwood — You did not mention it.

Mr LENDERS — Mr Forwood said I did not mention it. That is correct, I did not, but I am now on my feet seeking to give him an answer on where we have come from. The sole purpose of the Deloittes document was to try and have an informed debate so that we knew exactly what benefits were offered in this scheme— —

Hon. Bill Forwood interjected.

The PRESIDENT — Order! Mr Forwood has asked his question.

Mr LENDERS — We will find out exactly what the benefits are in other jurisdictions in this state and have an informed decision of where we are headed and determine whether we are ahead of the pack, behind the pack and where we are in other areas. One of the conclusions of the Deloittes document is, of course, that in some of these cases it is like matching apples with pears: the schemes are all quite inherently different. I will certainly refer it to the VWA. I am sure we will be happy to brief Mr Forwood in general terms, but as to the status of the document, I will have to take its advice.

Energy and mining: projects

Mr VINEY (Chelsea) — My question is directed to the Minister for Energy Industries, who is also the Minister for Resources. Can the minister advise the house of any recent reports on the value of Victorian committed energy and resource projects, how this compares to other states and historical trends, and how the Bracks government is working to build a better future?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — I thank the member for his question. The good news in the energy industry and resources areas keeps coming. It is good news for Victoria, good news for Victorian families and good news for Victorian investment.

I am pleased to be able to report to the house that the most recent Australian Bureau of Agricultural and Resource Economics report on energy and resource projects released last week highlighted again the boom in committed energy and resource projects in Victoria. ABARE reported that the value of committed energy and resource projects in Victoria had reached $2.2 billion. This is well and truly ahead of New South Wales, which traditionally has a greater value of projects than Victoria and South Australia. In fact in New South Wales the estimated value of projects was only $1.9 billion. When you think about the relative size of New South Wales and Victoria, this is a fantastic outcome for Victoria.

The report confirms that Victoria is still third among the states in resource development. Only the much larger and resource-rich states of Queensland and Western Australia have recorded greater investment than has occurred in Victoria. Historically Victoria has always lagged behind New South Wales and South Australia in resource development. That was the case during the Kennett years as well. But that is not the case today. In recent times there has been a significant change. This recent ABARE report highlights again how Victoria is outperforming these states.

The new figures highlight a remarkable change in Australia's mining industry as well. The value of committed onshore mining projects in Victoria has reached $710 million. This means that since October 2004 Victoria has ranked second to Western Australia in relation to the mining industry. If you think about its significance, this remarkable performance means that one-third of all committed mining projects in Australia outside of resource-rich Western Australia are happening in Victoria. It is an amazing outcome for this state. It means jobs for regional Victoria, it means investment and it means a better future for all Victorians.

In addition to these huge investments, ABARE notes that two major resource projects were completed recently in Victoria, including the Yallourn coal field development project at a cost of $120 million and the

Basker Manta oilfield development at a cost of $260 million. The Bracks government is working with the industry to promote investment. That is in total and obvious contrast to what happened under the Kennett government. Victoria now has greater investment and is a leading force in the mining area. The government is creating jobs and investment in regional Victoria.

Energy: conservation

Hon. ANDREW BRIDESON (Waverley) — I direct my question without notice to the Minister for Energy Industries. I refer to the speech made by the Minister for Environment in the other place, John Thwaites, at the Energy Users Association of Australia conference on Wednesday, 12 October, when he stated that the minister for resources and energy would be announcing an energy saving campaign similar to the water saving campaign around Christmas time. Can the minister inform the house of the details of the proposal and how much it is expected to cost the government?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — I cannot comment on what my ministerial colleague may or may not have said, as I was not there. However, I am happy to talk about the energy saving campaign as a response to the member's more general question. We are trying to go to the next phase of energy saving in this state. We already have a comprehensive campaign involving changing the technology that people might use in their homes. It might be through the promotion of five-star appliances, and we have introduced a whole range of standards in relation to five-star appliances. It might be through the introduction of the idea of five-star homes. All new homes have to achieve a five-star rating, which means that they have to put in a whole host of different technologies to try to reduce the amount of energy they use.

That is why we on this side of the house believe we have a responsibility to try to reduce energy consumption as much as we can as a first step in trying to reduce emissions. Within that context, there is one area that the government believes it can do more about — that is, in the area of behavioural change. This is where we would like to see people start to take responsibility for the amount of energy that they consume — it might be by switching off unnecessary lighting or by making sure that they do not unnecessarily leave various appliances running that use electricity.

Changing the behaviour of people has been very successful in the area of water — and I am sure all members support that campaign, which has reduced the amount of water that is consumed as a result of Victorians taking responsibility for their own consumption. We are seeking to do something similar in the area of energy consumption, whether that be by people setting their airconditioners at 24 degrees instead of 20 degrees in order to reduce the amount of energy that is used at critical times, whether it be by people turning lights off or not having appliances on stand-by for days and days or whether it be by people turning their computers off at night. All of these behavioural issues are important.

The only way to get that across is to have some kind of campaign around this sort of issue. The details of that campaign, including the timing of it, are still being finalised. However, we are looking forward to having a significant, responsible campaign designed to reduce the amount of energy consumed not just through technology changes but also through behavioural change.

Supplementary question

Hon. ANDREW BRIDESON (Waverley) — While those behavioural issues are very important, will the Minister for Energy Industries admit that the government is considering a ban on the use of airconditioners during the summer period?

Hon. T. C. THEOPHANOUS (Minister for Energy Industries) — I could start off my answer by saying, 'You are an idiot', but I know the honourable member did not write the supplementary question; whoever wrote the supplementary question is an idiot.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — I am not saying it was you, President; I am certain it was not you. In my answer to the main question I explained how we want to encourage people to change the settings on their airconditioners in order to reduce energy use. However, the idea that we would force people to do something like this is an absolute nonsense. It is being raised by the opposition in a desperate attempt to have some kind of issue it can run with in the energy sector because the energy sector is doing so well for families in Victoria.

Commonwealth Games: business opportunities

Mr SMITH (Chelsea) — My question is to the Minister for Commonwealth Games, the Honourable Justin Madden. The Melbourne 2006 Commonwealth Games will undoubtedly generate fantastic benefits for Victorian businesses. I ask the minister to outline what actions the Bracks government has taken to assist

businesses to harness the opportunities being created by the games.

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome Mr Smith's question and his particular interest in the business opportunities around the Commonwealth Games. I have said on many occasions that this will be the biggest sporting and cultural event in Victoria's history. What is even more important is it is about more than just sport. As important as the sport are the opportunities that will be waiting for people in and around the games, particularly businesses. We are expecting something in the order of 40 000 international and 50 000 interstate visitors to attend the Commonwealth Games, and that will have a significant impact on Victorian businesses, particularly those businesses around games precincts. The expected economic impact of the games is net growth in the order of $1.5 billion, but the economic activity in terms of expenditure generated is in the order of $3 billion. There are games business opportunities out there for the taking.

In addition, given that the games business environment reflects the great shape of the Victorian economy, we are making Victoria not only a great place to live and raise a family but an even better place to invest and have a business. The Commonwealth Games will provide business opportunities to small, medium and large companies. The diversity of business opportunities has been absolutely extraordinary. Take for example the redevelopment of the Melbourne Cricket Ground — delivered by the Bracks Labor government. Whether it is providing curriculum materials for the education program, supplying uniforms for volunteers or designing and manufacturing the Queen's baton, the business benefits are outstanding. These are just a few examples.

Other programs include the business benefits program, which maximises opportunities for state businesses. We are doing that because we appreciate that the knowledge, service and experience base of many businesses can be transferred to or implemented in future event cities like Beijing, Delhi or London. The initiatives in the business program include maximising local content in the games wherever it offers the best value through the Victorian industry participation policy. We are also creating in partnership with the Industry Capability Network a web site where businesses will be able to register their details, giving them the inside running on games tenders and supply opportunities. Already the ICN has assisted more than 1000 Victorian businesses win games-related business worth in the order of $100 million. We have established Business Club Australia: Melbourne 2006, a joint venture between the Victorian and Australian governments. This is creating international business opportunities around the Commonwealth Games.

Another major business opportunity is the Business Ready program. This is a joint Victorian government and City of Melbourne program to help Victorian businesses maximise the positive impact of the games. With these business initiatives we are working with every level of government to show how collaborative the games are and how united we can all be by the moment. There will be a Business Ready kit to provide businesses with information, whether it be in relation to traffic, parking arrangements, public transport, staffing or freight distribution arrangements. This will be the biggest event ever in this state. It is a tremendous opportunity to showcase our capabilities to the rest of the world and make Victoria an even better place to live.

Roads: irrigation structures

Hon. B. W. BISHOP (North Western) — My question without notice is directed to the Minister for Local Government. I refer the minister to the suggestion by the president of the Municipal Association of Victoria, Geoff Lake, on ABC radio yesterday that the government is planning to amend the Road Management Act to reverse the provisions which transfer ownership of road structures over irrigation channels and drains to local government, and I ask: can the minister confirm that the government is planning to relieve local governments of the responsibility for maintaining road structures over irrigation channels and drains?

Ms BROAD (Minister for Local Government) — I can certainly confirm, and this has been previously advised to the house, including by the responsible minister, the Minister for Transport in the other place, that the government was working with the Municipal Association of Victoria on finding a resolution to this question. Clearly time has got away from us in terms of any capacity to address this matter in this sitting of Parliament because Parliament rises very shortly, but I can certainly confirm what has previously been advised: that the government intends to resolve this issue and that the relevant legislation is in the transport minister's portfolio.

Supplementary question

Hon. B. W. BISHOP (North Western) — Firstly I thank the minister for her answer. Can she give the

house an assurance that those amendments will be made as soon as the Parliament resumes next year?

Ms BROAD (Minister for Local Government) — As I think I made clear, this is legislation which is the responsibility of the transport minister. All ministers have important legislation which they seek to make bids for in the legislative program, and I am sure this will be a high priority for the transport minister.

Aboriginals: leadership program

Ms MIKAKOS (Jika Jika) — My question is to the Minister for Aboriginal Affairs, Mr Jennings. Can the minister advise the house of recent actions by the Bracks government to build a better future for indigenous Victorians by supporting indigenous leadership programs?

Mr GAVIN JENNINGS (Minister for Aboriginal Affairs) — I thank Ms Mikakos for her question. I know through her actions as Parliamentary Secretary for Justice she has a profound and abiding interest in the wellbeing of Victorian Aboriginal people. I am pleased to report to the house that we are building upon our commitment to support indigenous leadership through a new initiative associated with the Sir Douglas Nicholls Trust and through the prism of the Long Walk, which will be embarked upon on 4 December. It will build upon a commitment by our government to support indigenous leadership, most demonstrably shown by a $1.8 million leadership program that we have funded through the Community Support Fund, through VicHealth and through the Department for Victorian Communities, which engenders greater capacity and wherewithal within young indigenous leadership in particular.

We have seen some shining examples of youth leadership and the capacity of younger people within the Aboriginal community to assume leadership roles. It will hopefully serve their communities and Victoria well by addressing the empowerment of Aboriginal people and making our community both stronger and one in which young indigenous leadership can truly flourish.

We have provided support in the past through the Sir Doug Nicholls Trust, which offers a fellowship to give intensive support to outstanding leaders in the Aboriginal community, to enable them to embark upon community development work. The most recent fellow of the Sir Doug Nicholls Trust is Paul Briggs, a well-known member of the Yorta Yorta community from Shepparton. He is intimately involved with the Rumbalara Football Club and any number of initiatives that are associated with the Council of Australian Governments trial and other endeavours within the Goulburn Valley.

Paul Briggs walked with Michael Long last year on the very famous Long Walk to Canberra to identify the cause of Aboriginal people — —

Hon. D. K. Drum — How far did they get? Did they get there?

Mr GAVIN JENNINGS — They got right to the Prime Minister's door, but when they started their walk, there had been a deafening silence about the welcome they would receive from the federal government, but the strength of the community activism and the publicity associated with that Long Walk meant there was a political imperative for the Prime Minister to welcome them into his office — a recognition of the need to reconstitute reconciliation as a major endeavour within the Australian community.

The Australian government was dragged kicking and screaming to that discussion, and the journey is not complete. Members of the chamber and members of the community might know that Michael Long has been continuing that focus and spirit of reconciliation through the prism of the Long Walk that is taking place on 4 December around Princes Park. It is the Long Walk by name but not necessarily a long walk in distance. The journey of reconciliation will continue on 4 December, and I encourage members of the chamber to be more interested than they appear to be at the moment and active in the name of reconciliation — and active within the Victorian community — in rising up and supporting reconciliation.

The Victorian government has provided $150 000 in support through the ongoing fellowship from the Sir Doug Nicholls Trust. We are very pleased to provide that degree of support to encourage the leadership within the Aboriginal community to flourish and reach its full potential, and that is the objective of the Long Walk; that is the objective that will hopefully unite members of this community in the name of reconciliation and the greater capacity of Aboriginal communities in years to come.

Real estate agents: licensing review

Hon. B. N. ATKINSON (Koonung) — I direct my question without notice to the Minister for Consumer Affairs, the Honourable Marsha Thomson. I note that the government has enacted significant changes to legislation governing the operations of real estate agents and has expanded the regulatory regimes with which

agents must comply. I also note that the minister and the government have argued that the increased red tape for the real estate industry has been necessary to protect consumers.

Will the minister advise the house on the instructions issued to the Estate Agents Council to review the current licensing provisions of the Estate Agents Act with the view to expanding the exemption provisions for professions such as lawyers and accountants, and would she indicate how long this review is expected to take?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I thank the member for his question. We do give some very serious matters to the Estate Agents Council to look at from time to time so that the government can continue to review the act and how it operates and understand what changes there are in the marketplace to ensure that the council can recommend to me effective ways of guaranteeing that we keep our legislation up to date — the things we need to look at from time to time to ensure the legislation is relevant to today's standards.

One of the things that we are interested in having a look at is the provisions that other qualified persons need to meet in order to practise their professions and whether those qualifications may or may not meet what is needed for them to expand their horizons in the areas they advise individuals on to the sale and purchase of property. It is not the only thing that the Estate Agents Council is looking at. One of the things I have asked it to look at is whether or not we need to review the practices in the marketplace on advice that is given, who may or may not provide that advice to Victorians; what standards they should meet and whether or not professions meet those standards via the qualifications and practices they already have.

I look forward to the deliberations of the Estate Agents Council. I know it will involve the industry, the Real Estate Institute of Victoria and other interested real estate agents as it goes through that process, as it will involve talking to the Law Institute of Victoria, accountants and the general public about whether or not there might be validity in a change to who has the qualifications to give advice on the sale of real estate.

Supplementary question

Hon. B. N. ATKINSON (Koonung) — I thank the minister for one of the most responsive answers to a question without notice we have had in this place in this term of government. The minister, however, did not indicate how long she expected the review to take. Can the minister advise whether this review is the reason that she and Consumer Affairs Victoria have taken no action to stop Peter Mericka of Lawyers Real Estate from trading as a real estate agent, despite the fact that he has not obtained a real estate licence from the Business Licensing Authority?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I thank the member, but I make a point of not responding in Parliament to individual situations, particularly where they may be under investigation. I think it is important to maintain that practice.

I do not believe this review should be hampered by a time restriction at this point. I will be sitting down with the chair of the Estate Agents Council and talking about what is a reasonable time for that review to take place. But I am more cognisant of the need to get considered advice in relation to any changes we may make. I would rather get that right than set a time limit before I have had a discussion with him about the time the council needs to fulfil the task.

Consumer affairs: dangerous toys

Hon. H. E. BUCKINGHAM (Koonung) — My question is for the Minister for Consumer Affairs, the Honourable Marsha Thomson. With Christmas now a month away, can she advise the house of the likelihood of Victorian families receiving dangerous items in their hampers, stockings or under their Christmas trees?

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I thank the member for her question. I must apologise that I have not brought in some toys to supply additional evidence to the answer. I cannot and would not guarantee that all the products to be sold at Christmas will be safe. However, I can say that you are more likely to be buying safe gifts over the Christmas period in Victoria than anywhere else in the country.

An honourable member — Because of the Bracks Labor government.

Hon. M. R. THOMSON — Of course it is because of the Bracks Labor government and because of the work of the CAV inspectors. Also I must give credit to the industry itself, to the diligence of people who work in the various retail outlets and warehouses, and to parents and citizens who are more broadly observant.

Over 50 000 items that have contravened ban orders have been seized by our product safety officers. That is by far and away the greatest amount — —

Hon. D. McL. Davis — So you are taking away children's toys, are you?

Hon. M. R. THOMSON — Yes, I am certainly going to take away children's toys if they are unsafe. If they are unsafe, we will take them away.

But that is not all that Consumer Affairs Victoria does. In fact CAV has been working very closely with the police, the Royal Agricultural Society — people would remember the inspections we do of show bags — the Country Fire Authority, customs, and the Infant and Nursery Products Association to do all we can to prevent unsafe items being put on the shelves.

Hon. R. G. Mitchell interjected.

The PRESIDENT — Order! Mr Mitchell!

Hon. M. R. THOMSON — But for all the work that is being done, unfortunately those items are still getting out there. That is why consumer affairs inspectors have a rigorous ongoing program of investigating and looking for breaches of orders. We ask that all Victorians participate as part of that process. Of course, the key resource is the *Product Hazard Alert* booklet, which members in the chamber will have previously heard me refer to. It goes out to retailers and to wholesalers and is also available on the web site. The Royal Children's Hospital has been distributing it to parents. In fact we would recommend that parents have a look at that booklet before they buy presents this year. The booklet is now in its second print because it has been given out to so many people.

We also produce the toy safety check list. It is a one-pager which makes it easy for parents to have a quick look and also those who want to give gifts to family and friends with children can see what types of toys are safe and what to look for before buying a gift. There is a simple test for all those people thinking about buying a present for young children or toddlers under the age of three. Think about a 35-millimetre film canister — in which film can be purchased for those who have not yet converted to digital. If the item can fit inside it or can be easily dismantled or parts of it can fall off, it is able to be swallowed by a child under three, so do not purchase.

I have one last warning: if parents find toys that are being sold to an unsuitable age group and being advertised for that age group, we want to know about it. We want a safe Christmas for all Victorian children.

Schools: crossing supervisors

Hon. J. A. VOGELS (Western) — I direct my question without notice to the Minister for Local Government, Ms Broad. The VicRoads annual report for 2004–05 reveals that municipal claims for school crossing supervisor grants have been slashed by approximately $25 million, which is a reduction from $90 million to $65 million per annum. I ask the minister how putting the lives of schoolchildren at risk fits in with the government's slogan that Victoria is a safe place to live and raise a family? The government is jeopardising the safety of our schoolchildren with this funding cutback.

Ms BROAD (Minister for Local Government) — The Bracks government has a proud record on road safety. The member knows full well that VicRoads is the responsibility of the Minister for Transport in the other place, and I suggest he should put his question on notice to the transport minister.

Supplementary question

Hon. J. A. VOGELS (Western) — Obviously the minister does not care about cuts to school supervisor funding. Councils pay for them now and grants from the state government have been reduced by 30 per cent. This 30 per cent cut in funding for school crossing supervisors — a cost which is now to be met by local government and its ratepayers — comes on top of similar cuts to grants and transfer payments to local government. What action is the minister taking to protect local government from ever-decreasing funds, especially since the government is hoarding a surplus of over $2 billion?

Ms BROAD (Minister for Local Government) — I am quite confident that local councils across Victoria will not be taken in by these crocodile tears from the Liberals when the Liberal government in Canberra, which is responsible for funding local government, has overseen continual cutbacks in funding to local government since it has been in government. If the opposition wants to do something about helping councils with sustainable levels of financing, then it should go to Canberra and talk to its Liberal colleagues there.

Housing: homelessness

Hon. S. M. NGUYEN (Melbourne West) — My question is addressed to the Minister for Housing. Can the minister advise the house of action being taken by the Bracks government to ensure homeless people continue to have access to accommodation during the 2006 Commonwealth Games?

Ms BROAD (Minister for Housing) — I thank the member for his question and his concern for the needs of homeless Victorians, a concern which is in stark contrast to the patronising and uninformed comments

by the Liberal Party on this issue. The Melbourne 2006 Commonwealth Games will be a terrific occasion for all Victorians to celebrate, including people on a budget who want low-cost accommodation. We know from our experience of hosting major events in this state, as well as from the experience of the Sydney Olympics, that peak times of tourist visits make it a bit harder than normal for homeless people to get a bed for the night. The Bracks government believes that homeless people deserve decent services every day of the year, and they should expect decent services before, during and after the Commonwealth Games.

The Bracks government is acting to ensure that this is indeed the case. My department is working with the Office of Commonwealth Games Coordination, Victoria Police and Victorian emergency services, local government, homeless peak bodies and homeless support agencies. I can assure the house that despite the accusations of the Liberal Party, homeless people will not be hidden or removed from the streets during the Commonwealth Games. Our strategy is about continuing to provide shelter to homeless people through specific and practical measures. It includes an agreed protocol so that police and games volunteers know how to assist homeless people and refer those who seek help to community service organisations, and extra funding of $60 000 to organisations to prepurchase accommodation so that normal services can continue throughout the Commonwealth Games.

Our approach has the strong endorsement of the state's peak body in the homelessness support sector, the Council to Homeless Persons, and I commend the council for its leadership and its participation in this important initiative. Of course this initiative is on top of the $6.9 million the Bracks government spends each year on providing emergency accommodation for homeless people every night of the week. It is also on top of the $112 million provided for supporting homeless people each year. In fact under the Bracks government there has been a 60 per cent increase in funding to meet the needs of homeless people compared to what happened under the last Liberal government in Victoria.

This initiative is also on top of the $13.8 million the Bracks government is investing to meet the funding shortfall caused by the federal Liberal government's cuts to support agencies like the Salvation Army, Melbourne Citymission and others. I am very disappointed that the Liberal Party is not showing its support for these practical initiatives, but I am not surprised. After all, it was the Leader of the Liberal Party in the other place, Mr Doyle, who advocated sweeping Melbourne's streets of beggars.

Homeless people need and are getting the strong support of the Victorian government, including during the period of the Commonwealth Games. What they do not need is the patronising attitude of the Liberal Party and the destructive funding cuts that would be inflicted on the homeless support sector through the economic vandalism of the Liberal Party's half-baked half-tolls policy.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Finance) — I have answers to the following questions on notice: 4666, 5399, 5403, 5412, 5679, 5902, 5906, 6083, 6089, 6090, 6092, 6163, 6166, 6674–81, 6684, 6686, 6688, 6689, 6692, 6693.

Hon. P. R. HALL (Gippsland) — I seek an explanation as to why I have no answer to question 5314 standing in my name. It was a question on notice to the Minister for Consumer Affairs for the Minister for State and Regional Development in the other place. It was put on the notice paper on 6 September. That is 78 days ago, which far exceeds the 30-day time limit placed on ministers for the provision of answers to questions on notice. I seek an explanation as to why I have not received an answer from the Minister for Consumer Affairs.

The PRESIDENT — Order! Has Mr Hall written to the minister?

Hon. P. R. HALL — I have written to the minister.

Hon. M. R. THOMSON (Minister for Consumer Affairs) — I did receive a letter yesterday. My office has made contact with the office of the Minister for State and Regional Development to seek a response to the member, and I hope that will be timely. I cannot indicate when the response may come forth.

CHILDREN, YOUTH AND FAMILIES BILL

Second reading

Debate resumed.

Ms HADDEN (Ballarat) — I rise to speak on the Children, Youth and Families Bill, and at the outset I make it very clear that I oppose it. It is deeply flawed and has been highly criticised by eminent persons in this state as well as by law organisations, children's groups, the Law Institute of Victoria and the Centre for

Excellence in Child and Family Welfare — yet still the government is listening while wearing earmuffs and continues to bulldoze, which is its form. There is absolutely no need for this bill to be rushed through this chamber, because it is not going to be proclaimed until 1 October 2007.

As I said, law organisations and children's groups are highly critical of the Bracks Labor government's proposed changes to the Children and Young Persons Act 1989. They claim that this bill does not go far enough to protect the rights of children in care.

The Law Institute of Victoria warned that some of its provisions would erode the rights of children and parents. An article in the *Age* of 9 September states that the law institute said that:

> … the government must be required to show that appropriate support services were available to the family before the child was removed.

The article goes on to say that the chief executive, John Cain, Jr, repeated his requests that the government appoint an independent, arms-length commissioner for children and young people to ensure that the rights of children are protected in this state.

In a press release of 9 September 2005 the LIV chief executive John Cain, Jr, said that the existing child safety commissioner was not an independent monitor. He said he thought there was a real risk within this structure of the department's priorities and objectives overwhelming those who they are really meant to be serving — that is, the children. Also, the Centre for Excellence in Child and Family Welfare criticised this bill for not going far enough in supporting young people leaving care.

The bill is severely flawed and does nothing to protect vulnerable children and families in this state. It gives even greater power to the all-powerful Department of Human Services, which causes great alarm to me and to other eminent persons in this state. There are many unsatisfactory sections in the bill, which totals 543 pages. I am allowed just 15 minutes to make my contribution, so I am going to be gagged, as usual.

This bill needs to be withdrawn and reviewed so that it properly complies with international best practice. Our children and young people's rights and welfare will continue to be compromised and not improved as the community expects.

A submission was given to the Minister for Children on 30 August 2005 by Tasmania's first commissioner for children, Mrs Pat Ambikapathy, who was the national children's lawyer of the year in 1999. She is an eminent barrister and is able to practise in London, Tasmania and Victoria. She said that whilst the bill recognises the principles of the best interests of the children — or, as lawyers know it, the paramountcy principle, which is derived from the United Nations Convention on the Rights of the Child that Australia signed in 1990 — that that is as far as the bill goes. She wrote:

> … it is well known that Victoria Legal Aid and one of the greatest activists for children in this state, the Hon. John Fogarty (a former judge of the Family Court of Australia and author of many reports into the past child protection system) have grave reservations about the Bill.

Mrs Ambikapathy shares those grave reservations and concerns and said:

> … the bill's inadequacies … will impede the proper promotion of the rights and the best interests of our vulnerable children, as they do not accord with objects of the bill or international best practice, embodied in the convention.

She also said:

> … we must recognise that children have intrinsic and inalienable rights … We would need to fully implement the key articles of the convention in the act, and to demonstrate our —

the government's —

> bona fides, we would need to annex the convention to the act.

But of course they have not done that.
Mrs Ambikapathy raises many concerns about the bill, but I do not have the time to go through all of them, so I will mention just a few.

One Mrs Ambikapathy's concerns is in relation to clause 12(a) in division 4 in relation to the decision-making principles for Aboriginal children. She said that there are two phrases in that section which should 'be entirely eliminated', namely:

> … an opportunity should be given where relevant …

And:

> … to contribute their views.

She said those phrases are totally inappropriate and are not based on any human rights model. Her submission also states:

> It should be mandatory to have the views of those who are not just intimately connected to the child, but to the child's culture, to be fully involved in all decision making. They must have input as equal participants in the process and not merely as 'permitted' persons or simply to 'contribute their views' …

That may or may not be taken on board by the all-powerful department.

Mrs Ambikapathy is absolutely astonished that the secretary of the department alone has the power to make appointments of Aboriginal elders under the bill. Another of her concerns is the legal representation of children set out in clause 524 of the bill and its inconsistency with the best interest principles in clause 10. She says that is one of the most disappointing aspects of the bill because it accepts:

> … the ongoing discrimination against very young children apparent in the current and proposed provisions in the bill for the separate legal representation of children.

She refers to a case, and I put the government and the department on notice in relation to this case. It is the case known as *re G* at the Victorian Civil and Administrative Tribunal in 1999, which was against the department and Victoria Legal Aid and was brought on behalf of a five-year-old child. Victoria Legal Aid was found to have discriminated against the child, as the cut-off age at that time was eight years. Clause 524(4) only allows legal representation:

> If, in exceptional circumstances, the court determines that it is in the best interests of a child who, in the opinion of the court is not mature enough to give instructions …

However, there is no definition of 'exceptional circumstances', and that is of very serious concern.

Another issue Mrs Ambikapathy raises is the separate legal representation of pre-verbal children, because the bill denies them the right to such legal and separate representation. Another proposal in her submission is for the government to take heed of the Australian Law Reform Commission's report *Seen and Not Heard*, which canvasses legal representation for all children involved in court proceedings so that we comply with the United Nations Convention on the Rights of the Child.

Mrs Ambikapathy is concerned about aspects of the juvenile justice system in the bill. She strongly urges the government to rethink its approach to the juvenile system and to incorporate a New Zealand approach that deals with those who offend under the age of 15 years not only through a diversionary process away from the juvenile justice system but also with a care and protection response that makes families part of the solution for the young person who offends.

Mrs Ambikapathy made a further submission to the minister on 17 October, because the minister did not listen to her very long submission. Mrs Ambikapathy said that just two aspects alone caused her great concern. Firstly, she said that the criminal aspects of the bill should be severed so that a system where treatment and rehabilitation is not central is not in the public interest or the interests of children; and secondly, she said that the bill only allows for separate legal representation of very young children when ordered by a court in exceptional circumstances. She asks:

> Why are all children in this exceptional circumstance not given the legal protection they need?

She confirms that there is no independent person now to clearly advocate for the best interests of such very young children by seeking independent professional advice. She calls for the bill to be withdrawn from the Parliament as it is totally unsatisfactory and needs reappraisal.

The Law Institute of Victoria was only given five weeks in which to make a submission about this important bill in relation to children, youth and families in this state, and it was absolutely staggered by that. Its submission is of course pretty damning of the government, because the government is not listening. It has not listened to anything anyone has said in relation to the reprinting of this bill.

Hon. P. R. Hall — It never does.

Ms HADDEN — That is right, Mr Hall, it never does. It listens with earmuffs and bulldozers. The law institute says it is pleased that the government retains the best interests of the child as being of paramount consideration. Mind you, the Family Court of Australia has had the paramountcy principle in its act for probably the last 10 to 15 years, so it is nothing new for the government to be reprinting that in this bill.

However, the law institute says that the bill should have annexed the United Nations Convention on the Rights of the Child as a schedule, and it is very disappointed that the government did not take the opportunity to incorporate that into the bill. It is also disappointed that the government has ignored its submission in relation to the establishment of a charter of rights for children in care. It wants such a charter to be incorporated into the bill and given a legislative framework to ensure its enforcement. The law institute raises a number of concerns in relation to clause 16(1)(g) about young people leaving care, as well as concerns about community-based child and family services. It has very grave concerns about information sharing, breaches of privacy and confidentiality, and the lack of consent to information being shared by the department, as contained in clauses 32, 33 and 34 of the bill.

The law institute has concerns about the proposed stability planning, which would in effect create a new stolen generation; the compulsion to share information; the temporary assessment order; and the therapeutic treatment order in relation to children exhibiting sexually abusive behaviour. In fact it says that children aged 10 years and older would need immunity from prosecution for any offences disclosed during treatment prior to being compelled to undergo treatment. Otherwise it would see no likely benefit in diverting these matters from the criminal division to the family division of the court.

It also has concerns about the childcare agreements which in effect give the department the great power to circumvent the protections afforded children and parents through the court process. It must be the court, not the department, which decides whether or not a child is removed from the care of their parents. The law institute also raises concerns, as we all do, about funding. What is going to happen with Victoria Legal Aid? Where is its increased funding? It is going to be swamped with applications from the legal practitioners of young persons for the purpose of attending group conferencing and assessment. That is a very important 11-page submission and obviously the government has ignored it.

Ros Porter, the coordinator of Victoria Legal Aid's youth legal service, in yesterday's *Age* alerted the public to her concerns that rushing abused children into care is not always in their best interests. The article was headed 'New laws to protect children must also defend family rights'. It says:

> The proposed changes fail to guarantee families a fair go to sort out their problems.
>
> …
>
> But the proposed new laws have failed to respond to key recommendations by the 2004 Kirby report, the only independent report on the child welfare system.
>
> …
>
> In a democratic society, a fundamental human right of a child to maintain contact with a parent — as asserted in … the convention … — should be decided transparently, in the Children's Court, not in a DHS office. The paucity of support and resourcing for the most fundamentally significant relationship of child and parent is inexcusable in a community as affluent as ours.

Many professionals have also criticised this bill — for example, in the *Age* of 6 November an article headed 'Abuse of children: the hidden scandal' says that Professor Chris Goddard, the director of the National Research Centre for the Prevention of Child Abuse:

> … is calling for an independent children's commissioner to be appointed and says there needs to be independent research on whether government programs are working.

There was an open letter to the *Sunday Age* of 9 October by Dr Allan Mawdsley, the president of Mental Health for the Young and their Families in Victoria, under the headline 'Child bill is the way to a new stolen generation'. It says:

> Another potentially catastrophic change is … the automatic presumption that the Children's Court clinic reports will be routinely available to child protection unless there is compelling advance evidence of expected harm.
>
> The cost of the new law will be a generation of children taken from their families.

Again in the *Age* of 9 October there is an article headed 'Critics warn on state child law reforms' in which Dr Mawdsley expresses his very grave concerns about this bill, as do solicitor Joe Gorman, who has practised at the Children's Court for 30 years or so, and Dr Suzanne Dean, a consulting clinical psychologist and psychotherapist who has consulted at the Children's Court. Solicitor Andrew McGregor is reported as saying:

> … DHS disliked the Children's Court meddling in what it regarded as its province. 'Our perception is that this department is every bit as maverick as DIMIA (Department of Immigration and Multicultural and Indigenous Affairs)', he said.

Dr Patricia Brown, the director of the Children's Court Clinic, in a submission to the government issued a similar warning to that in Dr Mawdsley's submission.

I received a letter dated 24 October 2005 from Dr Suzanne Dean, in which she advises, on behalf of senior Victorian psychologists and psychiatrists, that they have submitted to the Bracks government four very serious concerns about the proposed children's bill. The letter says:

> It is further alarming to us that Mr Bracks has so far declined to meet with us on this matter, which spans two departments.

This letter outlines the four major concerns of those professional persons, as well as enclosing amendments to the bill, but of course they have been ignored, so vulnerable children and young people are at risk of abuse and neglect, and vulnerable families who should have early intervention are going to be greatly disadvantaged by this bill.

Of course I do not have time to say more because I am going to be gagged, but this bill abandons vulnerable children in this state. It is an appalling piece of legislation and it will only be passed in this place by

virtue of the numbers of the government, which 'has no clue about child protection.

I practised in this area for about 15 years before coming into Parliament in 1999, and I am very familiar with and have a great understanding and knowledge of the Department of Human Services and child protection services in this state. I can stand here with an amount of credibility in saying that this bill is flawed and should not be passed by this Parliament.

The PRESIDENT — Order! The question is:

That the bill be now read a second time.

Those of that opinion say aye, to the contrary no.

Honourable Members — Aye.

Ms Hadden — No.

The PRESIDENT — Order! I think the ayes have it.

Ms Hadden — The noes have it. I call for a division.

The PRESIDENT — Order! A division is required. Ring the bells.

Bells rung.

House proceeded to divide on motion:

The PRESIDENT — Order! Pursuant to standing orders, as Ms Hadden is the only dissenter I ask whether she would like her vote recorded.

Ms HADDEN (Ballarat) — President, pursuant to standing orders I would like to have my dissent recorded.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1

Hon. W. A. LOVELL (North Eastern) — Clause 1 states in part:

The main purposes of this Act are —

(a) to provide for community services to support children and families …

Yesterday the Minister for Children in the other place announced that the government would commit $18.75 million a year over four years to provide additional child protection workers, for the training of child protection workers, for an investigative unit to monitor child protection practices, for a specialised paediatric forensic assessment service and money for foster carers. Unfortunately in yesterday's funding announcement there was no additional funding to support community-based organisations to fulfil their role under this bill. What extra funding will be made available for community-based organisations to enable them to fulfil their role under this bill?

Mr GAVIN JENNINGS (Minister for Aged Care) — It is very important for the committee to understand that there needs to be an understanding of the continuum of effort through budget initiatives and through what the member rightly said were a package of measures released by the Premier and the Minister for Children in the other place yesterday. They should see those programs as integrated and coordinated in providing additional support in the package yesterday for the capacity of child protection and child welfare services provided throughout the sector and the community, and take note of reforms the Bracks government has undertaken in the context of the budget relating to early intervention services that are designed to give our children the best start in life and to support families in their most important function of being stronger and confident in providing support for children.

It is important to understand that yesterday's announcement was part of the overall framework the government adopts. What is implied in the member's question, if not directly addressed, is that there are certain roles and responsibilities that family support agencies are charged with either on the basis of services they are contracted to provide which will, from time to time, require additional funding and support if there is increased effort or scope with those programs. The government is alive to consideration of the viability of the sector and those charged with carrying out their responsibilities under the act. Beyond that it is important for the committee to understand that the government appreciates the need to appropriately resource the sector over time. It will be funded in the budget context in a way in which the government has a proud record of providing support to the previous community services portfolio but now the portfolio dealing with the wellbeing of Victorian children.

Clause agreed to; clauses 2 to 66 agreed to.

Clause 67

Hon. D. K. DRUM (North Western) — Clause 67 obviously goes to the appointment of an administrator. A certain amount of concern has been raised within the industry sector itself about clause 67(1), which states:

> If the Minister is satisfied that a registered community service is inefficiently or incompetently managed, the Minister may recommend to the Governor in Council that an administrator of the service be appointed.

Certainly there is concern around the broad nature and open scope of the wording of the provision in that it refers to a service being 'inefficiently' or 'incompetently' managed. That has caused a great deal of concern among non-government and not-for-profit agencies that effectively deal on the open face of this task of trying to find children some foster homes.

The minister is aware of the type of guarantee that The Nationals are looking for — that is, that the process put in place will be transparent, that it will be stepped and very clearly identified. We also need to know that the minister will develop ministerial guidelines in the event that the appointment of an administrator should ever become necessary and that he will develop them along with the community service organisations and that entire sector.

We need to know that the consultative process or community service organisation panel or council will be established and that it will be given teeth. In effect, the minister needs to clearly spell out the actions that the government would take in response to an agency's non-compliance with service standards and also the steps that would be taken preceding the appointment of an administrator.

If those things could be guaranteed and clearly identified in a very transparent manner within those ministerial guidelines, then The Nationals will have no objection to the legislation.

Mr GAVIN JENNINGS (Minister for Aged Care) — I thank Mr Drum for his question and indicate that the government appreciates the validity of the question and also the need to ensure that the sector is provided with a degree of comfort and support in relation to the transparency of these matters, and that we can move forward with confidence right across the sector about the way the provisions of this bill will be enacted.

I cannot indicate to the committee that the Minister for Community Services in the other place has coached me in this matter, but I can tell it absolutely that I have been given a clear direction to inform the committee that the minister appreciates the important role that the community sector and community service organisations play in fulfilling their responsibilities under the act on behalf of this community and that at every turn the government wants to treat them with respect and regard, and provide a supportive environment for the important work they undertake.

The issue of potential sanctions or scrutiny and accountability that will be brought to bear has been clearly flagged in the appropriate consultation papers as far back as 2004. In July 2004 it was clearly flagged that there would be accountability mechanisms, with the potential for organisations to have an administrator appointed.

But at every turn and in every line of communication the minister wants to assure the house and the sector that the appointment of an administrator would be a point of last resort rather than an early stage of intervention, and that the way we would establish the guidelines and the degree of accountability in accordance with the act needs to be worked through in a collaborative fashion with the sector. Indeed, within the last week the department, at the direction of the minister, has contacted various community service organisations and informed them that expressions of interest from the sector will be called for to establish a reference group to undertake this important work.

The government will work through a very transparent process which is graduated in terms of the degree of intervention and which will be very responsive to the needs of and be inclusive of the sector. That work will be coordinated through the Centre for Excellence in Child and Family Welfare. That reference group will then make recommendations to the minister and the department on the way those guidelines should be created and complied with. Various levels of intervention will be recommended, and the minister gives an absolute guarantee to the committee and to the Victorian community that the rigour involved in this bill is designed to ensure the highest standards of professional care and support for Victorian children. That will be the prism through which the analysis will take place, and we will expect the highest standards. But we do recognise that there needs to be an appropriate degree of support and encouragement for better quality outcomes and better performance, rather than using the provisions of this bill in a draconian fashion. That is a crystal-clear commitment the minister gives to the committee and to the Victorian community.

Ms HADDEN (Ballarat) — On the same clause, Minister, the Minister for Children has the power to appoint an administrator if she is satisfied that a

registered community service is inefficiently or incompetently managed. On what criteria will that be based? Are guidelines or regulations proposed to be issued before the bill is proclaimed on 1 October 2007 that set out the criteria on which the minister must be satisfied when deciding whether a community service is inefficiently or incompetently managed? The words 'inefficiently or incompetently managed' are very broad. If the minister has to be satisfied on those words alone, how is she going to be satisfied? I anticipate that criteria would be established under regulation or schedule, and I would like some advice on that.

Mr GAVIN JENNINGS (Minister for Aged Care) — I appreciate the member's question, but in substance it is exactly the same as Mr Drum's question. The answer is exactly the same. Ms Hadden has homed in on a specific phrase within the clause.

The way that provision will be enacted will be in accordance with my answer to Mr Drum. A reference group will be established to set up the guidelines, both in terms of what the criteria may be and the gradation of interventions that may be appropriate for the department. That will be established through an inclusive process involving the sector. As of last week the department has, at the direction of the minister, written to the sector and foreshadowed an expression-of-interest process that will be coordinated through the Centre for Excellence in Child and Family Welfare. This will establish the very criteria, guidelines and interventions the member is seeking. It will be done in a very transparent fashion that will involve the sector establishing the guidelines under the authority of the act.

Hon. B. W. BISHOP (North Western) — I remind the minister that many of our community service organisations have contractual arrangements with other governments and other organisations, and this was a real concern to a number of those community organisations. Can he assure the committee that the reference group will clearly address that particular issue? I know there are others that the reference group will address, but that was certainly one that was raised with us.

Mr GAVIN JENNINGS (Minister for Aged Care) — Again, I appreciate that question. I recall that Mr Bishop raised that issue in the second-reading debate. I could have roped it into my substantive answer to the previous two members, but I thought I would provide him with the opportunity to ask that specific question and give a specific answer. The government of Victoria gives an undertaking that it will be mindful of those funding relationships and any other relationships that those organisations may have with other jurisdictions, and it will involve them in the decision-making process that may, in the worst-case scenario, lead to the appointment of an administrator, but hopefully through our collective efforts we will provide the wherewithal so they will not get to that situation in the first place.

Clause agreed to; clauses 68 to 134 agreed to.

Clause 135

Hon. W. A. LOVELL (North Eastern) — I move:

1. Clause 135, after line 20 insert—

"( ) An agreement under sub-section (1) is of no effect unless—

(a) it contains a statement that the parent of the child and, if the child is mature enough to give instructions, the child have been provided with independent legal advice from a legal practitioner as to the legal effect of the agreement; and

(b) a certificate is attached to the agreement, signed by the person who provided the legal advice and stating that the advice was provided.

( ) The service provider must register a copy of an agreement under sub-section (1) (including a copy of the certificate of independent legal advice relating to the agreement) with the Family Division within 7 days after the agreement is entered into.".

The Liberal Party believes this amendment is very important because it deals with an area of the legislation that not only it but a number of organisations have major concerns with. The Liberal Party believes parents signing agreements with the Department of Human Services for the care of their child, either under a short-term agreement of six months or a long-term agreement of two years, should have the benefit of legal advice and that those agreements should be registered with the Children's Court for monitoring. This is a position that is supported by a large number of organisations, and I would like to quote two of those organisations. The first is the Victorian Aboriginal Legal Service Cooperative Ltd which said:

> Accessible legal advice needs to be provided prior to agreeing to a voluntary agreement, when child protection are seeking a child protection order, when a case plan goal changes from family reunion, when there is a dispute about access and prior to a permanent care order.

Both the Law Institute of Victoria and Victoria Legal Aid agreed with that position. I will read the quote from

the law institute, because they are both very similar. The law institute said:

> A mechanism that would provide safeguards for children and largely remove the potential for there being complaints of lack of informed consent would be to require that any agreement for longer than seven days include a certificate of independent legal advice and be registered with the court. This requirement has worked very well in Family Court proceedings and would involve the department and the court in very little extra work.

Based on those comments from the Law Institute of Victoria, Victoria Legal Aid and the Victorian Aboriginal Legal Service Cooperative Ltd, as well as a number of other organisations that have raised the issue of legal representation for families, the Liberal Party urges the committee to support the amendment.

Mr GAVIN JENNINGS (Minister for Aged Care) — I have to inform the committee that the government does not agree to the amendment. I would like to start with the fundamental logic of why that is the case. The bill provides for a clear separation between the voluntary entering into of an agreement, which is the matter that these clauses deal with, and the imposition of permanent care orders. In fact there is a conscious separation of those issues and concepts within the construct of the bill. Some of the argument that Ms Lovell used to in her contribution merged those issues as if they were part of a continuum.

The underlying logic of this bill is to make sure that they are comprehensively separated — that is, in the legal sense of the bill they are separated. For instance, the time the child may spend under a voluntary agreement and be cared for under a voluntary agreement will not count in the consideration of the time a child is out of the care of its parents in the determination of a permanent care order. The government would be more alarmed by the arguments put by the member if it had not made that conscious decision to separate them.

Hon. W. A. Lovell interjected.

Mr GAVIN JENNINGS — That is an entirely different concept from the issue that has been raised in relation to this clause, which is a voluntary agreement. That is the part that Ms Lovell is not being mindful of.

Hon. W. A. Lovell interjected.

Mr GAVIN JENNINGS — Ms Lovell is not being mindful of the voluntary nature of this agreement. The nature of the agreements under the clause being discussed, which Ms Lovell seeks to amend, results from an exercise where the government has consciously tried to provide an environment where there will be no legal ramifications for the parents as a result of any decision made for protective care orders in accordance with the act on the basis of or having anything to do with the nature of the voluntary agreement entered into.

The nature of the voluntary agreement and the way in which the system is designed to work is to ensure that we remove the intervention and the adversarial situation that quite often pins legal proceedings under the Children's Court — or any court, for that matter. We try to distance families from the legal environment, which they find very oppressive and adversarial.

As to the situation that Ms Lovell is most concerned about and the organisations that she represented in her submission to the committee, they are concerned with the determinations made either by the court or by the department in relation to permanent care orders, not on the basis of voluntary agreements. The clause the committee is discussing, and Ms Lovell seeks to amend, relates to voluntary agreements, and the government, by design, is hoping to enter into the spirit of voluntary arrangements that are in a supportive environment rather than an onerous environment.

Committee divided on amendment:

Ayes, 19

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

Noes, 22

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

Amendment negatived.

Clause agreed to; clauses 136 to 157 agreed to.

Clause 158

Hon. W. A. LOVELL (North Eastern) — I move:

8. Clause 158, lines 18 and 19, omit "Victorian Civil and Administrative Tribunal" and insert "Children's Court".

This will test the rest of our amendments. If this is not successful, we will not be proceeding with the other amendments.

The reason the Liberal Party is moving this amendment is that it does not believe the Victorian Civil and Administrative Tribunal (VCAT) is the appropriate body to review child-care agreements. Guardianship orders are given by the Children's Court, but care plans for children under guardianship or other orders are worked out by the Secretary of the Department of Human Services. The Liberal Party believes that where the Children's Court has made the order any appeal should be made to that court. The Victorian Aboriginal Legal Service Co-operative Ltd and a group of psychologists and psychiatrists that wrote to the Liberal Party also agree with this. The legal service said in a document:

> It is vital that a faster and more appropriate venue for resolving case-plan disputes is available than VCAT. The Children's Court should be empowered to adjudicate these disputes using arbitrators or magistrates depending on the seriousness of the matter.

About 20 psychologists and psychiatrists signed a document sent to me through Dr Suzanne Dean. I quote from the document:

> The legislation does not give the Children's Court magistrate the responsibility to determine ongoing contact of some kind … between a child on a guardianship order and the birth family, leaving this as a discretionary matter for workers involved. The child's psychological wellbeing normally requires that reliable, ongoing access be maintained at all stages of the traumatic process of separation, and a magistrate should be empowered to order access during guardianship as an integral part of safeguarding the child's overall welfare.

The amendment is strongly supported by a large number of people in the sector. There is no specialised bench in VCAT to hear these cases. It is also very difficult for parents to access legal aid for VCAT cases. This would be needed to assist the many families involved in hearings of this type who would not be able to gain legal representation on their own. For these reasons we urge members to support the amendment.

Mr GAVIN JENNINGS (Minister for Aged Care) — I indicate to the committee that the government will not support the amendment. It has confidence in the structure of the review processes and the scrutiny of courts and tribunals under the act. What is the appropriate jurisdiction to hear reviews of administrative decisions or arrangements made by the Department of Human Services, service providers or the courts is arguable. When the Liberal Party was in government it showed its logic by establishing the Victorian Civil and Administrative Tribunal expressly for the purpose of determining many of the administrative decisions the government is seeking to refer to VCAT in this piece of legislation. So at one point in time the Liberal Party may have had a different view about the appropriate jurisdiction. However, it is a valid point in terms of making sure that the sector has the appropriate degree of confidence in the scrutiny and accountability of these decisions and that there is a clarity of purpose in the administrative arrangements and review processes outlined by the bill.

The government is confident that the review processes outlined in this bill are consistent with our mind-set about the relative roles of the courts in Victoria. We are particularly mindful of the accountability relationships embedded within the structure of the bill. On that basis the government opposes the amendment.

On the question of expertise, members should know that under existing legislation, when VCAT hears a matter relating to the Children and Young Persons Act it is required to have expertise involved in the decision-making process. That requirement is repeated and amplified in this bill.

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

Ayes, 22

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

Noes, 18

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

Amendment negatived.

Clause agreed to; clauses 159 to 523 agreed to.

Clause 524

Ms HADDEN (Ballarat) — This clause deals with legal representation. Subsection 4 says:

> If, in exceptional circumstances, the Court determines that it is in the best interests of a child who, in the opinion of the Court is not mature enough to give instructions, for the child to be legally represented in a proceeding in the Family Division, the Court must adjourn the hearing of the proceeding to enable that legal representation to be obtained.

Could the minister please tell me under what criteria exceptional circumstances will be interpreted?

Mr GAVIN JENNINGS (Minister for Aged Care) — I appreciate the member's question. I understand that the member may feel we need to codify what the phrase 'exceptional circumstances' may mean. This is really a discretionary clause which is available to the court to determine, at a particular point in time, valid reasons for issuing instructions or the possibility of separate legal representation for children who may not have sufficient maturity to provide clear direction and instructions to legal counsel.

However, in the court's view there may be a reason to provide that independent legal representation — for example, siblings in certain situations may have different needs. The court may, under these circumstances, determine that it is appropriate to provide for separate legal representation for those siblings — that may form the nature of the exceptional circumstances. This provision in the bill is obviously one which we will feel will not be used very often in the deliberations of the court. However, the court may from time to time want to exercise that discretion to ensure that the best interests of the child are protected through separate legal representation.

Ms HADDEN (Ballarat) — I thank the minister for that answer. In a letter dated 10 October 2005 to Mrs Patmalar Ambikapathy, barrister and first commissioner for children in Tasmania, the responsible Minister for Children in the other place said that an important change to the final bill included, in relation to the area of exceptional circumstances and maturity to give instructions, the government empowering the Children's Court in exceptional circumstances to appoint a separate legal representative for children aged under seven. The role of the child's lawyer would be to represent the child's best interests and to communicate their views and wishes to the extent possible. Empowering the Children's Court in exceptional circumstances to appoint a separate legal representative for children under seven does not appear in this section of the bill. Therefore, how is this going to be interpreted in relation to the assessment of exceptional circumstances and the maturity of the child, given that the minister has said in an open letter that the court will be empowered to appoint a separate legal representative for children under seven?

Mr GAVIN JENNINGS (Minister for Aged Care) — I am pleased to report to the member that my advisers are not perturbed by what might appear to be an inconsistency between the letter that was provided on 10 October and what is in black-letter law in relation to this bill. Exceptional circumstances, as they apply within the legal aid guidelines that currently apply within court jurisdictions across the country, recognise seven as a threshold age in relation to the court's discretion in certain circumstances. It is an accepted principle in a number of jurisdictions that seven is an appropriate cut-off time in relation to separate legal representation, so it will continue to be a guideline that may be considered by the court in exercising its discretion under the exceptional circumstances clause within the provision.

Clause agreed to; clauses 525 to 606 agreed to; schedules 1 to 4 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

Mr GAVIN JENNINGS (Minister for Aged Care) — I move:

> That the bill be now read a third time.

I thank all members for their contributions to the second-reading debate and the committee stage of the bill.

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

Bells rung.

Members having assembled in chamber:

The PRESIDENT — Order! The question is:

> That the bill be now read a third time.

In order that I may ascertain whether the required majority has been attained, I ask those members who are in favour of the question to stand where they are.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

WATER (RESOURCE MANAGEMENT) BILL

Second reading

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

Hon. E. G. STONEY (Central Highlands) — This is probably the main bill dealing with water in this sitting of Parliament. It has over 300 pages, is very complicated and is about the most important issue in Australia today, which is water. This bill has widespread implications for many people, and the Liberal Party believes the rural community simply has not had enough time to absorb this bill and come to understand what it all means. Certainly the government's white paper has been out there, but this legislation goes a lot further than the white paper and it is the bill that is the important document. It is quite unfair that the public has not had adequate time to absorb what this bill means. The Liberal Party believes the bill should be held over to the autumn sitting of Parliament for consideration in detail. Therefore I move:

> That all words after 'That' be omitted with the view of inserting in their place 'this house refuses to read this bill a second time until the autumn 2006 sitting, to allow for the economic and social impacts of the legislation to be fully considered by the water industry, irrigators and local government'.

The Liberal Party's main concern is that the Parliament gets this right. If it does not get it right many irrigators and many people in rural communities will have their fingers badly burned and will certainly be disadvantaged. In the time this bill has been in this place and in the other place it has created great uncertainty because people are still absorbing it and are yet to understand what it means. When the bill was debated in the other place on 26 October the concern of irrigators was expressed by an almost impromptu demonstration on the steps of Parliament House. It was only a small group of irrigators from northern Victoria, but they certainly made their point. The Liberals and The Nationals joined with them in support, but I did not see one government member there. I saw one irrigator drive his tractor up the steps, which was quite dramatic and — —

Hon. W. R. Baxter — He was emulating someone who once rode a horse up the steps!

Hon. E. G. STONEY — In case Hansard missed that, Mr Baxter said he knew someone who rode their horse up the steps some time ago. I know someone who did as well, and I have to record that that particular horse died in foalbirth on Monday night.

Hon. W. R. Baxter — That's very sad.

Hon. E. G. STONEY — It is very sad. She was a wonderful old mare, and she died happy because she lived to lick the foal.

Hon. Andrea Coote — What was her name?

Hon. E. G. STONEY — Her name was Philly. Thank you for bringing it up.

Getting back to the demonstration, it was small in number, it was impromptu, but certainly those people made their message clear: their message was, 'Don't take our water'. The crowd accused the Minister for Water in the other place, John Thwaites, and the Premier of using jackboot tactics and of not listening. At that rally I was told privately by people that they really felt conned by the consistent grab for water that started with the water for the Snowy, and they asked — and we could not answer the question — 'Why is it that the irrigators are always the ones who lose out, and why is it that very rarely do they even get compensation?'. At that rally we perceived there was a great deal of suspicion, if you like, about what the government is doing and the way it is acting. We also got the feeling that irrigators think water is being used as a tool to impress Melbourne for the green vote, and I have come to that view myself very strongly.

The main purpose of the bill is to establish a reserve of water to be used for environmental gains and to allow the environment to have a legislated entitlement to a share of the water. It also provides for a legislated requirement for a long-term water resource assessment to occur every 15 years. It is important to note that the Victorian Farmers Federation (VFF) has successfully lobbied to have the wording changed on the permanent qualification for water so that there should not be any permanent water share qualifications until after 15 years from the commencement of the bill. Prior to this, that could occur before the 15 years.

The purpose of the bill is also to introduce sustainable water strategies as a legislative requirement. The VFF amendments would have a panel of people appointed to review the submissions by the public on a draft sustainable water strategy. It is important to note that these people will have experience in or knowledge of the areas involving the sustainable water strategy. It is also important to note that before that was accepted the minister could decide on whoever the minister wanted. That has been quite a major shift that the VFF has won.

Another purpose of this legislation is to allow the unbundling process as outlined in the government's white paper on water. However, we do have major concerns with the bill. One of these is the ability of the minister to take away a person's right without adequate compensation; we are concerned that water may be owned by non-water users and there has been a 10 per cent figure bandied about. It is disputable owing to the complicated wording of the calculation. There is concern about the power of the minister to adjust this 10 per cent figure. We note that the VFF amendments have made it a longer process by forcing the inclusion of an initial consultative committee before making this draft determination.

We also note that the committee must be made up of people who represent the interests of affected parties and the panel must be made up of persons who have knowledge of and experience in the water industry. We are concerned that the moves to water shares, delivery capacity and water-use licences and registrations do not provide any benefit to water users; we think it only further complicates the issue and centralises decision making with the department and the minister.

We are concerned that the conversion rules are yet to be fully explained. We note that the annual use limit is to be set by the conversion rules, and irrigators are concerned that the government will claw back the current allowance for the amount of water being used per hectare.

As I mentioned earlier, we are very concerned about full compensation for owners of land that will no longer be supplied by channels after any reconfiguration. Farmers say, 'What about the infrastructure that we have on the property?'. They are now very concerned that their infrastructure may become worthless. We acknowledge that the VFF won other concessions, which we welcome. One concession is that CMAs must first consult with representatives or persons likely to be affected by the changes. Another concession is that the panel appointed to give advice to the minister must be made up of members who have knowledge and experience, as I said earlier.

I refer to an email sent to the shadow Minister for Water in the other place, the member for Benambra, from Stephen Carroll, the director of the regional and rural banking division of the Australian Bankers Association. He said:

> The banking industry is surprised at the way the bill is structured … We thought the bill might make it explicit when it describes what a 'water share' is, that the owner can mortgage it and the mortgagees interest can be registered on a designated register. I do not think the bill actually states who is responsible for keeping the register.
>
> We also expected that the bill would make it clear that where a water share can be changed either by the minister or the owner, account would be taken of registered third-party interest.
>
> …
>
> A significant area of outstanding concern is the risk that water available to a water share holder might be reduced to the point that their irrigation enterprise (or proposed enterprise) is no longer viable …
>
> The national water initiative agreement addressed this issue. However, we do not see anything in this bill which caps this risk for irrigators.

The banking industry has some grave concerns with this and, as we know, the banking industry funds investment. If the irrigators and people using water have trouble accessing finance then development and renewal of infrastructure will slow, so that causes grave concern.

On the day after the bill was introduced into the lower house the shadow Minister for Water in the other place, Tony Plowman, and I drove to Hamilton. We had more than 7 hours — it might have been closer to 8 hours — in the car. Tony Plowman used the time well. He read the bill aloud to me. I had a very interesting trip. I listened to Mr Plowman reading the bill and making notes.

But he did it very well, because within two days he had written a thoughtful and incisive piece for the *Weekly Times*. To the credit of the *Weekly Times* it printed Mr Plowman's article in full. I think this action of reading through the bill and making notes and writing a piece which appeared the next week assisted in alerting the rural communities that it was around, and what it meant. It alerted the Victorian Farmers Federation (VFF) to the fact that there was a problem.
Mr Plowman has done the rural communities a great service by that very hard work: firstly, trying to read while I was driving; and secondly, trying to work out what the bill meant because it is a very big bill and a long second-reading speech.

Mr Plowman's opinion piece appeared in the *Weekly Times* of 12 October under the headline 'A water grab to satisfy Greens'. Under Mr Plowman's photograph it says:

> Water security is at risk for Victorian farmers, writes Tony Plowman.

The article states:

> Make no mistake about it, this is a grab for water to satisfy the thirst of the green movement and to secure green preferences.

It goes through the concerns and talks about quite a few things, and then says:

> Ownership of water by non-users … will lead to manipulation of the water market.
>
> Water authorities will have the power to terminate irrigation systems with only the loss of the value of the land being compensated.
>
> All land-holdings, water entitlements and mortgages will be entered on a register available for public inspection. The privacy of this information will be lost forever.

He made the point that:

> This is Big Brother government.

He went on to say:

> It is frightening to think how this legislation may be used —

after —

> …the next election with the support of a Green majority in the upper house.

I think Mr Plowman did a great service to Victoria. It was a good article. It certainly alerted the community and the VFF that the bill was in, that it was a long bill and that people needed to look at it. I think his contribution needs to be acknowledged.

Mr Plowman said it was a grab for the green vote. I think it is not only water that is being used in the grab for votes. Closing down our sustainable logging industries is a grab for votes. The pending closure of our red gum forests for multiple uses will come just before, during or after this next election. Of course we all remember the mountain cattleman being kicked out of the high country. That was a blatant grab for votes, so there is a pattern emerging in how this government is operating. A lot of it is not good public policy. A lot of it is based on opportunistic politics. It is based on what the government thinks the city people would like to hear.

Hon. W. R. Baxter — On the Greens web site!

Hon. E. G. STONEY — As Mr Baxter interjected, a lot of it is a direct lift from the Greens web site. A lot of it is to do with green politics. My concern is that in this particular push, sustainable resources are being targeted. Water in all its forms is being targeted. The timber industry, red gum forest and mountain cattlemen issues are all targeted to get Greens preferences for the next election. It is quite clever, but it is certainly grubby, and I do not believe it is good public policy for Victorians as a whole.

I am glad Minister Broad is in the house, because we remember Minister Broad when she was minister for the Snowy — I forget the correct title — —

Ms Broad — I do not think it was a title.

Hon. E. G. STONEY — Anyway, we used to know Ms Broad as the minister for the Snowy. After lots of questioning we did extract from Minister Broad agreement that the water for the Snowy River would not come from agriculture. I believe this bill puts paid to those promises. The promises did not quite stack up at the time, and I think probably history will show that it will be agriculture that will find the water. We all knew in the rural areas north of the Divide that this was always going to happen, and we all knew from day one after the 1999 election that water was going to be taken from agriculture for all sorts of reasons including the Snowy and for the environment.

To conclude I would like to reiterate that there is great uncertainty about the security of water in the future. In relation to finance and mortgages, it appears it will be complicated. It may take a while to be understood and it may threaten development in the future. Most certainly costs to irrigators are going to increase. Irrigators are most concerned about the non-user ownership of water. Irrigators ask why we are allowing people who do not produce anything to own water, and they argue that water must be used for its most productive and economic use. Of course this principle probably should apply to water for the environment. It is clear that, if people are allowed to purchase water and on-sell it, the price of the water will increase costs to the producers who might be desperate for a bit of extra water — or water at all. It has been mentioned that investors could manipulate the price of water, especially if the 10 per cent cap is increased.

I point out that this is the biggest change to water legislation since 1989. The Liberal Party opposition thinks this legislation is being rushed through. We believe it should lie over until the autumn sitting, and that is why we have moved this reasoned amendment. Water is the biggest issue facing Victoria and the

biggest issue facing Australia. Legislation should be measured, and it must be considered carefully. It is our contention that interest groups, irrigators and the general public have simply not had time to consider the major implications of this huge bill.

As I have said, we think it should be held over until the autumn. This is a reasonable and measured response by the Liberal Party which reflects that the major implications of this bill must be considered carefully by all groups including the environmental groups. It is very important that we acknowledge that and acknowledge the importance of those groups being part of all this. They should be given time to consider how best to have their say in how this water should be used for the environment. If our reasoned amendment is not accepted by the house, we will be voting against the bill.

Hon. W. R. BAXTER (North Eastern) — As Mr Stoney has said, this is the first major review and rewrite of the Water Act since 1989. I agree with Mr Stoney that the time that has been given for community consultation on this 245-page bill is absolutely inadequate. I remember the 1989 review. It was at the time of the Cain government and, as I recall, it was a pretty good consultative process. It might have had something to do with the fact that the government did not have the numbers in the upper house at the time, but I well remember in this chamber that there were many amendments being put at the committee stage and the representatives of the three parties sat at the table. I have not seen that happen since. The bill was teased out, and at the end of the day the people of Victoria ended up with an act that has served them pretty well for the intervening years.

It is a great pity that in this particular instance we have not seen such cooperation and such taking into confidence of the opposition parties, because in those days, Mr Steggall for what was then the National Party and Mr Lieberman and others for the opposition, as well as government members of the day, worked extremely well together to produce the 1989 act.

Hon. B. W. Bishop — It went down in history, Mr Baxter.

Hon. W. R. BAXTER — I think it did, Mr Bishop. I am certainly not averse to a review of the 1989 act; sufficient time has passed that would justify that happening. But in a climatic sense it is unfortunate timing, as Victoria has just come through an extremely long dry spell, probably the longest dry spell in the history of European settlement — certainly the longest in living memory — and to some extent that colours judgment. We have to be very careful that that does not lead to some short-term decision making. Some of the reactions of this government have been a bit knee jerk in response to the exceptional period of dry years we have experienced.

One only has to look at the rainfall this year to see how quickly things can turn around. We had a very late start to the season this year; apart from some unseasonable heavy rain in the first week of February there was virtually no rain at all until some time in June. Yet here we are in the middle of November with, for example, Lake Hume at 92 per cent full, whereas this time last year it was nothing like that. Lake Dartmouth, our largest water storage, is 63 per cent full, which again amounts to about twice what it had this time last year, and Lake Eildon, which has been in a parlous condition for quite a number of years, was at 48 per cent of capacity last Friday.

Whilst we are not out of the woods by any means, those figures indicate how quickly things can turn around in this state of very variable climate and entirely unpredictable rainfall. It shows how we can have a pretty rapid recovery. Some of us remember how Lake Eildon, having been completed in 1955 and having been predicted to take five years to fill, it in fact filled in the very wet year of 1956 — in one season it spilled.

We have to appreciate that we are in a climate that is extremely variable. Decisions we take have to reflect that and not be based on a particular short span of years which may be sending us messages which are not going to be born out in the longer term. On the other side of the coin I would say that perhaps in times of plenty we apply insufficient rigour to decisions that might be made in terms of water administration. I suppose that is a fact of life. I think that the government in its white paper and in its legislation has allowed itself to be a little too influenced by the particular set of years we have just experienced.

I know there is a lot of talk about climate change, and last week during the making of a member's statement I acknowledged that perhaps I had been too cynical about climate change in the past and that there was some evidence of climate change and reduced rainfall in our catchments. Those things may turn out to be real, but I do not think we should be basing this legislation on those sorts of relatively unscientific predictions at this point in time.

This bill is quite unbalanced. Firstly, we had secret consultation with the water services committees. I have never heard the like of this before. The water services committees are made up of farmers, and they do a great

job in working with their respective water authorities — generally Goulburn-Murray Water, the state's largest — and liaising with and reporting back to irrigators. But in this instance members of water services committees were summoned to Melbourne to discuss the bill at very short notice and were sworn to secrecy. They were not able to go back and report to their irrigator members exactly what the discussions were and what was intended. I think that is an extraordinary way to operate, and of course it had the exact outcome one would expect from that sort of behaviour. It built up a huge reservoir of suspicion out there in the community about the government. People were asking, 'What is the government up to? We are not being kept in the loop. A small coterie is being informed, and its members are not able to tell us what is going on'.

The government is reaping that whirlwind right now with the suspicion that is abroad in the irrigation areas as to what the implications of this legislation might turn out to be. I suppose it really reflects, as Mr Stoney has said, government members' obsession with garnering the green vote. That is exactly what they set out to do, and as they worked their way through it they did not want too much out in the public arena as they attempted to capture that vote. Whilst government members might like to think that people who vote green are sophisticated latte sippers from the inner suburbs of Melbourne who are well educated, often they are very amenable to wild claims. We have all heard the claims about how the rivers are dying and how there are millions of dead gum trees in northern Victoria, all of which is rubbish. Great progress is being made.

I am quite sure that this generation is going to be the first generation that hands on the Murray River and the Victorian tributaries to our successors in a better condition than we inherited them. That is not to say that more work does not need to be done — of course it does — but it is not all doom and gloom. All this rubbish about millions of gum trees dying is quite stupid. It is simply not true. I am quite sure that gum trees have evolved over millions of years, and in the past they have experienced long periods without a flood, exactly the same as they have experienced in the last decade. In fact because of irrigation we have been able to give some trees a drink, which we would not have been able to do under natural conditions. I will come to that in a moment.

The greens seem to think that running water down a river and out to sea is the key to the environmental health of our rivers. I do not think that is necessarily so at all. It is the timing of the flows rather than the quantity of the flows. I think we can work with nature, and that is not a new idea at all. In 1979 the then parliamentary Public Works Committee conducted an inquiry into northern water allocations post the construction of Dartmouth Dam. We should bear in mind that at that time a lot of people thought that once we had Dartmouth Dam completed we would have water running out of our ears and plenty to spare. Of course that was not true, because there had been overallocations earlier, and in fact Dartmouth enabled those overallocations to be caught up with and provided for, and it also enabled the parliamentary Public Works Committee at the time to recommend, which was subsequently accepted by, I think, the Thompson government, that there be an environmental allocation for the Barmah forest. That has been followed, and it is interesting to see in today's *Australian* the results of the decision taken in 1979. Today's *Australian* contains an article with a large photograph of a young scientist in the floodwaters at Barmah forest. The article states:

> A breeding frenzy has been unleashed in the Murray River with natural high flows boosted by environmental flows to create a booming population of golden perch and silver perch larvae.
>
> Egrets, ibis, frogs, tortoises and snakes have also been busy breeding while the moira grass of the Barmah-Millewa forest is blooming. 'This year is going to be an absolute boomer as far as the recruitment goes …' scientist Alison King said yesterday.

And later:

> Tony McLeod, the River Murray environmental manager with the Murray Darling Basin Commission, said the environmental water has been used three times — in 1998, 2000 and this year — with 350 gigalitres (350 billion litres) being sent through the forest in the past month.

It goes on to say:

> You don't create a flood from a standing start. It is putting relatively small amounts of water, intelligently managed, to get the outcomes we want.

That is absolutely true. As a resident living near the Barmah Forest I have seen the evidence of that. This is an indication of how, with skill, we can work with nature to make sure that we make the best use of the water available rather than doing what this government wants to do, and particularly what the Greens want to do, which is to tip extra water down the Snowy River so it runs out into Bass Strait, and get it up to 28 per cent at the Jindabyne wall, or tip 1500 gigalitres down the Murray River so that it runs out into the Southern Ocean at Goolwa. That is going to help; there is no doubt about that. But it is not necessarily going to be the solution, and it is certainly going to be very costly to the people of Victoria in economic and social terms.

Nature is a wonderful thing; I acknowledge that. I have seen an example near my home since we had the recent quite heavy rains and the river has run at a much higher level. The bulrushes in the lagoon near my home, which have been out of water for some time now, burst into bloom within a fortnight of the water rising in the lagoon and them having wet feet. It was just extraordinary and very encouraging to see how over millions of years Australian flora has evolved to be in harmony with this state's variable rainfall.

Hon. David Koch — Nature's agenda.

Hon. W. R. BAXTER — They are conditioned to irregularity — the highs and lows and the long dries. We have to be careful in whatever we do that we do not disturb that regime. Mr Koch just used an expression that might sum up the way nature works, and we have to live in harmony with that. That is what is wrong with the bill. It establishes an environmental reserve, and the environmental reserve sections of the bill talk about preservation. Proposed section 4B(1) states:

> The environmental water reserve objective is the objective that the environmental water reserve be maintained so as to preserve the environmental values …

Preservation suggests to me something that is static, that there is no change, and I do not think that is true. I think our environment is dynamic; it is evolving all the time. We have to protect, more than preserve, the environment, and we have to balance that with social and economic costs as well. We have to acknowledge that human beings live in this environment, and that human beings have to be sustained as well as flora and fauna and the landscape. If we go down the track of preserving — which is what this bill suggests — we are going to impose a huge cost on the human beings who also happen to live in this environment.

If you take into account that this environmental water reserve talks about preserving the environment, and then look at clause 5, which is headed 'Crown's right to water', you find that it states:

> After section 7(3) of the Water Act 1989 …

Honourable members will recall that section 7 in the 1989 act is the section which accords water rights to the Crown, to land-holders, to stock and domestic users, to people who have access via public reserves to water courses and so on. It is a very important section in the 1989 act. The bill says:

> After section 7(3) of the Water Act 1989 insert —
>
> (4) Despite anything to the contrary in this or any other Act —
>
> (a) a right to water must not be conferred on another person by or under this or any other Act; and
>
> (b) a licence for the taking or use of water must not be issued by or under this or any other Act; and

Proposed paragraph (c) is not quite relevant to what I am saying, but the section continues:

> unless —

and these are the operative words —

> regard is had to the need to maintain the environmental water reserve in accordance with the environmental water reserve objective.

Reading those two sections together — clause 4, which inserts new section 4(B), and clause 5 — in the hands of the bureaucracy or in the hands of a government or a minister who is dancing to the tune of the green vote, no-one will get any water allocation in the future if they have not already got it. This would stop all development whatsoever if it were in the wrong hands. I do not believe Parliament should be legislating along those lines. I will be moving an amendment in the committee stage which goes to those issues, because we have to always remember that irrigation is the great wealth generator in this state. Without irrigation the northern plains of Victoria would be a dusty sheep station today producing wool, although unfortunately it seems no-one wants wool any more.

Our economy would be lagging without those great visionaries who worked out that you could put a bank across the Murray River at Yarrawonga and water would run by gravity for miles and miles westward without having to be pumped again and you could water thousands of acres, and similarly on the Goulburn River near Nagambie to convey water by the East Goulburn main and the Waranga channel to thousands and thousands of acres. I often marvel as I drive down the Murray Valley that someone worked that out. It is a marvellous engineering feat. Visionaries like Ronald East, John Gladstone Black McDonald and J. F. Dethridge, who invented the water wheel that we all still use, were extraordinary characters and we owe them a great debt.

We should never forget that without irrigation Murray Goulburn would not be the largest exporter from the port of Melbourne. We probably would not be considering dredging the channels in Port Phillip Bay because we would not have any product to be sending out, and Melbourne, instead of being one of the leading cities of the world, would be a quiet backwater in a state basically deficient in rainfall which had agricultural production from broadscale farming but

none of the extraordinary productivity that irrigation has brought to Victoria.

We owe a lot to our irrigators and the men and women who pioneered irrigation. They are not all people who did it 100 years ago. Many of the pioneers of irrigation in this state are from only a generation or two ago, and some of them are still living. I could not help thinking, as I was preparing these notes, about a book by Mary Aldridge, who was on the soldier settlement scheme at Katunga after the war. Mary's book, *A Blockie's Wife — The Story of the Murray Valley Soldier Settlement*, tells of the tremendous hardship that those returned servicemen and their wives suffered as they carved farms out of the formerly dry country in the Murray Valley. Mrs Aldridge is only of my mother's generation, so it is in quite recent times that people have given us so much by developing irrigation in this state.

The white paper, much as you would like to believe the government's rhetoric, is not some unique document that suddenly appeared. There have been many precursors to the white paper. We go back to the *Sharing the Murray* review chaired by the former member for Swan Hill in the other place, Barry Steggall. It was an excellent unanimous report, which came out after a long consultative process and was accepted without question, despite the fact that to a degree it qualified the rights of some irrigators, particularly those below Nyah.

We have had the Living Murray initiative, driven largely by the former Deputy Prime Minister, John Anderson. He is to be absolutely commended for the way he got the water issues on the national agenda, particularly in states other than Victoria, where water administration and management have been far less assiduous than they have here. It is to his credit that he has brought New South Wales, in particular, and Queensland and South Australia to a lesser degree — perhaps kicking and screaming — to the table, but we are getting there.

When the white paper came out I said publicly that it was a reasonable document. I was pilloried in some quarters for saying that. I stand by what I said, because I think it is a reasonable document. I do not agree with everything that is in it by any means, but as a review of where we are at and where we might go it has a good deal of merit. That is not to say that some of the things that were being promoted were brand new either. Unbundling, as we now call it, was being looked at by the Kennett government under the name 'retail entitlement reform'. In a sense much of the stuff in the white paper was a work in progress from earlier times.

I would have been happier if this bill had faithfully reflected what was in the white paper. Regrettably it does not; it goes much further than the white paper and imposes upon irrigators and others much more regulation, miles more red tape and heaps more cost. I do not think anyone has yet worked out what the cost will be with all the regulation that is being imposed under this legislation.

To that end The Nationals have set out to try to come to a position where we might improve the legislation. If we are not able to defeat it we certainly want to improve it. While I do not object to the reasoned amendment moved by the Honourable Graeme Stoney on behalf of the Liberal Party, the forms of the house do not allow me to move a second reasoned amendment, so therefore I move an amendment to Mr Stoney's reasoned amendment:

> That all words after 'in their place' be omitted with the view of inserting in their place 'this bill be withdrawn and redrafted to provide — (a) for a better balance between environmental objectives and social and economic costs; (b) for compensation to be provided to those adversely affected in cases where the minister permanently qualifies water rights; (c) that water held within the environmental reserve carries the same obligations to contribute to the costs associated with its storage and delivery as other water; and (d) for clarification that the environmental manager is liable for damage, injury or economic loss arising from release of water from the environmental reserve'.

I have a number of specific amendments to be moved in the committee stage, but I shall go through the four aspects that this amendment contains. I have talked about getting a better balance in the environmental reserve. I do not want to repeat all that again except to say that the amendments that I will be proposing in the committee stage will go quite a way to achieving the sort of balance that we believe is necessary.

In terms of compensation if rights are reduced, the bill uses the quaint term 'qualified'. We all know that is code language for 'reduced'. If there is to be a reduction in water entitlements brought about by the minister, either by executive fiat or following some sort of inquiry, there clearly ought to be compensation. At least there should be compensation in circumstances where the alleged or quantified reduction in water availability is of absolutely no fault of the irrigator and well beyond the irrigator's control. I give the example of the 2003 bushfires which ravaged much of our upper catchments in north-eastern Victoria where most of our irrigation water is derived. The scientific evidence is that as that area regenerates, which fortunately it is doing so apace, there will be a reduction in run-off for at least a period of years — I do not know, it may be 20 years, 30 years or 40 years.

If the review that might be had in a few years time indicates that is the case and the minister decides to reduce water rights, I do not see why farmers should bear the cost entirely; it would be unfair to have their wealth-producing capacity, an asset that they have owned hitherto, sliced into without any sort of compensation. The community at large should bear the cost. One could allege that the fires got out of control because of the inability of the government to properly equip and instruct its department, and that the lightning strikes in January 2003 were allowed to take hold rather than be hit hard quickly, in which case we may have been saved from all the pain and agony we went through.

We then get to the silly situation where farmers are likely to have water taken off them because of a reduction in outflows from the catchment that is absolutely out of the control of farmers and at a cost that ought to be borne by the community. In other cases, if someone loses their earning capacity, they are compensated for that. For example, the factories that were resumed to enable CityLink to be built were compensated for their loss of income-earning capacity, and so should farmers in this case. Part (c) of my amendment states:

> that water held within the environmental reserve carries the same obligations to contribute to the costs …

Again the environment is benefiting because we have irrigation, as I have already explained. If we did not have lakes Hume and Dartmouth the Barmah forest would not be getting a good flood at this moment. It would have had a light flood because of the heavy rain we had not so long ago, which would only have flushed the low spots and not watered the whole forest. That is an environmental benefit coming about from irrigation. It will get future benefits in similar circumstances in subsequent years. As water is taken for the environment the cost of operating the system if the environment does not pay its share of operating the system and the storage of its water in the reservoirs would fall on fewer irrigators, and that again would be absolutely inequitable and unfair. We insist that the environment pay its fair share.

In terms of the clarification of who is liable when damage is occasioned by the use of environmental water — regrettably that will happen from time to time no matter how careful the managers might be — section 157 (1) of the Water Act 1989 states:

> If —
>
> (a) as a result of intentional or negligent conduct on the part of an Authority … a flow of water occurs from its works onto any land; and
>
> (b) the water causes —
>
> (i) injury to any other person; or
>
> (ii) damage to the property …
>
> …
>
> the Authority is liable to pay damages to that other person in respect of that injury, damage or loss.

I would have thought that is fair enough. Under this new arrangement potentially an anomaly could arise because under the bill, management of the environmental reserve will fall within the purview of the catchment management authorities. On the face of it that is fair enough, because the catchment management authorities — which, it is worth noting, were set up by the former Kennett government — are establishing themselves very well indeed, but they do not have works and therefore a private landowner who believes he has been damaged by the release of environmental water will not be able to sue the catchment management authorities because they do not have works, as I say, but will end up suing the water authority under section 157 of the Water Act.

The cost of that action will ultimately be borne by the irrigators who are customers of the water authority. The manager of the environmental reserve, the catchment management authority, is in a position of all care but no responsibility for its actions. Water is taken off irrigators for the environmental reserve, the release of this water by the environmental manager causes damage to private property, and the irrigators who lost the water in the first instance end up compensating the private landowners who are affected. That seems a bit more than ironic to me — it is totally unfair. They are losing the water back to the environment, that water causes some damage, they get sued and they pay the costs. The reason for part (d) of my proposed amendment to Mr Stoney's reasoned amendment is to make sure we clarify that particular section and put in place a fairer system.

I want to talk about some other defects as time rapidly moves by: reconfiguration and the ongoing stock and domestic supplies. No-one objects to reconfiguration. There are some parts of the state where irrigation is in decline either because of unsuitable soil types or because of salinisation, changed market conditions or whatever, and there are some spur channels that probably can be closed in the future. But we object to the fact that the bill does not guarantee that stock and domestic supplies will continue. It requires the water authority only to have regard to the continuation of stock and domestic supply, it does not guarantee it. I will propose some amendments in the committee stage

which would provide some certainty to people that their stock and domestic supplies would continue. If we do not have that certainty we will depopulate the countryside; we will be back to windmills.

One only has to think about what it was like before we had irrigation and just how dry it was on the northern plains. No-one wants to go back to that, nor should landowners who have had a secure stock and domestic supply for 60 or 70 years now suddenly find themselves being exposed to a situation of not having their long-held supply for stock and living purposes.

With regard to unbundling generally, I think it is a satisfactory process in the bill, save for the water-use licence part of it. It is a build on the former retail entitlement reform process of the previous government that I referred to earlier. It will provide greater opportunities to suit particular irrigation businesses as to how they might structure. Some will rely entirely on high-security water. They may go out and buy more. They might decide they can sell some of theirs. It will provide greater opportunity for people to buy the medium-security product and tailor their businesses around availability of medium-security water, taking advantage of it when it is available and cheap but in years when it is scarce and expensive doing other things. The fact that you can adjust the water-share capacity of the channel to ensure you can get water when you want it will give irrigators another tool to use in their management, and I think that is quite good.

I am absolutely opposed to the water-use licence, and think it is just red tape and is entirely unnecessary. I am extremely annoyed at the fact that the government has moved away from its commitment in the white paper *Securing Our Water Future Together*, where it says:

> Licences will have ongoing tenure, rather than being for a set period …

It also said there would be no charge for them. I refer honourable members to page 88 of the white paper. What do we see now? We see that the licences will have to be renewed and that they will carry a fee. That is outrageous. It is certainly a denial of what was said in the white paper.

There is the aspect of what effect unbundling will have on municipal rates. I do not have time to deal with that at this point other than to note that the government has put that off until 2008. Some councils that will be affected — there are about 15 in the state — have been left high and dry. They have been left to work out how it will all be put into operation. I call upon the government to work with the municipalities to come up with an equitable system as to how that is going to work.

I am certainly opposed to the $6000 fine that is suggested for using water without a water-use licence. That is a very hefty fine indeed. That offence is not akin to stealing water or to interfering with or damaging works of the authority, which are already provided for in the act, carry significant penalties and are justified. This is not analogous to those at all. The 10 per cent limitation on water being owned but not attached directly to land is the issue that has caused the most angst around the community and led to fears of water barons, market manipulation and the like. I cannot for the life of me see why the government has persisted with it.

I know that the minister has gone out and said, 'The Living Murray process endorsed by the coalition government in Canberra has de-linked water from land'. Yes, it has done that in the sense that it has fostered and encouraged a full and robust trading environment, but I do not think it has said anything about enabling people who are not landowners to be able to accumulate large volumes of water. The Nationals will certainly be opposing that aspect of the bill, and I will be moving amendments in the committee stage to ensure that if the minister wants to increase the 10 per cent limit that he currently specifies in the bill, he will need to bring it back to the Parliament.

I want to say a word or two about the 80:20 deal and the sales pool because I think there is grave misunderstanding about what the sales pool is and what the 80:20 deal actually means. The sales pool, despite what some people think, is not some vast, unallocated volume of water that is available for distribution in one way or another. The Public Works Committee report of 1979, to which I have already referred, recognised the fact that the sales pool was largely ephemeral and was mainly composed of what we call the sleepers and dozers — that is, licences and entitlements held by water users that are not being used either in full or in part. That was right. That was largely what the sales pool was, except in exceptionally wet years when we had quite a surplus of water. The Goulburn-Murray Water Authority knew that and in effect was able to sell the water twice. We could make the allocations, knowing that a percentage of irrigators were not going to use their entitlements, and we could establish a sales allocation at a fairly high level.

Once trading came in five or six years ago it was obvious that the sales pool was going to compress. People are not stupid; once they realised that they could actually sell their licence temporarily on the market if

they were not going to use it in part or in full that year that water was used up and the sales pool was naturally going to compress. That is exactly what has happened. It is not a factor of this bill or anything else, it is simply a factor of the introduction of trading.

It has been estimated that over a run of years we might average a 60 per cent sales allocation. Experience has shown that that is about right, and it has been decided that 20 per cent should be given to the environment. But it has not just been given up to the environment, it has been a matter of who owns the sales pool. Some people claimed it is owned by farmers, simply on the basis of long use, rather like adverse possession, I suppose. I would not want to be running that in the High Court of Australia I am afraid, because as much as I would like to say that the farmers own the sales pool, legally I do not think that is so.

Northern Victorian Irrigators collected funds from irrigators to get a legal opinion on that issue. I think they owe it to the contributors to disclose the result of that legal opinion. I am aware that they have received it, and I believe they should make it public so that those who contributed to the legal opinion know the result. My view — and, I understand, the government's view — and the legal advice is that the irrigators do not own the sales pool. But under this arrangement, which has been agreed to by the VFF and negotiated with the government, the farmers of Victoria, in return for giving 20 per cent to the environment, will get a legal title to the remaining 80 per cent. In my view that is a pretty good arrangement: you get ownership of 80 per cent of something that you have not owned before. It is going to make that a tradeable commodity; it is going to give great flexibility to irrigators, and I think it is something that farmers can take up and work with very well indeed.

I know that has been rejected by the shadow Minister for Water, who wants to slice 3.5 per cent off all water entitlements — that is, off water rights. I believe that would create a very dangerous precedent indeed. It would be unfair to those who manage their farms within their water right; it would be unfair to those who have bought more permanent water so that they can manage within their water right. It would certainly reward those who fly by the seat of their pants, which they are entitled to do — I do not object to their doing it — and play it year by year. What is more, it would take water off irrigators every year, including in drought years, whereas the proposal on the sales deal negotiated by the Victorian Farmers Federation does not take it in drought years, only in wet years when we have more in any event.

I am not sure whether the opposition would compensate farmers for the 3.5 per cent it wants to take, but in the Goulburn-Murray system on my calculations at $1000 a megalitre that would be something like $60 million or $70 million. I am not sure whether the shadow Treasurer has factored that into whatever plans he might be making. I think to take off existing entitlements would set a very bad precedent indeed, and I am very much opposed to it, and I think 98 per cent of irrigators are very much opposed to that as well.

I was going to say a word or two about the upper catchment where there is some unhappiness, but time does not allow me to do that. I may get a chance in the committee stage.

Let me say in conclusion, though, that this bill is quite unbalanced. Water saving is in the public mind. There is no doubt about that. We have seen in the metropolitan area of Melbourne and cities like Shepparton and Wodonga that people have become much more conscious of their water usage in an urban setting.

Hon. P. R. Hall interjected.

Hon. W. R. BAXTER — Yes, Mr Hall, country communities right throughout the state have reduced their consumption. They have accepted modest water restrictions with alacrity, and they want them to continue. We have also seen farmers increase their efficiency with laser grading, recycling, automatic irrigation systems and so on. We have in the community a tremendous amount of goodwill at this moment towards how we are going to manage water in the future and an understanding that it is not an inexhaustible resource and that we have to work very carefully to use it wisely.

I believe this bill risks destroying that goodwill, because it imposes so much red tape, so much regulation and so much extra cost; and it gives so much capacity to a government to try to manage from Spring Street rather than allowing farmers to manage their own farms in the best way possible. It gives far too much capacity for political interference based on what the ballot box might be dictating rather than on what the social, economic and environmental situation might dictate. I believe the bill is therefore unbalanced.

The ACTING PRESIDENT (Hon. Andrew Brideson) — Order! Before calling the next speaker I remind all honourable members who are going to participate in this debate that they will now be debating the bill, the reasoned amendment and the amendment to

the reasoned amendment. If they are unsure what that means, this is a wide-ranging debate.

Ms CARBINES (Geelong) — I am pleased and proud to speak on behalf of the government in support of the Water (Resource Management) Bill this afternoon. As we have heard previous speakers say, water provision is one of the major issues confronting our state. We have had a prolonged drought of some nine years now. I know when I was first appointed as Parliamentary Secretary for Environment three years ago farmers told me it was the worst drought in living memory; then they changed it to the worst drought in the century; and now most people are saying it is the worst drought since white settlement in Victoria. In recent times we have also had CSIRO inform us that climate change predictions for the medium term indicate that we will lose about 8 per cent of the flow in our rivers by 2020, and that will rise to about 20 per cent by 2050. That is a pretty dire prediction, and that is only a mid-range prediction.

It is incumbent on any government to make sure it takes account of such predictions from an informative body such as the CSIRO. This government is well placed to do so because some two and a half years ago it decided to critically examine the way water resources are managed in this state through the Our Water Our Future consultation process. We came to realise that the way we have managed water in this state historically is unsustainable in the face of prolonged drought. We know that the provision of water for Victorians is essential to not only the state's economy but also to our social wellbeing, and that we cannot continue to manage the water resource in the way in which we have historically in this state.

The Bracks government is leading Australia in its preparedness to critically examine the way water is managed in our state and also in acting to introduce water reform to ensure that all Victorians, no matter where they live or work, play their part in managing water sustainably into the future.

The *Our Water Our Future* discussion paper was released by the Minister for Water in the other place, John Thwaites, some two and a half years ago. The aim of the discussion paper was to provoke debate and to look at new ways of managing our water resource. We have attempted to engage all consumers — be they domestic consumers, irrigators, farmers, or from industry — to look at how we could all contribute to better managing water in our state. The process was a hugely consultative one, in which over 600 submissions were received and public forums were held around the state.

The culmination of all that work was that some 17 months ago, in June last year, Minister Thwaites and the Premier launched the *Our Water Our Future — Securing Our Water Future Together* white paper. This inspirational paper sets out the Bracks government's vision to secure Victoria's water supply for the next 50 years. At the time of the launch there was enormous support from all sectors across the state — environment groups, the Victorian Farmers Federation, catchment management authorities (CMAs), water authorities and the Victorian community — and people said, 'Yes, we embrace this change. We are ready for this; we want to play our part because we know that water is critical for our future'.

I must say I was pretty disappointed to listen to the criticisms of this legislation put forward this afternoon by the Honourables Graeme Stoney and Bill Baxter. As much as I enjoyed their contributions, I do not accept their criticisms of the legislation and advise the house that the government will not be supporting the Liberal Party's reasoned amendment or The Nationals' amendment to the reasoned amendment. I am sure neither of the opposing parties are surprised to learn that.

I was very disappointed in the contribution by the Honourable Graeme Stoney. I suppose I should not be surprised, but I had hoped that over the years he may have come to understand the environment better than he does. But he is pretty consistent. Whenever we debate an environment bill in this place Mr Stoney bangs the same old drum — that is, that the Labor Party and the Bracks government are captives of the Greens and are using this place to impress and to buy votes in Melbourne at the expense of the country. That says about Mr Stoney more than anything else that he does not understand the environment. He may have some nostalgic connections and sympathy for outdated historic practices that have been adopted in the country, but he does not understand the basic tenets on which the national environment works. I was disappointed by what he had to say.

I also reject the accusation made by both Mr Baxter and Mr Stoney that this legislation is being rushed through the houses. I would hardly consider two and a half years of consultation as a rush. In fact, in any other debate they would be saying we were dragging our feet! We in the government have adopted a hugely consultative process to make sure we get it right.

I am proud of this legislation, and I am proud to be part of a government that has tackled one of the very critical issues confronting our state. We are leading the nation in water reform.

It has been an inspiration to work on this project with the Minister for Water in the other place and the department, looking at ways in which we can reform water management across the state. I consider this piece of legislation and the other pieces of water reform legislation that we have brought to the house to be the hallmark of our second term in office, just as they are the hallmark of our environmental achievements. I am very proud of this groundbreaking, visionary legislation.

As we have already heard, the bill works to establish an environmental reserve for Victoria's rivers and aquifers and to provide them, for the very first time, with a legal right to water. Historically both rivers and aquifers across the state have been seen as an extractive resource serving everyone's needs but to the detriment of the natural environment. Any person with a knowledge of the natural environment knows there is an interconnection between the health of our rivers and the health of the land that makes up the catchment. The environmental reserve will establish a share of the volume of water to safeguard the future of rivers and aquifers and to prevent overallocation of our water resources in the future.

The environmental water reserve will be managed by Victoria's 10 catchment management authorities. I know from my work with our CMAs that they will do an extremely good job on that, so I congratulate the Minister for Water for being the first minister in this nation to give rights to rivers. That is a fantastic outcome that will guarantee not only the future health of our rivers and aquifers but also the future health of our catchments.

The bill also lays the foundation for the establishment across the state of regional water resource strategies. These are especially important to the long-term security of our water resources because they will for the very first time ensure that the whole of the water cycle is considered in an integrated way. They are also important when we take into consideration CSIRO predictions about the impact of climate change on our water resources. It is most important that we look at the interconnection of our water resources across the state.

In my electorate of Geelong Province we are currently undergoing a consultation process on the central region strategy in relation to the interdependency of the Geelong and Ballarat water supplies. I know Barwon Water and Central Highlands Water are undertaking a very thorough consultation with other communities about where we will derive our water resources from in the future and to ensure that both Ballarat and Geelong have sustainable supplies not just for now but for the next 50 years. I encourage all people in our region to get involved in that consultation program.

A key part of this legislation is the unbundling of existing water entitlements for irrigators to provide greater flexibility in the way they use water and greater certainty of supply to those irrigators. This is a groundbreaking reform. It divides an irrigator's water right into three components — water share, a right to use that water in a defined volume, and a period of time to use that water. There is no compulsion for irrigators to adopt this system. Those who want to use it will be able to restructure their businesses to suit their individual needs and to allow for greater security of the resource. That is a great outcome, and I think I heard Mr Baxter say that he had no problems with the unbundling of the resource, by and large.

A major agreement has been negotiated between the government and the Victorian Farmers Federation (VFF) in relation to the Goulburn-Murray system regarding sales water, and I heard Mr Baxter say that was a pretty good arrangement. I know from my work as Parliamentary Secretary for Environment and my travels in the northern parts of the state — —

An honourable member interjected.

Ms CARBINES — Indeed. I have been to many meetings and had discussions with farmers. They are looking forward to this. In exchange for security of supply, irrigators have agreed to donate 20 per cent of supply back to the environment. I congratulate the farmers, irrigators and the VFF for working with the Bracks government to achieve this outcome.

Importantly the bill also establishes a public register of all water shares in the state, which will allow for a comprehensive database of Victoria's water resources. This important initiative builds on the government's demonstrated commitment, which was evidenced earlier in our term by legislation that has already passed through this place and been enacted, to keep our water resources in public hands. That is in stark contrast to the plans that the former government had to privatise water resources across our state, as it privatised the electricity and gas supplies. The Bracks government is looking after water resources and ensuring they stay in public hands.

Finally, the bill includes provisions to assist water authorities to upgrade or reconfigure infrastructure to suit the needs of irrigators. Again, this is an important process that needs to be carried out. Irrigators will embrace the opportunity to work with water authorities to make sure that the changes that are made reflect their

needs. In a very short time available to me as lead speaker for the government I say I am very proud to speak in support of this bill. It is important, visionary and groundbreaking legislation which will serve Victoria extremely well for the next 50 years. The Bracks government is the only government in Australia that is prepared to tackle the very hard issue of looking at our water resources and taking the community with us in relation to changing the way people not only think about but use water. This legislation will serve us very well, not just now but into the future.

I congratulate the Minister for Water in the other house, his staff and officers of the department who have worked very hard to consult with the community over two and a half years and bring this legislation before us. We know we have it right. We look forward to seeing these changes implemented over the coming years, and know they will serve Victoria extremely well, not just today but well into the future. I wish the bill a speedy passage.

Hon. J. A. VOGELS (Western) — The Water (Resource Management) Bill introduces the most wide-ranging changes to the water legislation since the Water Act was rewritten in 1989. I congratulate the Honourable Graeme Stoney and the Honourable Bill Baxter on their contributions to the bill — —

Ms Carbines — What about me?

Hon. J. A. VOGELS — Ms Carbines was not doing too badly until she started on the usual diatribe about how we were going to sell off all the water and privatise it. She was not doing a bad job until she started down that track.

This bill has 251 pages. Ms Carbines said it has been out there for quite a while. A lot of it has, but the final draft has only been out for about a month or so. Only six weeks ago or so councils came in here to see the opposition. They are really concerned about the unbundling of water rights, especially in the northern irrigation areas.

The opposition has moved a reasoned amendment that the bill lie on the table until the autumn sitting next year so that more dialogue can be had with those councils. Of the 19 councils affected by the bill, the most affected are the shires in irrigation areas — that is, Moira, Shepparton, Gannawarra, Loddon, Swan Hill, Campaspe and Mildura. Just those councils between them will lose about $7.5 million in rates once water is unbundled from property in their areas. Where will the $7.5 million come from? Obviously — unless the government helps — it will have to come from other ratepayers, because councils cannot afford to lose that sort of money.

The other thing about the bill that concerns me is that currently stock and domestic water is basically sacrosanct. People have always had a right to stock and domestic water — that came first. That will no longer be the case when the bill goes through. Stock and domestic water will be equal with water for the environment. That concerns me because I consider that people especially and stock also are more important than the environment. We all love to see the environment have water. It is fantastic when everything is going well. I come from south-west Victoria and I can remember the droughts in 1967, 1973 and the 1980s. That dairying area has no underground water at all; it relies basically on run-off water. The government has fixed up that area — people cannot put in a farm dam any more without going through the process of applying for and getting 22 permits.

Another issue that really annoys me is that this government considers all of Victoria to be exactly the same. Its members do not consider that maybe in south-west Victoria we should declare water areas different from those north of the Divide. North of the Divide water is very scarce but in south-west Victoria, where I come from, there is no scarcity of water. We have not had a drought for nine years or at all. The rivers are running beautifully and the dams are all full and have been for the past nine years. However, when in the past there was a dry year, farmers, to their credit, through Rural Finance or whatever, borrowed money and made their properties drought proof by putting in another dam for the year down the track when there would be a drought. That option is no longer available. I do not know how farmers there will expand. If they want to milk more dairy cows they have to provide extra water. Now it is basically impossible to get a permit to put in another dam.

As Ms Carbines said, the catchment management authorities will have the final say on the water supply protection areas. We all know that as people retire from CMAs and water boards they are stacked by the government of the day. Warrnambool Water is an excellent example. The government got rid of the board members and replaced them with Labor Party hacks.

Honourable members interjecting.

Hon. J. A. VOGELS — The government has stacked the boards completely. Those people will do the bidding of the government or they will not keep their jobs on the boards.

The bill also allows for 10 per cent of water shares to be held by water barons. Water barons should not be allowed to have any water. The government is proposing to set up a system by which very rich people will be able to trade water on a laptop from the back seat of a car — they will not even need an office. They will trade water and become multimillionaires at the expense of rural people — farmers and others — so I am dead against that proposal.

Let us look at what this Labor government will be remembered for. In the 1970s and 1980s we had the Hamer and Thompson governments, and before them the Bolte government, that had foresight. I was not here then but I have no doubt that the Labor Party would have opposed the proposal for every dam that was ever built in that era. Thank God they got the legislation through and put in the Thomson Dam — otherwise Melbourne would probably be without water today.

You have to look to the future. Ms Carbines and the Labor government say, 'We will not need to build another dam for at least 50 years'. We know that the population over the next 50 years will increase, that there will be a million more people in Melbourne by 2030. To sit there and say, 'We need no more new dams' is absolutely ludicrous.

If you read the government's own paper *Securing Our Water Future Together*, published in August 2003, it shows that only 3 per cent of the actual average natural flow of 750 gigalitres of water from the streams of the Otways coast is diverted for irrigation, stock and urban use. A member could probably tell me what 1 gigalitre is; I think it is a million million litres. Ms Carbines could correct me. No doubt it is more water than we could ever use. I am not saying we should be creating dams; of course we should not. But if we only took 4 per cent instead of 3 per cent out of the 750 gigalitres, Geelong and Ballarat would be drought-proof for the next 50 years. These people have their heads buried in the sand, so there will be no more dams. It really annoys me.

In my area Peterborough, Portland and Port Campbell are examples of towns that get their water supply out of an aquifer. These aquifers are under pressure. When they drill to provide water for these towns there is an excess of water. That water runs into the ocean. Yet we have Wannon Water telling the people of Portland, Peterborough and Port Campbell that they will be having water restrictions this summer. They will have to pay more for this restricted water. What happens is that more water runs into the ocean. It would not actually matter if the people in those areas doubled the water they used now, because the aquifers are under pressure and not enough is used in those towns, so the excess runs into the ocean. The argument that we need to put those areas on restrictions is garbage. They cannot see there is a difference between certain areas of the state like Gippsland or north Victoria. They are different areas.

Because South West Water has an abundance of water, we should be promoting businesses or industry to move down to that end of the world. We should say, 'There is water down there; go down there'. Perhaps instead of sending 600 people from the Transport Accident Commission to Geelong, which is already on water restrictions and has not enough water. The government should send them to Warrnambool, where there is an abundance of water. We could double the population of Warrnambool and still supply it with water.

The Liberal Party has moved a reasoned amendment. There are some good initiatives in this Water (Resource Management) Bill, but I do not think the bill addresses the future accurately. Because of the government's association with the Greens, it says, 'There will be no more dams, there will be no more of anything; we will reduce, reduce, reduce' et cetera. I would love to see a policy come from this government which acknowledged that the population of Victoria will probably grow to 7 or 8 million over the next 60 years. It is 5 million now. Those people will need water.

It would take at least 20 years to do the planning and to actually build another dam or tap an aquifer, if there is one out there. We need to be doing the planning and investigation now. We need to be looking to the future now rather than hitting a brick wall in 20 years when there is nothing there. Thank God the previous Thompson, Hamer and Bolte Liberal governments had some foresight. That is why we can still turn the taps on in Melbourne and have a drink of water. Industry can flourish because of the foresight of previous Liberal governments.

The Liberal Party will be moving a reasoned amendment to this bill. If the reasoned amendment does not succeed, we will oppose the bill.

Hon. B. W. BISHOP (North Western) — I am pleased on behalf of The Nationals to make a contribution on the Water (Resource Management) Bill. The purposes of this bill are basically five-fold: to establish and protect an environmental water reserve for Victoria; to assess and plan for a long-term adaptive management of water resources; unbundle water entitlements for rural water users and water shares, water use licences and capacity shares; to introduce new consultative processes for upgrading or

decommissioning rural water infrastructure or changing levels of service; and to establish a public register and appoint a water registrar.

This is a huge bill, not only in size — I must have a different one than Mr Vogels because mine has only got 251 pages in it — but also in importance, particularly in the irrigation area. I think it is quite annoying that the bill was brought to the lower house and there was only a couple of weeks to have a decent look at what is a large bill. The processes involved in the bill's formulation have been around for a long time — that was the real bill that was brought to the lower house with a few days notice.

I have been discussing with my colleague the Honourable Bill Baxter the approximately 700 amendments made in 1989. As members will remember, that was done in a very reasonable way. Mr Baxter related that to the fact that the Labor Party did not have control of the upper house at that time. I can remember that occurred when I was on the wheat board. I was sitting in the gallery of this place as I was here at Parliament House to see someone. It was most unusual; everyone was sitting around the table. I cannot remember whether the books were on the table or not, but it was very good to see that that process could be adopted and worked through in a cooperative way, and I think we came out with an excellent water bill from those 1989 amendments.

Another comment made today was about the chairs of the water committees. They are great people, as are the water committees themselves. I am sure that everyone who lives in irrigation areas relies on them to give them information on how their irrigation system is going. They were summoned down here to Melbourne, sworn to secrecy and told what was going to happen. That is not the way the consultative process should work; there should be a partnership system. These people rely on the irrigation system itself, and the irrigators rely on the committees to represent them in that area. It is interesting to note that irrigator councils have sprung up in the Sunraysia area. The Sunraysia irrigator council is the overarching body, with other councils feeding into it. I have no doubt that they have sprung up because of a concern of irrigators that water committees do not have the capacity to go out and say what they think in relation to their representation of irrigators.

When I had a look at the processes, I thought about what some good processes were as the system has gone along. One of the better ones was Sharing the Murray. It was a good process — it took a fair while, it was tough going and the then National Party's member in the other place, Barry Steggall who represented Swan Hill and who is expert on water matters, played a leading role. I can remember his good work.

That brings us to the issue of what we think about the suggested 3.5 per cent contribution from the whole of the water entitlements in the irrigation system — that is, water overall — rather than the 80:20 deal that Mr Baxter described so well, which utilises the sales pool. I am opposed to the flat 3.5 per cent system. It is most unfair — and Mr Baxter described the people in the sales pool area on whom it would be unfair — but from my perspective, in my electorate it would be very unfair on the irrigators who are under the Nyah-South Australian border allocation system.

That allocation was done quite cooperatively; led, as I said, by Barry Steggall. It was a very careful allocation of water along the river from Nyah to the South Australian border. It was accepted, I think, in general as being fair and reasonable. I am sure most of the irrigators I talk to, and particularly the ones from the Nyah-South Australian border area, would find a 3.5 per cent contribution totally unacceptable. I am sure the majority of irrigators would see that as well.

The next go we had at it was the Living Murray and the Wentworth group. From the initial description you would have thought this was a group of people who met at the junction of the rivers in Wentworth and made a careful study of them. However, they were called the Wentworth group because they met in the Wentworth Hotel. It was hardly a place where you could stare at the river.

Hon. W. R. Baxter — Eight hundred kilometres from the Wentworth.

Hon. B. W. BISHOP — As Mr Baxter correctly interjects, it was 800 kilometres from Wentworth itself. They had a good run for a while, and they captured the imagination of a few people. However, they certainly were not using science, even though most of them probably come from that background. They were using an emotional environmental argument. They were looking to rip water out of the system to the tune of 3000 gigalitres of water — a huge amount of water. When challenged they had no scientific evidence to back up that demand, and they certainly, and this was their big failing, had not done any socioeconomic studies to see what it would do to our people along those irrigation areas who would have paid an enormous price for that.

At the end of the day there was an agreement to find 500 gigalitres of water, which should be able to be achieved by water savings without the need for any

other measures. It is a good challenge to put to governments in relation to achieving those water savings. I think it concentrates all of our minds in a correct way in the management of water savings.

The Nationals have moved an amendment to the reasoned amendment moved in relation to this bill, and will be moving textual amendments. Those amendments strive to achieve the right balance in this bill. As the Honourable Bill Baxter said, this bill does not achieve balance, and that is the problem we have with it. We want a bit of commonsense in this bill to ensure that our irrigation industries and communities and irrigation farmers are well protected.

The balance we seek to achieve is a balance between the environment and production and the social side of the irrigation systems. We think they are all very important. I would challenge anyone who said irrigation farmers or farmers in general are not environmentalists because they are — if they were not, they would not have a future. I think that challenge would remain unanswered by anyone who thinks even just a little bit about a farmer's capacity to look after the environment and ensure their wellbeing for the future. That balance between the environment, production and the social side of the issues is hugely important. I would argue that this bill is driven by an environmental process rather than production and social balance in the irrigation systems. I think the social implications have largely been ignored in this bill.

I would like to touch on a few of the issues in the time I have available to me. One is the catchcry of government of having more security for the users of water — our irrigators. I would put it to the house that I think the opposite occurs in this bill. The minister can qualify, I think is the word, water shares — chop is another word, I suspect — with no compensation. I note that we now have 15 years; I think it is 12 years as they start off by doing a bit of research into that particular issue. However, as that is looked at it is important to concentrate on the health of the river. Let us not have a gut feeling about whether water needs to be taken out of the irrigation system, let us have some decent science and knowledge and concentrate on the health of the river.

Certainly the last move should be to qualify or cut back on the water shares in the irrigation district. The reconfiguration processes in this bill have come in for their bit of airplay in our irrigation areas. I suppose there are lots of ways you can look at it, but at the end of the day the retention of the highest priority for stock and domestic water is absolutely crucial. I am particularly concerned that environmental water has the same priority as stock and domestic water in this bill. I have never seen that before. I do not think it should be so. Stock and domestic water should have the highest priority that we can possibly achieve in relation to utilising the valued water resource that we have in Victoria.

Going on to water-use licences, they are particularly interesting. Again, I was chatting to my colleague the Honourable Bill Baxter, and we were saying we had a bit of an idea that the Environment Protection Authority might have been involved at one stage. I believe that is not so, but the catchment management authorities certainly have a big say in the water-use licences, and I am concerned that we could end up being smothered with red tape again. We are going to have an annual fee in relation to this area — —

Hon. W. R. Baxter — Indexed as well!

Hon. B. W. BISHOP — 'Indexed as well', Mr Baxter says. That is a common trick of this government — to index fees and licences to make sure that bracket creep catches up with us. So we have an annual fee, and there will be conditions and restrictions perhaps imposed on our water use. We are not too sure what will be imposed on us, but it is a bit of a double whammy, because you pay a fee and you get told what to do with your water, something that has not happened in the past. The other issue that Mr Baxter also touched on quite briefly was the heavy fines imposed in these areas. Our deputy leader in the other place, Peter Walsh, raised the issue that without absolutely correct use of water licences it is possible to send someone to jail, which is really overkill and I am sure should not be in this bill at all.

'Environmental reserve' is an interesting term. It is almost a throwaway line in some ways, because we believe we must have rigour and science and address river health and not follow the philosophy of the Wentworth group. If the government is fair dinkum about the environmental reserve, it would certainly have specific environmental objectives and some strong indicators of river health so that it is transparent and accountable and everyone knows exactly where they are going in relation to that.

I will say a quick word on unbundling. That certainly threw a hand grenade into the municipalities. I suppose the leading municipalities are Greater Shepparton, Gannawarra, Campaspe, Moira and Mildura. I guess there are others as well, but those are the most affected. This has left the municipalities high and dry, and they have until 2008 to try to work it through. I suspect their consistent view is the government should provide some

bridging assistance and modelling and transitional financial assistance to get them through that bump. The bottom line is the government brought the bill in and created the issue and it cannot walk away from the responsibility of assisting our municipalities in that area.

Regarding non-irrigators having 10 per cent of the water — the water barons, the banks or anyone — it is an interesting view as to why we want that, but the one causing most concern is that at the stroke of a pen the minister can increase that 10 per cent and not have it come back to the Parliament. It is absolutely essential that anything like that comes back to the Parliament to go through the scrutiny of the Parliament to ensure justice is done on that issue. The Nationals see the bill as a power grab by government, driven by the ideology of the Greens, without science. We think it is fine to protect the environment, but we need the accountability, and I look forward to the committee stage where we can further discuss the issues in this bill.

Hon. DAVID KOCH (Western) — There is little doubt in my mind that the Water (Resource Management) Bill before the house today is one of the most important bills that will ever come into this house. I say that from the point of view that water is the most precious resource this state has to manage. There is not one of us in Victoria who can do without water. I believe this bill is trying to make provision for our irrigation communities, our environment and our regional communities, but as has been mentioned before, although this has been described as the 'triple bottom line', getting a balance right is what this is all about, and I do not believe the balance is correct at this stage.

The review that led to the Water Act 1989 was probably the biggest ever review of water legislation. There were about 700 pages of submissions and statewide consultations across the industries took place. Anyone who wanted to have an input and be heard could do so. As Ms Carbines indicated earlier, there were 600 submissions to that review. The current review has involved submissions totalling in the order of 310 pages. Unlike the situation in 1989 there has been very little consultation on this round and the consultation that did occur was done on the run, it was selective and, as we know and as we have heard here, few people were involved. It was a secretive process done under cover of darkness, and those involved did not have the opportunity of reporting back to their own communities or getting further commitments for discussion with their communities in relation to the implementation of this bill.

It is one of those things that we have become used to with this government. It is extremely well resourced, yet on most occasions it expects people to come to Melbourne for discussions even though it is quite able to go to regional Victoria and open up consultation, have transparency and have our communities, irrigators and industry participants far more involved.

Unfortunately the other side of the water issue is that where it is not provided we will not only have a dust bowl, we will have unsaleable land. Three years ago when I was in rural real estate I had people coming from north of the Divide looking for country in natural rainfall areas — especially those tied up in the dairy industry, who were finding it very difficult to secure water to maintain their business enterprises — because they had little trouble selling their water entitlements north of the Divide, but once that was done no-one wanted their land. As I said in my opening comments, water is a precious resource, the most valuable resource we have in this state. That typifies it. If we cannot have water provided to producers by and large, then the capacity of those great wide lands north of the Divide, regrettably, will have less than the optimal use which we would like to see and enjoy today.

One of the other things we have also to come to grips with is that as a result of this review there is no greater security or tenure of entitlement. Importantly, and in some cases sadly, the minister has lost the trust and confidence of irrigators and those who rely on irrigation to support their communities, who now feel, and have increasingly felt over the last five years, unsure about where they sit in this debate. The goalposts keep moving.

Hon. J. A. Vogels interjected.

Hon. DAVID KOCH — Thank you, Mr Vogels — there is no doubt about it, we will get to collateral in a minute.

The minister now has the capacity to move and allocate entitlements at the stroke of a pen — although he would have us believe that it will be done through one of his ministerially appointed water panels, which will give him information, recommendations and leads, but that does not provide any security for those people who rely heavily for their day-to-day activities and the security of their community on their water allocation.

We have now seen for the first time that we are getting away from even irrigators having licence entitlements. For the first time we have opened up to private investors securing up to 10 per cent of water entitlements. This is the start of the water cartels, which

I have been saying for the past five or six years would come to pass. It has come to pass. None of us knows how long it will stay at 10 per cent, because at the stroke of a pen the minister can take it up to 15 per cent or down to 7.5 per cent, or wherever.

As Mr Vogels indicated a minute ago, one of the greatest concerns is in relation to security for those properties that, like most properties, run with some encumbrances or some mortgages. As we see the values of this precious resource and the allocations lowered, that erodes some of the collateral that these producers have put forward in the past to secure their enterprises.

The banks are certainly telling us in correspondence that they are looking at this situation, and they want their clients to have greater allocations than they may well use and that will secure the investments they have with their clients. That is an area that we have not seen before but it will creep across the community and will give a lot of grief.

Concern has been raised in relation to stock and domestic supply. For that to be taken into regard and not to be guaranteed is one of the biggest injustices resulting from this legislation. There is no doubt that stock and domestic should have an as-of-right opportunity within the legislation and that again, like many things, has been eroded. I certainly hope at a later review further consideration is given and that that regains its prominence.

There is no doubt that this government has a commitment to the environment and that is driving the debate. Members from regional Victoria — and I am sure many members also have relatives in regional Victoria — understand and appreciate that we have long periods of irregular rainfalls and weather patterns that we cannot necessarily manage. I think that has always been part of the water industry.

From my own point of view, on our previous property we made a huge contribution to the environment with much work taking place especially along our streams, fencing our creeks off and what have you. In a previous role as the chairman of one of the catchment management authorities down in the south-west I openly say that I am a one-eyed Greenie. I make no error in saying it. I am a conservationist by birth; it is as simple as that, but I am certainly not a two-eyed Greenie — and that is where this legislation is starting to be dragged.

Hon. Andrea Coote interjected.

Hon. DAVID KOCH — Showing my credentials has certainly got a couple of smiles around the house. I would have thought that people would have very much appreciated where I stand in relation to the environment. I think it is a very important part of our state, and it should be accommodated but in balance with the communities who use and need this water as part of their everyday activities and their enterprises, and certainly with our regional communities.

I certainly support the reasoned amendment. Residents of regional Victoria have been restricted in relation to this legislation as they have not had the opportunity of delving into the provisions of the bill and then making further submissions on it. We appreciate that the finalisation of the bill was only two or three weeks ago, prior to its introduction in the lower house. Briefings were not possible because the minister indicated that the recommendations had not been included. It gives one some idea of the haste with which this bill is being pushed through the house. I support Mr Stoney's reasoned amendment, and I believe also that our colleagues in The Nationals have some amendments that we should be giving some consideration to tonight.

It disappoints me that, out of hand, Ms Carbines has said that the government will not support any of these amendments, or the reasoned amendment. It is terribly disappointing that Ms Carbines already takes that position before she has heard any debate on these matters. Again we see a government that is not prepared to consult. It has a closed mind to many of the bills that come through the house, and from the point of view of the Water (Resource Management) Bill, that should be of concern to us all.

Lastly, I raise the aspect of unbundling and the plight in which local government has already found itself. Just across those municipalities already mentioned this afternoon, especially down the Murray and north of the Divide, we can see a local government rate shortfall of something in the order of $7.5 million. I have no idea where that is going to be made up from. The government obviously has said it is not in a position to pay and nor does it want to get involved in paying compensation. Somewhere along the line those who taketh must giveth a little. Local government should be seeking some support from the government for this unbundling.

It has only been in the last three months that we have found out that local government has also been given the burden of maintaining irrigation bridges, and it is struggling to work that one out. This further burden on local government will either see an increase in the cost of services to water authorities or governments having to make some further contribution to local government. Cost shifting is something that this state government

has no problem with in relation to local government. This one is of such a size that it certainly will need some support.

In closing I further express my concerns about the lack of transparency and commonsense of this government. We see debate after debate in this house where there is no transparency and no consultation. I assure the government that members on this side of the house are getting sick of it, as are people across Victoria, particularly those in regional Victoria who have many opportunities taken away from them with the stroke of a pen under the cover of darkness. I close as I opened; the opposition will be opposing this bill in its current context. Hopefully we will get some support in relation to the reasoned amendment and amendments that will be moved in the committee stage.

Hon. W. A. LOVELL (North Eastern) — In rising to speak on the Water (Resource Management) Bill, I declare at the outset that the Liberal Party will be opposing this bill. This bill represents the most wide-ranging changes to the Water Act since 1989. The bill itself is about 313 pages, so it is quite a hefty document. It is written in legal jargon, and yet the opposition and stakeholders were only given two weeks to respond to this bill. It was quite difficult for staff to get their heads around all the issues in this bill, even those who worked on it for the entire two weeks. For the irrigators, who are busy watering and also trying to get hay and silage in, it was an impossible time frame for them to fully comprehend the bill. The changes in this bill will have an impact on them and certainly, for the irrigators, it is probably the most important change in their industry for quite some time.

Not only did we have just two weeks to consult on this bill, but also at the 11th hour the government introduced 54 amendments. There was no time at all for the opposition to fully comprehend those amendments or to consult with stakeholders; the amendments were introduced and debated immediately.

On the day the bill was debated in the lower house I had the pleasure of hosting a group from Northern Victorian Irrigators which had come down to listen to the debate. The group's members had arrived in the middle of the day for their protest on the steps of Parliament and had then returned later, because the bill was scheduled to be debated at 5.30 p.m., only to find that the bill was not going to be debated until nearly 9.00 p.m. because the government had not even completed the bill. The government had not even finalised its own amendments to the bill. The irrigators sat through that debate, and I can tell you that they were absolutely disgusted with the body language of the Minister for Water in the other place and with his attitude towards the opposition and towards the important issues that mattered to the irrigators. In fact at one stage the minister looked up at them in the gallery and held his hand up to his mouth and yawned, and they took that as a direct insult — as meaning that he was totally uninterested in their concerns.

I want to put it on the record that I support irrigated agriculture. In my electorate alone irrigated agriculture produces about $1.4 billion of farm-gate value and it supports a regional economy worth about $8 billion. We all know that about 40 per cent of the exports that leave the port of Melbourne are processed dairy products; these come from just one of several irrigated agricultural and horticultural industries. Irrigated agriculture contributes an enormous amount to the economy of this state.

The Labor Party seems in recent times to have made a national sport of trying to get water back from the irrigators. This seems to be going on right across Australia, with the many state Labor governments that the country has. I know that the irrigators are very concerned about this. There seems to be a lack of respect for irrigated agriculture from the state Labor governments; they just see the irrigators as an easy target in the process of meeting their environmental water flow goals.

I have several concerns with this bill. The first is that the Minister for Water and the Minister for Environment is the same person, Mr Thwaites, so the minister has dual responsibilities. His environmental portfolio often makes demands that are directly in conflict with his water portfolio. Part of the bill says that if we want an allocation made for the environment, the Minister for Environment should ask the Minister for Water to make that allocation. If environmental advocates are demanding an allocation — and certainly the Greens are on the back of Mr Thwaites, the Minister for Environment in another place, to make that allocation — I do not think the irrigators in putting their case to Mr Thwaites as the Minister for Water are going to get a very fair hearing from him.

Unbundling is another concern. Unbundling is, of course, the separation of land and water entitlements. It has raised several concerns. The first one I wanted to speak about was the impact it will have on local government rates. The City of Greater Shepparton sent me a submission that the Municipal Association of Victoria sent to the government, and I would like to quote from that. It says:

> The impact on many councils in Victoria with irrigation authorities will be significant.

> This will result in a substantial shift of the existing rate burden from irrigated properties with water rights to all other properties in the municipality as can be seen by the table below …

The table shows that the separation of land and water entitlements will cost Moira Shire Council about $670 000 that it will have to raise somewhere else within the municipality; for the City of Greater Shepparton the cost will be about $1 million; for Gannawarra Shire Council it will be $760 000; for Loddon Shire Council, $400 000; for Swan Hill Rural City Council, $628 000; for the Shire of Campaspe, $1 million; and for Mildura Rural City Council, $3 million. This is not rate revenue these shires can afford to go without; it is rate revenue they will have to raise from other ratepayers within their municipalities. I know the government has deferred this change to 2008, but it has still left the problem for the councils to solve. My opinion is that the government should have funded the local councils to establish a new rating system that will not see them disadvantaged by the separation of land and water entitlements.

It will also have a severe impact on some irrigation systems and cause stranded assets, which will put the cost of maintenance of that channel or system onto fewer and fewer irrigators. Eventually this could lead to the reconfiguration or closure of some systems. That has created another concern, because the bill actually stipulates that the irrigators only need to be compensated for the loss of the value of their land, and they will then be left on non-productive property. It is a fairly daunting prospect for them to be left in that sort of situation.

As Mr Baxter also mentioned, the bill does not require a water authority to supply stock and domestic water to these people any longer if the system is reconfigured or closed down. It only requires an authority to have regard to the supply of stock and domestic water.

Another major concern has been the 10 per cent of water that will be allowed to be held by non-landowners. This seriously jeopardises irrigated agriculture. It creates an additional demand for water and will take water away from irrigated agriculture. It allows for the market to be manipulated, because other people will enter the market, such as a hydroelectricity generator who can afford to go in and buy water at a much higher price. It will bring into the market water barons who will speculate and drive the price up that way. It also could be a purchaser who buys water as a gift for the environment. Certain conservation groups could do this, so that water would then be lost to agriculture in this state forever because it would be additional environmental flow water.

In my opinion the 80:20 deal on the sales pool is a dog of a deal. It should not have been called 80:20; it should have been called 62:48, because it is only 80 per cent of the traditional use. Traditional use is at about 60 per cent of the water has been used as sale, so it is 80 per cent of 60 per cent, which is only about 48 per cent of the water. I know this has caused concern amongst a lot of the bigger water users or the people who actually use their full allocation of sales.

Ms Carbines indicated that the irrigators had agreed to this deal. Certainly she should talk to the irrigators, because they do not agree that they agreed to the deal. Their water services committee chairs were allowed to come down here to meetings, but they were gagged when they returned to the irrigation district. They were not allowed to discuss anything further with the irrigators.

We had a Victorian Farmers Federation meeting in Shepparton at which they were supposed to inform people about the possibility of the 80:20 deal. Instead it was more a meeting where irrigators were just told about this done deal. Irrigators were certainly very enraged about it, and from that anger the Northern Victorian Irrigators group was formed. The group has about 1000 members, so there are 1000 irrigators who do not agree with this deal, and certainly did not agree with the Bracks government.

Hon. David Koch — They were not even told about it.

Hon. W. A. LOVELL — They were not even told about it until it was a done deal. The Minister for Water in the other place, the Honourable John Thwaites, issued a press release on 15 November, in which he said:

> The government's water reforms, including the sales water deal, are designed to help provide security for irrigators and prosperity in the shorter and longer term for irrigators and country Victoria.

I had a meeting with a group of irrigators on Saturday afternoon, and they said they were actually offended by that press release, because they said it does not provide them with any greater security. In fact it gives them the ability to sell something that they do not want to sell, but it gives them a percentage of an unknown amount, because no-one is really sure what the amount will be. All they know is that they will have less water under this deal.

The irrigators also see this deal as unfair because successive governments have encouraged the irrigators to take up the full allocation of sales water. Irrigators

have geared their farms up to operate on 200 per cent of water — that is, 100 per cent of their water right and 100 per cent of sales over many years. Generally there has been a high allocation of sales until the recent drought years.

This water is now being taken away from the irrigators without any direct compensation to them. They feel that some compensation could have been given directly to them to allow them to invest in on-farm savings and better irrigation practices, which would enable them to be as productive as they are now with less water. The minister says he is providing irrigators with greater security by making sales water medium security, but the irrigators say this is Clayton's security because the sales pool will be so diminished that the result will be negligible.

The irrigators have concerns about the 15-year reviews. The minister has the right to qualify entitlements or to reduce the irrigators' entitlements every 15 years, and again this reduction can be done with very little consultation, and certainly there will be no direct compensation to the irrigators for the reduction in their water right. The 15-year review has been one of the greatest concerns raised with the Liberal Party by the irrigators. They are particularly concerned about how it will pan out over the life of the bill.

The register set up by the bill requires that all land-holdings, water entitlements and mortgages are to be recorded on it and available for public inspection. Certainly there is concern about the loss of privacy about personal details, and about giving an advantage to competitors who will know if they are facing any sort of financial difficulties. The bill allows for land-holders to be included on consultative committees, but there is nothing that requires them to be irrigators. The irrigators want to have a greater say in the management of the systems they are in.

In summary, I was very disappointed with the lack of consultation with irrigators. If the government wants an educated water debate, it should come to northern Victoria, because our irrigators understand the Water Act inside out and can certainly give the government the best water debate it will find in this state. There was no direct consultation. Although, as I said, there was some discussion with water services and committee chairs, they were then gagged when they returned to their districts. The Victorian Farmers Federation only came to tell the irrigators about the 80:20 deal and not to consult with them.

The great disappointment is that this legislation has been rushed through the Parliament in such a short time, but the greatest of all disappointments is that the government has failed to conduct a socioeconomic impact study on the long-term effects that these changes will have on the irrigation districts. In closing, I support the Honourable Graeme Stoney's reasoned amendment.

Ms BROAD (Minister for Local Government) — In exercising this right of reply on the bill I wish to address certain concerns that have been raised in the second-reading debate and in relation to the reasoned amendment and the amendment to the reasoned amendment.

I wish to underline that the government is bringing this bill forward because it is committed to ensuring the security of Victoria's water supplies, and the government believes this Water (Resource Management) Bill will pave the way for the key actions to secure Victoria's water future. I also wish to underline that the reforms are of national importance. The intergovernmental agreement on a national water initiative, signed by the governments in June 2004, commits states and territories to having a framework for unbundling water entitlements from land in place by the end of 2006. The timing question raised in both the reasoned amendment and the amendment to the reasoned amendment falls foul of that requirement under the intergovernmental agreement.

I wish to respond to a number of the matters that are raised in Mr Baxter's amendment to the reasoned amendment. Firstly, in relation to the matter of balance between environmental objectives and social and economic objectives, it is certainly the government's contention that the bill ensures that environmental considerations are balanced with social and economic considerations in the development of sustainable water strategies and also in any review of the actions required to address long-term changes to the resource base and before any decision is made to permanently qualify water rights. I wish to underline that the Water Act 1989 already ensures that environmental considerations are taken into account when water allocation decisions are made.

On the matter of compensation, I wish to indicate to the house that the Water Act 1989 currently allows for water entitlements to be qualified without compensation, but the constraints which are proposed in this bill will certainly ensure that in the future these decisions will have constraints. They include a limitation on the frequency of any permanent qualification so that rights cannot be qualified more often than once every 15 years, and the assessment and review requirements also ensure that actions to deal

with any long-term changes to the resource base are developed in a transparent and consultative manner and balance economic, environmental and social considerations.

On the matter of storage and delivery costs, this bill enables these to be imposed in respect of environmental entitlements, and if water allocated under a water share is used for environmental purposes the owner of the share will pay the same charges as any other owner of a water share.

Finally, in relation to damage arising from the release of water from the environmental water reserve, I wish to indicate to the house that the bill does not change current arrangements regarding the liability of authorities under the Water Act 1989. Those are the reasons the government does not support the proposals outlined in Mr Baxter's amendment to the reasoned amendment.

There is a further matter to which I will briefly respond on concerns raised in the second-reading debate. The concerns relate to the impact of unbundling on municipal land valuations. The Minister for Water and I as the Minister for Local Government certainly agree that this is an important matter and that is why clause 73 of the bill amends the Valuation of Land Act 1960 to provide for associated water shares to be retained in municipal land valuations until 1 July 2008, the date of the next general valuation. These changes to the Valuation of Land Act were made in response to local government concerns raised with the government by the Municipal Association of Victoria and councils about the impacts on rate revenue of removing water rights from valuations. The changes provide certainty to councils with respect to the general valuation currently under way and allow time for the state government to work with councils and the MAV to further examine the effects on municipal rates of removing water rights from valuations and to develop appropriate rating strategies. The Minister for Water has written to all affected councils explaining the government's actions in this regard and there have also been further discussions between the Valuer-General and councils, and the Valuer-General has also written on these matters.

I will conclude on this point by saying that the work being undertaken with the MAV will look at the particular impact of removing water rights from land valuations and it will also examine the broader picture of how the water market has affected land valuations and local government rates. Those are the matters I wished to address in the reply, and we will now move to the very complicated business of dealing with the reasoned amendment and the amendment to the reasoned amendment.

House divided on Mr Baxter's omission (members in favour vote no):

Ayes, 21

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

Noes, 19

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

Amendment negatived.

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

Ayes, 21

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

Noes, 19

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

Amendment negatived.

House divided on motion:

Ayes, 21

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

Noes, 19

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

Motion agreed to.

Read second time.

Sitting suspended 6.34 p.m. until 8.09 p.m.

Committed.

Committee

Clauses 1 to 3 agreed to.

Clause 4

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

1. Clause 4, lines 25 to 32, omit all words and expressions on these lines and insert—

"(1) The environmental water reserve objective is the objective that, subject to meeting essential domestic and stock use, the environmental water reserve be maintained to protect the environmental values and health of water ecosystems for the benefit of all Victorians in a way which balances environmental, economic and social costs and benefits.".

This amendment goes to the issue of the environmental water reserve objective, which is a new concept being introduced into the Water Act 1989.

The Nationals do not have any objection to the concept of environmental water being quantified and that there be a water share specifically for the environment rather than the current situation where the environment tends to take what is left. We generally support the principle, but we have some problems, as I alluded to in the second-reading contribution, with the wording of clause 4 which inserts new section 4B in the principal act.

The way it is currently drafted, it seeks to preserve environmental values. There is no reference to balancing environmental objectives against economic and social costs. The environmental reserve objective is referred to throughout the bill. I will cite a couple of examples. Proposed section 7(4) in clause 5 requires regard to be given to the environmental reserve objective in issuing licences or approvals under the Water Act. In effect this means the management of the state's water resources must give priority to preserving the environment, and I emphasise the word 'preserving' rather than 'protecting'.

Another example is the amendment to section 32A(3) of the principal act, in clause 13. This in effect says that the government may implement restrictions on the taking of surface water in a water supply area to ensure the environmental water reserve is maintained in accordance with the environmental water reserve objective. In other words, it places the needs of the environment above all other users or rights-holders. There are more than 20 other similar references scattered throughout the bill.

I want to contrast what is in the bill with what my amendment proposes. The bill says in respect to the environmental water reserve objective in proposed section 4B(1):

> The environmental water reserve objective is the objective that the environmental water reserve be maintained so as to preserve the environmental values and health of water ecosystems, including their biodiversity, ecological functioning and quality of water and other uses that depend on environmental condition.

There is no doubt they are fine words, but we do not think they are balanced. We do not think they take into account that human beings live in the environment as well. The words that I wish to substitute with this amendment are:

> The environmental water reserve objective is the objective that, subject to meeting essential domestic and stock use …

As honourable members know, in my second-reading contribution I emphasised the importance of maintaining stock and domestic use and the priority that stock and domestic use should be given in terms of the health and wellbeing of the human race, and we think that the objective would be entirely deficient if it did not mention stock and domestic use. It goes on :

> the environmental water reserve be maintained to protect —

rather than 'preserve', because, as I pointed out earlier, 'preserve' suggests some sort of static arrangement where nothing ever changes. We know the environment is dynamic and changes are afoot all the time, and we are all interested in protecting the environment —

> the environmental values and health of water ecosystems for the benefit of all Victorians in a way which balances environmental, economic and social costs and benefits.".

If you went out into the marketplace and gave the average citizen these two sets of words — the government's proposal and The Nationals' proposal — I have no doubt whatsoever that the overwhelming majority would come down in favour of the form of words in my amendment. Because the average citizen — regardless of whether they are an irrigator, a townsperson, an environmentalist or anyone else — would agree that our proposal is much more encompassing, much fairer and ought to be put on the statute book of the state rather than the very narrowly drafted proposal coming from the government.

Ms BROAD (Minister for Local Government) — In response I can indicate to Mr Baxter that in the government's view the environmental water reserve objective is to state the purpose to be achieved by setting water aside for the environment. The government's view is that it is not appropriate for the definition of the environmental water reserve objective to refer to essential domestic and stock use or balancing environmental, economic and social costs and benefits. I would highlight the fact that the balancing of the environmental water reserve objective with other objectives is done elsewhere in the bill, which is what I was searching through and examining just a moment ago. For example, in clause 11 proposed sections 22C and 22P contain references to balancing with consumptive purposes. The government's view is that that is the appropriate way to deal with the balancing matters Mr Baxter has referred to.

Hon. W. R. BAXTER (North Eastern) — I simply say to the minister that if the minister is acknowledging that elsewhere in the bill there are references to some of the points I make, that reaffirms my belief that those concepts ought to be stated up front in this very early clause in the bill, because this is the clause upon which decisions are going to be made into the future. This is the clause upon which persons — whether they be in the bureaucracy or in the community or in the legal profession — who are interpreting this bill are going to have first regard to. This is the key clause, and if this clause does not mention other matters which the minister says are in the bill, then it is deficient, and I think my amendment overcomes that deficiency.

Hon. J. M. McQUILTEN (Ballarat) — I know it is not my place to ask a question of Mr Baxter, but I have been listening to this debate and I really am confused. It is not clear to me why 'protecting' rather than 'preserving' is an important clarification. I cannot quite understand the argument about protecting rather than preserving. I wonder if, through the Chair, I might be given — —

The CHAIR — Order! I will take that as a comment, and the minister or Mr Baxter may wish to respond.

Hon. J. M. McQUILTEN — It is mainly to Mr Baxter that I am putting my question.

Hon. W. R. BAXTER (North Eastern) — I think Mr McQuilten is quite right to raise that issue. I am not sure whether he heard my remarks in the second-reading debate. Maybe the distinction between 'preserve' and 'protect' is somewhat subtle. However, I think in the normal use of the English language the word 'preserve' means 'maintain as is', 'maintain the status quo', 'go on as before' or 'do not allow any change'. I do not think that is an appropriate goal regarding the environment, because regardless of human intervention it is evolving anyway.

I also think the word 'preserve' sends a signal to persons working with and applying this bill, when it becomes an act, to be far too restrictive in their interpretation. The word 'protect' means, on the other hand, 'Here we have a dynamic situation which we want to be ongoing, but we are not interpreting it so tightly or stringently that we will not permit any change whatsoever, regardless of the cost imposed upon the community by not allowing any sort of change'. I want to protect and look after the environment, but I also want to make sure that we do not get so hamstrung by using words that, taken literally, would mean that we would not countenance any change at all, no matter how desirable, logical or inevitable it might be.

Hon. B. W. BISHOP (North Western) — I wish to further support the amendment, which I will read from:

> The environmental water reserve objective is the objective that, subject to meeting essential domestic and stock use, the environmental water reserve be maintained …

And it goes on. The issue I am raising is the priority of stock and domestic water. Historically stock and domestic water having the highest priority has been a major comfort to people who live in the country. As I

understand new section 4B, it will mean that that will no longer be so. I am greatly concerned that people who live in the country will not have that priority if The Nationals' amendment is not agreed to.

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

Ayes, 20

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

Noes, 11

Baxter, Mr	Hall, Mr
Bishop, Mr (*Teller*)	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr
Drum, Mr	Stoney, Mr
Forwood, Mr	Strong, Mr (*Teller*)
Hadden, Ms	

Amendment negatived.

Clause agreed to; clauses 5 and 6 agreed to.

Clause 7

Hon. W. R. BAXTER (North Eastern) — Clause 7 repeals section 13 of the principal act. At this point of the committee stage I would like to respond to a comment made by — —

The CHAIR — Order! There is a lot of noise in the chamber. It is very difficult to hear Mr Baxter. I am sure Hansard is having the same problem. I ask members to have conversations they want to have outside the chamber. We have a lot of amendments to get through. We will need to work solidly through them, so we need to have some cooperation.

Hon. W. R. BAXTER — I enter the debate on clause 7 to respond to some remarks the minister made when she summed up the second-reading debate, particularly regarding part (b) of my amendment to the reasoned amendment, which was about the issue of compensation for those adversely affected when the minister permanently qualifies rights. The minister suggested in her earlier response that there was nothing new about that and that the existing Water Act provides for rights to be qualified without compensation. I want to say to the minister that I think that is a very simplistic view. To some extent it is misleading, particularly to those honourable members who are not familiar with the Water Act 1989. Section 13 of the principal act concerns the minister's power to qualify rights. Amongst other things it says:

> (2) The Minister may, in accordance with this section, qualify any rights to water conferred by any provision of this Division other than section 7(1) or 8(4)(c).

It is not necessary for me to say what section 7(1) or 8(4)(c) are. Section 13 goes on to say:

> (3) A qualification may only be made if the Minister has under this section declared that a water shortage exists in the area or supply system concerned.

The particular subsection I want to draw attention to is 13(4) which says:

> (4) The Minister may declare that a water shortage exists in an area or supply system if he or she is of the opinion that the volume or quality of water available in the area or system to satisfy the rights is or will shortly be inadequate for any reason.

There is no doubt that that subsection is in the principal act, but the intent of that subsection when the Parliament passed it in 1989 and the way it has been interpreted thus far is not, as the minister alleged, about a permanent reduction in rights without compensation at all. It is about a shortage of water in a particular season — a temporary shortage — when there is obviously not enough water to go around and people are prepared to accept that their rights are reduced simply because of the lack of supply.

I particularly draw the attention of the minister to the words 'satisfy the rights' of any entitlement holder. In this case we are talking about supplying existing entitlements. We are not talking about whether there is enough water available for the environment or not. I do not think that was envisaged when this section was put in the act in 1989. I simply say to the minister that I think her defence actually does not stand up to strong scrutiny, because I think the reference she made to section 13 was misplaced. It was not the intention of the subsection and it certainly is not the way it has been deployed in the last 16 years.

Clause agreed to; clauses 8 to 10 agreed to.

Clause 11

The CHAIR — Order! Mr Baxter will move amendment 2, which is a test for amendment 3, which he can foreshadow.

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

2. Clause 11, page 9, line 30, omit "strategy." and insert "strategy; and".

The amendment was circulated in my name, and as the Chair says, it is a test for amendment 3. It is being moved to amend clause 11, which inserts into the principal act a new section 22B which is about the preparation of a sustainable water strategy.

Proposed new section 22C is about the contents of a sustainable water strategy. It sets out a number of issues that need to be taken into consideration, such as threats to the reliability of supply, identifying ways to improve and set priorities for improving reliability and identifying ways to improve and set priorities for improving the maintenance of the environmental water reserve and so on. But it does not actually turn its mind at all, so far as I can see, to identifying ways to improve the environmental values and health of waterways and water systems in the region that do not require an increase in volume of water in the environmental water reserve; nor does it attempt to identify any opportunities for reducing the need for water in the environmental reserve, consistent with the environmental water objective.

We have to look right across the board. We cannot look at just one aspect and ask how we can increase the environmental water reserve in terms of what is in the sustainable water strategy. We have to look at both sides of the coin. We have to look to see if there are ways of improving and adding to it without necessarily cutting back on irrigators' entitlements. It seems to me that this section needs to be a bit more balanced to make sure that all avenues are looked at, and not just a select few.

Ms BROAD (Minister for Local Government) — In response I can advise Mr Baxter that the government's view is that these proposed changes are not necessary because strategies are already governed by principles that require the balancing of environmental, social and economic considerations. In respect of the matter of water targets for water quality and waterway health, which this is a test for, the government's view is that this role is performed by the river health strategies.

Hon. J. M. McQUILTEN (Ballarat) — I was actually responding to some comments made by Mr Baxter — and I think they were reasoned comments — about the need for all levels of government to take account of all the various components of water saving, water collection and being smarter with water et cetera. I have to agree with Mr Baxter, but I am not sure why Mr Baxter is unaware of the government's recent announcement of the strategy in Ballarat and Geelong of trying to find that balance by finding new supplies of water, reducing waste of water and also recycling water.

Last Friday week in Ballarat a major document was released by the Minister for Water in the other place, Mr Thwaites. I believe that document about water supply for the next 30 to 40 years in Ballarat has been very well received. It tackles all the issues that have been mentioned. For example, we need to find more water and we need to use the water that we have more wisely. We also have to factor in the economic and population growth of the community. In the case of Ballarat the population is estimated to grow by 66 000 by 2050. Many megalitres are going to have to be found to service that growth in the population. But I would argue that the government is really addressing the issues that Mr Baxter has brought up, and it is doing it now.

Hon. W. R. BAXTER (North Eastern) — I think Mr McQuilten probably is right in saying that the government is in fact doing many of the things I am requesting now — and he gives a couple of examples, which I applaud. What I am trying to do with this amendment is to make sure that future governments are as assiduous and that it is required that this work be undertaken. I think the current wording is a little lacking, a bit scant and could enable actions to be taken without the matters to which Mr McQuilten refers being adequately attended to.

Amendment negatived.

The CHAIR — Order! On clause 11, Mr Baxter to move his amendment 4, which is a test for his amendments 7 and 8 to clause 11, which he can foreshadow.

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

4. Clause 11, page 10, after line 11 insert —

"(3) A Sustainable Water Strategy must set out —

(a) targets for water quality and waterway health for the region to which it relates; and

(b) an estimate of the direct and indirect economic and social costs associated with implementing the Strategy and the implementation plan for the Strategy; and

(c) a program of measuring actual changes in water quality and waterway health compared to targets established in the Strategy and the implementation plan for the Strategy.".

This amendment requires a sustainable water strategy to set targets for water quality and waterway health, to assess the economic and social costs associated with implementing the strategy and to measure changes in water quality and waterway health. The amendment is intended to introduce some rigour and accountability into the management of environmental water; I think that is lacking at the moment. There are lots of examples of the government committing to spending hundreds of millions of dollars to increase environmental flows with the community having no objective targets or measurements of the environment benefit this will bring.

An example is the Snowy River environmental flows. We have had to take it at face value that increasing the outflow at the Jindabyne wall will somehow or other deliver the benefits which are claimed for it, but there is no hard data. If you look at the decommissioning of Lake Mokoan, again a lot of assertions have been made but it is very hard to prove. What we are saying with this amendment is before there is a qualification — a reduction — of water entitlements we need some hard data. We need some scientific rigour, we need the work done, we need it to be quantified.

The problem is that all through this bill there are good, highfalutin-sounding words. They may be all right — maybe they will get backed up and maybe they could be. However, we are saying that the irrigators in particular and the community at large should not be expected to fly by the seat of their pants. The community should not be expected to forgo an entitlement and some of its wealth-producing capacity without the hard data being there to demonstrate that this pain is worth it.

Ms BROAD (Minister for Local Government) — I will confine myself to the bill before the chamber and not be distracted by discussions about the very considerable scientific evidence in relation to environmental flows for the Snowy River, a matter which has previously been debated in this place. However, I draw the member's attention to the fact that in relation to the preparation of sustainable water strategies the minister is required to ensure that a strategy is prepared through an open and consultative process involving a consultative committee, public submissions and, in most cases, consideration of submissions by a panel. In the government's view this is a rigorous process which will be clear and transparent and open to scrutiny.

Amendment negatived.

The CHAIR — Order! I invite Mr Baxter to move his amendment 5, which is a test for his amendment 6, which he can foreshadow.

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

5. Clause 11, page 13, line 30, omit "Strategy." and insert "Strategy; or".

This clause requires a sustainable water strategy to be reviewed by the government if water rights are qualified under section 33AAB. This in turn triggers a requirement for the establishment of environmental targets, consideration of social and economic costs and ongoing monitoring of environmental outcomes against targets. This in turn means a minister will not qualify rights unless he is very confident the action will generate good environmental outcomes that more than offset the economic and social costs. If the qualification is for no good reason other than to run additional water to the sea, the minister will in time be held accountable for his actions.

I think it is very important that we have this degree of accountability, assessment and publication. It gives some reassurance to the irrigators and the public at large that we are not going to have qualification — and we know that is a code word for reduction — of rights on a whim or prior to an election to curry favour with particular environmental groups in the leafy suburbs or any action like that. It will put some rigour into the process and is a safeguard that the water users of this state are entitled to have.

Ms BROAD (Minister for Local Government) — In response I advise that the government's view is that sustainable water strategies certainly should be reviewed to ensure that they have achieved their purposes. However, the matter of the review of rights already qualified in the government's view is not a particular purpose of such a review and is therefore not appropriate.

Hon. B. W. BISHOP (North Western) — On the same amendment, I would like the minister to further satisfy our requirement on this. I line this up with what the Wentworth group did when we went through the process of the Living Murray, when that group made a strident call for a substantial amount of water to be returned to the Murray River from irrigators. There was no social or economic analysis done for that, there was no rigour in its comments at all. Can the minister clearly tell the committee how that rigour will be applied in relation to the social and economic costs if in fact the sustainable water strategy moves down that line?

Ms BROAD (Minister for Local Government) — I can advise Mr Bishop that at proposed section 22C(2)(c) the strategy is required to have reference to the principles set out in the Environment Protection Act 1970.

Amendment negatived.

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

9. Clause 11, page 18, line 28, before "If" insert "(1)".

Amendment 9 is a precursor to amendment 12. This goes to the issue of the remedial plan and says if there is a deterioration in waterway health the minister must set out a remedial plan that estimates economic and social costs and environmental benefits. If additional water is required, the amendment sets out a clear priority for obtaining this from water savings and incentives to adopt more efficient water practices, and only as a last resort through qualification — again we know that to mean the reduction of rights.

This amendment ensures that if the minister is going to reduce rights, he must do so in accordance with the remedial plan; if he is going to qualify rights, he must specify and publish by notice the consideration given to other means of restoring environmental values and the health of the water system other than providing additional water. This improves ministerial accountability and helps to make sure that if there is a need to improve waterway health, a reduction in water rights is adopted as a last resort.

It comes back again to this issue that we do not want — and we do not think it is in the interests of Victorians, regardless of whether they are irrigators or consumers — to have qualification or reduction of rights as the first choice or the first port of call, or the easy way out. We are saying that you must, if you are considering reducing rights, go through the whole exercise first to decide on, determine and try to identify other means of achieving your objective. If you are determining that the environment is hard done by, that we need some improvements, just do not go and dip into irrigators rights as a matter of course as your first option but go through the process to see if there are other ways of obtaining water savings — more efficiency or whatever — rather than just saying, 'It is easier to qualify rights; we will just do it that way'. We want to make sure there is a safeguard for irrigators and that they know that if their rights are qualified, it will be as the last resort and there will have been no other alternatives.

Hon. J. M. McQUILTEN (Ballarat) — I would like to make some comments about Mr Baxter's statements in relation to the last resort. I praised The Nationals 12 months ago on their new approach, their new awakening on the health of rivers and the environment. I was suitably impressed when I heard a speech in this house, possibly by Mr Baxter, about the need for the health of our rivers and environment to be the no. 1 priority.

After what I just heard I would like to review those words. Mr Baxter now seems to be saying that The Nationals want irrigators rights as the no. 1 priority and then, somewhere down the line, the rivers. My recollection of what has been said in this house is that the rivers are a really important part of our environment, and previously The Nationals, to their credit, acknowledged that, which was a great move forward for them. Tonight, however, I am hearing something slightly different.

Hon. W. R. BAXTER (North Eastern) — With respect, I think Mr McQuilten has misconstrued my remarks. He is right that The Nationals have acknowledged, as we always have, that the rivers are a very important part of our environment and that the health of the rivers is crucial to the wellbeing of all Victorians. I am not saying, as he is suggesting, that somehow or another I have resiled from that point of view; I have not at all. Nor am I saying that irrigators have primacy in all this. I am saying that irrigators entitlements should not be taken as the easy grab. If there is to be consideration of a qualification of rights, all of the aspects have to be looked at before you actually take away someone's capacity to earn an income. That is all I am saying. It is not that I have changed my view at all. I am simply saying we need some reassurance that a proper process will be followed.

Ms BROAD (Minister for Local Government) — I can advise in response that in the government's view the bill certainly provides a public review process during which all options can be canvassed by addressing issues which have been identified by the technical assessment.

Amendment negatived

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

10. Clause 11, page 18, line 29, after "identified" insert "and documented".

This amendment is consistent with The Nationals' philosophy of adding greater scientific rigour into the assessment process. There is not much point in just identifying changes, as you actually need to document them. Identifying changes in waterway health or

changes in the share of water resources going to the environment is by itself not enough. There are potentially important implications for individuals and communities if the review shows a deterioration in river health. Therefore it is appropriate that the environment changes triggering a review must be clearly quantified and documented, not just identified.

It comes down to the issue of reassurance that entitlement holders — the people whose livelihood is going to be detrimentally affected by any sort of reduction or qualification in rights — need to be able to see in black and white why the minister has taken a particular decision. They cannot be expected in a matter as important to their livelihoods as this to absolutely take it on trust. If the matters have been identified, surely there is no problem with documenting them. One seems to follow the other as night follows day so far as I am concerned. We think it is important that it be in the legislation so that identified matters are documented. It just seems commonsense.

Amendment negatived.

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

11. Clause 11, page 19, lines 1 and 2, omit all words and expressions on these lines and insert —

"(b) a quantifiable deterioration in waterway health— ".

In a way this is ancillary to the previous amendment because the previous amendment talked about a documentation of matters that have been identified. This talks about a quantifiable deterioration. I think it is important we have that because of all the allegations made by people. Most of them, I acknowledge, are probably well meaning, although one or two of them are probably running malicious political campaigns. By and large they are well meaning people. They make these allegations and assertions that environmental deterioration is serious or out of control, yet often it is not quantified.

We think in terms of the good of the community and getting a better understanding of the health of our rivers. I understand why people who live in the suburbs get misled, because they are living a long way away from these environments. They have this issue discussed on the television, the radio and in the newspapers. They may go up there on the odd occasion and see a dead tree and leap to a conclusion based on what they have seen, that somehow or other an environmental disaster is about to be imposed us, without realising that trees, like humans, die of old age. We say the bill needs to put in this word 'quantifiable' so that we are actually talking about a deterioration that has some meaning, some substance, some significance, rather than a mere assertion.

Hon. J. M. McQUILTEN (Ballarat) — In relation to that particular comment by Mr Baxter about a deterioration in waterway health, I drove across my electorate some 18 months ago in the summer time — I think it was high summer — and I went across the Loddon River and a number of other rivers. They were all dry and it was not a deterioration of the flow — there was nothing running in them. They were absolutely dry. One did not need a scientist to go out there. I drove across my electorate and looked and it was just as clear as no mud; the mud was dry, there was no water in four rivers in my electorate. The Avoca River was another one. It was absolutely dry, like the Wimmera River, which is out of my electorate. One did not need a scientist to say that. I look at Mr Baxter's amendment about deterioration being quantifiable, but even a politician can drive across an area, look at dry rivers that should be running and see that deterioration is pretty obvious.

Hon. W. R. BAXTER (North Eastern) — I say to Mr McQuilten — —

An honourable member — Mr McQuilten is just leaving.

Hon. W. R. BAXTER — Before Mr McQuilten leaves he can hear my response to his remarks. I would simply say to Mr McQuilten that I do not deny for one moment that the rivers he has enumerated were bone dry last year at the end of a drought, but I do not quantify that as a deterioration. I describe that as a natural consequence of the extreme period of dry years we have been having. There is no doubt that if the member looked at those rivers today he would see that there is some water in them. There is not a lot in them, I acknowledge, because we have not had a wet spring in that part of Victoria. But that is not the deterioration I am talking about. That is a natural phenomenon.

What this bill is talking about is a long-term deterioration brought about by water not reaching the rivers and streams because it is being used for consumptive purposes. I do not doubt that the rivers were dry — that was a natural phenomenon last year. In this country it is part of the dynamic environment we live in. It is part of the variable climatic conditions we have in this country. That in my view is not a deterioration. I would bet my bottom dollar that the Avoca and the Wimmera rivers have been dry like that at least four or five times in my lifetime.

Amendment negatived.

The CHAIR — Order! Mr Baxter to move his amendment 13, which is also a test for his amendment 14, or does he want us to move on to amendment 15?

Hon. W. R. BAXTER (North Eastern) — Yes, because I do not wish to proceed with amendments 13 and 14.

I move:

15. Clause 11, page 22, after line 32 insert—

"(9) The membership of a panel under this section must include—

(a) persons who are actively involved in irrigation and water use; and

(b) persons who are members of communities directly affected by the review; and

(c) persons who represent industries benefiting from water use.".

This amendment simply requires the panel considering the review of water resources to include representatives of irrigators, irrigation communities and the industries involved in processing commodities produced on irrigation farms. It seems pretty obvious and commonsensical to us that the membership should comprise those sorts of stakeholders.

I noticed that during the debate in the Assembly the Minister for Water argued that the panel should be independent. He argued that the panel should provide independent advice in relation to a review prepared with the assistance of a consultative committee representative of the community and that it would be inappropriate to have a representative panel. This is the sort of argument we have quite often about what people should constitute these sorts of panels. A cynic might say — and I do not style myself a cynic, but I too would probably say — that a panel not representative of the communities and industries affected which was directly appointed by the minister would provide him with a mechanism to ensure that he gets what he wants.

They might seem to be harsh words, but in the life of this government we have seen a few examples where either of panels having brought in recommendations that have been simply ignored by the minister or panels having brought in recommendations where it was pretty obvious that signals were being transmitted to that panel via the minister's office as to the sort of response that was being looked for.

We think that we should ensure in the act that we have a representative panel that includes persons actively involved in irrigation and water use and persons from the communities directly affected by the review. Let us face it: there are plenty of towns and regional cities around country Victoria which are absolutely dependent upon irrigation, and any reduction in rights is going to impact quite heavily on some of those towns. We think they should have a direct say, as should those who represent the industries benefiting from water use, whether it be the big dairy factories, the fruit canneries or even users and consumers further down the line. They have an interest in water use. Their commercial wellbeing is likely to be affected by some of these decisions as well. We think they should be formally and officially represented on these committees.

Ms BROAD (Minister for Local Government) — In response to Mr Baxter I can advise the committee that under proposed section 22Q, which is inserted by clause 11 of the bill, the minister is required to make sure that as far as possible all relevant interests are fairly represented on the consultative committee, that committee members have knowledge or experience that is relevant to the review and that they represent the relevant community. As well as that, at least 50 per cent of the committee members are required to own or occupy land in the relevant area and are appointed after consultation with the bodies representative of those persons. Any public statutory body which the minister considers to be directly affected must have the opportunity of being on the committee. The government believes these are very reasonable requirements for the consultative committee.

Hon. B. W. BISHOP (North Western) — I heard part of the minister's response. I was having difficulty hearing the minister's response through the microphone, and think I missed part of it. Can the minister enlighten us: does that include people involved in the processing of the commodities produced from the irrigation areas? Because obviously they are people well versed in the economic and social implications of whatever might happen. I may have missed that part, but I ask the minister to enlighten the committee on that issue.

Ms BROAD (Minister for Local Government) — In response to Mr Bishop's question about the panel as distinct from the consultative committee, I am advised that the particular interests that he is referring to certainly can be included on the panel.

Amendment negatived.

The CHAIR — Order! Mr Baxter to move amendment 16, which is a test for his amendment 17.

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

16. Clause 11, page 24, line 18, omit '(1).".' and insert "(1).".

This goes to the issue of remedial plans and the reporting of remedial plans, because The Nationals are of the view that there needs to be openness and transparency here. We are certainly not opposed to remedial plans, but we think the community needs to know the results of them. Any remedial plan for restoring the health of a waterway must be followed up with regular monitoring and the results published in the annual report of the department. That is consistent with our view on transparency and accountability in the management of environmental issues. In the Assembly the Minister for Water said:

> Already very extensive provisions for reporting have been set out in the legislation.

I would say that is true as far as it goes, but it is gilding the lily a bit. The reporting steps do not require the government to quantify anything — for example, section 22V, which is to be inserted by this bill, requires the government to set out actions required to implement the review of long-term water resource assessment. The Nationals believe there should be an obligation on government to quantify changes in water and river health. The community must be able to see if it is getting value for money for the hundreds of millions of dollars that will be spent on environmental projects, or is this just expensive government propaganda? I think that rhetorical question is a question that is well asked.

The environment is a sensitive issue. Elections have been won and lost on this issue, as we saw with the Snowy River debacle. Rather than millions of dollars — hundreds of millions of dollars in some cases — being thrown around allegedly in the interests of the environment, we need a little more accountability, a little better record keeping, a little better exposure, and there is no better way of exposing it, of learning of it, perhaps, and taking account of it than having it included in the annual report. I acknowledge that annual reports of the various departments in the water portfolio are generally pretty good; I do not think there is any doubt about that. I am not being critical of those reports, but in terms of this issue in particular I think they could be a little more expansive. This amendment is designed to make sure that very important and crucial information on review plans is reported to the Parliament at least annually.

Ms BROAD (Minister for Local Government) — In response to Mr Baxter, I can indicate to him that the government's view is that amendments to the bill were made in the Assembly to strengthen reporting requirements. The government's view is that those provisions are now more than adequate.

Amendment negatived; clause agreed to; clauses 12 and 13 agreed to.

Clause 14

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

18. Clause 14, page 27, line 21, before "the review" insert "the remedial plan as set out in".

To a degree this amendment perhaps has had the mat pulled out from under it by the committee declining to accept an earlier amendment I proposed, but it links the qualification of rights to the remedial plan within a review, rather than the review itself. We think that is significant because had our amendment 12 been carried, the remedial plan would have had to address social and economic costs and give priority to finding additional water from infrastructure investment and voluntary incentives. As I said, the committee declined to accept our amendment 12. That in itself does not completely derogate this amendment although it certainly weakens it. I still think it is worthwhile including it in the bill.

Amendment negatived.

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

19. Clause 14, page 28, line 20, after "qualification" insert "and must specify any consideration given by the Minister to using other means to improve the environmental values and health of the relevant water systems".

This goes to the issue of the qualification of rights. Again it goes to the issue that I alluded to previously of the importance of the qualification of rights not being assumed in the first instance to be the way to go. The minister will be required to demonstrate that he has examined all other means of attaining the environmental objectives rather than just a simple qualification of rights as being the easy way out. We think that this really puts accountability fairly and squarely upon the minister and his department, because any advertisement advising of a qualification of rights requires that these matters be set out and specified in the advertisement in a newspaper circulating in the district where the qualification is to occur.

I found the government's refusal to accept this amendment in the other place somewhat difficult to understand. The qualification of rights imposes an

enormous cost on individuals — we acknowledge that — and on communities, and I think the committee would acknowledge that as well. There should be an obligation on the government to explain to the community what consideration it has given to other means of improving environmental values apart from taking water off farmers and rural communities.

We have a very unbalanced population in this state. We have less than 1 million people living in country Victoria and about 4 million people living in the city of Melbourne. The imperatives are to keep the 4 million happy. It is very easy to say, 'Let's run an environmental campaign of more water for the rivers. We will slice into water entitlements; we will qualify them and reduce them. The act permits us to do that'.

This provides another safeguard to ensure that a capricious minister, perhaps a minister with a weather eye to the green vote, does not just acquire a substantial volume of water by qualifying rights. He can acquire a substantial volume of water by qualifying rights, but this amendment would mean he would have to demonstrate publicly and by advertisement in the newspapers that this was a last resort and that every other avenue had been explored and ruled out. I think it is a safeguard that country people are entitled to expect.

Ms BROAD (Minister for Local Government) — In response to Mr Baxter I can advise that in the government's view there are many safeguards which have been included in the bill which certainly go beyond the provisions of the current act and also indicate that it is the purpose of a review following long-term assessment to determine the most appropriate action including measures other than the qualification of rights.

Committee divided on amendment:

Ayes, 20

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

Noes, 20

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

The CHAIR — Order! The result of the division is ayes 20 and noes 20. The result is therefore equal, and it devolves to me to give a casting vote. I give my casting vote to the noes, and the amendment is therefore lost.

Amendment negatived.

Clause agreed to; clauses 15 to 23 agreed to.

Clause 24

The CHAIR — Order! I invite Mr Baxter to move amendment 20, which is also a test for amendment 21, which he can foreshadow.

Hon. W. R. BAXTER (North Eastern) — I will not spend much time on amendment 20 and subsequently amendment 21. I move:

20. Clause 24, page 46, line 9, omit "report.'." and insert "report.".

Amendment 20 will test amendment 21, which goes to the issue of openness, accountability, reporting, transparency, stopping of political grandstanding and so on. They are all matters I have alluded to in earlier amendments, and I am simply being consistent in attempting to have these issues clearly defined in the bill. I will not go into a great explanation.

Amendment negatived; clause agreed to; clauses 25 to 37 agreed to.

Clause 38

The CHAIR — Order! Mr Baxter will move amendment 22, which also is a test for amendments 27 to 30 to clause 41, which he can foreshadow.

Hon. W. R. BAXTER (North Eastern) — This is a very important amendment. I move:

22. Clause 38, page 65, lines 27 to 31, and page 66, lines 1 to 9, omit all words and expressions on these lines and insert—

'**"non water user limit"** in relation to a class of water shares of a particular reliability and in relation to a water system means ten per cent of—

(a) the sum of the maximum volumes of entitlement for water shares of that class in that water system, as determined by the Minister under section 33AR(1), from time to time; and

(b) the sum of the maximum volumes (at the time of surrender) of water shares of that class in that water system that have been surrendered to the Crown under section 33AA;'.

Amendment 22 goes to the issue of the so-called 10 per cent limit of allowable water holdings by persons who are not also land-holders. As I indicated earlier, that is the issue that caused as much angst as anything in the community. Some of that angst, I acknowledge, may be misplaced, but nevertheless it is a very widely held fear that this aspect will allow so-called water barons to manipulate the water market and allow merchant banks, investors, foreign speculators and so on to own part of Victoria's important water resource.

This important amendment goes to how that 10 per cent, which is in the bill, might be altered and increased. At the moment the minister can increase it of his own volition albeit with an amendment that was inserted while the bill was before the Legislative Assembly and after some advice from a consultative committee. The Nationals are very nervous about that.

We think there should be a stronger safeguard. We think if it is to be increased, it should be through a decision of the Parliament of Victoria so that there can be open and full debate by the representatives of the people before such a decision is taken. It is simply another safeguard and is one that the government should have no hesitation in accepting. It is a matter of bringing legislation into Parliament but it would certainly give a lot of comfort to people in rural Victoria who are very concerned that the 10 per cent may be increased virtually at ministerial whim over time and become a great competitive burden for irrigators.

Ms BROAD (Minister for Local Government) — In response to Mr Baxter, I wish first of all to indicate that from the government's point of view these provisions enabling the 10 per cent to be modified are consistent with the white paper. I also note that there may be circumstances where farmers want the limit changed if the price of water not associated with the land becomes inflated. I also wish to note in response to concerns raised by the farming community, which Mr Baxter has referred to, that the government did make amendments in the Assembly which considerably strengthened the consultation requirements which are prescribed by the bill before a decision to alter the 10 per cent limit can be made. I think those are the main points that need to be made.

Hon. W. R. BAXTER (North Eastern) — I thank the minister for her explanation. I did note there had been some amendments in the other place. I must say though that I think the minister's earlier comments about the price of water becoming inflated and her suggestion that farmers may want the 10 per cent increased will send a shiver of fear right around the irrigation districts of the state of Victoria. In my view that is tacitly acknowledging that even on 10 per cent these investors will have the opportunity to manipulate the market and force up the price of water, and on the minister's reasoning force it up so high that it may become totally uneconomic for farmers to irrigate and they will have no option but to cash it out. I am not sure whether the minister intended to send that message, but that will be the message that runs around the Goulburn Valley and the Murray Valley tomorrow.

Ms BROAD (Minister for Local Government) — Can I make it very clear that what I was indicating to the house was and is that there may be circumstances where farmers want the limit changed.

Amendment negatived.

Hon. W. R. BAXTER (North Eastern) — I will speak to my amendments 23 and 24. Therefore I move:

23. Clause 38, page 68, lines 11 to 13, omit all words and expressions on these lines.

24. Clause 38, page 68, lines 29 to 31, omit all words and expressions on these lines.

These amendments go to the issue of definitions in terms of the water-use licences and they are not dependent on but are related to further amendments which I will be proposing later on which vastly simplify the issue of water-use licences as compared with what is in the bill before the committee at this stage. As I say, my later amendments are not consequential upon these, but my later amendments will still be valid notwithstanding the committee may not accept these amendments. It would be better if these two definitions that are encompassed in amendments 23 and 24 were in fact deleted from the bill for clarity's sake.

Amendments negatived; clause agreed to; clauses 39 and 40 agreed to.

Clause 41

The CHAIR — Order! I call Mr Baxter to move his amendment 25, which is also a test for his amendment 26.

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

25. Clause 41, page 86, line 15, after this line insert—

"(b) if the proposed transfer or assignment is to be to Melbourne Water or Barwon Region Water Authority, as constituted under Part 6; or".

This is a crucial amendment in the eyes of country people. It goes to the issue of water from north of the Divide being siphoned off to supplement the water supplies of Melbourne in particular and Geelong as well.

There has been an issue for as long as I can remember about the potential and the possibility that Melbourne would purloin irrigation water out of the Goulburn system, Eildon Reservoir, King Parrot Creek or wherever. I can even remember as a schoolboy when Sir Henry Bolte — —

Hon. E. G. Stoney — He said, 'No northern water south of the Divide'.

Hon. W. R. BAXTER — He did say that, Mr Stoney — 'No northern water south of the Divide'.

Ms Carbines interjected.

Hon. W. R. BAXTER — He certainly was a great visionary, Ms Carbines, in more ways than one. Not an irrigation season goes by in which I and thousands of other irrigators do not thank Sir Henry Bolte for making that statement all those years ago.

This amendment really puts this government to the test because the minister, although he was pretty reluctant to actually do it in answer to questions in the other place, has been out in the public arena saying that water would not be taken from north of the Divide to Melbourne, and that Melbourne's supplies would be supplemented by greater efficiencies down here.

We all acknowledge that there is plenty of scope for that and that there are also a whole heap of other options that might need to be looked at in the future — for example, the greater use of grey water, the recycling of stormwater run-off and the like. There are a number of opportunities. The situation is similar in Geelong.

I cannot see why, if the government is serious about what it has been saying out there in the marketplace, it would not agree to a clause such as this being inserted in the bill. All it is doing is acknowledging, reinforcing and stating in the legislation exactly what this minister and this government have been going around country Victoria and saying for the last two years.

Ms BROAD (Minister for Local Government) — In response to Mr Baxter, as the Minister for Water indicated in the lower house, it is the government's policy that Melbourne retailers be specifically excluded from purchasing water shares or allocations from north of the Divide, and the bill currently provides the ability for the minister to ensure that this is what occurs.

Hon. W. R. BAXTER (North Eastern) — The minister's remarks simply confirm my point; if that is the government's intention, let us put it in black and white.

Committee divided on amendment:

Ayes, 20

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

Noes, 21

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

Amendment negatived.

Clause agreed to; clauses 42 to 53 agreed to.

Clause 54

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

31. Clause 54, page 116, lines 27 to 32, omit all words and expressions on these lines and insert—

"Penalty: For a first offence, 30 penalty units;

For a second or subsequent offence, 60 penalty units.".

This amendment goes to the issue of penalties for watering without a water use licence or watering where you have a water use licence but not in accordance with that licence.

As the committee knows, The Nationals believe the water use licences are unnecessary anyway, but we are conceding that they will come into existence. We absolutely object to the detail that is in them, and we have subsequent amendments which address that problem. But the particular objection to this clause concerns the horrendous penalties which are imposed upon people — for a first offence, 60 penalty points and imprisonment for six months.

Ms Carbines — Or.

Hon. W. R. BAXTER — Or imprisonment for six months — I take that point, Ms Carbines. It is not 'and'; it is 60 penalty points — which is $6000-plus under the indexation regime this government has introduced — or six months in the slammer.

That is a pretty horrendous penalty, I would have to say, for people who may quite innocently transgress. They might well have a water use licence; they might well have been watering their canola or their sub pastures or permanent pastures, or whatever; and then they might, in good faith and in all innocence, grow another crop which somehow or other has not been provided for in the detail of their water use licence. On that sort of innocent mistake they are exposed to a $6000-plus fine or six months jail.

That is a frightening penalty to impose for a pretty minor misdemeanour, I would have thought. I know the minister is likely to get up and say, 'Yes, but we have similar penalties in the principal act' — and perhaps we have. But they go to the issue of criminal activity, such as stealing water or damaging works of the water authority. I do not think there is an analogy there at all.

My amendment does not propose to abolish offences or penalties; it simply attempts to put in a more reasonable regime. I have to say that in my own heart even The Nationals' amendment imposes some pretty stringent penalties, but they are only half of what the government is proposing and I think some justice is required here.

Ms BROAD (Minister for Local Government) — In response, I indicate to Mr Baxter that these penalties are maximum penalties and the court does have discretion as to the level of penalty, depending on the seriousness of the particular offence. As Mr Baxter has foreshadowed, in the government's view and assessment these penalties are in line with other similar penalties under the existing act.

I also advise that these matters can have significant impacts, so in the government's view the level of the maximum penalties — and they are maximum penalties — for first and subsequent offences reflects the seriousness of the offences and ensures consistency with current offence provisions in the Water Act 1989, which are equally serious and include penalties for taking or using water without authorisation.

Hon. W. R. BAXTER (North Eastern) — I acknowledge that the Sentencing Act presumably says that the expression 'for a first offence, 60 penalty units or imprisonment for six months' means that is the maximum. On a reading of the bill one would think that is the penalty, full stop. I assume it is in the Sentencing Act and I will have to check it out, but I will take it as meaning that is the maximum. That alleviates my concern to a modest degree.

Will the minister give us an example of her claim that these offences might have serious ramifications? I accept that stealing water is a serious offence because it disadvantages fellow irrigators and I acknowledge that damaging works or spragging the wheel is a serious offence. However, would the minister give an example of what sort of deleterious effect it has on anyone else if someone who has a water licence inadvertently transgresses that licence by growing a crop the licence does not cover?

Ms BROAD (Minister for Local Government) — In response to Mr Baxter I advise him that, for example, if irrigation was conducted without a licence in the Mildura area, there would be the possibility of salinity impacts or impacts on the Murray River.

Hon. W. R. BAXTER (North Eastern) — I will not pursue the matter, but that was not my question. My question was whether the minister could give an example where a licence does exist. This clause covers both the situation where the irrigator does not have a licence and the situation where the irrigator has a licence but does something the licence does not cover. My question went to the second of those. If you have a licence but grow a crop that licence does not cover, what deleterious effect will that have? However, I have made my point; I will not pursue it.

Amendment negatived.

The CHAIR — Order! Mr Baxter to move his amendment 32, which is also a test for his amendment 33.

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

32. Clause 54, page 118, line 6, omit "information; and" and insert "information.".

As the Chair indicated to the committee, this is a test for amendment 33. This goes to the issue of the setting

of fees for water use licences. Unfortunately I do not have a copy of the white paper here, because I sent it off to Hansard after the second-reading debate, but page 88 of the government's white paper on water makes it explicitly clear that there were not to be ongoing fees for water use licences; they were to be issued with ongoing tenure. We think it is disgraceful that the government is seizing upon yet another opportunity to put its hands in the pockets of the taxpayers of the state of Victoria.

Not only will the bill result in irrigators paying very large penalties because of the extra costs that will be involved with the red tape and the rules and regulations that they will have to be very much aware of but they will have to pay an annual licence fee.

The CHAIR — Order! Pursuant to sessional orders, I have to report progress.

Progress reported.

Business interrupted pursuant to sessional orders.

ADJOURNMENT

The PRESIDENT — Order! The question is:

That the house do now adjourn.

Fishing: commercial licences

Hon. P. R. HALL (Gippsland) — Tonight I wish to raise a matter for the attention of the Minister for Agriculture in the other place. It is regarding commercial fishing operations of my constituent Mr Tony Kazakas of Lakes Entrance. Mr Kazakas holds both an ocean fishery access licence and a trawl (inshore) fishery access licence. He has been fishing for a long time and I have found him to be one of the most responsible and innovative professional fishermen I have met.

Some years ago Tony came to me and sought my assistance in relation to catching a fish called banded morwong. Tony was the first to develop a market for that fish as a live product and his success prompted others to cash in on the market. Obviously the return for a live fish product is far greater than that for dead fish. That led the Department of Primary Industries to nominate the banded morwong as a developing fishery and limit the catch to monitor its sustainability, which was the appropriate action to take.

Tony has developed his business to be involved predominantly in the trade of live seafood. He has at his home holding tanks where prawns, bugs and morwong are kept live until he accumulates a commercial quantity, which he then takes to Melbourne and sells direct to restaurants or the fish markets. Selling a live product is probably the best value adding for seafood.

The problem is that another fish, wrasse, is a by-product of fishing for morwong and Tony's permit limits the amount of wrasse he can take on his morwong permit. He would like to develop a live market for wrasse, which is possible. He had a wrasse licence until about 1996 when there was some restructure in the department and he lost that licence. The matter has been taken up for Tony by Mr Tom Davies of the Lakes Entrance fishermen's cooperative. The response from the department has been that:

> … the wrasse fishery presently has a large number of licence-holders who appear to have been either inactive in the fishery or participating at a low or inconsistent annual catch level …
>
> Fisheries Victoria is currently requesting those fishers who are deemed to have ceased to be actively, substantially and regularly engaged in the fishery, and who have applied for renewal of their licence, to show cause as to why their licence should be renewed.

All I ask for is an expedition of that particular process because a fisherman who is working and achieving the best value adding to a seafood product has every right, given his track record, to be given a permit to take wrasse along with banded morwong. I call on the Minister for Agriculture to expedite the review of the inactive licence so that Tony can fish what he needs to.

Seniors: falls prevention

Hon. KAYE DARVENIZA (Melbourne West) — The matter I raise is for the attention of the Minister for Aged Care, Mr Jennings. It concerns the issue of falls prevention for our senior citizens. Having worked as a nurse for many years before my life in politics, I know first hand that experiencing a fall in later life can cause major social and health problems, not to mention the economic costs to the individual involved, to their family and friends and, of course, to the wider community.

Falls are the leading cause of injury-related admissions to hospital amongst people aged 65 and over. It costs the Victorian community more than $300 million a year in direct care costs to look after and care for these people. Thousands of Victorian seniors who hurt themselves in falls needed to be hospitalised during 2003–04. More than half of those admissions were as a result of a fracture to the hip. My specific query and what I would like to know is: what action is the minister and his department taking to help seniors avoid

fall-related injuries? I am particularly interested in the issues of supporting older people who are at home and in supported care to be physically active; the actions taken to help older people better manage their medication, because we know that the side effects of some medication can lead to falls; reducing hazards in the home as well as in hospitals and aged care centres where seniors are living; access to fall risks and the development of falls prevention strategies for those individuals who are at risk; recognising those who are at risk; and developing some strategies to prevent falls.

I am also interested in information and training regarding falls prevention for older people and the staff who look after them. We know that a number of falls result in a broken hip. We know that many falls happen after the hip has broken and as a result of this, but there are many ways we can assist seniors to prevent and avoid falls.

Melbourne showgrounds: redevelopment

Hon. PHILIP DAVIS (Gippsland) — It is a delight to be here contributing to the adjournment debate this evening. I raise a matter for the attention of the Minister for Major Projects, who I note is not in the house at the present time, which is a great disappointment to me because — —

Hon. M. R. Thomson — I am here!

Hon. PHILIP DAVIS — The minister calls out that she is here, but she is only a pale imitation of the Leader of the Government. She will suffice on this occasion! I would like to raise for the Minister for Major Projects the problem that has arisen as part of the redevelopment of the Royal Agricultural Society's showgrounds at Epsom in relation to a facility which has — —

Hon. M. R. Thomson — It is not at Epsom, it is at Ascot Vale.

An honourable member — Epsom Road!

Hon. PHILIP DAVIS — It is at Epsom Road or Ascot Vale, if you like! The issue I raise concerns a building which was provided by the Bolte government to the Victorian Agricultural Societies Association, which is now colloquially known as VASA, but in fact trades these days as Victorian Agricultural Shows. The building had been a meeting place for many decades. It has now been abolished as part of the redevelopment. It has come to my attention that the Minister for Major Projects has provided no arrangement to replace that building.

Members of the agricultural society frequently meet at the showgrounds and use that building in between Royal Melbourne shows and, of course, during the course of the Royal Melbourne Show they use the building on a daily basis for a whole lot of activities. That building, which had been the headquarters of VASA for many decades, has been demolished, and it is not proposed to be replaced. Therefore it appears that the arrangements for catering to the needs of the many thousands of active participants in the agricultural show societies have been left unattended. They have been overlooked and no doubt completely ignored by the Bracks government, which has a tendency to do this.

I therefore ask what it is that the Minister for Major Projects will do to provide proper accommodation for VASA.

Commonwealth Games: public transport

Hon. D. K. DRUM (North Western) — My question in the adjournment debate tonight is to the Minister for Commonwealth Games, the Honourable Justin Madden. It has to do with the $10 return ticket that is being made available to regional Victorians as they attend Commonwealth Games events. As we know, the government announced many months ago that metropolitan Victorians were going to be able to enjoy free public transport to the respective Commonwealth Games events they had purchased tickets for. At that stage we called out, 'What about country Victorians?', and for many months the debate raged. We said that regional Victorians also needed to be looked after in relation to free public transport to Commonwealth Games events. We were stonewalled for those many months by the government saying that this subsidy was only going to be made available to metropolitan Victorians. People who lived in Melbourne were going to be catered for; people who lived outside of Melbourne could suit themselves, but they were expected to get themselves to the games events at their own cost.

After many months the Minister for Commonwealth Games and the Minister for Transport in the other place have relented and have now come up with $10 tickets, which seems to go a good part of the way towards allowing regional Victorians to enjoy public transport subsidies as they head into Melbourne to attend the Commonwealth Games and — on the few occasions when the traffic will be going the opposite way — head off to regional events. When put to the wall on the question of whether these tickets will be available to Victorians who wish to travel to events the day before and wish to travel home a day or two later, the minister has stated that he will ask V/Line to show discretion

when people attempt to purchase these tickets before and/or after the day of the event they are going to watch in Melbourne.

In my opinion this is not good enough. We need a bit more clarity, and we certainly need a lot more surety for the people of regional Victoria who can produce a ticket to attend a Commonwealth Games event — even if they want to attend a marathon or triathlon, which will actually not require paid tickets. The issue of the government wanting to benefit is a separate debate altogether. I cannot understand the philosophy behind it. I implore the minister to make a categorical commitment that if people produce a Commonwealth Games event ticket, then they should be given a $10 return capped ticket to anywhere in Victoria. And if they wish to travel two or three days earlier and go home three days later, that should be all the better for their enjoyment of the Commonwealth Games.

Thoi Bao: editor

Hon. S. M. NGUYEN (Melbourne West) — I wish to draw a matter to the attention of the Minister for Police and Emergency Services in the other place. This matter relates to what I believe are the continuing criminal actions of a small number of Vietnamese people against the proud Melbourne community of Vietnamese Australians, including myself. The editor of the *Thoi Bao* newspaper has been involved in harassing members of the Vietnamese community, including many who support me. This man attacks Vietnamese people through his newspaper by harassing and frightening them and applying pressure on them in order to stop them exercising their democratic rights.

The editor of *Thoi Bao* has printed numerous defamatory lies, usually in the form of supposedly anonymous letters to the editor, accusing members of the community, including me, of seeking to use positions to obtain financial gain. His allegations are not only about me but also about other people. I believe the actions of this editor of *Thoi Bao* should be investigated by Victoria Police, as not only does this conduct amount to vilification and harassment of Vietnamese people, but it is also thuggery.

People associated with Loi Truong have made false declarations. They physically threaten members of the Vietnamese community, including myself, and have even assaulted people. They have taped individuals and have attempted to blackmail people. Loi Truong himself has been charged with and convicted of assault, and even incurred a three-month good behaviour bond. The Vietnamese community is easily frightened by those kinds of lies and threats.

The Minister for Police and Emergency Services should investigate this newspaper to see if Mr Loi Truong is involved in organised crime and is using the paper as a front for his activities. The editor appears to have few assets, and it seems the paper simply prints articles full of lies to frighten the community and to try to force me and others to resign.

I call on the minister to investigate this organisation that many in the Vietnamese community think is beyond the law. I believe this newspaper and the criminal thugs around it are doing great damage and a disservice to the proud Vietnamese community in Melbourne. In my case he accuses me of being a Vietnamese spy for the Communist Party of Vietnam and suggests that I am guilty of fraud. His aim is to frighten and harass members of Melbourne's Vietnamese community.

The PRESIDENT — Order! I have some difficulties with the member's adjournment matter in that he is asking the Minister for Police and Emergency Services in another place to investigate something and there is a question of separation of powers as this would be an operational matter for the police. I am concerned that the wording of the request to the minister could place the minister and the house in some difficulty because it is something that is inappropriate. There is one more member to speak on the adjournment and I will call on that person and then give the Honourable Sang Nguyen an opportunity to rephrase his request.

Corrections: Mount Teneriffe land

Hon. RICHARD DALLA-RIVA (East Yarra) — I wish to raise a query for the Minister for Corrections in the other place. It relates to the Aboriginal correctional facility which was proposed to be built at Mount Teneriffe, just outside Euroa. We know from much discussion and public debate on this issue that land was purchased by a government department, the sole purpose of which is buying land. It purchased the land from a farmer in the region and, from my understanding, it was subsequently transferred to the Department of Justice and, in particular, to Corrections Victoria.

Extensive undertakings were sought by the farmer from whom the land was purchased. He was concerned about the maintenance of a level of weed control. His concerns related to managing Paterson's curse, blackberries, briars and broom and the general maintenance of fire hazards in that area. The area is adjacent to the Hume Highway, and this caused a considerable amount of public debate.

We know that in February of this year, with the new Minister for Corrections coming into the fray, the Won Wron prison out at Yarram was closed. That was going along nicely until in April of this year the minister made an announcement about moving the proposed Aboriginal correctional facility from Mount Tenerife to Won Wron and, therefore, abandoning the Mount Teneriffe site. We are now into November. Since April the local community has continually raised the issue of the management of those noxious weeds and maintaining some level of control over the fire hazard, given that we no longer have a specific farmer working on the land as an anticipated site — it is now not an anticipated site.

My adjournment matter is about the particular site that was purchased and what action the minister will take to ensure that this land, which I understand is still owned by Corrections Victoria, will be sold back to the broader community. Will the minister indicate what will happen with that land in the foreseeable future?

The PRESIDENT — Order! Before I call the minister to respond, I rule the adjournment matter raised by Mr Nguyen out of order.

Responses

Hon. M. R. THOMSON (Minister for Consumer Affairs) — The Honourable Peter Hall raised a matter for the Minister for Agriculture in the other place concerning a professional fisherman in his electorate, Mr Kazakas, and about the banded morwong for which he has a licence. He also wishes to market wrasse and wants to know what is going to occur with the review of that licence provision and whether or not he will be able to fish for wrasse.

The Honourable Kaye Darveniza raised a matter for the Minister for Aged Care concerning falls prevention and the actions that are being taken by the minister to provide information to those in the community to ensure that we are minimising the possibility of falls amongst older Victorians.

The Honourable Philip Davis raised a matter for the Minister for Major Projects concerning what alternative accommodation would be made available for meetings of Victorian Agricultural Shows, known as VASA, with the redevelopment of the showgrounds.

The Honourable Damian Drum raised a matter for the Minister for Commonwealth Games concerning public transport for country Victorians to the Commonwealth Games and their ability to travel on days on either side of the event that they may be attending.

The Honourable Richard Dalla-Riva raised a matter for the Minister for Corrections in the other place concerning land that has just been purchased at Mount Teneriffe, which he believes is still the responsibility of the Department of Justice. He wishes to know what is to happen to that land and whether it is to be sold off and/or sold back to the community.

All those matters will be passed on to the relevant ministers.

The PRESIDENT — Order! The house stands adjourned.

House adjourned at 10.22 p.m.