PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE ASSEMBLY

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

1 November 2001

(extract from Book 7)

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By authority of the Victorian Government Printer

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JOHN LANDY, AC, MBE

The Lieutenant-Governor

Lady SOUTHEY, AM

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Environment and Natural Resources Committee — (*Council*): The Honourables R. F. Smith and E. G. Stoney. (*Assembly*): Mr Delahunty, Ms Duncan, Mr Ingram, Ms Lindell, Mr Mulder and Mr Seitz.

Family and Community Development Committee — (*Council*): The Honourables E. J. Powell and G. D. Romanes. (*Assembly*): Mr Hardman, Mr Lim, Mr Nardella, Mrs Peulich and Mr Wilson.

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Road Safety Committee — (*Council*): The Honourables Andrew Brideson and E. C. Carbines. (*Assembly*): Mr Kilgour, Mr Langdon, Mr Plowman, Mr Spry and Mr Trezise.

Scrutiny of Acts and Regulations Committee — (*Council*): The Honourables M. A. Birrell, M. T. Luckins, Jenny Mikakos and C. A. Strong. (*Assembly*): Ms Beattie, Mr Carli, Mr Dixon, Ms Gillett and Mr Robinson.

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

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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Deputy Speaker and Chairman of Committees: Mrs J. M. MADDIGAN

Temporary Chairmen of Committees: Ms Barker, Ms Davies, Mr Jasper, Mr Kilgour, Mr Loney, Mr Lupton, Mr Nardella, Mrs Peulich, Mr Phillips, Mr Plowman, Mr Richardson, Mr Savage, Mr Seitz

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The Hon. S. P. BRACKS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:
The Hon. J. W. THWAITES

Leader of the Parliamentary Liberal Party and Leader of the Opposition:
The Hon. D. V. NAPTHINE

Deputy Leader of the Parliamentary Liberal Party and Deputy Leader of the Opposition:
The Hon. LOUISE ASHER

Leader of the Parliamentary National Party:
Mr P. J. RYAN

Deputy Leader of the Parliamentary National Party:
Mr B. E. H. STEGGALL

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Allen, Ms Denise Margret [4]	Benalla	ALP	Lenders, Mr John Johannes Joseph	Dandenong North	ALP
Andrianopoulos, Mr Alex	Mill Park	ALP	Lim, Mr Hong Muy	Clayton	ALP
Asher, Ms Louise	Brighton	LP	Lindell, Ms Jennifer Margaret	Carrum	ALP
Ashley, Mr Gordon Wetzel	Bayswater	LP	Loney, Mr Peter James	Geelong North	ALP
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Burke, Ms Leonie Therese	Prahran	LP	Maddigan, Mrs Judith Marilyn	Essendon	ALP
Cameron, Mr Robert Graham	Bendigo West	ALP	Maughan, Mr Noel John	Rodney	NP
Campbell, Ms Christine Mary	Pascoe Vale	ALP	Maxfield, Mr Ian John	Narracan	ALP
Carli, Mr Carlo	Coburg	ALP	Mildenhall, Mr Bruce Allan	Footscray	ALP
Clark, Mr Robert William	Box Hill	LP	Mulder, Mr Terence Wynn	Polwarth	LP
Cooper, Mr Robert Fitzgerald	Mornington	LP	Napthine, Dr Denis Vincent	Portland	LP
Davies, Ms Susan Margaret	Gippsland West	Ind	Nardella, Mr Donato Antonio	Melton	ALP
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Delahunty, Mr Hugh Francis	Wimmera	NP	Pandazopoulos, Mr John	Dandenong	ALP
Delahunty, Ms Mary Elizabeth	Northcote	ALP	Paterson, Mr Alister Irvine	South Barwon	LP
Dixon, Mr Martin Francis	Dromana	LP	Perton, Mr Victor John	Doncaster	LP
Doyle, Robert Keith Bennett	Malvern	LP	Peulich, Mrs Inga	Bentleigh	LP
Duncan, Ms Joanne Therese	Gisborne	ALP	Phillips, Mr Wayne	Eltham	LP
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Hamilton, Mr Keith Graeme	Morwell	ALP	Ryan, Mr Peter Julian	Gippsland South	NP
Hardman, Mr Benedict Paul	Seymour	ALP	Savage, Mr Russell Irwin	Mildura	Ind
Helper, Mr Jochen	Ripon	ALP	Seitz, Mr George	Keilor	ALP
Holding, Mr Timothy James	Springvale	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
Honeywood, Mr Phillip Neville	Warrandyte	LP	Smith, Mr Ernest Ross	Glen Waverley	LP
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Ingram, Mr Craig	Gippsland East	Ind	Stensholt, Mr Robert Einar [2]	Burwood	ALP
Jasper, Mr Kenneth Stephen	Murray Valley	NP	Thompson, Mr Murray Hamilton	Sandringham	LP
Kennett, Mr Jeffrey Gibb [1]	Burwood	LP	Thwaites, Mr Johnstone William	Albert Park	ALP
Kilgour, Mr Donald	Shepparton	NP	Trezise, Mr Ian Douglas	Geelong	ALP
Kosky, Ms Lynne Janice	Altona	ALP	Viney, Mr Matthew Shaw	Frankston East	ALP
Kotsiras, Mr Nicholas	Bulleen	LP	Vogels, Mr John Adrian	Warrnambool	LP
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Wantirna	LP
Languiller, Mr Telmo	Sunshine	ALP	Wilson, Mr Ronald Charles	Bennettswood	LP
Leigh, Mr Geoffrey Graeme	Mordialloc	LP	Wynne, Mr Richard William	Richmond	ALP

[1] Resigned 3 November 1999
[2] Elected 11 December 1999
[3] Resigned 12 April 2000
[4] Elected 13 May 2000

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THURSDAY, 1 NOVEMBER 2001

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QUESTIONS ON NOTICE

TUESDAY, 30 OCTOBER 2001

Thursday, 1 November 2001

The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 9.35 a.m. and read the prayer.

PETITION

The Clerk — I have received the following petition for presentation to Parliament:

Latrobe: governance

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled:

The humble petition of the undersigned citizens of the state of Victoria sheweth that the council of the City of Latrobe has failed in a serious and ongoing way to provide good governance of its district.

Your petitioners therefore pray that the council of the City of Latrobe be suspended and that an administrator be appointed.

And your petitioners, as in duty bound, will ever pray.

By Mr RYAN (Gippsland South) (7663 signatures)

Laid on table.

PAPERS

Laid on table by Clerk:

Ambulance Service Victoria-Metropolitan Region — Report for the year 2000–2001

Australian Food Industry Science Centre — Report for the year 2000–2001

Bairnsdale Regional Health Service — Report for the year 2000–2001 (two papers)

Bayside Health — Report for the year 2000–2001

Boort District Hospital — Report for the year 2000–2001

Caritas Christi Hospice Limited — Report for the year 2000–2001 (two papers)

Cohuna District Hospital — Report for the year 2000–2001

Country Fire Authority — Report for the year 2000–2001

Eastern Health — Report for the year 2000–2001 (three papers)

Echuca Regional Health — Report for the year 2000–2001

Equal Opportunity Commission — Report for the year 2000–2001 — Ordered to be printed

Financial Management Act 1994:

Report from the Minister for Agriculture that he had received the 2000–2001 annual report of the Victorian Strawberry Industry Development Committee

Reports from the Minister for Environment and Conservation that she had received the 2000–2001 annual reports of the:

Barwon Regional Waste Management Group

Calder Regional Waste Management Group

Central Murray Regional Waste Management Group

Eastern Regional Waste Management Group

Gippsland Regional Waste Management Group

Goulburn Regional Waste Management Group

Grampians Regional Waste Management Group

Highlands Regional Waste Management Group

Mornington Peninsula Regional Waste Management Group

North East Victorian Regional Waste Management Group

Northern Regional Waste Management Group

South Western Regional Waste Management Group

Western Regional Waste Management Group

Yarra Bend Park Trust

Report from the Minister for Health that he had received the 2000–2001 annual report of the South Gippsland Hospital

Fisheries Co-Management Council — Report for the year 2000–2001

Geelong Performing Arts Centre Trust — Report for the year 2000–2001

Infertility Treatment Authority — Report for the year 2000–2001

Kooweerup Regional Health Service — Report for the year 2000–2001 (two papers)

Kyabram and District Memorial Community Hospital — Report for the year 2000–2001

Legal Ombudsman — Report of the Office for the year 2000–2001 — Ordered to be printed

Legal Practice Board — Report for the year 2000–2001

Metropolitan Fire and Emergency Services Board — Report for the year 2000–2001

National Gallery of Victoria — Report for the year 2000–2001

Northern Health — Report for the year 2000–2001

Peninsula Health — Report for the year 2000–2001

Peter MacCallum Cancer Institute — Report for the year 2000–2001

Public Record Office Victoria — Report for the year 2000–2001

Radiation Advisory Committee — Report for year ended September 2001

Royal Victorian Eye and Ear Hospital — Report for the year 2000–2001

Rural Ambulance Victoria — Report for the year 2000–2001

South Eastern Regional Waste Management Group — Report for the year 2000–2001

St Vincent's Hospital (Melbourne) Limited — Report for the year 2000–2001 (two papers)

Victorian Energy Networks Corporation — Report for the year 2000–2001

Victorian Institute of Forensic Medicine — Report for the year 2000–2001

Victoria Law Reform Commission — Report for the period 6 April 2001 to 30 June 2001 — Ordered to be printed

Victoria Police — Report of the Office of the Chief Commissioner for the year 2000–2001 (two papers)

Victorian Health Promotion Foundation — Report for the year 2000–2001

Victorian Legal Aid — Report for the year 2000–2001

West Gippsland Healthcare Group — Report for the year 2000–2001

Western Health — Report for the year 2000–2001 (two papers)

Women's and Children's Health Service — Report for the year 2000–2001.

BUSINESS OF THE HOUSE

Adjournment

Mr BATCHELOR (Minister for Transport) — I move:

That so much of sessional orders be suspended to allow the house, at its rising, to adjourn until Wednesday, 7 November 2001.

Motion agreed to.

MEMBERS STATEMENTS

Information and communications technology: government policy

Mr PERTON (Doncaster) — The matter I wish to raise is the Labor Party's failure to commit to the new economy, its Luddite attitude to new technology and its failure to make the Knowledge Nation statement anything but an electoral fraud. If the public needed any proof of this electoral fraud, it is the Bracks government's failure to set up an information technology advisory committee until the middle of this year and its failure to have an information technology (IT) industry policy to date.

There is proof in that the Treasurer went to San Jose to visit Selectron, and Selectron chose after meeting him to relocate its manufacturing business to Sydney and Singapore. It is a fact that Nokia broadband in reallocating its resources worldwide left Victoria, and the Knowledge Nation statement and the federal ALP's IT policy released yesterday makes things even worse. If we need proof of that it is in the statement of Mr Rob Durie, executive director of the Australian Information Industry Association.

He said:

> … the policy still has too many holes … There is nothing about the tax treatment of employee share options …an issue that was in the ALP platform three years ago and was still present in the Knowledge Nation document earlier this year …

But even more importantly, in the area of venture capital, the Australian Venture Capital Association said:

> To be quite frank, the coalition government's venture capital reforms have headed us on the path to world best practice …

The policy of the ALP is a fraud. It is nonsense, and it will set Australia and Victoria back many years.

Wangaratta Festival of Jazz and Blues

Mr JASPER (Murray Valley) — I remind the house that the now internationally recognised Wangaratta Festival of Jazz and Blues will be conducted next weekend.

From a humble beginning 12 years ago a dedicated small group of Wangaratta people developed a vision for a special event for the city. The Wangaratta Festival of Jazz and Blues is a multiple Victorian tourism award winner and a national award winner. It is now part of the Victorian tourism awards hall of fame and has been declared a Victorian hallmark event. The 12th national

jazz awards will be conducted at the festival, with this year's instrument being the bass. In other years instruments have included piano, saxophone and drums.

The program continues to expand and is a mecca for jazz bands — including Australian and overseas jazz musicians and enthusiasts — with over 90 events over the four days and an expanded range of venues at hotels, halls, wineries and outdoors. Highlights include a jazz mass at Wangaratta Holy Trinity Cathedral and a new jazz event at the Wangaratta Turf Club. It is estimated that the jazz festival injects over $18 million into the Wangaratta economy, and the massive event involves over 600 volunteers.

I pay tribute to the chairperson of the committee, Mrs Patti Bulluss, and her committee, for their continuing dedication to a fantastic world-renowned event for the Rural City of Wangaratta.

Join us, Mr Speaker and honourable members, for a great musical event and experience that will be enjoyed by all — including myself, Mr Jazzper!

Catherine Helen Spence Leadership Book Prize

Ms DELAHUNTY (Minister for Education) — As the member for Northcote I congratulate the 16 students who were selected by their schools in my electorate to be awarded the Catherine Helen Spence Leadership Book Prize. This is the fourth year I have offered this prize to salute and celebrate the leadership qualities of young students in our schools, both public and private, right across the electorate.

The awards celebrate student initiative and leadership; but they also celebrate the life of a fantastic woman in Australian history, Catherine Helen Spence, who was Australia's first female professional journalist, Australia's first female political candidate, a great public speaker and political reformer, and one of the architects of proportional representation — although it does not carry her name, unfortunately. She was a great literary reviewer too. If honourable members look at a $5 note they will see Catherine Helen Spence saluted on it.

The awards go to primary and secondary government and non-government students. This year the winners include Moshidi Manaka of Thornbury Darebin Secondary College, Mikeyha Harrison of Wales Street Primary School and Olga Papagiorgiou from Northcote High School, who was a leading light in the 2000 Rock Eisteddfod. Each of these students has been chosen by their school for their leadership qualities.

The SPEAKER — Order! The honourable member's time has expired.

Education: federal policy

Mr PHILLIPS (Eltham) — I condemn the Beazley federal opposition for its stance on private schools, which residents of my constituency of Eltham despise and reject.

I, like a majority of, if not all, honourable members on this side of the house support choice in the education system and the opportunity for mums and dads to choose whether they want to send their children to a private school, a Catholic school or a public school. I make no apology for asserting that when choosing between public and private schools for my four children I chose a public school. However, that does not suggest that other hardworking mums and dads, who in some cases do second and third jobs to send their children to a Catholic or private school, should have to worry that a Beazley government, if elected in Canberra, will deny their school money raised through our taxes. Such people work very hard for that choice and are now very fearful that a Beazley government will reduce funding to some schools to the benefit of others, where there should be consistency.

The SPEAKER — Order! The honourable member's time has expired.

Garoopna Uniting Care

Mr STENSHOLT (Burwood) — I rise to pay tribute to the many volunteers at Garoopna Uniting Care. Last Wednesday I had the privilege of attending the Tanderra aged care facility in Camberwell to present International Year of Volunteers certificates to the many volunteers working there. I presented certificates to the board members Ken Gellatly, Jenny Eberhard and Neil Coote, among others, and I also presented certificates to marvellous volunteers such as Marge Boutcher and Gwenda Shadforth. I also provided certificates to the volunteers who organised the Day Out program, which the volunteers run to assist the elderly to live independently within the community. Sally Wickham, Lorna Picone and Mary Fenessey were there to accept the certificates on behalf of the eight volunteers who run the program.

I wish to pay particular tribute to Fran Lambert and Nancy Tregallis. They have been volunteers at Tanderra for 50 years, and were on the original committee that set up the facility 50 years ago. A few weeks ago Fran Lambert became a resident there. I pay tribute to their half century of service, almost half of the

20th century, in helping this marvellous facility. A special tribute to them is worthy and is indeed given.

Building Control Commission: inspection service

Mr McINTOSH (Kew) — In the *Australian Financial Review* yesterday, buried in the middle of that paper in the 'In brief' section, was an announcement that the Building Control Commission has now reinstated its investigatory powers whereby it can appoint an independent umpire to determine disputes between builders and consumers of building services — householders. I have spoken on this matter on a couple of occasions in this place, most recently at the time of the passage of the amendments to the Building Act two weeks ago.

It was a matter of some regret that at that time it appeared that the Building Control Commission had unilaterally decided to suspend one of its statutory obligations to appoint independent investigators. No explanation was provided to me or anybody else as to why that obligation was suspended, but yesterday it was announced that it had been reinstated. While I am very grateful it has been reinstated and I welcome the decision to reinstate this very important power, I am concerned that during the four months the obligation was suspended at least three people in my constituency alone contacted my office about the matter. I am certainly aware of other people in other areas of Kooyong who have contacted other members, including Petro Georgiou, and there has been no explanation by the minister as to why this very important consumer protective power was suspended.

The SPEAKER — Order! The honourable member's time has expired.

Wellington Secondary College

Mr LENDERS (Dandenong North) — I rise to pay tribute to the Wellington Secondary College in Mulgrave in my electorate of Dandenong North. Last week I had the privilege of attending the college for two functions. Firstly, I launched a new college logo in the presence of the school council president, Phil Marrinon, the principal, John Coulson, college captains Meredith Eldridge and Stephen Worcester, middle school captains Den Lim and Tim Reynolds and junior school captains Tara Munford and Mark Pedrola. It was a great project for the school, and there was a lot of input from students and staff. It symbolises what is good in the school.

Secondly, I had the pleasure of launching the transition project 'Artists in Residence', which was introduced by Wellington Secondary College students and students from the adjoining Albany Rise Primary School in Mulgrave. It is a program that is funded by the schools and the state government. Cameron Bishop is the artist, and Coralie Buckley is the arts coordinator from Wellington Secondary College. Glennis McKenna is the arts coordinator from Albany Rise Primary School.

I joined with the students in launching the project. It is a fantastic project, and honourable members who happen to be in the area should call into Wellington Secondary College and have a look at some of the sculptures. The transition project covers multiculturalism, immigration, our home and the environment. All the students put an enormous amount of time and effort into expressing what their multicultural communities do.

It was a privilege to be there, and it is great to work with the school community. It is a great school, and I recommend that honourable members visit it when they are next in the area.

Birrarrung Park Lake

Mr KOTSIRAS (Bulleen) — I wrote to the Minister for Environment and Conservation on 6 August asking for a grant of $15 000 to assist the Rotary Club of Templestowe to purchase and install a pump to fill Birrarrung Park Lake, which is now empty. Many weeks later I received a response from Ms Chloe Munro, undated, which claims that she received advice from Parks Victoria.

In her letter she states:

> Parks Victoria has provided advice that the lake has negligible environmental value as an artificial wetland …
>
> I am advised that the proposal to pump water to the lake would change its ecological character … I therefore do not believe that funding can be considered …

Unfortunately, despite this response, I received a copy of a letter from Parks Victoria to the Rotary Club of Templestowe that states:

> … over 175 000 people visit the park a year …
>
> My view is that by returning water to the lake and maintaining it at a relatively constant level, the ecology of the lake would be restored to its former composition.

It goes on to say:

> The cost of maintaining a pump … should be minimal as once the lake is full the ongoing work the pump would have to do … will only be a couple of hours every two weeks …

I therefore ask that the minister revisit this proposal to provide the funds to install a pump and to not allow Ms Munro to give such ad hoc responses to letters without checking with the appropriate people in Parks Victoria. I call upon Ms Munro to visit — —

The SPEAKER — Order! The honourable member's time has expired.

Woodend Primary School

Ms DUNCAN (Gisborne) — I pay tribute to the Woodend Primary School headed by its principal, Ruth Reid-Hobbs, and a dedicated staff and school community.

I had the privilege of attending the opening of the school several months ago. It is Australia's first 'healthy school', as its new buildings are specially designed to reduce the possibility of allergic reactions by using chemical-free paints, no carpets, and a heating and cooling system that continually brings fresh air into the classrooms.

Recently the school was a finalist in the Waste Wise schools program awards for its year 4 special environmental program conducted at its Carlsruhe campus. The program has provided hands-on environmental learning experiences for year 4 students since 1984. Last year a Carlsruhe teacher was trained in Waste Wise practices and principles and the program was commenced. It was so successful that the Carlsruhe annex was granted $1000 from the Teaching Initiatives program to build a shed for the storage of recyclable materials.

Thanks to the enthusiasm of staff, students, parents and the local community the program has been such a huge success that the school has won the state's litter-free yard award of $1500 and the best Regional Waste Wise School award. The school was the runner-up for the state Waste Wise project initiative award.

This could not have been done without an innovative and supportive school council. I congratulate this wonderful environmentally and socially progressive and innovative school.

WATER (IRRIGATION FARM DAMS) BILL

Second reading

Debate resumed from 31 October; motion of Ms GARBUTT (Minister for Environment and Conservation).

Mr MACLELLAN (Pakenham) — In my remarks on this bill last night I pointed out that this is a framework bill. Its fault is that it attempts to make one size fit all — in other words, all circumstances. It is too inflexible. It does not allow for multi-use dams — that is, dams on properties which are used for both stock and domestic and occasionally other purposes.

It does not allow for dams to be moved on and within a property. Where a dam is found to be unsatisfactory under some new enterprise on the farm and it is decided to move the water or the waterhole from one part of the farm to another, unfortunately there are going to be severe restrictions.

Those restrictions might make sense in the Murray Valley and Murray–Darling Basin — in that you can only transfer your water right downhill — but in the Yarra Valley, West Gippsland, on Phillip Island and near the Bunyip and Koo Wee Rup areas in my electorate it does not make sense to tell a farmer who is on an almost dead flat farm that if he is moving the water from one end of the farm to another he will have to attempt to buy his own water right, which will not be around for 20 years because there will not be a market for it. So we have this inflexibility.

The minister in some ways has too much power and in other ways has insufficient power. I say insufficient power because the minister ought to have the power to bring the framework of this legislation into effect part by part, area by area, as it is needed, and concentrate her resources on those water areas of the state which are under strain and which need attention. She should not be dispersing the government effort right across the state. She should be concentrating on the problem areas rather than creating problems for farmers in areas such as mine.

In West Gippsland I am going to be advising all the farmers to register all waterholes as commercial. It is in their interest to do so. They cannot really sensibly term it 'stock and domestic'. If they want stock and domestic they can dig a new hole and get it at any time. Whatever waterholes they have on the magic date ought to be commercial, so that in years to come they will acquire some magical right as of the end of this year that the water on their property is commercial water and they can use it for commercial purposes.

What do we mean by 'commercial purposes' under this legislation? Madly, we mean washing down the dairy to get the manure off the dairy yard and to sensibly reprocess that by spreading it on the paddocks to get grass growing — not to pollute waterways or create problems — yet that is said to be a commercial use.

Commercial is anything other than stock and domestic, so that if you have fish in your dam, that is commercial. One trout will be quite enough for the honourable member for Gisborne and trout does not seem an inappropriate item to bring to her attention. One trout in the dam sold, one yabby sold, and it is no longer a stock and domestic dam; it is suddenly a commercial dam. That is the nonsense that government members are supporting; that is what they want to have imposed right across the state. That is what is in the framework.

Ms Duncan interjected.

Mr MACLELLAN — The honourable member for Gisborne, unfortunately, thinks her shouting and interjections are substitutes for her thinking. I wish she thought more and said less. That has been probably said to her on many occasions. I regret that it has to be said on such a formal occasion as in the house, but she should think more and say less, by way of interjection, and listen more. If she listened more she might learn more. There are problems for people in my area. Her area may be perfectly happy. She is anti-farmer; she might want to close all the farms down — that is her business. But in West Gippsland we are pro farming, we encourage farming and the wise use of water. We say that there are in this bill inflexibilities which will make it almost impossible for honest people to do the honest thing. It is an invitation to cheat. It is an invitation, on the magic day, the first year, to register every dam as commercial and to exaggerate as far as possible the claim for commercial water on properties so as to get and maximise the future right.

That is what is wrong with this inflexible and rather ill-designed bill and the fact that this bill is one-size-fits-all, trying to import a northern water-shortage solution to a highly watered area in West Gippsland, in the Yarra Valley, and in the Western District where the situation is completely different. That is the issue that is being raised in the amendments proposed by the National Party and the Liberal Party. I hope the government will listen to the offer we make — that is, that if 3 per cent is not the right figure, let the local committees recommend a different figure and let us look at amendments in regard to that while the bill is between here and another place, or if there is an adjournment of this debate.

If 3 per cent does not make sense in some areas, let it be some other percentage. Let it be a lesser percentage in some areas and a higher one in better favoured areas. However, let us not make it so inflexible that people can only get the maximum advantage under this legislation by cheating. This is an invitation for people to cheat rather than to cooperate in the wise, sensible and neighbourly sharing of water.

Ms ALLEN (Benalla) — I am very pleased to be able to speak on the Water (Irrigation Farm Dams) Bill. Unfortunately the honourable member for Pakenham has left the house. As the interjections of the honourable member for Gisborne brought the word ‘trout’ to his mind, I point out that the honourable member for Pakenham brings the word ‘carp’ to mine.

The irrigation farm dam debate has been raging in my electorate for over 10 years. It is a difficult and complex issue and many farmers in my electorate and in the north-east are greatly concerned about it. Consequently I have had many meetings with farmers from within and around my electorate. I have also had meetings in my office with the minister and members of the Victorian Farmers Federation where we have been able to talk through the farm dams report and come to agreements that suit the farmers.

The honourable member for Pakenham’s reference to 3 per cent is an ill-conceived, knee-jerk reaction and I believe strongly that it is a deliberate attempt to try and shore up more support in the north-east because of the seat of Indi and the coming federal election. The honourable member for Benambra would know very well that the federal Liberal candidate for that seat is a Melbourne-based lawyer who has absolutely no idea how to talk to country people about water issues and does not know anything about farm dam issues.

Mr McIntosh — On a point of order, Mr Acting Speaker, the Liberal candidate for Indi has nothing to do with this, particularly when the honourable member for Benalla is famous for saying that she is going to cart water from the Broken River to Lake Eildon to cure the water restrictions.

The ACTING SPEAKER (Mr Lupton) — Order! There is no point of order.

Ms ALLEN — That is amazing! I do not recall saying anything like that.

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member for Benalla on the bill. It is early in the morning; let’s get on with the work.

Ms ALLEN — As I was saying, this is a deliberate, knee-jerk reaction by the Liberal Party to shore up support for its Melbourne-based lawyer, the Liberal candidate for Indi, whose claim to fame is that she is never able to make a meeting on time. She loses her keys, she loses her car, her car runs out of petrol or becomes bogged — —

Mrs Fyffe — On a point of order, Mr Acting Speaker, the honourable member for Benalla is implying that the member for Indi is late for meetings. The honourable member for Benalla was an hour and a half late for a meeting at Eildon and many others. I think she should stop this.

The ACTING SPEAKER (Mr Lupton) — Order! There is no point of order, but I refer the honourable member for Benalla to previous rulings by Speakers in relation to honourable members making disparaging remarks about other members who are not in the Parliament to defend themselves. I ask the honourable member for Benalla to come back to the bill.

Ms ALLEN — Thank you, Mr Acting Speaker, but I am talking about a candidate, not a member — and she will never be the member!

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member for Benalla is testing the patience of the Chair. I have been here about 30 seconds and hope she will come back to the bill; otherwise the Chair may have to use a little bit of its authority.

Ms ALLEN — My apologies, Mr Acting Speaker.

Getting back to the bill, in reference to the 3 per cent, this has been an ill-conceived, ill-thought-out amendment, and I quote Mr Don Blackmore on the subject of the 3 per cent. He was the chair of the Farm Dams (Irrigation) Review Committee and said in a radio interview:

> Let's be clear. When the opposition talks about 3 per cent they are talking about one-third of the capacity of Lake Eildon.
>
> Lake Eildon is 3 million megalitres — so one-third of this is 1 million megalitres or around 25 per cent of water used in northern Victoria.

It is quite obvious that the 3 per cent the Liberals talk about is ill-conceived.

I have a further quote from Don Blackmore — and I have a document here in case anyone wants to query it — which states:

> It would create this contingent liability of 1.2 million megalitres of water being available for farmers to store on their properties at some stage in the future. Now that water has already been allocated by due processes of governments over the last 100 years to another group of customers. So … and presumably they're using that water in sensible ways to promote economic benefit in Victoria.
>
> So, you've got 1.2 million, so you've got to think about that.

That is something that the Liberals have never thought about.

> It's a third of the capacity of Eildon Dam that's going to sit there, that at some stage in the future somebody may elect to take it up. So that's the reason. And I think in terms of the cap, you know, any of these policies will all have to be done within the cap, as it's done with New South Wales. So we certainly wouldn't … there's no provision to allow a rule like this to exceed the cap.

It is so blatantly obvious that the Liberals have not thought out this amendment. They are not telling the truth to the people of Victoria, and particularly farmers in their electorates, about how this has been thought out and what the true account of the percentages will be. I suggest that instead of coming up with this ill-conceived amendment, they go out to the public — to the farmers — and explain fully what they mean. I bet my bottom dollar they will fall flat on their faces.

Mr Mulder — On a point of order, Mr Acting Speaker, the honourable member has once again referred to the very low levels of Lake Eildon and what effect the 3 per cent would have on Lake Eildon, but at no stage has she indicated what formula she used to arrive at the fact that carting water by trucks to Lake Eildon would alleviate the water shortage problem, which is what she said to her farmers.

The ACTING SPEAKER (Mr Lupton) — Order! There is no point of order.

Ms ALLEN — They are not my calculations but Don Blackmore's. Obviously the honourable member for Polwarth knows more about it than Don Blackmore!

The Warby Ranges feasibility study, which was funded through the Water for Growth initiative, is an important commitment to exploring new ways to unlock regional development opportunities, and I look forward to seeing the outcomes of the study. Our water resources are precious and vital for regional development. For this reason the farm dams debate in Victoria has been significant and has been centred around community conflict, water security and good planning for future development.

As I said earlier, the previous government made three attempts to resolve this issue and had reports produced by the Baxter, Heeps and Hill committees. Those committees all did good work to try to resolve the issue, but unfortunately the former government did not set up the committees to get a resolution and did not have the resolve to make difficult decisions for the long-term good of regional Victoria. It is unfortunate that the former government did not resolve the issue when it had the chance. Its failure created uncertainty in

regional Victoria for a number of years, and there is no excuse for its inability to resolve the issue.

The Bracks government has undertaken significant consultation across Victoria, and I congratulate the minister on her efforts. The minister established the farm dams irrigation review committee, which was headed by Don Blackmore, the chief executive officer of the Murray-Darling Basin Commission. Members of the committee included Peter Walsh, the Victorian Farmers Federation (VFF) president; Tim Fisher from the Australian Conservation Foundation; Christine Forster; and Sylvia Davey from the West Gippsland Catchment Management Authority. I congratulate them and regional Victorians on their involvement in the process.

Since the establishment of the Blackmore committee a substantial effort has gone into consulting with the community on the farm dams issue. Since June 2000 the stage 1 consultation involved more than 40 public meetings around Victoria, 5 public hearings and the receipt and consideration of 375 written submissions.

Mr Wynne — And that's proper consultation.

Ms ALLEN — Absolutely. The Bracks government always consults.

The ACTING SPEAKER (Mr Lupton) — Order! The honourable member for Benalla will refrain from referring to interjections and get on with debating the bill.

Ms ALLEN — The stage 2 consultation involved the launch of the draft committee report via the Sofnet satellite system to the stakeholders who attended meetings in 45 schools across the state, a wide distribution of the draft report and the receipt and consideration of a further 469 submissions. This was done as the committee travelled around Victoria. I remember attending one meeting of about 200 people in Wangaratta. Interested stakeholders were allowed to speak at those meetings and to say exactly what they thought about the process. They were allowed to have input not only on that day but also by writing submissions to the government.

This has been a very contentious issue, particularly in my electorate. I know that some of the upper catchment farmers are not happy with this outcome, but this bill is about the future of water security across the state. That is most important. We have to look at the big picture, and in doing so we have to be careful about the way the bill has been drawn up and at how we look at the ill-conceived amendments put forward by the Liberal Party.

A most important aspect is the long-term security of water supplies in Victoria for future development, for farmers across the board in both upper and lower catchment areas and for the progression of agriculture in this state. The Bracks government has accepted that security of water supplies is paramount to the future of this state, and now is the time to finally move forward with a fair solution.

Underpinning this bill is a significant package of transitional arrangements. The bill is about protecting and not removing people's existing rights. I am pleased that the Minister for Environment and Conservation responded to the particular concerns of some people in my electorate. The minister made numerous visits to the north-east to meet with stakeholders and farmers to talk about the government's response. I was pleased to be able to work with my constituents and the minister to that end. Those meetings included discussions with catchment management authorities, local VFF members, local government and other key stakeholders, including Bill Hill, Mary Fraser, the Australian Alpine Agribusiness Forum, Paul McGowan and Lindsay Jervis, as well as members of the Kiewa stream flow management plan committee, who should be congratulated on the good work they are doing for the future.

I am also pleased that after visiting stakeholders in the north-east the Bracks government decided to review the limit on the availability of the transitional package. This limit was originally for a period of five years or until 10 000 megalitres of water had been taken up. However, due to consultation with members of the VFF and the minister at my office in Benalla, the five-year limit on the availability of the grants will be removed from the transitional arrangements. The grants will now apply until 10 000 megalitres have been taken up irrespective of the time period. Removing the time frame takes the pressure off farmers to make hurried decisions.

Mr McIntosh — On a point of order, Mr Acting Speaker, I have watched the honourable member for the past 5 to 10 minutes. It appears she is reading her speech. While I do not object to her reading her speech, at least she could tell us who the author is!

The ACTING SPEAKER (Mr Lupton) — Order! Is the honourable member for Benalla reading her speech?

Ms ALLEN — I am reading my notes; I am referring to my notes.

The ACTING SPEAKER (Mr Lupton) — Order! I remind the honourable member for Benalla that I have also been studying her during the debate, and it would appear to the Chair that the honourable member is spending a great deal of time referring to copious notes. I suggest that the honourable member not take so much notice of her notes and occasionally look up from them. I accept the point of order from the honourable member for Kew.

Ms ALLEN — Thank you, Mr Acting Speaker, your point is taken.

With that I congratulate the Minister for Environment and Conservation on tackling this very difficult issue. The farmers around Victoria and particularly in the north-east have been able to consult extensively with the minister and members of the committee on the bill.

As I said, the bill is not just about farmers in the upper and lower catchments but about the total security of Victoria's water. It is an excellent bill which has come about from extensive consultation with all stakeholders across the state. It will ensure that Victoria's water is secure not only for the next 10 years but well into the future and that the regional development of this state will continue to flourish. I commend the bill to the house.

Mr RYAN (Leader of the National Party) — It is my pleasure to join the debate on the Water (Irrigation Farm Dams) Bill. There can surely be no more vital issue for discussion in this chamber on behalf of country Victorians in particular. I rank the issue of how we use our water resources in time to come among those that will govern the future of country Victoria. The issue of water is utterly pivotal, along with the other big issues of the day for country Victoria such as community leadership — who will show the way ahead in times to come — and the management of change in all its forms and the way in which change impacts on country regions.

About 85 per cent of Victoria's water storages are devoted to agricultural use, and they are of great importance to us in the country part of the state. The farm dams debate is in turn fundamental to the future use of water in all its forms. The honourable members for Monbulk and Swan Hill have traced the history of the development of the industry, and I do not intend going over that. Suffice it to say that it was in 1886 that Alfred Deakin's initial legislation was brought into this place. Various changes have occurred in the legislative framework since; the 1989 Water Act was a very important stage of the development and now we have this bill. It is instructive, because it demonstrates the evolutionary nature of the management of water.

One of the greatest realities in all of this, which the honourable members for Monbulk and Swan Hill recognised in their contributions, is that we are dealing with a finite resource and trying to use it in ways that are equitable, fair and most appropriate to all concerned. I say again: this issue is of pivotal importance to country Victorians.

Much of the debate so far has revolved around whether the different regions of the state are in capped or uncapped areas. In the longer term it does not matter. The formal cap is in operation north of the Divide as part of the arrangements under the Murray–Darling Basin structure, but I believe in time to come, though the various mechanisms that are in place and completely apart from this bill, capping will effectively apply across Victoria. The bill needs to look at the issue in a holistic way, which entails a search for equity and certainty because both are fundamental to what happens in time to come. I mention the latter in particular because in my opinion farmers want certainty. They need to know precisely where they will be on the water issue in the future.

Unfortunately we have been cursed by the definition of 'waterway' in the 1989 act, and it has resulted in unintended outcomes. One of the main features underpinning the bill is that uncertainties to do with the definition of 'waterway' will be removed. The definition will still apply, particularly under sections 51 and 67 of the act, but the question of the definition of 'waterway' that has bedevilled the act's operation ever since its implementation will be pushed aside. That will mean great outcomes because that definition has created tension across various spheres — tension between farmers, tension between neighbours, tension among the water authorities, which have to apply the terms of the legislation, enormous tension for investors and I might say great tension for legislators. The bill removes the difficulty arising from the definition of 'waterway' and provides certainty. It will still be there, but its application will be limited, and the purpose for which the water will be used will be the trigger for the operation of future mechanisms to control water usage; it will not be necessary to debate the location of dams and whether they are private or on a waterway.

The bill contains other attractions, and I will deal with them as time permits. Members of the National Party support the basic structure of the legislation because we think it will bring about the resolution of that pivotal issue of uncertainty about the use and interpretation of the expression 'waterway'.

In all of this we are considering not only the terms of the bill but also the amendments that have been circulated. In the course of his very able contribution the other day the honourable member for Monbulk not only discussed the position taken by the Liberal Party on the bill but went through what I think are the 10 amendments he proposes to move at the committee stage. I heard him make his excellent contribution, and I have since read it.

In the course of reading six or seven pages of *Hansard* I found half a dozen lines that seem to me to really contribute to the issue that is the sting in the tail. That sting is the Liberal Party's proposal for an amendment concerning 3 per cent of water being used in the manner in which that amendment contemplates. I will spend some time looking at that because it is very important in the context of the bill. We will talk about it in detail during the course of the committee stage, but in essence it contemplates that if that amendment were passed a person would have the right to use water from a private dam if the amount of water used in any year did not exceed 3 per cent of the rainfall on the property on which the private dam was situated.

I must say that with the best will in the world the National Party has some difficulty with the nature of that proposition, and it must be rejected. The bill must pass without that amendment being included because fundamentally if it is included what we will do is exchange one demon for the other. We will rid the legislation of the curse of the definition of 'waterway' and all the battles that have gone on in its interpretation, and exchange it for the notion of 'the 3 per cent principle', if I can so term it. We will achieve a position of on the one hand confirming security by removing the waterway issue yet on the other hand destroying security by bringing into it this notion of the 3 per cent. That would be an inevitable consequence on both counts if the amendment were passed.

Why is that so? The 3 per cent referred to in the amendment represents over 350 000 megalitres of water in the area north of the divide, within the ambit of the cap. We have to proceed with this debate on the basis that that cap is absolutely sacrosanct. We are locked into it now. It is too late to go back and change it. Indeed, it would wreak havoc in our system across the state if we were to change it in any form. We are bound by the terms of the cap and have to work within its constraints, because at the end of the day it was developed after careful consideration by a number of parties, individuals and different jurisdictions. It has been agreed upon and it is there. That figure of a cap of 1621 gigalitres which applies in Victoria is something we have to adhere to. If we were to accept this amendment we would put the cap under threat. We are required to work within the constraints of the cap and therefore we must ensure we do nothing to damage its effect in Victoria.

If we adopt the 3 per cent the risk is that we will punch a hole in the operation of the cap, because to enable the 3 per cent figure to operate that extra 250 to 350 gigalitres will have to be found somewhere within the 1621 gigalitres constraint we face, and that is not feasible. It would mean taking the water from somewhere else in the system to enable the beneficiaries of this scheme to access it, and I do not believe it can happen.

It would also create a new right which has never existed in the 125 years or thereabouts of water law in Victoria, and we need to give careful consideration to that. Furthermore it would be in absolute defiance of Council of Australian Governments decisions which have been taken to date and to which Victoria has been a party that water allocations are to be by auction or by tender. If we were to allocate this 3 per cent in the way proposed by the amendment it would be in utter defiance of the COAG decisions to which we have been party.

Further, it would put at risk the security of downstream neighbours who already have dams which have been properly licensed under the 1989 Water Act, and that issue applies not only to downstream in the sense of the irrigators below the upper catchment area but also in the upper catchment area itself. It would put at risk the security which applies to the upper catchment farmers just as it would to other farmers across areas where the cap is effected. Ultimately it would also have an effect across the rest of the state if, as I anticipate, we get to the position where the cap in its different forms applies state wide.

The amendment seems unclear in that it talks about the 3 per cent issue but does it mean, I wonder, the average rainfall or the rainfall in the year of use? That is one example of where there will be a dispute in relation to the interpretation of the amendment. It effectively neuters the stream flow management planning because this notional 3 per cent of rainfall would need to be kept in perpetuity. Therefore the committees being established under the terms of the bill for the purpose of structuring up the stream flow management plans would never know whether the 3 per cent was to be taken into account or not because some people will have taken it up and others will not. Because it would be a right imposed by the legislation they would be required to take that 3 per cent into account for the purpose of calculating the stream flow management

plans. There would be a requirement on them to have regard to that figure for the purpose of the calculation of those plans, and it would render the plans inoperative.

There is the further issue as to whether the 3 per cent would be tradeable or not. The former government did tremendous work in ensuring we introduced water trading into Victoria. Would this issue of the 3 per cent be tradeable? It seems on the face of it that if you take the legislation in its totality, it may well be tradeable, and that in turn would cause difficulties in the operation of the proposed amendment. The compensation issue proposed under the bill would effectively be in tatters, because what would be the purpose of and why would the government allow a compensation package to prevail in circumstances where farmers had allocated to them, in effect, a right to 3 per cent of the rainfall? They would no longer have to buy the entitlement as is contemplated under the terms of the total package because they would have an allocation made directly to them by the operation of the proposed 3 per cent amendment. So that element of the transition package would no longer have application, and you would have to say that there would be a consequent effect upon the terms of that package in its various forms as we now know them.

Furthermore, we risk creating two classes of farmers, because the package talks about a benefit of up to $26 000 of compensation being available up to the take-up of the first 10 000 megalitres of water. Where will that sit after the first 10 000 megalitres of water is consumed, as is contemplated by this legislation? I believe it would present a threat to the operation of the system as we know it across Victoria and it would reintroduce terrible uncertainty in the way the legislation should function in time to come.

They are but some of the issues I am concerned about as representing difficulties for the future operation of the legislation. There are other issues — —

The ACTING SPEAKER (Mr Lupton) — Order! I ask the people in the public gallery to please remain silent. It is very difficult for the Chair to hear what is going on, and it is a requirement of the house for people in the public gallery to remain silent.

Mr RYAN — Within the time we have had available to consider this, they are but some of the issues we have found we are concerned about as they will represent a problem.

I am aware that at the committee stage there will be discussion about the issue of property rights, what it means to change the statute and what effect that has, and the cause and effect of all of that. But I must say that when you look at the holistic issue of the way we use water in country Victoria you can see that they are esoteric discussions. I do not believe in practical terms they have a place in this area. Statutes come and go, statutes change, and statutes change rights.

In 1985, when I was practising law, the Labor government of the day introduced the Transport Accident Act. In 1987 it introduced the Workcare scheme, as it was then known. I railed against it at the time. Indeed, I organised demonstrations against it and did all sorts of things to resist it being brought in.

An honourable member interjected.

Mr RYAN — I did; I resisted it mightily. In fact, those statutory rights were changed in a way that made them difficult for people to come to grips with, myself included. But the changes were made. These things happen when you have a statutory right. We need to make sure that we deal with the issue that is the subject of the application of the statute in a way that is fairest and most equitable to all concerned. I believe the changes proposed in the course of this will achieve that sort of outcome. As I said, the issue of certainty is the thing; the issue of certainty is most important to the people who are the subject of the operation of this legislation.

Therefore, in a generalist sense we accept the terms of this bill. We want to make amendments, and we have flagged those already. We think, importantly, that the stock and domestic issue can be put aside with this legislation. It is not a matter of concern in practical terms, although I know it gets a mention to some degree. I must say that we intend to amend the definitions somewhat to accommodate the question of curtilage around the home on the farm property, but stock and domestic dams are really out of this in practical terms. We are talking here about the commercial usage of water.

It is also pertinent to point out that if we can get the certainty in the upper catchment area which this bill conveys, I believe we will see immense development, particularly in the horticultural sector — and that will happen across other parts of Victoria as well.

Only earlier this week I was up near Rochester with the honourable member for Rodney. We were over near Corop looking at developments in the use of viticulture in the planting of tomatoes. I might say that out in the middle of a paddock somewhere near Corop I managed

to lose my glasses. If anybody finds them, could they please return them!

That sort of development is precisely what will happen up in the high reaches. In the upper catchment area we will see an immense amount of development occur. If we can resolve this long-outstanding cursed issue of the waterway definition and can bring the certainty which is needed into the market, it will mean immense benefits for the people the National Party represents across those parts of Victoria.

We said at the outset when the Blackmore report was produced that it needed to be amended, that it needed better compensation provisions, that it needed better representation on the stream flow management plan on behalf of farming organisations and individuals, and that the exchange rate issues needed to be addressed. I am pleased to see that the government has adopted the proposals in our submission and that those changes have been made and are incorporated in the legislation.

When the bill was introduced we said that the figures on the exchange rates needed to be published. I am pleased to see that that work is well advanced. I would have liked to see it as a 2:1 ratio, I must say, but it seems it has got to 1.85:1 or thereabouts. At the end of the day if we have to settle for that, I reckon that will not be a bad outcome — indeed, I think it will be a very good outcome. We wanted the principles of the stream flow management plans available, and we got those. We wanted amendments to the stock and domestic provision, and we will get that done. We wanted the tabling of the management plans for the water supply protection areas, and that will be done, with a right of disallowance.

We think they are great outcomes. We think this will achieve equity and certainty and that it will remove the conflict which has bedevilled this industry for so long. We think this critical outcome which is so important to country Victoria will be best achieved by this legislation.

In our extensive consultations we spoke to irrigators and farmers from right across Victoria. That included the terrific night of 11 October, when representatives of the upper catchment area — five of them — were in the National Party room for about two and a half hours when we had the opportunity to discuss these issues with them in detail. I want to put on the record my thanks to Mr Brian Fraser of that group, who subsequently sent to me a letter of acknowledgment thanking me for the time we spent in those discussions. It was most appreciated. In all the circumstances, we wish this bill a speedy passage.

Ms DAVIES (Gippsland West) — I rise to speak on the Water (Irrigation Farm Dams) Bill. This bill amends the Water Act 1989 and will require the licensing of all irrigation and commercial water use in a catchment. Existing irrigation and commercial dam owners who are not currently required to be licensed will have the choice of applying for either a registration licence — the first five-year registration being free and a nominal fee being charged thereafter — or a standard take-and-use licence, which is transferable. I note that the use of water for domestic and stock purposes by farmers is not affected by this bill.

The Water Act 1989 requires farmers to apply for a licence when taking water from a waterway. The problem with that concept, even though it means that farmers are used to obtaining a licence, is the definition of waterway. The Water (Irrigation Farm Dams) Bill will remove some of the problems by focusing more on the use to which the water will be put rather than where it comes from. The bill will not totally remove the need to define a waterway, because people proposing to build additional dams on waterways will require extra licences to build those dams.

I reject the Liberal Party amendments which suggest water management groups should have to draw up some definitive map of what constitutes a waterway. In my area there would need to be a constantly shifting line of what constitutes a waterway because almost every crease in the landscape could have water running on it at some period of the year. That would be an impractical use of the time of those groups.

Farmers with multiple dams on their properties being used for the same purpose will need only one licence. Dams used for stock and domestic purposes will not require registration or licensing. That was an issue causing concern in my area. Dams used for dairy wash-downs will require a licence, and that has caused some concern mainly with farmers who are worried about increasing costs and charges for their water. Currently, wash-down dams on waterways need licences, but under this bill all dams will require licences.

Some farmers have separate dams, one used for the dairy wash-down and the other used for the excess from the wash-down which holds water to be reused for a later date. Those reuse dams will not need to be registered, subject to some requirements that the minister will detail later.

I understand the need to monitor and ensure more equitable access to water in many areas of the state. The conflict between traditional irrigators and new

horticultural and agricultural developments in upper catchment areas seems somewhat distant from the south-west Gippsland region, but I hear and understand that the problems need to be dealt with. South-west Gippsland has new types of agriculture and more intensive horticultural businesses, so there is a clear need to manage and ensure a more sustainable water use in the future.

The government proposes to cover the initial cost of registration for the first five years. My colleague the honourable member for Gippsland East will move an amendment that will ensure that the cost of registration of dams is truly kept at a nominal fee and is aimed only at recovering cost and does not become a revenue raiser. I support that amendment. I will not support the proposed amendment of the Liberal Party that registration once begun becomes permanent. Contrary to the statement made by the honourable member for Monbulk that dams do not move, dams do move. Some dams fail or, as the honourable member for Pakenham mentioned, they may not be useful and are removed from service and other dams are built. Sometimes dams grow and the use to which they are put changes over time. A five-year registration and renewal period will ensure that this measure of water use in any area of the state is a live register and is accurate and that farmers, committees and communities can genuinely use the registers in their planning and understanding of particular water catchment areas.

In discussing some of the amendments in more detail, I note that the gauntlet has been thrown down in the battle between the National and Liberal parties over who will represent the voice of rural Victoria in the future. Last night the honourable member for Polwarth became excited as he flung this gauntlet to the ground. I am pleased that both parties have discovered a renewed commitment to rural areas, which is very different from the situation when I entered Parliament four and a half years ago when rural areas were not part of the equation. I am proud of the part I and the voters of Gippsland West have played in ensuring that not only governments but oppositions have to be assertive in expressing the interests and needs of rural Victoria.

I oppose the Liberal Party amendment proposing that farmers should retain the rights to 3 per cent of their rainfall. That is completely unworkable and contrary to the intent of the bill, which is to accurately measure, monitor and manage the water resource. Last night the honourable member for Warrnambool produced a map and said that it would be easy to measure the rainfall because we need only look at the map measuring the rainfall and allocate 3 per cent on the basis of the map. I regard that idea as a recipe for conflict; it had no support from the consultative committee involved in making recommendations on the bill. I also note the Leader of the National Party's more specific comment that his party would not support the idea because apart from other considerations it would defy Council of Australian Governments (COAG) decisions.

I am happy to accept the Liberal Party amendment that at least 50 per cent of stream flow management committee membership be made up of farmers unless the whole area subject to membership is urban. Yesterday some of the more excitable comments made by the honourable member for Polwarth about whether people on smaller landholdings should be considered as farmers were rather derogatory.

Mrs Fyffe interjected.

Ms DAVIES — I did note the humour, and one should always take humorous comments humorously. But more seriously, I note that there are many types of farmers. Not all genuine farmers have large, broadacre, traditional farms. I know of many innovative enterprises on fairly small acreages, and many of those farmers are community-minded in their tree planting, in their membership of community organisations and certainly in bringing new farming methods to a particular region. Those small land-holders are just as validly members of the farming community as traditional broadacre farmers.

I support the Liberal Party amendments that extend the time allowable for a farmer to demonstrate his or her prior commercial use of a dam. Some dams in south-west Gippsland are used for commercial purposes only during periods of drought, which may be more than 5 years apart, with 10 years being the more appropriate span.

All those amendments, apart from the 3 per cent one, are quite sensible. I accept that the National Party's amendment on the tabling of approved management plans in Parliament is a sensible measure to increase public accountability for management plans as it provides a wider venue for discussion and possible disputation of arrangements. I would much prefer to accept the National Party amendment than the more prescriptive Liberal Party amendment, which is somewhat similar.

I commend all parties for their sustained grappling, both inside and outside Parliament, with this complicated issue. There is no doubt in anybody's mind that water is a vital issue for Victoria, as it is for the rest of the country. Current laws for managing water

resources are inadequate. We do not want the situation of farmers fighting farmers in their desperate need for water to have their businesses survive. Good water management is absolutely vital. When I hear of the battles that are being and have been fought in various areas of the state, I am eternally grateful for the beauty, fertility and pleasingly reliable water supply that farmers are able to access in south-west Gippsland.

Nonetheless, at times Gippslanders too have had to grapple with the issues of water and the management of water between different needs — not just on-farm needs but the different needs for water as it flows down the rivers and streams. As agriculture changes and in some areas becomes more intensive we could have disputes involving access to water.

I hope the bill in whatever form it is amended will ultimately pass through the upper house without being mutilated just to serve the needs of one particular party. I hope it is able to pass through both houses and become law so that some of the conflicts that have become evident over the past few years are eased. I commend all the parties and people who have been involved in negotiating their way through this complex and difficult issue, and I commend the bill to the house.

Mr McINTOSH (Kew) — For about 12 months I have been a member of the Liberal Party committee looking at agriculture and water resources, which is chaired by the honourable member for Evelyn. Its deliberations have certainly been an education and one of the most interesting and fascinating experiences I have had in this place, if not in my life. Two major things have come out of this.

Mr Hulls interjected.

Mr McINTOSH — Just wait! I am going to talk about illegal definitions, but the Attorney-General will have no idea what I am talking about.

Two things have come out of my time on the committee. Firstly, the issue of water seems to transcend all other environmental issues. That does not necessarily mean that the other significant issues that Victoria and Australia have to grapple with should be downplayed, but the issue of water is at the forefront, if it is not the most important, of crucial environmental issues Victoria and the nation need to deal with.

We are not just talking about living environments — rivers and areas surrounding them — we are talking about the whole of the catchment and the impact it has on towns, locations of properties, what can be grown and what cannot be grown. To a significant extent our capacity to deal with problems such as the greenhouse effect determines what grows where and how it is managed.

The other realisation is that the people I have met — the farmers from high catchment areas in places from Tallangatta and down to Warrnambool where I was last week — live so much closer to their environments. They are the true environmentalists. Far from being the rapists and the pillagers of the environment, they are the great advocates of the environment. We all understand that we need a regulatory regime that will enhance the process of protecting and managing our environment and allow us to deliver something to future generations that has been protected and enhanced.

About 12 months ago, at the time the Blackmore committee was set up to discuss farm dams, I was at a meeting with a large number of high-catchment farmers. Both the honourable member for Benambra — that is his patch — and the honourable member for Evelyn were there. One thing that came out of it for me as a lawyer, not a farmer, was that there were real tensions between farmers about what occurs in the high catchment and further down the system because of differences in the way they deal with their land and their right to water. I mused that it could be brought under one system of title, such as the advances this country made to the holding of land titles with the Torrens system, which was first implemented in South Australia and which later came to Victoria. If that could be centralised to regulate it the capacity to enhance and manage this precious resource would dramatically improve.

The bill goes a long way to bringing everything under the same system. It has inherent difficulties with the one-size-fits-all approach perhaps not picking up individual peculiarities — which I will talk about in a moment — but the reality is that it is a mechanism for regulation. It provides security and some mechanism for dealing with the problem in the future.

One of the great things that I like about the bill is that it provides an almost capitalist solution to the problem of scarcity. It is ironic that we have a Labor government introducing a bill that introduces a capitalist solution to a problem of scarcity. The Murray–Darling Basin cap provides a defined, finite resource that everybody has to work within and gives it a monetary value. If everybody ultimately moves to the position where they have a licence where they water for a commercial or irrigation purpose then you will have, as we do now, trading in that to the point where all parties will be able to participate in the process to ensure the water is used properly and appropriately right across the whole system.

While I support the nature, principle and purposes of the bill and the way the government is going about it, a number of aspects concern me about the application of this legislation. The first is the registration of the dam and its use, because that is the effect of what the government is doing — it is registering a dam and a use if that use is commercial and irrigation. We have a concession by the government that a dam can include one registration for an entire property. So if you have several dams they can be included in one registration. The minister has made that concession in her second-reading speech, but she has not yet conceded — and I ask her to take this on board — that there are a number of uses water can be put to of a commercial or irrigation nature. For example, although you are on a dairy farm you might wish to irrigate a summer crop, exercising your statutory right to rainfall out of a waterway. Further, the water might be used for wash-down of a dairy; or, like the honourable member for Pakenham suggested, you might put a few trout in the dam which could be a commercial use. The most important point is that you are expected to define the water you use, and its use, as part of the registration process. However, what is unclear is whether you are able to change the nature of that use as long as it is commercial or irrigation on a particular property.

The other concern is that while we talk about a commercial use another complication would be in relation to aesthetic dams. Recently I was in Romsey, in the electorate of the honourable member for Gisborne, and I attended a winery that has a large aesthetic dam. The bureaucracy would require a mechanism to calculate the evaporation rate from the dam and that would then be a commercial use because it would not fall within the definition of stock or domestic under the act. It will be calculated by some nebulous formula, and I do not know whether such a formula is in place because I have not seen one.

The other point concerns the selling of land. One of the most important factors in rural Australia that can give value to land is its access to water. Land being in a high rainfall area will add substantially to its value, but in a low rainfall area access to irrigation will also add value to the land.

While a principle of the bill is that no existing commercial or irrigation user of water will be prejudiced because they can apply for registration as an existing user, I am concerned that the passage of the bill will automatically affect the value of land in relation to the access to water. People buy land for the purpose of developing it in the future. Often they do not develop it immediately for a variety of reasons, not the least of which is not having access to money. The property may be substantially mortgaged. For example, I may wish to develop my property in Kew but do not have the wherewithal to do it now and the process may take a number of years.

The bill says that an existing user as of 1 February 2002 will be protected, but unless you can demonstrate what that existing use is or you do not have an existing use you will be locked out. I am concerned that will have an impact on the value of land and be a detriment to somebody who owns that land. The landowner may wish to subdivide that block of land into smaller blocks and sell a particular block that may not have a dam or an existing use on it. Again that can be a detriment because it may not be defined as within the present circumstances.

What is also unclear is that while you are going through the process of registration of both the dam and the use, and while you may not have access to that water, you may have the opportunity of purchasing water under a licence system. What concerns me is: what does a farmer do in a dry year in other catchments where there is no trading of water? While there may be a defined use for water there may be a significant problem with drought, and therefore what does the farmer do? Is there some mechanism for ensuring that the farmer is protected in those circumstances?

A number of demonstrable detriments can be associated with the passage of the bill. While I am happy to concede that no present users should suffer a detriment and that they should be entitled to register an existing use, when you start scratching the surface you see a number of anomalies, difficulties and prejudices that have not been addressed by the legislation or by the minister.

I am grateful to the minister for the opportunity of speaking with officers of her department in the briefing sessions, where a number of concerns were raised and addressed, but not all. I raised two matters in those briefings that remain unanswered to this point. The first was providing for the application of the management plans that come out of the consultative committee process. There is clearly an underlying principle on which the bill is based that whatever else is true the use of water for domestic and stock appears to be sacrosanct. It is not intended that the bill in any way should impact upon the right of a farmer to use water for domestic and stock purposes. Under the process of a consultative committee making recommendations to the minister through the management plan there is the capacity to deal with every aspect of supply of water to a dam. Although the bill expressly says that domestic and stock water cannot be affected, it can be done

through the back door through a consultative committee developing a management plan which can affect the amount of water that could possibly get into a farm dam. That concerns me.

The second issue is that I heard the honourable member for Gippsland West this morning and the honourable member for Gippsland East last night emphasise the fact that they do not want the situation that could occur where a farmer takes on a farmer. One of the benefits of the consultative process is that it will iron out many of those disputes. This situation has not been addressed; in fact it has been undermined by the adoption of provisions out of the Groundwater Act 1969, which has been launched into the consultative committee process with the development of the management plan whereby the enforcement of the management plan lies with the local authority.

The bill says that says that anybody who gets a benefit out of the enforcement of the management plan must compensate anybody who suffers the prejudice under that management plan. My concern is that there is potential for farmer to be against farmer; in fact, it could be whole communities against whole communities. It will be almost impossible to get every representative group on a consultative committee to iron out their particular grievances in the development of a management plan. In regard to these matters, the honourable member for Swan Hill — I will not attack him — was being somewhat mischievous when he said in relation to the Liberal Party's foreshadowed amendment that the 3 per cent is a property right. It is not a property right.

Mr Hulls interjected.

Mr McINTOSH — It is not a property right, it is a statutory right, Mr Attorney-General, given under the current act. A statutory right in common law — not in equity, as you tried to invoke yesterday — does not necessarily require a government or a Parliament that amends a statute to provide any form of compensation.

I think we have moved on as a community, a state and a nation to the point where if we are going to take away people's rights that have been in existence for 120 years — rights that government after government has encouraged people to utilise to the benefit of the so-called whole community to drought-proof properties; rights that are almost sacrosanct to farmers all around the state — we have to ensure that those people are properly compensated.

It may not necessarily be just a question of money. Farmer after farmer I have spoken to around Victoria on the issue tells me it is not about money, not about getting money to compensate them for what they have done, but about access to the water. Farmer after farmer has said that something in the region of 3 per cent would ameliorate the reduction of that statutory right and be an effective way of overcoming the trauma or tension the process of change will incur.

Change creates tensions. I know the government has gone through an extensive process to try to reduce those tensions, but there are clear and demonstrable concerns in relation to the bill. The 3 per cent may not be the right figure — it may be too much or too little; but we have clearly asked that the 3 per cent figure be put into the hands of a consultative management planning committee to determine. We have clearly said that the people on the consultative committee looked into the question of whether the percentage figure is right. We must leave it in the hands of those people to determine what is appropriate in all of the circumstances.

Finally let me say there are demonstrable concerns about the definition. My own constituents in Kew are not aware of any farm dams near them — unless you mean what is defined as a farm dam in the bill. A farm dam is defined there as any works where you collect or concentrate water. That means every single swimming pool in a backyard anywhere in the entire city of Boroondara falls within the definition of a farm dam.

Ms DUNCAN (Gisborne) — The honourable member for Kew makes an interesting proposition. We might have to consider pools in the context of catchment management!

I take pleasure in speaking on the Water (Irrigation Farm Dams) Bill, which has been a very difficult bill for the government to introduce. It has required enormous amounts of consultation, probably the widest I have been aware of, with the various parties.

I have comments on statements made by previous speakers in the debate. The honourable member for Benambra went into some detail about rights, including the right to collect water; but lots of people lose rights. Until recently people in Victoria had the right to smoke in restaurants, but that right no longer exists because now we know better. The same applies to water management: we now know better. The honourable member for Benambra does not seem to understand that the current practice is unsustainable.

The bill is about equity, sustainability and whole-of-catchment thinking. We cannot consider parts of catchment areas in isolation. The honourable member for Gippsland South articulated that point

extremely well when he said there may be caps in some regions and not in others but it is only a matter of time before there are caps regulating catchments right across the state.

I listened very carefully last night to the honourable member for Pakenham. He indicated in his particularly arrogant away that anyone who would dare to interject while he was speaking was obviously speaking from a position of ignorance and that he alone could speak with authority. Nevertheless, I listened carefully to what he said, and as far as I could make out he was saying that the seat of Pakenham was the only seat in the whole of Victoria that was not part of a catchment. Someone needs to explain to the honourable member — and to the honourable member for Benambra — what a whole-of-catchment approach actually is. Perhaps we can get some additional briefings for them to explain the concept to them. We are all in a catchment.

The honourable member occupying the seat of Pakenham which, it would appear, is at the end of a catchment where the water enters the sea, should of all people be very interested in the bill because without this sort of regulation there will be no water getting to his area.

The honourable member for Polwarth did, I agree, make some of his comments in jest. All honourable members know that the honourable member is a bit of a wag. One of his comments did, however, upset me. He said he did not trust the minister to ensure there would be full representation on the consultative committees. He has no reason to make that comment. I have watched the efforts made by this government to include the Liberal and National parties and all interested groups so they could all play a part in the development of this very difficult legislation.

I pay tribute to the National Party for not playing politics with the bill as the Liberals have done, particularly with the concept of the 3 per cent. I know it sounds very good to say to farmers, 'We stood up there and fought for you. We tried to preserve for you some so-called right'. That right, as I understand it, is enshrined in the Irrigation Act of 1886, which made it clear that water was a resource for the Crown to manage.

I am not quite sure what all the rights are. With regard to the 3 per cent rule, it is a question of: 3 per cent of what? Is it 3 per cent of your annual rainfall or is it your neighbour's? Are we going to put rain gauges on all properties? Opposition members confuse catchment water that is gathered with rainfall. The bill has nothing to do with rainfall. It deals with the amount of water that runs off, which is about 10 per cent of rainfall. Therefore 3 per cent of that 10 per cent is a significant amount.

Liberal Party members know that that proposition will not work; they know it is completely unsustainable. However, they persist with it because they think it is good politics. I hope farmers understand what a farce the proposal is. Liberal Party members know it will not work and have been told so. They have been shown why it will not work, but they persist with it to make themselves look good.

This has been a difficult issue. It is always difficult to limit access to something that people have had almost unlimited access to. The bill is about equity and certainty, and above all it is about sustainability. Good water management is good business, and I would have thought the Liberal Party would have supported it on that basis alone. We will not have an economy without an environment, and this bill goes towards making sure that our precious water resource will be sustainable in the future. I commend the bill to the house.

Mrs FYFFE (Evelyn) — I start my speech by thanking the minister, her advisers and her department for the time they have spent consulting on the bill. The intent and the main thrust of the legislation is supported by everybody. It is necessary for bills to be looked at and that acts affecting water be revisited.

Water is a never-ending resource. For us to grow and prosper it needs careful management that has broad-base support, not just from politicians but from farmers, conservationists and the wider community. Every Australian, no matter what their walk of life, recognises the fragility of our environment. Farmers who work on and love the land know its seasons and its bountiful generosities in the good years. Often at great personal and emotional expense they also know days of searing heat, the long drought years and years of floods and fires, yet they continue to work on the land. They stay there because through all the trials and tribulations that the climate in this vast continent brings, they have a deep and abiding love for their land and all that is on it. They respect the fragility of the environment they work in, and they respect every aspect of this great continent far more than perhaps many people who espouse environmental principles. They have an understanding of what this land can produce and what happens when we overproduce from it.

We are very fortunate in Australia. When we look at what is happening in the rest of the world we can note that water use has tripled since 1950. In the Arabian

Peninsula ground water use is three times its recharge rate. The vast underground reserves in the African Sahara have been depleted at 10 billion cubic metres per year and cannot be replaced. Water levels are falling in the Indian states of Punjab and Haryana, which provide most of India's grain. Israel predicts that 20 per cent of its coastal wells may have to be closed within just a few years and several countries, such as Turkmenistan, Egypt, Hungary, Mauritania and so on, are dependant on foreign water. They depend on other countries to supply water from the rivers running into their countries. We all know that a great deal of conflict over centuries has been over water and the threat some countries impose on others from diverting water from great rivers. The five countries of Central Asia share water with Iran and Afghanistan. Their problem is not enough water in those basins to meet the needs of all the countries. The tensions continue.

We are very fortunate in Australia because we are an island nation and on water issues we do not have to deal with other countries. We have neighbouring states mainly with amicable relations, and we now have discussions between low-catchment farmers and high-catchment farmers. We can solve those problems and come through. If we all sit back and analyse and recognise what is being disputed, we can realise that what is not being disputed is that in many parts this bill is good and is supported. The National Party's amendment of curtilage of the house up to 1.2 acres being allowed to be watered would be covered in the Liberal Party's proposed amendment of a maximum of 3 per cent. The National Party amendment proposes that water be available for fire protection of outbuildings and houses.

The amendment which proposes bringing the management plans before both houses of Parliament is very fair and reasonable. There must be an opportunity to debate management plans in both houses, as there is on the Upper Yarra Valley and Dandenong Ranges Regional Strategy Plan. It works extremely well. To table those management plans and not debate them is inviting disharmony. If they come into the house and there are any problems, we as local representatives can debate the issues on behalf of our constituents. I agree with the proposal by the National Party that the grandfather clause should be extended to cover existing dams on waterways. There should be provisions in the bill to cover them and I will argue that in the committee stage and will support the National Party amendments.

Last night the honourable member for Seymour talked about vineyards, and he mentioned Alan Plunkett, whom I know quite well. He has proved himself to be something of a pioneer. The honourable member for Seymour talked about his area changing from grazing to intensive horticulture — that is, with people growing blueberries, strawberries and so on. The same thing has happened in my electorate. At the turn of the century it was a dairy farming area. The prosperity of the Yarra Valley relied on the supply of beef to the goldfields, which was an important source of income for the valley, but things have changed and the use of the land has changed. Parents are leaving properties and younger generations are taking over. There are changed family circumstances. Areas with smaller farms often depend on off-farm income to survive.

You may just be grazing cattle and you may have grazed those cattle for 20 or 30 years because you wanted them to pay the rates and basically keep the grass down. But there comes a time when you have to get an income off that land and you need to change its use.

Changing the use does not mean that you suddenly decide that you are going to put in 20 acres of strawberries or 20 acres of vines or grow 20 acres of brussels sprouts. It means, if you are a sensible farmer, that you will do experimental blocks. You may do only 1 acre; you may do only half an acre if you are planning to explore new markets and wish to try a new product. If you have a stock and domestic dam for which you have complied with all legislation and you want to have an experimental half an acre of intensive agriculture you have to apply for a licensing permit. You will probably have a year's delay until these stream management plans are in. You could be waiting two years.

How many farming activities would not have happened if this bill, in its current form, had been in place 20 years ago? How many vineyards would not have been planted? How many olive plantations would not have been planted? How many different fruit and vegetable products would not have been trialled because of the complications of trying to get an irrigation licence for a stock and domestic dam?

The honourable member for Seymour talked in favour of family farms. He gave the impression that he was not in favour of corporations running large farms. Yet this bill favours broadacre farming and discriminates against the small family farm. The bill really favours broadacre farming and flood irrigation.

The honourable member for Gisborne said that this bill does not deal with rainwater. I draw her attention to section 8(4)(c) of the act, which talks about rainwater or other water that occurs or flows. This deals with rainwater; it is one of the main parts of the bill on farm

dams. It is removing that right with this proposition. It is about the total removal of a right that has been there for 150 years.

In her contribution today the honourable member for Benalla really showed her expertise on the topic. I remind the house that approximately 12 months ago during her infamous trip to Eildon she suggested that if people did not have enough water they should fill up tankers and park them somewhere so they could have access to the water as they needed it. I congratulate whoever wrote her speech today — the content was quite good.

The honourable member for Gippsland West said she supported an extension of time from 5 years to 10 years for demonstrating existing use. In high rainfall areas that is really important. For instance, in a vineyard, which I can talk about at great length but I will not because I know that there are other speakers after me, you may not need to irrigate for quite a few years because you have high natural rainfall and you do not want a lot of water when the fruit is ripening. But when you do need that water, which is often in the autumn, and you want to retain the leaves on the vine to ensure that you have good fruit set for the next season and the plant has the right balance of nutrients, then you could need water if it is a dry autumn. An extension from 5 years to 10 years is very important in these high rainfall areas.

The honourable member for Gippsland East showed deep understanding of the issues. I am pleased he said that he would support the proposed amendment to 50 per cent of farmer representation on the committees. That is of vital importance because most of us have experienced the problems that happen in any group where there is a disproportionate number of people who do not have direct involvement in the issues.

The National Party has shared with us today a document showing the areas of agricultural land and rainfall. It shows the rainfall pattern and emphasises the rainfall differences across the state. It also emphasises other differences in farming areas. I thank the National Party for the document because it shows that a blanket approach to water in Victoria is not sustainable. How can you have the same rules for areas from Mildura down to Horsham as you have in the Upper Yarra Valley when you have a rainfall in the Upper Yarra of 40 to 50 inches per year? You cannot have a blanket approach.

It is like comparing a one-size-fits-all garment. If you look at the honourable member for Gippsland East and you look at me and we went out and bought a garment that says 'one size fits all', the honourable member for Gippsland East may have a surplus of fabric, but I, because I am more generously built, would have a shortage of fabric. One size cannot fit all when the conditions are totally different.

Ms Davies interjected.

Mrs FYFFE — But you do not have the same conditions across the state, in the same way that the honourable member for Gippsland East is probably 4 inches shorter than I am and several stone lighter. I am several inches shorter and definitely several stone heavier. The same situation does not apply. You must — —

Ms Davies interjected.

Mrs FYFFE — I am sorry, did I say 'Gippsland East'?

Mr Ingram interjected.

Mrs FYFFE — You are the honourable member for Gippsland East. Excuse me, I am sorry. I meant the honourable member for Gippsland West.

In the same way, the state is different. How can you apply a blanket approach? We are not being political when we say 3 per cent. We are recognising what the farmers need. It is a 3 per cent maximum. This can be tied in to the stream flow management plans. So if you have an area of high stress — —

Mr Howard interjected.

Mrs FYFFE — If the honourable member for Ballarat East would listen to what I am saying he might understand what we are trying to do. It is 3 per cent maximum in any area. Then, depending on the stream flow management plan, if an area is water stressed that could come down to zero. It could come down to 0.1 or 1 per cent.

Mr Vogels interjected.

Mrs FYFFE — No, you cannot take it away if you have not got it. It is something that has to be determined. I put this challenge out to the minister and to her advisers and staff: in the next four days when Parliament is not sitting look at this approach when you have the state divided up in certain areas. There are formulas you can work on. You can go on shire boundaries. You can go on geographical area boundaries. But what applies to a high rainfall area does not apply to the rainfall areas where there is water stress.

If you have a maximum of 3 per cent usage for any purpose from a farm dam, subject to the stream flow management plan, that could and will come down in many cases to 0.1 per cent, 0.5 per cent, 2 per cent or 2.5 per cent, and that would be a fair and equitable system. It works now when you have an irrigation permit that gives you the right to pump a certain amount of water.

When you have dry seasons and less water is available, the catchment management authority may tell you, 'Sorry, you are getting only 50 per cent of your allocated amount', but everybody accepts it as completely fair for their area. If catchment management authorities have been handling water well in the Wimmera–Mallee area and near Mildura, why can we not have the same process in other parts of the state that do not yet have catchment authorities? Why can the same principle not be applied?

I challenge the minister to consider that suggestion over the next four days. I am not being political, but am thinking of the farmers' rights. It saddens me that three or four government members have tried to turn the debate into a political bunfight. I am arguing that issues concerning rainfall and water stress be considered and that the legislation be made to fit the requirements. From day one, when Don Blackmore released his first report, I have been saying that one size does not fit all. What applies to the Mallee does not apply to Gippsland; what applies to north-east Victoria does not apply to Phillip Island; and what applies to the Yarra Valley does not apply to the south-west.

I hope some commonsense comes into being with this bill. The Liberal Party supports a couple of the National Party amendments, and it supports the majority of the bill. It is very sensible to look at the issue on a regional basis, whether that be defined by the shires or by catchment areas, but it can be worked out simply and we can progress. I realise other honourable members want to contribute to the debate, so again I thank the minister and her department for the time they have given the opposition for consultation on the bill. Their patience has been very much appreciated.

Mr RICHARDSON (Forest Hill) — This is one of the more important pieces of legislation to come before this house for a long time. The fact is that water is the lifeblood not just of Victoria but of every continent, indeed of every community in every civilisation. The history of the world is littered with the ruins of vanished civilisations, which in almost every case have collapsed because of a lack of water. There were various reasons for the water ceasing to flow — mainly climate change rather than human interference. History illustrates the importance of water to the functioning of civilisations, and nowhere is that more important than here, on the driest continent on the planet.

The presentation of the legislation to the house is very important, because as we move into the new century we must look ahead to the interests of future generations. We must look ahead in a way that has not always been the case in the past when our ancestors, the settlers of this vast land, did not always understand the implications of what they were doing.

Now we better understand our climate, our soils, our topography and what lies beneath the surface of the soil. We better understand the importance of managing our water resources more efficiently and effectively than we have in the past. Therefore, the presentation to the house of a bill of this kind is a good thing in that it is time for us to be planning ahead. If it were not presented this year it would need to be presented some time in the future. Now is as good a time as any to do so.

The opposition supports the thrust of the propositions contained in the bill, but some points must be made. It must be remembered that, as it stands, the bill predominantly serves the interests of irrigators in the Murray–Darling Basin. The report was written by the chairman of the Murray-Darling Basin Commission and is orientated towards the interests of irrigators who use that water resource.

It is easy to understand why the National Party is so fervently in support of the bill as it stands, because most of the seats in this place that are held by the National Party cover those irrigation districts which are served by the Murray–Darling Basin and its vast water resources. The opposition understands that and does not wish to do anything that would disadvantage those irrigators who are resourced by the waters of the Murray–Darling Basin. We do not want to interfere with them at all. However, while the bill's orientation is biased towards one set of interests, there is a need to address the interests of other regions in a way that does not disadvantage those irrigators who are served by the Murray–Darling Basin. Hence the opposition has given notice of a series of amendments which will do that and will assist in serving the interests of regions that are not served by the bill as it stands and would be disadvantaged quite severely by the bill if it proceeds without amendment.

It would be a tragedy for legislation that has the earnest intention of providing equity, fairness and proper management to a vital resource in the interests of not just the farming community but the entire community,

because ultimately all of us are served by that resource. It would be a tragedy if good intentions were to result in continuing disadvantage to one group of people while advantaging another group.

It is indisputable that it would be unfair and improper to allow for the interruption of a flow of water which would result in the disadvantaging of downstream users of the water. Therefore it is necessary to have some regulation of the catchment area and what is done there. I do not dispute any of that and no reasonable person would. I am not going into the detail of how to do that because it has been dealt with adequately by other speakers, in particular by the honourable member for Benambra who represents one of those key areas. I am concerned about what had been thought to be the inalienable right of farmers who are farming in areas where they rely upon water, which falls as rain into dams that they have built on their properties, to use that water. They have not extracted water from a waterway and have not impeded the flow of water from anywhere. They are totally reliant upon rainfall for watering their properties; therefore it is necessary for them to conserve as much of the water which falls from the sky as possible because they have no other source of water.

There are a number of areas within the state where that circumstance applies. As someone who has a rural background from deep in the heart of irrigation country in Kerang, who is the descendant of a long line of irrigators and whose family is going to benefit enormously from what flows from this legislation, it seems to me that it is inequitable to say to a property owner who, at his expense, has built a dam on his property, that it is fine for him to use the rainwater that falls from the sky to water his pastures or crops, but that if it hits the walls of his dam and runs down those banks into the dam he can only use it for stock and domestic purposes.

If you put a pipe and a pump into your dam, into the water which has fallen from the sky, and use the water to irrigate a summer crop or to irrigate a patch of carrots that you are growing as a cash crop, if you use it commercially then you will be in breach of the provisions of the act which will eventually be promulgated, unless you comply with certain conditions and make certain financial sacrifices.

The opposition amendment accepts that there should not be unfettered extraction of water from a farm dam of the type that I have described. Why not let the owner of that dam have an inalienable right to save 3 per cent of the water that has fallen from the sky into the dam he has built on his property? That is the essence of it. He would be allowed to pump out 3 per cent to water the carrots that are being grown as a cash crop, and the lucerne or the turnips and the rape that have been grown as the summer feed to get the cattle or the sheep through the dry summer months. Let him have 3 per cent without being penalised in any way. What is wrong with that? It seems to be the most reasonable proposition that one could find.

That is why I will be supporting the amendment. I am not speaking in detail on the other amendments, just that one amendment to which I have referred. It addresses the removal of a statutory right that has existed in this community for 150 years. All we are saying is: let the farmer have access to 3 per cent of the water from his own dam without suffering penalty. It is eminently reasonable, and to oppose the proposition would be unreasonable.

The legislation highlights the significance of the proposal now on the table for the Wimmera Mallee pipeline that will save enormous quantities of water that are presently lost in the open channel system by evaporation and by seepage. We should acknowledge the great foresight of our forefathers who created the open channel system more than 100 years ago. These were massive engineering projects and were terribly important and have remained important for 100 years. They are now old, inefficient and wasteful. It is time in this new century to address this fundamental problem. Eventually all the existing open channels will have to be replaced by pipelines. We can do it now because the technology exists to do that cheaply, efficiently and effectively.

In my view there ought to be a commitment from both government and opposition alike in the context of this most important legislation. There should be a commitment to proceed first with the Wimmera Mallee pipeline proposal, on which a lot of work has already been done. We could proceed with that without much delay. At the same time there should be forward proposals to address the needs of the rest of Victoria in the same way.

This is one of the most important pieces of legislation to come before the house in the nearly 30 years I have been in this place. I urge the government and the National Party to give real consideration to the key amendments proposed by the opposition. They disadvantage no-one. They do not interfere with the irrigators of the Murray–Darling system, but they provide for equity and justice for those who would be disadvantaged if the bill proceeds in its present form without amendment.

Mr DIXON (Dromana) — I, too, have a contribution to make on this legislation. When it was first talked about I did not think it was relevant to my electorate. However, when I started to think about and learn more about the legislation I realised how important it is to my electorate.

My electorate covers 550 square kilometres, and probably only one-tenth of that area is settled or urbanised, and that is along the Port Phillip Bay coastline and some of the smaller villages inland. The vast majority of my electorate is agricultural land, even though there is a fair bit of national park, especially along the coastal fringes, and Crown land along Port Phillip Bay.

All of those farming pursuits in my electorate rely on dams. On many occasions I have flown over my electorate, and particularly from a helicopter I get quite an idea of the number of dams attached to the various farms and other agricultural pursuits in my electorate.

The biggest and the fastest growing agricultural pursuits in my electorate are the vineyards. Mornington Peninsula is very well known for its magnificent wines. Although most vineyards try to avoid irrigating their crops they all have dams, because there are seasons when they need to water. There are times when the natural rainfall is not enough, when it is touch and go. There are those critical times when the vines are starting to bud; and if you have a dry spring, or especially in the early autumn and late summer when things are starting to dry up and the fruit is starting to ripen, it is important that the correct moisture content is in the soil.

There are approximately 200 vineyards in my electorate, so that is a major agricultural pursuit, and it is an expanding one, too. As you drive down the Mornington Peninsula Freeway into my electorate you can see hectares and hectares of brand-new vineyards, and increasingly these are an important part of the economy of the Mornington Peninsula. They are particularly important for the ongoing employment situation for not only the many full-timers in the vineyards but also the many seasonal workers. Vineyards are very much part of the tourist scene, because people now come to the peninsula all year round to visit the vineyards; probably 40 or 50 of them now have tasting rooms and restaurants attached. So the health and the wellbeing of the vineyards is very important to the Mornington Peninsula.

The area also has a huge number of market gardens. They are located primarily along the very fertile areas at the back of Rosebud. Most of the watering is done with bore water, but that also has to be carefully watched because in a way it is putting pressure on the building of dams. There is only so much water in the aquifer, and the number of users of that aquifer is increasing, so if that source of water starts literally to dry up pressure then starts to be put on using dam water to irrigate those various market gardens. As I travel around the electorate I notice that many market gardens have new dams attached to them. That is an interesting trend — one I did not think would happen — but it reflects that growing need for dam water for irrigation because of the uncertainty about the aquifer.

Flower farms are another area of market gardening in my electorate. A large number of flower farms are on the land at the back of Rosebud, heading out towards the back beaches. Again, they rely primarily on bore water, but they have dams attached to their properties and therefore this legislation has a great deal of bearing on the dams used by flower farms.

There are two minor areas of agriculture in my electorate. One is the orchards. Red Hill, Main Ridge and Merricks, once renowned for their orchards, have now in the main been taken over by vineyards, but a number of orchardists are still there. Again, they have dams on their properties and they rely heavily on dam water for irrigating and watering their orchards, especially in the critical seasons on the Mornington Peninsula of long, hot dry summers and dry autumns.

The second area is beef cattle. Again, a beef farm does not require the amount of water that is pumped into a dairy farm; beef cattle are far hardier. However, all the beef farms in my electorate have dams. They are used not only for watering stock but also for — —

Mr Maxfield — Donkeys!

Mr DIXON — Some are pursuing donkeys, but we are mainly into beef cattle. You get better meat from beef cattle than from donkeys! Beef farmers are watering their pastures because they do have those long, hot dry spells, and irrigation of the farming area is also needed.

That is a summary of the agricultural pursuits that are a very important part of the fabric of my electorate. They rely very much on dams, and this legislation will certainly affect them to a great extent.

The other area about which there has been some confusion — it is not an agricultural pursuit — concerns golf clubs. I have eighteen 18-hole golf courses in my electorate, either being built or in use, which is an incredible number of golf courses and a huge amount of hectares. Most of those golf courses

use dams for part of their irrigation, but they probably use bore water for the larger part. The uncertainty of the amount of water available in the aquifer means that these many golf courses — and more will come online — rely on dams to water their greens and keep them in tip-top condition, because they are world-class golf courses, not just hacking golf courses, and they need to be kept up to the very best condition.

Although this legislation may not impinge on them a lot, it will change the uncertainty that is out there among the people who are investing millions of dollars into these golf clubs, which will be wonderful for my local economy. They are bringing new money into the area; they are creating jobs not only in the construction of golf courses but also from the ripple effect of having golf courses, which is a wonderful contributor to the local economy.

Therefore some of the committees of management and the developers themselves — if they are developing new golf courses — have also raised concerns with me about where this legislation will leave them at the critical part of their formation. I certainly support them in what they are doing and understand their concerns.

The other minor use of dam water is on hobby farms. Many people have 2 or 4-hectare farmlets, and there is consideration in the bill of those as well, but I also notice a few housing developments have stored water that is mainly used for ornamental purposes but also as a source from which to pump water for the watering of gardens and common areas of land within those developments.

Small dams on small properties may seem insignificant but they are important during fire seasons. I have noticed that when we have had large fires, as we did in January 1997 up through Arthurs Seat, not only were dams very useful for the property owners who had a pump in enabling them to fight the fires, save their houses or be a backup if the mains water was not sufficient, but those dams were sometimes used by the helicopter water dumpers that have become prevalent in firefighting activities these days. Although it is not a particularly common use, it is still a use of dams, and that again adds to the complexity of the issue.

In terms of rainfall, the percentage of water we use and the flows, I have observed that running right down the middle of my electorate is an underground pipeline, out of the end of which pours the equivalent of three Melbourne Cricket Grounds full of water. It runs underneath my electorate and the outfall goes out into Port Phillip Bay. It is effluent treated to a secondary standard, but it strikes me as ironic that all this fresh water could be upgraded to a tertiary standard. Admittedly that costs money, and it has been looked at by the Environment Protection Authority and also by Melbourne Water, but all of that fresh water is pouring out underneath the dams that have been built right throughout my electorate. If that water could be treated to a higher standard and used throughout the southern and south-eastern part of Victoria perhaps we would be having a different discussion about the use of dams and the conservation of water because we are wasting a lot of water when we allow that amount to pour out at the end of a pipeline.

I support the amendments because I know a lot of work has gone into the bill. The Liberal Party's bills committee has worked for many hours on this. It has looked into it, using individual and practical experience to gauge its ramifications. Liberal Party members have consulted, they bring a practical experience to it, and therefore the amendments they bring to the bill will only add to it. They are not last-minute political additions. They are well thought out, well reasoned and practical amendments. Therefore I support them and I support their reference.

Mr JASPER (Murray Valley) — I join in this critical debate on what has been a huge issue right across northern Victoria, and indeed the whole of Victoria. I recall when I entered the Parliament more than 20 years ago driving down through my electorate of Murray Valley, which has a huge irrigation area, through Cobram and into Numurkah and on many occasions seeing people irrigating with little regard as to the use of that water and where it would end up. I often saw people using water to irrigate particular crops, with excess water running across the road and not being used effectively.

But there has been a massive change in what is seen as the critical importance of water to the economy of Victoria, and particularly across the food bowl of Australia, through the Murray–Darling Basin. Those changes have been dramatic. Where once people did not have any real responsibility for how water should be used, in more recent years it has become a critical issue. With the introduction of the cap on water by the Murray-Darling Basin Commission in the early 1990s we have a better realisation that ours is actually a dry country and that we need to use our water as effectively as possible.

What I have seen across my electorate, and particularly in the western part, is a more appropriate use of water. We see laser grading of land, and people who are more attuned to the use of water introducing water reuse dams on their properties to get the maximum usage of

the available water. Of course cost has been a factor, with an increase in charges applicable to water, but we need to relate that cost to production and the fact that water is probably cheap in Australia. I say 'cheap' because many people in the irrigation areas would say that the price of water is as high as it should be; but we need to recognise that cost as a factor in the whole equation of water use through the irrigation areas, particularly in the electorate of Murray Valley.

With the changes we have seen and the greater recognition of the importance of water there has been a huge concentration of investigations into what we should do and how we should control and be able to use water. Indeed, that has been the subject of a number of reports in recent years.

I look again at my electorate of Murray Valley. At the eastern end of the electorate where there is limited irrigation, people who are dryland farming but who use water, particularly for stock and domestic use, have been able to develop water usage on their properties for irrigation purposes. There is no doubt that the strength of the representation that has been brought to me in more recent years has been to protect the water rights of people in the irrigation areas. There is no doubt that the economy of the state of Victoria is reliant on agriculture, and a lot of that agriculture is reliant on water distributed through irrigation, particularly running through the northern part of Victoria and the Murray Valley region.

I pay tribute to the work of the honourable member for Swan Hill, who has worked hard on the use of water issue and the changes which need to be implemented to get control of that to get a better balance in the use of water and to get practicality from the farming community, particularly, and from irrigators on how that water should be used.

I have been at difference with people within the National Party on the water issue. In fact, I have queried the cap that has been imposed by the Murray-Darling Basin Commission on the basis that we should look at extending our water storages. This has been resisted by many people involved with the water system, in the water industry and across the National Party and all political parties. I have been saying that instead of investigating improving the wall on Little Buffalo Dam in north-eastern Victoria, we should be considering building Big Buffalo.

The response provided to me by Goulburn Murray Water and the Murray-Darling Basin Commission is on the basis that there is a limited amount of water that falls in the Murray–Darling Basin, that there is a cap on the amount of water used, that water is totally allocated, and that there is no further water that can be contained. I have argued that, on the other hand, if we get a big wet season all our dams should be able to be filled, and that if we had a Big Buffalo Dam we would be able to contain over a further million megalitres of water, where at present Little Buffalo holds, some people would say, just a cupful of water at about 24 000 megalitres.

The other argument I have put forward on building Big Buffalo has been on the basis that the government owns all of the land. When he was Premier of the state of Victoria Henry Bolte bought all the land so that Big Buffalo could be built. Little Buffalo was built as a temporary measure and was for limited usage before Big Buffalo was built. But now Goulburn Murray Water is investigating what it will do to improve the weir wall at Little Buffalo. It has not proceeded with that yet, but that is the proposal that is being put forward.

Again I put on the record the fact that I have some concerns about the cap that has been imposed and the amount of water that is included under that cap, but recognise that the experts within the water industry say that is what we need to work within, that is the limit of the water available, and that most of that water has been allocated. I still put on record the fact that as far as I am concerned we need to look at extending our water storages and that consideration should be given to building Big Buffalo.

I should add that Big Buffalo runs down into the Ovens–King water systems. The argument put to me is that all the water that comes down through the Ovens and King valleys is allocated through irrigation and environmental flows and to other usages downstream. I say again that I think consideration should be given to the building of Big Buffalo.

As I indicated earlier, the water issue has become a huge issue of concern, discussion and debate within north-eastern Victoria. A number of reports have been prepared, which other members have referred to in earlier contributions — the Baxter report, the Hill report, the Heeps report, and the final report, the Blackmore report. This legislation has resulted from those investigations, particularly the Blackmore report.

I highlight the problems, because we get representations from people on all sides. The people in the irrigation areas obviously argue that they want to be protected with their water right and any additional water right allocated over and above that so they can manage their farms effectively. In fact, I have had put

to me at meetings at the western end of my electorate that they should be able to continue to get 200 per cent of water right in every season. We know that it is not practicable to get that in every season. The guaranteed allocation of 100 per cent water right should be there, but anything over and above that, of course, depends on the availability of water and the water held within the water storages.

We have had to present to people in the farming community in the irrigation areas that they need to manage their farms on the basis of 100 per cent water right and that if they get additional water allocation, that will help them through the season, but they need to understand that on occasions that will not happen. On the other side of the equation, those living in the upper catchment areas of north-eastern Victoria say, 'Well, we have rights to water which lands on our property'.

In recent years the big argument has been about the definition of a waterway. That has been a huge issue of concern, particularly through the 1990s, and about which major representations have been made to me in more recent years.

I recall visiting one particular farmer at the base of the Warby Ranges, just west of Wangaratta. He had built a dam on what he claimed was not a waterway but what Goulburn Murray Water indicated was a waterway. He had built the dam without any permission whatsoever. Goulburn Murray Water said, 'You will need to purchase some of that water right. We will allocate some to you, but you will need to purchase some of that water right'. That is an ongoing problem that has not been resolved. He has built another dam on another area of his property, and through the Rural City of Wangaratta and Goulburn Murray Water he got approval for and a licence to build that 10-megalitre dam.

Many people argue, including the honourable member for Swan Hill, that most of the water should go down through the system, off the Warby Range, through to the Ovens River and be allocated as irrigation water downstream. This huge issue needs to be resolved and I believe the legislation seeks to do that. The National Party has had input into the reports I mentioned earlier, and to the minister and the government to make sure it is appropriate legislation.

I should refer to some of the provisions in the bill because it is critical that they are understood. One of the biggest issues, one that everyone agrees with, is the provision of water for stock and domestic use. People will be entitled to utilise water for stock and domestic use. The bill has provisions relating to property owners with dams, which can be registered for a period so the water can be used without fees being attached to it. If a dam is licensed the property owner can use it to transfer water rights. I am now touching on some of the issues that I believe are critical in the discussion taking place. We have sought to achieve a balance between the people who have the absolute right to water allocated to them through the irrigation system and those we seek to protect in the upper areas of the high country, who believe quite rightly that they have some rights to the water that falls on their properties. They have rights to some of the water that drops on to their properties to grow crops, graze stock and for other purposes.

A dam built on a waterway will need to be registered and the authorities will need to determine the use and availability of the water.

The National Party has proposed some important amendments. I understand that the government will accept the National Party's amendment regarding curtilage, which will mean that an irrigation licence will not be required for water used within 1.2 hectares around a home, and that will enable the landowner to protect his property in times of danger, such as fire. Another National Party amendment concerns management plans and will mean Parliament will have the opportunity to disallow such plans where applicable.

The National Party wants support for an amnesty. Many people do not understand the operation of the Water Act and the changes to the legislation. Over the years I have been in Parliament I have come to understand that many people do not realise the changes being made to acts. Although honourable members seek to ensure that people understand legislation that passes through Parliament by consulting with representative organisations in an attempt to get the best possible result, it is often not until proposed legislation becomes law that you understand that people do not know the implications of it or that there may be a need to further amend it to make it more effective.

The National Party supports the legislation. I pay tribute to the work of the honourable member for Swan Hill, who has worked hard in this area seeking to get a balance between those who have rights to water for irrigation and those in the upper catchment areas. The honourable member has got into a number of arguments with people who have not agreed with his views. Indeed, he has argued with me on this issue, because I have not always agreed with the line that he has put forward. However, it is a matter of balance and of protecting what people see are their just rights. As I

read the legislation, and after investigating the issues, I believe it seeks to do that.

The honourable member for Gippsland South and the honourable member for Swan Hill have clearly canvassed and dealt with the issue put forward by the Liberal Party.

I have sought to give some background to the water situation in north-eastern Victoria, and particularly as it relates to my electorate. The use of water is diverse and the opinions that people have put forward are different, but they all have strong points of view. It is an emotional issue to people who have land and believe they have particular rights that need to be protected. What the government has sought to do, supported by the National Party and through the proposed amendments, is to get a balance that will protect people not just in the irrigation areas but those who have rights in the upper catchment areas to water that drops on their properties.

I have covered the unworkable definition of a waterway and of stock and domestic dams. I mentioned the issue of registration and the need to protect people with existing dams on their properties, which they can either register or license, particularly if they are used for irrigation purposes. There is also the provisional transition package for people establishing dams on their properties, who will have particular rights to that water and get assistance from the government in purchasing the water entitlement. Overall the legislation creates a lot of discontent among people in my area of north-eastern Victoria, but we have sought to get a balance.

One final issue is that the National Party has acted to support the water services committees in seeking to protect those who believe they have rights in meeting the provisions of the bill and the requirements of their properties and to ensure that the membership of the committees for upper catchment areas will include farmers who have an interest in the issue.

Overall the legislation moves in the right direction. Water continues to be vitally important to the economy of Victoria, particularly for those of us living in the northern part of the state where water is critical to the Murray–Darling Basin. It is important for irrigation purposes to ensure we are able to produce product that is not only consumed throughout Australia but exported throughout the world, thus providing wealth to Victoria and the producers wherever they may be across the state.

Mr SPRY (Bellarine) — I rise as the representative of the semi-urban, or semi-rural, seat of Bellarine, whichever way one might like to look at it. It is a rapidly changing seat, but I will go into that later. The Water (Irrigation Farm Dams) Bill has exercised the thinking of members of this house ever since it was introduced. The research that went into the Blackmore report and others has demonstrated just how seriously Victorians take the subject.

This morning much has already been said about the detail of the bill, and I do not want to go over that territory again. Initially I want to make some general comments about water and the need to continue to make provision for the long-term guarantee of supply to all consumers, both domestic and commercial, urban and — in the case of this bill in particular — rural users.

The passion generated by the debate to date demonstrates the human reliance on this sometimes scarce resource and the heat its equitable distribution can generate at times. As legislators we have a responsibility to get it right. I commend the speakers both this morning and in particular last night who made contributions to this debate, especially those on the opposition benches who have sought to protect catchment farmers in the north-east of Victoria and in the south, the area I come from.

As we all know, parts of Victoria have been ravaged by drought in recent years. Very few regions would have been more adversely affected than the Geelong region and the Bellarine Peninsula, where three years of continuous water restrictions have served to focus the minds not only of farmers but also of the general public. In Geelong we know what it is like to be without water and how seriously it can affect us.

With that in mind, in January this year I visited Dubai, in one of the driest parts of the world. Dubai is one of the seven United Arab Emirates and occupies the north-east horn of the Arabian Peninsula. It has low rainfall — about 2 inches or a little over 500 millimetres a year. In a country like Dubai every drop of water that falls is very jealously conserved if possible.

The city of Dubai has a population of around 400 000 and it concentrates efforts not only on recycling water but also on making use of whatever water is available. The people have been very innovative in that part of the world in providing for an expanding population by using salt water, which oddly enough is a by-product of the power generation process in that country. They heat sea water to superheated temperatures. The steam

generated drives turbines and then, when it has been used for that process, is condensed to form water. Naturally the water is a bit like battery water: it is absolutely tasteless, so salt has to be added back to it to make it palatable. The enormous amount of water generated in that way serves the population of 400 000 in the very dry city of Dubai.

The bill concentrates much of its content on the northern irrigation areas of Victoria. To some extent a degree of tension is generated by the two distinct users of water being considered by the bill. They are the northern irrigators and the southern catchment area farmers. It is not just confined to the southern catchment area; it is up in the north-east as well.

When we look at those northern irrigation areas with reference to the Australian Bureau of Statistics statistical districts of Murray in New South Wales, and Mallee, Goulburn and Ovens–Murray in Victoria, we see that they contain an estimated 701 820 hectares of irrigation properties. All honourable members would recognise the enormous importance of these irrigation areas to the wealth of the country.

The revenue they generate particularly in exports is enormous and the contribution those irrigators make is recognised and appreciated by all Australians. The irrigation industry is a diverse and revolutionary industry, extending from crops such as rice to intensely irrigated and highly cultivated crops such as carrots.

An earlier speaker mentioned the horrific waste of water where some territories are covered by flood irrigation and I for one cannot help thinking measures should be taken urgently to address and correct that. In addition to those sorts of measures far more emphasis should be put on and effort directed towards minimising leakage and evaporation from the open channel systems in water distribution. I urge the government to get behind that imperative.

I wish to make a few comments about my own electorate of Bellarine. In the 50 years I have lived in that magnificent area of Victoria it has changed from being a largely rural and farming area. I spent my first 20 years farming on the peninsula, with 12 years of active farming, and my father before me — —

Mr Wells — A rags-to-riches story!

Mr SPRY — I don't know about rags to riches — there weren't too many riches around when I was farming there! It was a pretty tough life and I commend the people engaged in any farming pursuit anywhere. One of the great American billionaires — I have forgotten who — made the comment that when he had tried everything else in industry he turned his hand to farming because it was the one great challenge that human beings had little control over. As a former farmer I appreciate his comments.

As I said, the Bellarine Peninsula has changed significantly over the past 50 years. It has changed from having an essentially rural and farming community into what could now fairly be described as a significantly urban community. In the days I was farming you could put dams wherever you liked. It was even encouraged. There were no particular controls over it. In those days the Soil Conservation Authority was focused particularly on soil erosion and similar issues and there might have been financial incentives for genuine farmers to conserve water. People were horrified by the amount of water that ran off into the bays and the ocean. It was considered a complete waste.

When you look at the development of the giant irrigation schemes based on the Snowy Scheme and read some of the early speeches of about 40 years before the formation of those schemes, you realise that in those days people were horrified by the amount of water that ran off into the ocean and wasted from this very dry country. The brown stains that identified where those streams ran out into the ocean were regarded by people as an indication of complete waste.

Few genuine farmers remain on the Bellarine Peninsula. Most of them are hobby farmers or people running intensive farming enterprises such as viticulture and horticulture. Those few who remain are particularly interested in the legislation and that is why I have risen this morning to speak briefly on their behalf.

There is no doubt water is a vital consideration in any farming enterprise, whether it is grazing, cropping, horticulture or viticulture. While I am on the subject of viticulture, I commend the very innovative farmers in my electorate — for example, the people who run the growing viticulture industry. I speak of people such as the Browns of Scotchman's Hill and the Cross family at Leura Park. I could go on but I will not name the many others. Those people have been innovative. They have looked at the potential of the wine industry and made a study of it. The wealth that has been generated by the viticulture industry on the Bellarine Peninsula is significant and makes a great contribution to the overall common wealth of the state.

The initiative of innovative thinkers such as the Browns family of Scotchman's Hill — and I note the Minister for Agriculture agreeing with me and I appreciate the fact that he understands what is going on down there — in harnessing the resources of the effluent pondage

system at Portarlington with the cooperation of Barwon Water is commendable. They are the sort of people who realise that we live in an area with finite resources and that water is a key element, and they have taken steps to harness the available resources to great effect on their own farms. They will show the way for others to follow in due course. The fair distribution of water is of vital concern to all those family enterprises that use it.

Madam Acting Speaker, you would be aware that it is possible for a landowner to build a dam high in a catchment and deprive landowners lower down from essential water particularly for stock and domestic uses and irrigation — —

Mr Steggall — The bill was specifically written so that would not happen.

Mr SPRY — The honourable member for Swan Hill interjects. He has had a really good go at the bill, so I will have my bite of the cherry now.

It is possible — as it certainly was in my day — for those landowners to build a dam at the top of a catchment area and deprive those lower down.

For that reason the bill has the capacity to protect the interests of people lower in the catchment area. It would be fair to say that that element of the bill should be supported.

Without the Liberal Party's amendments the legislation also has the capacity to take away altogether the entitlements of catchment landowners. That has been the thrust of the amendments. We are trying to look after the established entitlements of those catchment area farmers in particular. Landowners in my area would expect to have a guaranteed given amount of run-off for use as they have in the past, and the amendments make provision for those expectations to be entrenched in legislation. I urge the government to reconsider the proposal on the grounds of demonstrating an awareness of the consequences to catchment landowners.

I shall focus on the eight amendments, six of which relate to clause 10.

Mr Howard interjected.

Mr SPRY — I listened to the honourable member for Ballarat East last night, and I commend him for his contribution, however misguided it may have been.

The ACTING SPEAKER (Ms Davies) — Order! The honourable member for Bellarine can manage without assistance.

Mr SPRY — The first amendment to clause 10 requires the minister to table an order declaring a water supply protection area in each house for full scrutiny. People expect the full scrutiny of Parliament to be directed at that provision.

The second amendment to clause 10 seeks to clarify what constitutes what is wholly or predominantly a farming area. That is a reasonable amendment to request.

The third amendment to clause 10 requires draft management plans to contain a map of all waterways in the area covered by the plan and to specify that once these are mapped, no other area can be declared a waterway. The amendment seeks absolute certainty of what is proposed in the bill.

The fourth amendment to clause 10 requires all management plans to be tabled in each house and approved by each house before they become effective. I notice the honourable member for Ballarat East nodding his head in agreement, because full scrutiny is required.

The fifth amendment to clause 10 seeks to prevent a regional water authority that is enforcing a management plan from demolishing a farming dam — in other words, allowing the status quo to remain intact, again providing certainty for farmers.

The sixth amendment, to clause 19, seeks to extend the qualification period for the registration of existing irrigation or commercial farming dams from 5 years to 10 years, again a transitional change that we believe is justified and worthy of consideration. I hope the Labor Party accepts that amendment.

The seventh amendment, to clause 26, seeks to allow for the permanent and free registration of existing irrigation or commercial farm dams. That is self-explanatory.

The most controversial of all the amendments by which the Liberal Party hopes to improve the bill is to clause 6, and it seeks to provide that landowners have the right to use 3 per cent of the rainwater that falls on their property for irrigation or commercial purposes as of right. This right is in addition to stock and domestic use, but subject to a water supply management plan.

That particular amendment is seminal to what I consider as fair treatment to existing landowners who

will be affected by the provisions of the bill. It has some similarities to the marine parks legislation that the Labor government failed to take to its natural conclusion, in that the eighth amendment seeks to protect the existing rights of people. That is something that the Labor Party, for some unknown reason, has completely ignored in the preparation of the bill, and that is reprehensible. I recommend and urge the government and members of the National Party to reconsider, because it is a question of equity and fairness.

Provision should be made to ensure the equitable distribution of this scarce resource, namely water, but in doing so we should ensure that those people, particularly those on the land, who use it are treated with absolute fairness.

Mr THOMPSON (Sandringham) — In a press release earlier released by Dr Graham Harris, chief of CSIRO land and water, he noted:

> The only antidote to salinity and other big-scale degradation problems was vision and political leadership, social engagement, enlightened policy development and regulation.

It is in that context that I am pleased to contribute to the debate today, where there have been contributions from around the state from members of Parliament representing their constituencies and advancing the interests of their farming communities, and further afield.

The Water (Irrigation Farm Dams) Bill has a number of objectives including: the requirement that the use of water in private dams or from springs or soaks for commercial irrigation purposes be licensed; the declaration of water supply protection areas and the preparation and implementation of management plans for those areas; the requirement to license certain dams; the requirement that licensed drillers comply with the conditions of bore construction licences; and a number of other miscellaneous amendments.

Dr Harris indicated that at a time when the soil was turning to salt or becoming acidic and our rivers and ground water were becoming polluted and overused, the culture in Australia was still broadly focused on development. That is why this is a very important bill: it provides for the sensible management of water resources. There is a finite supply of water and it is important we get the best return on available water.

Paul McGowan, a leading water expert in northern Victoria who has worked on major irrigation projects overseas in areas that include Egypt, middle Asia, India and others, is of the view that if we had had our present knowledge of what irrigation can do we would perhaps not have embarked on it with the same enthusiasm that the Chaffey brothers did some 100 or more years ago. There is a certain consequent impact of the flow of irrigation water onto areas that have high levels of underlying salinity.

One must recognise the importance of water to farmers. Some farmers in western Victoria depend on their dams to water their stock and sometimes to irrigate stockfeed such as lucerne and other beneficial crops in times of drought as they go about their business of eking out an income. In areas other than western Victoria water is in more abundant supply. The intent of the opposition's proposed amendments is to enable the use of a 3 per cent margin, which is fundamental to the point. In some areas flexibility in the ways a person can use the water is of vital importance. Rather than restricting farmers at certain times that level of flexibility would mean that people who have bought properties would, by virtue of their geographic location and rainfall, have an understanding of what their water entitlements might be. Examples of water mismanagement can be seen in the former Soviet Union, where as a consequence of irrigation of cotton fields an inland sea dried up. Today that sea is an inland desert and all you can see now are boats that once sailed the sea rusting on the sands of a desert.

We need to be at the forefront of innovation in water resource management. It is noteworthy that the CSIRO has just announced that the work of Australian scientists on water banking has been recognised internationally with the awarding of the inaugural UNESCO international water prize for innovation in water resources management in arid and semiarid areas, and I take the opportunity of congratulatory the CSIRO on that outstanding achievement.

Ms GARBUTT (Minister for Environment and Conservation) — The Water (Irrigation Farm Dams) Bill is significant legislation. I thank the many honourable members who have spoken and put their views, quite passionately in many cases. The legislation is significant because it is about sustainable use of a very limited and precious resource — water. That underlies a lot of the passion we have heard. We have been through a period of drought in many areas of the state and that has underlined the limited nature of water. As many honourable members have said, we have had 150 years of this resource and the bill reflects that historical fact. Now we must face up to the fact that it is finite and limited, and we must allocate it in a very fair way.

The bill makes significant legal changes to the way water is managed, particularly in upper catchments. Very few people in rural Victoria will not be affected by the legislation. It will, however, deliver certainty for future commercial use, and that is what is driving the issue. The problem has been that the existing situation, which is divisive and uncertain, has meant that people cannot invest in further development and further initiatives involving water and high-value agriculture without a feeling of insecurity.

The bill will deliver security and will complete the government's allocation system for water, a system that started in 1989 with the Water Act we are currently amending. Now we need to resolve the outstanding issue to complete that allocation system so that we understand how much water there is — —

The ACTING SPEAKER (Ms Davies) — Order! There is too much audible conversation.

Ms GARBUTT — We must understand how much water there is and how we are using it on a catchment basis. The bill allows us to do that.

It also puts in place a very fair allocation system. Where water is so limited and precious and can be used by so many people we need a very fair allocation system in place. We do not have one at the moment and this legislation will put one in place.

The issue is long running. For years there have been arguments and controversy in rural areas, very divisive arguments pitting neighbour against neighbour. The honourable member for Gippsland East summed it up very well when he talked about a particular river valley in his electorate around which there is heat, passion, emotion and division in the community about access to water. That has been the situation in many other catchment areas too. In areas such as the honourable member for Ripon's electorate in the north-east there have been many divisive controversies resulting in a holding up of development.

For example, it is known that a prominent wine-making company pulled out of a large-scale development in its area. It proposed to put in a catchment dam, but then discovered that a neighbouring property planned to build a dam that would affect its security of supply. That development was pulled. The Shire of Northern Grampians estimated that $40 million in development was being held back because people would not invest in dams without the required security of water supply. The situation is that one farmer can contemplate building a dam, but a neighbour can remove any security by affecting the water flow into a dam. Then the development simply does not happen. That is the sort of confronting issue the legislation must address.

The former government put in place three separate reviews in different parts of the state. When I came to the ministry the three reports presented to me did not agree on the way forward. They focused on only particular regions and proposed different solutions. The former government had those reports but failed to resolve the issue, one reason being that it focused on particular areas rather than taking a statewide look. The only thing agreed between those three reports is that the problems must be resolved and that the current situation, which is divisive and is holding up development, cannot be allowed to continue. That was the general agreement right across the state when I set up the review committee.

The review committee of very high-powered people representing different issues undertook statewide consultation. That is what sits behind this bill. The review committee held more than 40 meetings across the state and took more than 600 submissions. It generated enormous interest, and I believe there was a great deal of community learning and understanding as the review committee proceeded over a year to examine the issue, put out proposals, take submissions on its draft recommendations and then present its final recommendations to me.

The consultation did not stop there, because I had discussions with representatives of the Liberal and National parties and the Independents before bringing the bill to Parliament. I thank them for that cooperation and for their input. I believe that consultation has resulted in very good and sound public policy being presented in this bill. It has been a difficult issue. It has been difficult for all of us, and it is something we have all wanted to give serious consideration to.

The issues leading to the bill's preparation have been difficult and divisive for the community. We understand the issues are sensitive for farmers too. However, what is consistently being said is that we must resolve this issue. To leave it unresolved is not acceptable, so it is up to us in this Parliament to resolve the issue. I believe what is presented in the bill is the best way forward.

During the debate we worked hard to avoid a division based on irrigators versus the rest, because that is not what it is about. The division has been within the upper catchment areas and has seen farmer against neighbouring farmer — one farmer building a dam that affects the neighbouring farmer's access to and security of water. It is not a case of them up there versus the

irrigators down there, it is about division within communities in upper catchment areas. It is bad for regional communities for Liberal members to be going around trying to set up a divisive situation. It is very clear that some members of the Liberal Party have not yet learnt that conflict, division and uncertainty — the hallmarks of the previous government — have been done away with because they do not lead to a resolution of problems and they do not serve us well.

I shall refer to the proposed amendment on the 3 per cent retention, which will obviously come up again during the committee stage. Firstly, the suggestion thumbs its nose at all the consultation that has been conducted around the state consistently in an organised manner by the review committee over the past 18 months and for years before that. All options were canvassed. The committee specifically rejected a 10 per cent proposal during its consideration and rejection of many proposals other than those in the bill.

For the Liberal Party, after five years of debate, to come in here at 1 minute before midnight with a new proposal which no-one has seen before and which has not been the subject of consultation or thought is simply unacceptable. It is absolutely disgraceful for the Liberal Party to thumb its nose at everyone who has contributed to the public debate over many years by proposing its 3 per cent amendment, which is highly ill conceived.

I can understand why it has been suggested. Certainly there has been a lot of lobbying, particularly in the north-east, and I can understand that they want us to listen to those concerns. Those concerns have been listened to over the past year and a half in developing the proposal in the bill. The problem is that 3 per cent does not mean 3 per cent, because 3 per cent of rainfall translates into 30 per cent of run-off. The figures have been checked, and they are absolutely huge.

On radio yesterday Don Blackmore from the Murray-Darling Basin Commission talked about what it would mean. He was absolutely clear about what the volume would mean if every farmer took up this allocation, and that must be allowed for in any allocation system — it must be factored in. Mr Blackmore said that a third of the capacity of the Eildon Dam would sit there — it is a huge volume. Clearly the opposition has not worked out the impact of the 3 per cent.

Mr Blackmore also pointed to another major problem — that is, the stream flow management planning committee would have to factor that into its planning, and it would not be able to do that. That amount of water is equivalent to approximately half of the water the northern irrigators currently use. It would blow out our obligations under the Murray–Darling Basin cap. Is that what Liberal Party members opposite really want us to do? Are they really saying to zap the cap? It is very hard to accept that. The problem is that this is a last-minute, knee-jerk reaction; it is a proposal made in the heat of a federal election campaign in which the seat of Indi, in particular, is being hotly contested.

This is a last-minute, off-the-top-of-the-head response: 'Stick the bill here. Let's have a debate. It has not been thought through. People do not understand' — certainly the opposition does not understand — 'the impact of this proposal'. I believe that proposal is about a federal election. It is political of course. The proposal is about making sure that the Melbourne lawyer wins in Indi. It is disgraceful to put that issue ahead of good public policy. The proposal also reflects a drastic failure of leadership in the Liberal Party. Where is the leadership — —

Honourable members interjecting.

Ms GARBUTT — The proposal represents a last-minute, knee-jerk reaction in the dying days of the Napthine leadership of the Liberal Party.

Listening to the debate it is clear that many Liberal members opposite have got their facts wrong. Hardly one argument was based on fact. There was a lot of passion, a lot of rhetoric, but few facts. I will talk quickly about some of them.

The honourable member for Warrnambool made a particularly ignorant contribution, which matched his contributions in his local papers. He talked about changing the definition of 'dairy wash-down'. That is absolutely wrong. The definition has always been commercial and it is in the act. He also talked about feedlots, calving pads and dairy herds and how they would be affected. He was wrong in every case. He talked about local government being able to veto stream flow management plans. I have no idea where he got that from. Absolutely wrong. It was not just wrong, wrong, wrong, but wrong, wrong, wrong, wrong, wrong. Totally wrong!

The honourable member for Benambra made two points. First, that there was no compensation — in his local paper he has been saying that there will be no compensation. Clearly, that is wrong. In fact, the honourable member for Swan Hill said in his speech that it is the first time in 100-odd years, since 1886, that Parliament is compensating for the change of the right to water. I thank the honourable member for Swan Hill

for his clarity. Second, the honourable member for Benambra said that the legislation would stifle development. Again he is absolutely wrong — a lot of passion, but no facts.

The honourable member for Polwarth also talked about the changes in the definition of 'dairy wash-down'. There are no changes to that definition in this bill. He is wrong. He said that 50 per cent of government department employees would dominate stream flow management plans. Wrong! He also said that pro-environment groups would — —

Honourable members interjecting.

The ACTING SPEAKER (Ms Davies) — Order! The minister, without assistance, finishing her remarks.

Ms GARBUTT — Thank you, Madam Acting Speaker. The proposals in the bill will resolve a long-running divisive issue. It will allow development to continue. Farmers with existing entitlements will get improved security and government assistance in the package. The environment is also a big winner.

Motion agreed to.

Read second time.

Debate interrupted pursuant to sessional orders.

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

QUESTIONS WITHOUT NOTICE

Emergency services: 000 calls

Dr NAPTHINE (Leader of the Opposition) — I refer the Premier to the fact that the 000 emergency call system crashed again this morning, meaning that people could not get through to fire, ambulance and emergency services. Why has the government been unable to guarantee the reliability of this essential service in Victoria?

Mr BRACKS (Premier) — The 000 emergency call system is improving from what we inherited from the previous government — and that is the reality. Predominantly and overwhelmingly it is working much more effectively. The matter this morning, as reported by the Leader of the Opposition, will be examined. Generally the system is working much better than what we inherited.

Table grapes: industry assistance

Mr STEGGALL (Swan Hill) — My question is to the Minister for Agriculture. Can the minister advise the house how it is that he blames the Rural Finance Corporation — as he did on ABC radio last week — for his failure to honour his undertaking to assist the table grape growers of Robinvale?

Mr HAMILTON (Minister for Agriculture) — I thank the honourable member for Swan Hill for his question on the table grape growers in the Robinvale area. As honourable members would know, the table grape growers have suffered poor seasons because of a deterioration in Thompson seedless grapes. I met with the growers last year and we agreed we would pursue on their behalf some financial assistance. The department officers have been working with the group for a lengthy period.

Together with the CSIRO we have set up a total amount of $217 000 to carry out a research project into the reasons for the deterioration of the table grapes. The cause is not known and it is important that our research officers work with the group to determine the outcome of the inquiry. Also, because of the financial circumstances of many of the table grape growers we added another rural finance counsellor to the group that works in Sunraysia to provide the growers with financial advice and assist them with applications for funding. Indeed, I am advised that all of those table grape growers who have a viable operation and needed financial assistance have gained it through either the major banks or the Rural Finance Corporation.

The government considered the application for special assistance through the corporation. It examined whether to make an emergency circumstances application, but when all things were considered it was decided that such an application was unlikely to be successful. However, that avenue is still open. The industry is important and a number of growers have faced some very difficult times chasing around for finance. The argument that the government had to consider was whether government grants should be made for businesses which were facing difficult times. It was the consideration of the discussions between the Department of Treasury and Finance, the Rural Finance Corporation and officers from Department of Natural Resources and Environment that at this stage they would be unable to provide that additional assistance through a subsidised interest rate, which is the process normally adopted.

We have not completed our negotiations. In fact I am meeting with the table grape growers within the next

two weeks to further discuss the problems and to make sure that this important industry — one that is of great value not only to the domestic market but to the export market — is able to continue and that those farmers receive the assistance they so — —

Mr Ryan — On a point of order, Mr Speaker, on a question of relevance, the issue was directed to the minister's blaming the Rural Finance Corporation as opposed to the matters that he has set out so far. He is debating the question, and I ask you to have him return to the point of the question.

The SPEAKER — Order! I do not uphold the point of order on the minister debating. The minister was providing information in regard to the table grape growers issue that was raised by the Deputy Leader of the National Party; however, the minister should conclude his answer. I remind the house of the need to be succinct, and the minister knows that.

Mr HAMILTON — As I was saying, I will be meeting with representatives of the table grape growers to further pursue the issue of government assistance to their industry. At this stage the decision has been not to provide the assistance that was requested earlier.

Melbourne Festival

Mr STENSHOLT (Burwood) — Will the Premier inform the house of the reaction from the Victorian community to Melbourne's international festival?

Mr BRACKS (Premier) — I thank the honourable member for Burwood for his question. As this is the last parliamentary opportunity before the Melbourne Festival concludes, it is important for this house to congratulate all those who have been involved. This year's festival has been an outstanding success — —

An honourable member interjected.

Mr BRACKS — I was there on the first night. The box office receipts for this festival have been up on the previous record and are at a record $3.5 million, which is outstanding. The previous best box office receipts were $2.6 million, and again I congratulate the organisers of the festival.

The program has delivered 320 performances, including 11 Australian premieres, 8 Australian debuts, 41 Melbourne exclusives and 31 world premieres. There have been over 1300 performers appearing in the free outdoor program, which has been very successful. From the very start of the festival at the Sidney Myer Music Bowl, which I attended, when Xanana Gusmao read a poem to open it to its conclusion on Saturday night, this year's festival has been jam-packed, successful and very well attended. Attendances are expected to exceed half a million people in paid ticket events, an outstanding number.

I take this opportunity to thank three people who will be finishing up after a long period of time working for the Melbourne Festival. The first is Harold Mitchell, the festival's president for the past seven years, who has seen it grow and grow over that period. I pay my respects to and congratulate him and his wife, Beverley. They have done a fantastic job, and I wish him every success for his future ventures.

Secondly, I congratulate our very own Jonathan Mills, the artistic director, who has done a sterling and fantastic job. He is creative and brings such new and exciting events to Melbourne, and I congratulate him on that also. Thirdly, I congratulate the general manager, Ian Roberts, who makes sure that the festival ticks over so very well.

The expanded festival was part of the centenary of Federation celebrations this year, and again the festival organisers undertook that very well. As the front page of yesterday's *Age* shows, we should note the very successful venue of the *Spiegeltent*, the 1920s Belgian mirror tent, which has seen so many performances and been seen by so many people on the forecourt of the Victorian Arts Centre. If any members of Parliament have not been there yet, I would encourage them to go; it is fantastic. The tent itself is part of our history and is a great venue for those events.

Next year Robyn Archer will direct her first Melbourne Festival, and we wish her every success in building on the triumphant success we have had already. For the 2002 festival the government will increase its financial contribution by $500 000 to enable it to grow further, get even better and build on the great performances we have already seen.

Finally, I again congratulate the festival organisers and also the people of Melbourne and Victoria for attending in such numbers. It is truly one of the best, if not the best, festivals in Australia. It has an international reputation that is second to none. Congratulations to Harold Mitchell, Jonathan Mills and the rest of the team who have performed so well.

Manufacturing: government grants

Ms ASHER (Brighton) — I refer the Premier to the Department of State and Regional Development's annual report for 2000–01, which shows that the government gave industry grants to firms such as Austrim Textiles, Arnotts, Email, Nestlé Australia and

Rocklea Spinning Mills. I further refer him to the fact that recently these firms provided a combined 1532 jobs in Victoria and ask the Premier what strategies the government has used to ensure that firms receiving industry grants actually add to Victorian employment and whether any of these firms has been asked to repay these grants.

Mr BRACKS (Premier) — I welcome the Deputy Leader of the Opposition's question and thank her for it. For her information, the industry grants system is one which requires payment in receipt of certain jobs that are accounted for. Payments follow the jobs and are not made to any of these firms unless the jobs that accrue directly relate to the particular investment. Looking back over the years, there were many industry grants made by the previous government on which companies have retrenched and failed, and the same rules applied then as apply now. One rule is that there is a signed contract or agreement requiring specific employment growth for that contribution. That is what this government adheres to in every one of those contracts.

Hallam bypass

Mr LENDERS (Dandenong North) — Will the Minister for Transport inform the house of the progress of construction of the Hallam bypass, which is due for completion in the second half of next year?

Mr BATCHELOR (Minister for Transport) — I thank the honourable member for his question. He understands the importance of the Hallam bypass to the south-eastern suburbs of Melbourne and to the Victorian economy as a whole — —

An honourable member interjected.

Mr BATCHELOR — And Gippsland, that's right. That is unlike members opposite, who barely know where it is, let alone understand the importance of it. The Hallam bypass is a $175 million project. It commenced construction last year. I had the honour and pleasure of going out and commencing the construction project. When it was commenced, the completion date for the project was December 2004.

Members on this side of the house understand the importance of this project, but those on the other side do not. It is important to understand. They do not even know where it is. For the benefit of those opposite, it is a 7.5-kilometre freeway connection between the Monash Freeway at Doveton and the Princes Freeway at Berwick. They would not have a clue where it was. As well as bypassing the community of Hallam, it will also provide huge traffic relief for the growth areas around Narre Warren and, of course, provide important access for the communities in Gippsland.

Since coming to office the Bracks government has been getting on with the job and making sure the Hallam bypass project proceeds. It is a construction project. Excellent progress has been made and the benefits will soon begin to flow. Progress has been so good under the Bracks government that we will be delivering on this project one year early. Construction of the Hallam bypass is now expected to be completed by the end of 2003 instead of its original date of 2004. This means that the benefits to residents and businesses of the south-east, and to Gippsland, will be delivered some 12 months earlier than was originally anticipated.

The project is one of the successes of this government. It is being delivered under the Linking Victoria strategy, and is clear evidence that the Bracks government is getting on with the job of delivering major infrastructure projects around the state. Further evidence will be seen when we deliver on the Scoresby freeway, which will be of enormous benefit to the people of the east and the south-east. The people from those areas know that it is Labor that delivers and not the Liberal Party.

Government departments: decentralisation

Mr INGRAM (Gippsland East) — I direct my question to the Minister for State and Regional Development. The government decision to move the State Revenue Office to Ballarat is an acknowledgment of the importance of the government's commitment to decentralisation and development.

Honourable members interjecting.

The SPEAKER — Order! The house will come to order. The honourable member is entitled to ask his question.

Mr INGRAM — What further plans does the government have for decentralisation in regional Victoria of government departments or government authorities?

Mr BRUMBY (Minister for State and Regional Development) — I thank the honourable member for Gippsland East for his question. The government has made a decision to relocate significant activity from the State Revenue Office to Ballarat. Recently I inspected progress on this matter. I am pleased to inform the house that the building is now ahead of schedule. I visited the first group of trainee candidates who are being trained at the Ballarat School of Mines for positions up there. They were a great lot of candidates

for those jobs. Work will commence on a full-time basis in that centre from March next year. There will be 200 positions, and it will inject something like $100 million into the Ballarat economy over the next six years. This is a strong confirmation of the Bracks government's commitment to growing the whole of the state.

The government has made other decisions of lesser moment which have essentially shifted resources into regional Victoria — for example, the expansion of the Victorian government business offices in country Victoria; and the Office of Rural Communities has meant something of the order of 15 to 20 new positions in country Victoria.

If the honourable member looks back to the 1980s and early 1990s he will see that the former Labor government shifted the State Data Centre to Ballarat, which created about 50 or 60 jobs. The former Labor government also made a decision to shift the Department of Agriculture to Bendigo, but that decision was reversed by the former Kennett government. The only policy of the coalition parties is to shift the Leader of the Opposition to the Little Desert!

I believe that is where he has been during the federal campaign. They have been out there looking for him! Everywhere they go it is, 'Cooee! Cooee! Where is he?'.

Honourable members interjecting.

The SPEAKER — Order! I ask the house to come to order immediately.

Dr Napthine interjected.

Mr BRUMBY — Well, you interject!

I inform the honourable member for Gippsland East that we have also made significant new investments in research centres, for example in Ellinbank, and the Premier was recently at Ellinbank. We have put a whole raft of initiatives in place to shift resources to regional areas. In relation to the future, can I say to the honourable member that the government will continue to examine on a case-by-case basis opportunities to relocate activities to regional areas. I think the days when you look at relocating whole departments are probably past, and it is preferable for a government to look at specific activities which may be suitable for relocation in country areas — to look to new activities of government. Often there are new and expanded activities and different ways of doing things which create additional jobs. We are happy to look at those as well, but we are looking at them on a case-by-case basis.

I know the honourable member has very strong views about this, and I can assure him that if any government is to continue to build the whole of the state and shift activity into regional Victoria, it will certainly be the Bracks government.

Yarraville: toxic site

Mr BAILLIEU (Hawthorn) — I refer the Premier to the proposed shopping centre development in his own electorate at the site in Yarraville known locally as the arsenic site and to the proposed concrete capping of this highly toxic site. I further refer the Premier to his past comments that capping the site is 'insufficient', 'only a stopgap measure' and 'I will be monitoring the process closely to ensure that it is not just capped with a slab of concrete and left in the ground'. Why is his government requiring removal of contaminants from Docklands but allowing concrete capping of this arsenic-oozing site in Yarraville?

Mr BRACKS (Premier) — In response to the honourable member's question, this matter was about to be signed off in the caretaker period by the previous planning — —

An honourable member interjected.

Mr BRACKS — Just wait, and I will give you an answer. It was about to be signed off by the previous planning minister in the caretaker period. When we came to office we had a further process to examine the environmental impact of taking action on the so-called arsenic site. We have undertaken that work. It has been completed now and it showed that the best and most environmentally sound way of ensuring safety of that site was to have it secured.

Dr Napthine interjected.

Mr BRACKS — You get out there campaigning! We want the Leader of the Opposition to go out campaigning. We want him to go out there, Mr Speaker!

So the further environmental process as proven and ticked off by the council and other groups is that this is the best and most sustainable long term solution for that site.

Hospitals: cleaning standards

Mr LIM (Clayton) — I ask the Minister for Health to inform the house of the progress of the government's

drive to improve cleanliness in Victorian hospitals. Is the minister aware of any international reaction to Victoria's achievements in this area?

Mr THWAITES (Minister for Health) — I thank the honourable member for his interest in hospital cleaning and international issues. One of the first priorities we had when we entered government was to improve the standard of hospital cleanliness. Under the previous government we saw cleaning staff numbers slashed and hospitals in a filthy state because of the cuts.

Mrs Peulich interjected.

The SPEAKER — Order! The honourable member for Bentleigh!

Mr THWAITES — One of the first things we did was to commit an extra $33 million over four years for improved cleaning and infection control. For the first time we have developed and implemented cleaning standards for Victoria's hospitals. They are known as the Victorian Hospital Cleaning Standards. As a result of this we are seeing a significant increase in cleaning standards. Recently all hospitals have been subjected to random cleaning audits and all passed with rates of between 84 and 98 per cent.

I am pleased to advise that there has now been international interest in the Victorian Hospital Cleaning Standards, and the United Kingdom National Health Service has asked to use them. It has requested a licence to use the Victorian cleaning standards, the Department of Human Services has granted that licence and these standards are now being adapted in the United Kingdom for use in hospitals throughout that country. I am very pleased that the work we are doing in improving cleaning standards in Victorian hospitals will now be of benefit across the United Kingdom.

Public sector: legal services

Dr DEAN (Berwick) — I direct my question to the Premier.

Honourable members interjecting.

Dr DEAN — Well, I never get an answer from the Attorney-General!

I refer the Premier to the Attorney-General's announcement to the house that to reduce legal costs the Victorian Government Solicitor's Office will be the sole provider of core legal work to government, including matters of particular sensitivity to government.

I ask: why has the Premier's department deviated from this pledge and broken with tradition with respect to previous royal commissions by dumping the Victorian Government Solicitor from the building industry royal commission and seeking tenders from more expensive large city firms such as Holding Redlich, Maurice Blackburn Cashman, and Slater and Gordon?

Mr BRACKS (Premier) — We are very pleased to go to a tender process to pick the best possible applicant for the task. I say absolutely that the Attorney-General will be involved in that decision making also.

Mrs Peulich interjected.

The SPEAKER — Order! I have asked the honourable member for Bentleigh to cease interjecting. I warn her.

Racing: retired jockeys

Mr HARDMAN (Seymour) — My question is to the Minister for Racing. I don't think he is in the leadership stakes! Can the minister inform the house about recent initiatives to improve the welfare of retired jockeys, and of the importance of this issue to racing and to Victorians?

Mr HULLS (Minister for Racing) — This is an important issue, and this morning at Flemington racecourse I released the results of a research study into the welfare of retired jockeys. It is a report that the opposition called an unnecessary review some time ago, but some of the findings of the study were quite alarming, and indicate that it is high time the industry focused on jockeys.

Jockeys do not have compulsory superannuation or long service leave. They often have very few educational opportunities and retire very young because of injury. As a result they face serious financial and emotional difficulties. In fact, the report found the suicide rate among retired jockeys to be very high.

This report not only identifies the shortcomings of the current system but makes 11 recommendations for future implementation. They include the establishment of a fully professional jockeys body to represent and pursue the interests of current and retired jockeys; the introduction of an effective superannuation scheme for jockeys; the provision of professional financial counselling services to current and retired jockeys; the review of welfare funding assistance for retired and current jockeys, and the introduction of a mentoring system for retired jockeys to support current jockeys.

I have asked the Victorian Jockeys Association and Racing Victoria to ensure that these recommendations are appropriately acted upon, and I am sure the industry will act on these recommendations.

It is important to remember that without the extraordinary skill and raw courage of jockeys the racing industry would indeed not exist. This is an important industry to all Victorians, not just for our recreation but also for employment and the economic benefits it generates.

The Melbourne Cup, in particular, holds an important place in our country's culture. Many Victorians, for instance, will remember where they were when a particular horse won the Melbourne Cup in a particular year.

I am sure the Leader of the Opposition will remember the 1992 Melbourne Cup when he got his first break as parliamentary secretary. That year the cup was won by his rating's namesake — Subzero!

But we do have the Spring Racing Carnival upon us, with huge economic benefits for Victoria. Many members of the house will be involved, I have no doubt, in a sweep for this year's Melbourne Cup, and I expect that our Premier will draw Universal Prince, because indeed he is governing for all Victorians.

Dr Napthine — On a point of order, Mr Speaker, the minister is now debating the question and is not relevant to the question. I ask you to draw him back to the question.

The SPEAKER — Order! I ask the Minister for Racing to return to answering the question with regard to the welfare of retired jockeys.

Mr HULLS — There will not be any retired jockeys riding in the Melbourne Cup this year, but the report also refers to current jockeys, and I have no doubt there will be some very good current jockeys riding in this year's Melbourne Cup. I also have no doubt that after yesterday's FOI revelations the trifecta taken out by the opposition will be Rum; Pasta Express; and Scrumptious!

Dr Napthine — On a point of order, Mr Speaker, the minister is running a long last in the comedy stakes, and I ask you to bring him back to answering the question.

The SPEAKER — Order! Just as the Chair was requiring the minister to come back to answering the question, the Chair will not allow the Leader of the Opposition to take points of order along those lines. There is no point of order.

Mr HULLS — Indeed, there will be a current jockey riding a horse which I expect will be backed by our Treasurer, and that horse is Mr Prudent — —

Dr Napthine — On the same point of order, Mr Speaker, the minister is bringing question time into ridicule and high farce, and I ask you to bring him back to answering the question rather than trying to do this stupid activity.

The SPEAKER — Order! The latter part of that point of order is out of order. However, I uphold the earlier part of the point of order raised by the Leader of the Opposition, and I ask the minister to come back to answering the question.

Mr HULLS — Well, the way they are going, there is only one horse for the Leader of the Opposition, and that is Inaflury — in a real flurry! Inaflury, by the way, is now owned by Lloyd Williams.

I conclude by saying that there will be a current jockey riding a — —

Honourable members interjecting.

The SPEAKER — Order! I ask the honourable members for Mornington and for Glen Waverley in particular to cease interjecting in that manner. The minister should conclude his answer.

Mr HULLS — Perhaps the honourable member for Mornington remembers who won the 1925 Melbourne Cup — Windbag!

The SPEAKER — Order! Unless the minister comes back to answering the question I will cease hearing him.

The minister has concluded his answer.

WATER (IRRIGATION FARM DAMS) BILL

Debate resumed.

Committed.

Committee

Independent amendment circulated by Mr INGRAM (Gippsland East).

Clause 1

Mr MAUGHAN (Rodney) — I shall make a few brief remarks on this very important piece of legislation. As previous speakers have said, the bill contains probably some of the most important law about water to have been before Parliament for a long time. I represent one of the most important irrigation electorates in the whole of Victoria, so I wish to express a few views on the legislation and amendments.

Irrigation water is critically important to the people of the Rodney electorate, which has by far the most important dairying area in the whole of Victoria. It produces huge volumes of milk. Recently the Leader of the National Party and I were at the Murray Goulburn factory in Rochester, where 3.8 million litres of milk is received daily. We toured other irrigation developments in the area — tomato growing properties and vineyards — and it was amazing to see what has happened now that the water industry has been freed up.

This is very important legislation for the people I represent. I want to express some views generally and then have some more input on some of the amendments. I would be remiss if I did not mention in passing the influence Alfred Deakin has had. Alfred Deakin, who was a member of this house, had the vision to think about what was possible with irrigation.

Mr Perton interjected.

Mr MAUGHAN — He was a great Liberal, I accept that, but he was a great Australian, and that is most important. He made an enormous contribution to the state of Victoria, to the commonwealth of Australia and to the irrigation industry, which is what we are talking about today, and I pay tribute to him. In the local government area, until recent local government amalgamations the Shire of Deakin was in my electorate. People living there still feel very proud of the fact that they are in a municipality named after Alfred Deakin.

I emphasise that irrigation is very important to my electorate, and tremendous changes have been made over the years in that industry. For 25 years I was an irrigator, so I think I understand the practical implications of irrigation.

Tremendous changes have taken place in the past 50 years. Initially it was a matter of getting water onto the land and increasing production, which was of enormous benefit to the state. Little thought was given to drainage and salinity. That has now been attended to. When I was farming in the 1960s, farmers around the Tongala area were among the first to identify the salinity problem and to acknowledge they had to do something about it. This nation, this state and individual farmers have made enormous strides. Significant progress has been made with irrigation technology. Laser grading is now universally adopted on flood irrigation land; trickle irrigation, ribbon irrigation for tomatoes and sprinkler irrigation systems are now used, which has led to much better use of irrigation water.

I will not go through all the things that have happened in the water industry, because that has been well documented by the honourable members for Swan Hill and Monbulk. Suffice it to say, one of the significant things that has happened recently is the breaking of the nexus between water rights and the land, so water can actually be traded. That has led to two things: firstly, the price of water being determined by the market; and secondly, huge irrigation developments taking place for the betterment of Victoria and the nation. That has been a significant change.

There has been an acknowledgment that in the Murray–Darling Basin there was a finite amount of water and that we had already overcommitted that water. Hence the Murray–Darling Basin cap now plays an important part in the legislation before the house. There is an acknowledgment that there is a limited amount of water and it is a matter of how we share that water. Numerous groups and committees have discussed how we share that water. The *Sharing the Murray* report, in which the honourable member for Swan Hill played a significant role, set out the blueprint for sharing this finite resource between those in the upper catchment areas who have a legitimate claim for the water, those in the lower catchment who also have a legitimate entitlement to the water that has been built up over many years, and the water we need for the environment and for urban communities. The trick is to balance all of those interests.

I do not want to be political about this because there has been a bipartisan approach to most of these issues. The state of Victoria certainly leads Australia and, I suggest, the world in terms of water law and how it has come to a sensible accommodation between the legitimate needs of all those different end users — the urban users, the irrigators, the environment and people in the upper catchment areas. I am proud of what has been achieved over the years.

I also refer to the McDonald report. Stuart McDonald is a former member of the Legislative Council and he chaired the committee that looked at how Victoria would organise the water industry. In my area

Goulburn Murray Water is now independently managed by a board of directors appointed by the government. It is very responsive to the water users committees that advise it. I pay tribute to those committees and to the board of Goulburn Murray Water for listening to people who represent irrigators. Victoria has a good history with its water law. The Baxter committee played a significant role leading up to the legislation now before the committee.

The honourable member for Swan Hill spelt out clearly the National Party's attitude to this legislation. I do not intend to repeat that, except to say that I fully support the honourable member's contribution. I am opposed to the amendment proposed by the Liberal Party relating to the 3 per cent.

Mr Plowman interjected.

Mr MAUGHAN — I admire and respect my good friend the honourable member for Benambra, and I appreciated his contribution to the debate last night, which was from the heart and was a great speech. I could also note the contributions of the honourable member for Kew and my colleagues on the Liberal side. However, I think they are wrong. The proposal is not workable. If it was I would want more time to consult with the people I represent — the thousands of irrigators whose livelihoods are likely to be affected if the amendment were carried. On our calculations and that of other people, if the amendment were carried 350 000 to 450 000 megalitres of water would be given as a right to those upper catchment farmers. Given that we have a cap on the Murray Goulburn systems and that the total water released into the Goulburn and Murray Valley areas is about 3 million megalitres a year it is a significant erosion of the existing rights of irrigators. On behalf of my irrigators I would oppose that because they have not had a chance to consider this, let alone look at all the implications.

I regret that the proposal is late and there has not been sufficient time to discuss it in the marketplace, but the National Party believes it is unworkable and is unacceptable on first glance to the irrigators in the Goulburn and Murray valleys. For that reason the National Party will oppose it.

I support the thrust of the legislation because it provides certainty; it deals with many of the anomalies that we have been dealing with over the years — for example, the definition of what is a waterway. That has bedevilled those in the water industry for a long time and the provisions in this bill will put that to rest. We need certainty, an understanding of the rules and to balance the needs of the various users. Paramount should be the stock and domestic needs of property owners. We must supply sufficient water for environmental purposes, for irrigators and for the urban communities.

With those few remarks, I support the thrust of the legislation. The committee will soon deal with a number of amendments, but I express my opposition to the 3 per cent amendment to be moved by the Liberal Party.

Mr COOPER (Mornington) — I have listened with some interest to the honourable member for Rodney's contribution and I accept his statement that there are some areas in the state that have supply problems. Certainly water is a finite resource. But while I understand there are some supply problems and some areas that need to be addressed in the north of the state and in the electorate of Rodney, perhaps the honourable member for Rodney might give some consideration to the plight of farmers on the Mornington Peninsula before he finally makes up his mind about the Liberal Party's 3 per cent amendment.

On the Mornington Peninsula in general terms we do not have a problem with water supply or an overcommitment. In fact thousands upon thousands of megalitres of water are being poured into Bass Strait through Boags Rocks from the south-east purification plant and the purification plant in Craigie Road, Mount Martha, because there is a charge put on that water and it is unable to be provided free. If we were really genuine about maximising our use of this finite resource we would be looking at doing something with regard to maximising the use of waste water which is being tossed out into the sea. That would appear to me to be an area which should be addressed.

Mr Maclellan interjected.

Mr COOPER — The honourable member for Pakenham says that the bureaucrats would rather tip it into Bass Strait than give it to a farmer, and that is a pretty valid point.

I would like the honourable member for Rodney and his National Party colleagues to consider taking their minds away from the irrigation areas, where it would appear they are totally focused, and looking at the rest of Victoria. Look at the farmers in the rest of Victoria who are going to have their rights to water removed. The National Party took the same view as me on the marine parks issue, where we were talking about people's rights being taken away and compensation being paid. The National Party argued strongly, as did the Liberal Party, on the issue of compensation where

rights are being removed. Here we have a situation where rights are going to be removed and yet the National Party is arguing that there should be no compensation. It is simply hypocritical to take one view on one piece of legislation and a different view on another.

Mr Maclellan interjected.

Mr COOPER — Again the honourable member for Pakenham correctly advises me that the National Party has very few coastal seats. Perhaps that is the reason why it is taking a different view, although the Leader of the National Party has a coastal seat which includes an area that was going to be significantly affected by that marine parks issue. Perhaps he might like to consider adopting the same kind of stance on this Water (Irrigation Farm Dams) Bill as he took on the marine parks bill.

My rural producers, including farmers on the Mornington Peninsula who farm vegetables, flowers, orchards and vineyards, all for commercial use, will be significantly affected by this legislation. They will get no advantage from it; in fact they will be inhibited by it. On their behalf I speak up and say that the bill has shortcomings in regard to the compensation issue and those people ought to be taken into account during the consideration of the bill in its committee stage.

I urge every honourable member, even those in urban seats, to give great consideration to the people throughout the state who are engaged in rural pursuits who are not irrigators and who deserve to have equal time and equity in regard to this legislation and its impact. The overall thrust of the legislation is not being argued, but the implications it will have for people outside irrigation areas are. The Mornington Peninsula is one of those areas, and I urge the committee to give my constituents and the constituents of the honourable member for Dromana decent consideration during the committee stage of the bill.

Mr KILGOUR (Shepparton) — As the honourable member for Mornington has quite rightly just done, I am prepared to stand up for my electorate and talk about irrigators and what irrigation has meant to the people of Shepparton. My electorate is based on irrigated agriculture and this bill and the clause we are talking about at the moment in regard to private dams has a tremendous amount to do with the future of my electorate. We could have seen an issue where water that would normally flow down the Goulburn River be not allowed to flow down the river, causing massive disruption to the agricultural industry that represents a great deal of my electorate.

The National Party quite proudly stands up for the irrigators of northern Victoria, where my electorate is based. This is a vital issue for the National Party and it is pleased to say it will fight to ensure fairness and equity for people across this state. Water is a finite resource and we need to be careful how we handle it. Some people have got the wrong idea about the Water (Irrigation Farm Dams) Bill and think it involves dams that are used for stock and domestic purposes. Quite clearly, as the bill states, it deals with water for commercial and irrigation purposes.

So as we search for certainty and look for equity across the state there is a whole raft of issues in this complex bill, and as you get more into the water industry everything you look at appears more complex.

The key issues are the use of the water, the definition of a waterway, what dam can be put there and how the water can be stopped from going further downstream. Approximately 25 per cent of the total of Victoria's agricultural production is generated from the greater Shepparton area, and it is generated by irrigated agriculture — —

Mr Maughan — Including Rodney.

Mr KILGOUR — The region is a major contributor to the total — I will say the Shepparton irrigation area and central irrigation area, and that helps the honourable member for Rodney — and the region is a major contributor to the total state yield of milk and fruit products and has Victoria's highest density of rural output. Today greater Shepparton's thriving economy is based on agricultural and horticultural industries, and we have massive exports of fresh produce across the world. We export canned fruit from companies like SPC and Ardmona and products from processing dairies such as Murray Goulburn, Bonlac and Tatura Milk Industries. It is these factories and the people who work in them that will come under a tremendous amount of pressure if irrigation water is not allowed to flow into those rivers and we are not able to use the irrigation water as we have in the past.

We have had a number of dry seasons, and many farmers will tell you how they have had to come to grips with dealing with 100 per cent of water right, or water right without having extra sales of water. For many years farmers used 140 per cent, 160 per cent or 200 per cent of water right and did not know what they would do if they had to come up with using what we term their water right.

When in government we made the opportunity available for people to purchase irrigation water on the

open market and many farmers chose to do that. Rather than buying feed grain or extra land they have chosen to buy water — that water which will not be available if some of the amendments go through. The irrigation system in the central Goulburn and Shepparton district is under pressure. There are a lot of issues in the irrigation system already with the seepage of water.

The water is getting out of the channels because we have an irrigation system that is now 50 or 60 years old and many of the channels need to be refurbished or relined. We need to save the water for a start but, more importantly, we need to ensure that those people who have invested millions of dollars in irrigated land for fodder for cows and for horticulture are protected, and the massive amounts of peaches, pears, apricots, nectarines, tomatoes and apples grown in the Goulburn Valley for fresh production and for canning would all be under threat if we did not manage our water correctly.

I support the general thrust of the bill, and I support the amendments that will shortly be put forward by the Deputy Leader of the National Party. I hope that at the end of the debate we can say we have provided fairness and equity for people across the state.

Mr RYAN (Leader of the National Party) — I want to make a point of clarification having regard to the concerns expressed by my good friend and colleague the honourable member for Mornington about the apparent hypocrisy of the National Party. First, I clarify for him that I represent a substantial component of the coastline of Victoria, and among the many people who live in those areas are many who fish, commercially and recreationally, so I have a specific interest on their behalf, as I know he does, insofar as the constituency he represents shares a similar interest. My colleague the honourable member for Gippsland in another place represents the rest of the coastline all the way up to Mallacoota, so in effect we represent about half of the Victorian coastline. We have specific interests in regard to those matters.

The second thing is that the distinction here is clear. Under the terms of the relevant legislation which controls fishing specific licences are issued to those who fish commercially. They are licences without which those who wish to fish commercially cannot fish. When the marine parks legislation was before the house we put a strong position against the prospect of those licences being eroded in the surreptitious manner intended by the minister and the Labor government, and I am pleased to say that members of the Liberal Party, including the honourable member, were strong in expressing concerns about that issue. In that sense the National Party and the Liberal Party were as one.

Insofar as this issue is concerned we have fundamental differences. There is a statutory right encompassed in the terms of the legislation as it now stands. What is intended is to vary that in a way that happens regularly. As I exemplified this morning, whether it be the Transport Accident Commission legislation or the Workcare legislation — as it was going back to the 1980s — these changes occur. But the fact is that those who want to have the opportunity to develop their farming enterprises in a manner which does best credit to them will be able to do so in a way that is supported by the transitional package which is incorporated in the legislation and will ensure that at the end of the day those who want to take advantage of that package to make certain that they in turn get best opportunity for the development of their properties will be able to do so.

I simply want to assure the honourable member and the committee that there is no element of hypocrisy on the part of the National Party, and certainly not of its leader.

Ms DUNCAN (Gisborne) — I want to comment on the bill and the Liberal Party amendments on the 3 per cent issue — and the impact of that downstream has been spoken of previously. I ask for someone to explain to me how the 3 per cent is determined, whether it is 3 per cent of the rain that falls on my land or in my region or district in a month. Are we looking at mean annual rainfall? Will we have rain gauges on every property? Who will determine how those rain gauges read?

The honourable member for Pakenham expressed concern about the difficulty in gauging how much water is in a dam. I can imagine the mind-boggling exercise in trying to measure 3 per cent of rainfall on any particular property and how a property with stream flow management plans could rely on that. The amount of water taken from a dam would vary enormously from week to week, and from month to month. We already know that that consideration would have an exponential effect as water flows down the catchment.

I represent an electorate that is located in a lower catchment. It does not have problems as acute as the problems faced in the upper catchments, although it has many stressed rivers, as most rivers in Victoria are stressed. Most people accept that you must look at the issue as a whole-of-catchment one. To suggest that the water that flows into the ocean is therefore wasted — I am sure honourable members opposite are not

suggesting that — and that the ends of the rivers should be plugged is obviously not the way to go, yet I think what I hear is that all that water is in excess.

I am on a parliamentary committee that is examining fish management issues. The water flows into the ocean are natural flows, and we must suffer the consequences if we try to change those flows, many of which we know nothing about. We are now trying to address many of the consequences of what has happened over the past 150 years. It is not correct to say that because we have plenty of water the rules should not apply to us. It is like saying, 'Because we do not have a particular salinity problem where I live we should be allowed to continue the processes that we know will ultimately lead to salinity problems'.

The regulation of an entire catchment may have an impact on some people who are not yet experiencing the effects of the problem. There is no doubt that those effects will become apparent if we continue to build dams on and off waterways as has been done in the past. Our current system is unsustainable. Everyone recognises that, but that is not to say that the bill is the ants pants of everything and will resolve all our problems.

Even with consultation you can never please everybody. That is not the point of trying to gain consensus. Inevitably some people will be upset and disadvantaged by that — changes to legislation often have a disproportionate impact on people. I hope we will all recognise that we make these changes for the greater good but they will result in sacrifices for some people at some time.

My electorate is developing enormously, with olive groves and vineyards being planted left, right and centre. Because of that large dams are being built. That is worrying when you look at how much water is being stored in them and where that water would have gone had it not been stored on properties. Earlier the honourable member for Gippsland West referred to flying over an area and seeing many dams. It does not require an Einstein to know that such a situation is completely unsustainable. It is usually simple to work out whether dam water is being used for stock and domestic purposes or for irrigation and commercial purposes.

The honourable member for Pakenham talked about putting trout into a dam, thereby making it a commercial dam. Using a dam for dairy farm purposes would be a similar example. The honourable member for Pakenham would be aware that dams on dairy farms are already exempt stock and domestic dams and that they must be licensed anyway.

I turn to the analogy used about trout and a dairy farm. It is a simple exercise. I ask the honourable member for Pakenham: am I selling the trout for commercial profit or am I eating it myself? If that dam water is being used to produce trout for sale commercially and if I submit a tax claim for the construction of that dam because I have gained a commercial benefit from it, then my answer is simple: it is a commercial dam. If a dairy farm is a commercial dairy farm and its dam water is used to conduct the business of a dairy, then the dam is considered commercial.

I hope I have clarified the situation for some honourable members, who I suspect were using that situation as the basis of a spurious argument to suggest they did not understand the difference between stock and domestic or irrigation and commercial. I am sure they understand the difference — perhaps they were simply making political points! I hope that was the case.

Mr PATERSON (South Barwon) — There is no more important issue for Victoria than water. Anyone who has been in the Geelong region over the past four or five years would realise the importance of the level of water resources. Fortunately, Geelong is now out of its drought conditions and the reservoirs are now nearly 90 per cent full.

Water is an issue that is high in the minds of people in the Geelong area. It should be remembered that the Liberal Party is supporting the broad range of farmers in its attempt to improve the bill so that it covers the interests of all farmers in all areas across the state. It appears that the most contentious issue is the 3 per cent amendment, which is the policy of the Victorian Farmers Federation.

Mr Steggall — On a point of order, Madam Chairman, I draw your attention to the purpose of clause 1 — otherwise, the committee debate will become a repeat of the second-reading debate. The matter the honourable member is now debating will be covered in the amendments to be moved by the Liberal Party. He will have the full scope of debate during that time. Subclauses (a), (b), (c), (d) and (e) of clause 1 constitute the purposes clause, and honourable members should restrict their contributions to those subclauses.

The CHAIRMAN — Order! I do not uphold the point of order. A number of honourable members have spoken about the purposes of the bill. Because the

committee is discussing clause 1, which relates to the purpose of the bill, it is difficult to restrain the contributions of honourable members. I ask all honourable members to be brief in view of the fact that we will be going into specific clauses. However, there is no way I can limit contributions from honourable members. It really is up to their own goodwill in cooperating with the Chair.

Mr PATERSON — I thank the honourable member for Swan Hill for his contribution.

Honourable members interjecting.

The CHAIRMAN — Order! The honourable member for South Barwon, without the assistance of the honourable members for Pakenham and Mornington.

Mr PATERSON — I draw the attention of honourable members to an address by Clay Manners, the general manager of policy in the Victorian Farmers Federation, to VFF members in Wodonga on 14 September. The first page of his address states quite plainly:

> The VFF was concerned about the problem of waterway definitions and proposed that the private right be expressed as a percentage of run-off as in New South Wales.

That equates with the amendment to be proposed by the Liberal Party to allow a right of 3 per cent of rainfall, which is comparable with the situation in New South Wales although expressed in a slightly different way.

It is the Liberal Party that has consulted with the broad range of interest groups around the state, groups such as the VFF, Flowers Victoria, the Nursery Industry Association of Victoria, the High Catchment Committee, the VFF Wodonga District Council, 55 rural and interface municipalities, all catchment management authorities (CMAs), all rural water authorities (RWAs) and other groups.

I want to make it quite clear to the committee that it is the Liberal Party that is looking after the interests of the broad range of farmers in Victoria.

Mr MACLELLAN (Pakenham) — On clause 1, the purpose of the bill, I was very welcoming of the advisers' response to my earlier remarks as conveyed by the honourable member for Gisborne. I hope honourable members observed that I remained silent during her contribution as I had promised to do. She seems to have a complete misapprehension about the wise use of water on the Mornington Peninsula.

As the honourable member for Mornington said, extraordinary amounts of treated effluent are being piped right down the Mornington Peninsula and dumped into Bass Strait. The honourable member for Gisborne was talking about choked rivers — that is, rivers that do not have sufficient flow to continue their natural course to the sea. The Mornington Peninsula is not blessed with a river, and such creeks as exist there, like many of the creeks in the Pakenham electorate, are small catchments that are not under stress, overcommitted or abused, yet all the people on the Mornington Peninsula who have rural properties with waterholes on them — I choose the word 'waterholes' carefully so we do not have to worry about how elevated or otherwise they are — will have to register them. The character and volume of every dam will have to be established for an area that is not under stress and has no overcommitment.

That is going to happen in Mornington, in Cranbourne, in Pakenham, in Gippsland West, in Gippsland South, in Narracan and — if we move to the west — in South Barwon, in Polwarth, in Warrnambool and right through western Victoria. The properties will have to be registered, and the dams will have to be characterised as exclusively stock and domestic or not; and if not, then the amount of water will have to be calculated and the character of the dams registered. That is what is being applied under the provisions of the bill to the southern part of Victoria because there are acknowledged and accepted problems of overcommitment in other parts of the state.

All we are saying is, 'By all means let us have appropriate legislation' — and this is a framework — 'that will one day apply far more widely than we imagine today'. It might apply to the whole state for all I know. But let us do it where it is needed. Let us concentrate the effort on the water areas that are under stress, the ones showing difficulties, rather than dispersing the energy and effectiveness of the department and its officers by trying to get people in West Gippsland, the Mornington Peninsula, South Gippsland or the Western District to try to characterise their dams on the bases outlined by the adviser in the corner box via the honourable member for Gisborne.

Honourable members might have listened carefully to that advice; I did. She talked about claiming a tax deduction for the dam. Can anyone remember when those tax deductions were around? I think it was in the 1950s. That was when it was the rage to put dams in to claim a tax deduction. I am not sure that all the farmers in my area have got records going back to the 1950s. I think they probably only keep records for about the last seven years. I am not sure whether they tactfully put in

sheep or introduce other commercial uses: trout perhaps, or goldfish, yabbies, frogs — whatever, I do not care! I do not know whether they do it in new dams or — shock horror! — do it in a dam that their great-grandfather created.

But do not ask me to accept the wise advice coming from the ideologue in the corner box via the equally ideological honourable member for Gisborne, because it seems to me that they are again blinkered by their knowledge of areas that are experiencing stress and difficulty, and they are not thinking about the areas in the south where the major purpose that I would look for in this bill is for it to try to protect me and many of my constituents when the water is about three feet deep and flowing through our drawing rooms or kitchens. That is when they are going to be a bit curious and think, 'This water belongs to the state — what is it doing in my house?'. When the flood comes, whose water is it? When the flood comes, will this minister do something or will she be saying, 'You can't use it for commercial purposes!'?

For heaven's sake, let us face it — this is a continent where the climate is extreme with flooding rains and droughts, the classic anthems from the last century. The bill is about a regime for the allocation of water resources that are under stress. I have no quarrel with there being a very severe system for those catchments that are overcommitted or under stress. However, I am saying, on behalf of my electorate of Pakenham and of the electorates of Cranbourne, Mornington, South Gippsland, Narracan and those in the Western District, do not try to tell us that because a farmer is using water on a dairy farm he is using it wilfully or that it is a hobby farm dairy farm. I cannot wait to see the hobby dairy farm. Obviously the hobby dairy farmer needs psychiatric help first!

The bill will apply to dairy farmers because the word coming from the corner box, so carefully down through the honourable member for Gisborne, is that if you are a dairy farmer, if there is a taxation return, if there is a claim for a tax deduction, then it is commercial with a big C, and consequently it is within the purposes of the bill.

We are being told that rules that might be wise and sensible and quite appropriate for those areas, which unfortunately by accident of history over the years have overcommitted resources of water for those catchments that have become stressed in the sharing of water, should apply, for example, on Phillip Island in the electorate of the honourable member for Gippsland West. What in hell's name has this bill got to do with Phillip Island? There is no river on Phillip Island. Phillip Island drains to the sea. The honourable member for Gisborne is very concerned that the creeks and streams might be used for unnatural purposes, such as irrigation.

I do not know what irrigators are doing to the natural environment at the mouth of the Murray, which so often gets blocked, but all I can say is I will leave them to hang their heads in shame about that as I eat their cheap-quality produce. I am happy to eat it, but the honourable member for Gisborne wants to complain that there should be more environmental flow, that this legislation is about guaranteeing that the crustaceans at the mouth of the river will have an adequate supply of mixed saline and fresh water. That is her concern, and I understand that. At the next election I hope the electors of Gisborne understand that the honourable member is more concerned about the crustaceans at the mouth of the Murray River and at the mouths of rivers than she is about the farmers in Victoria.

The CHAIRMAN — Order! Before I call the honourable member for Cranbourne I would appreciate it if honourable members could try to keep their comments related to the purpose of the bill rather than bringing in a lot of extraneous matters.

Mr ROWE (Cranbourne) — I rise to speak on the purposes of the bill with particular regard to the electors and the vegetable growers in Cranbourne. The vegetable growers in Cranbourne are somewhat different from the irrigators to the north, and although I understand the need for control of flows in the north and the control of waters north of the divide, we certainly do not have those problems in the Cranbourne area where people like the Faveros, the Gazzolas and the Lamattinas produce great vegetables, and indeed Schruers celery is the crispest and snappiest in the nation. That comes from the fact that they look after the land and have recycling facilities for the water they use on the vegetables.

The concern expressed by growers in particular has been that they draw the majority of their water from drains. The drains have been put in by successive authorities, including the Dandenong Valley Authority, the State Rivers and Water Supply Commission, Melbourne Water and others, to take the water away that was flooding those properties that the honourable member for Pakenham has just referred to, and certainly to stop the nutrient flow. We have organisations such as the Environment Protection Authority telling vegetable farmers that they are the cause of concerns in Western Port because of the nutrients in the run off, but when they put in reuse catchment facilities and reuse dams they become

commercial enterprises and are likely to be caught up in this legislation when they should not be.

They are doing a service to the community and the environment, and they are reusing water that would otherwise carry nutrients into Western Port. Certainly water is being collected at greater rates because of the increased catchment of the roofs, roads and footpaths around the Cranbourne township.

All the water that is collected that way would go into Western Port Bay if the farmers did not use it. The concern is that the farmers of Cranbourne and surrounding areas on the Mornington Peninsula and in south-west Gippsland should not be caught up in this legislation. As I said at the beginning, I hope I can take the minister's word that they are protected and that their drains, therefore, will not be declared waterways, because the contours on the contour maps are such that they could indicate a stream or could be deemed to be a stream because of the topography of the area. I hope that they are not caught up in that in the future.

I trust we can take the minister at her word that the growers of Cranbourne and surrounding areas will not be charged for their water and will not be penalised, and neither will the people of Melbourne be penalised for eating the best and cheapest vegetables that are grown anywhere in Australia.

Mr DELAHUNTY (Wimmera) — Two years ago, when I became the member for Wimmera, people used to come in my door about a couple of issues: one was roads and the other was water.

The federal government has addressed the roads issue with the Roads to Recovery program. What I want to cover on the water issue is related to its purpose. Honourable members know this is a vital issue for country Victoria. It is an enormous issue for my electorate and debate on the issue has been going on for many years — well before I was in this place — and it needed strong leadership to be able to resolve it. Unfortunately the previous government was not able to resolve it, but while I am talking about leadership it is disappointing to note that the government is not supporting young farmers in developing new leaders.

The CHAIRMAN — Order! On the purpose of the bill!

Mr DELAHUNTY — Before I am picked up again, it is important that honourable members address change. We are dealing with a finite resource and we have been grappling with the waterway definition for years — a long, long time. It has created a lot of tension in my area, particularly with fellows up in the Pyrenees area. I know the honourable member for Ripon represents that area but it was impacting on my electorate. Lake Albacutya in my electorate has been dry for over 20 years. Lake Hindmarsh, one of the largest inland lakes in the state, is dry now. The people across my electorate, upper catchment people as well as lower catchment people, said the government — and all of us are involved with this — has to address this issue because water is being consumed at a far greater rate than it was and people at the end of the lakes and in other places are not seeing water for their use.

As I said, tension has been very high. We have seen many reports, a few under the previous government — the Baxter report, the Bill Hill report, the David Heeps report — and under this government we have the Blackmore report.

The bill before us is to be commended because it covers the important issue that has been talked about — that one size does not fit all. In my area the run-off and the rainfall are totally different from those in the north-east, in Gippsland or wherever it may be. The bill addresses those issues in each catchment.

I am pleased that the government took on board the National Party's proposals in the draft farm dams report — the Blackmore review. At that time we argued for an increase in the subsidy for the purchase of water. We argued for better farmer representation on committees responsible for the preparation of stream flow management plans, and we also asked for exchange rates to be in place before the bill was debated. I am pleased that the minister has acceded to all those requests.

One thing that the legislation does not cover is stock and domestic dams and they will continue to be unregulated. I note that the honourable member for Swan Hill is here, so I had better leave that before he jumps up and down!

Under the new legislation the upper catchment farmers will find it easier to obtain approval for construction of new irrigation dams because it will no longer be a matter of determining whether it is proposed to build a dam in a waterway. For the life of me, I do not understand that. If you were going to build a dam, commonsense dictates that you build it in a waterway. What are we arguing about? This bill takes the definition of waterway out of all the areas where problems have been created.

As I said, honourable members have seen all the reports that have been done. I must say that it is disappointing that, on an issue that debate has been going on about for

many years, we get into this place on Tuesday and see amendments which dramatically change the thrust of the legislation. It is unfortunate. It is a vital issue and too important for country Victoria to play games with. If the matter is so important, why was it not brought forward so we could look at the issues and address the volumes and what it is going to cost?

An honourable member interjected.

Mr DELAHUNTY — It is 3 per cent. I am coming to that in another clause. The reality is that under the definition of waterway the act has proved very difficult to administer and has been very divisive.

We have seen wars fought overseas over water and we were heading towards that here in Australia. This bill puts everyone in an upper catchment on the same footing regardless of topography of their farms. As I said, water is important. I have highlighted many times the need to pipe the Mallee–Wimmera stock and domestic water. I heard the honourable member for South Barwon talk about 55 per cent water levels — we have been down to 11 per cent of water resources! Luckily we are up to about 25 per cent now. The pipe would give us water savings of 83 megalitres. It would be an enormous boost for new industries, tourism, recreation and, importantly, for environmental use.

Water is a major economic generator for our region. I have heard the honourable member for Shepparton talk about what irrigation has done for his area in Shepparton and I have also heard how important it is in the electorate of the honourable member for Rodney. I am sure water is important for people in the north-east, too, but again we have to work under a regulated system.

I highlight an article in the *Weekly Times* that talks about the Wimmera Catchment Authority. The water authorities were trying to understand how many dams were in an area of 450 000 hectares of the Wimmera River upper catchments. The article states:

> Official records were, at best, wishy washy —

in other words, they were very poor —

> with storage sizes ranging from mere puddles to huge 240-megalitre storages.

They worked with the University of Melbourne and took 200 photographs from 20 000 feet in the upper catchment area between Glenorchy, St Arnaud, Avoca and Ararat. With help from the university the water authorities used the aerial photographs to discover that the 6087 dams held 11 026 megalitres of water. Many of the dams were not on approved council plans — they were just there! All the storages were harvesting water, which was not flowing on across the state. We need to have some better method of monitoring the way we use water.

The issues of water harvesting, distribution and usage and related environmental matters have been challenging the minds of people in the Wimmera and, importantly, both sides of government for many years. Water is a finite resource. We must do all in our power to preserve this precious commodity in a regulated and proper way.

Clause agreed to; clauses 2 and 3 agreed to.

Clause 4

Mr STEGGALL (Swan Hill) — I move:

1. Clause 4, page 3, after line 23 insert —

> ‘(b) in the definition of “domestic and stock use”, after paragraph (c) insert —
>
> “(ca) in the case of the curtilage of a house and any outbuilding, watering an area not exceeding 1.2 hectares for fire prevention purposes with water obtained from a spring or soak or water from a dam; or”;’.

The amendment provides for an addition to the definition of ‘domestic and stock use’ in the act. The reason the National Party has put forward this amendment is that in the upper catchment areas some very small irrigation farmers are operating out of soaks, dams and springs that are basically very small areas, in many cases around houses, designed primarily for fire protection purposes. Quite a few people made submissions to the Blackmore inquiry and asked for the right to use domestic and stock water without a licence and to be able to water the curtilages around their homes.

The National Party has moved the amendment, which, if agreed to, potentially will increase the use of domestic and stock water in the upper catchments. I believe that result would make the extra effort and the additional water involved well worth while.

The main reason for the amendment is that small irrigation operations in the upper catchments that are usually located around the operators’ homes could technically be caught in the definition of the act, requiring the operators to get licences for the irrigation of those extended kitchen garden operations. The amendment is an attempt to avoid that possibility.

When National Party members first talked about the amendment it was considered that the bureaucrats

would not impose the licensing provisions on those people, but we know — and every honourable member who has had dealings with the upper catchment authorities knows — that there have been difficulties with the rural water authorities over the definition of 'waterway' and that as water gets more and more scarce people will be looking to the law to restrict those operations. The National Party thought it would be better to allow for the unlicensed use of domestic and stock water before that happens by amending the domestic and stock water use definition to extend the curtilage of a house and outbuildings to an area not exceeding 1.2 hectares from a spring, soak or water from a dam.

Mr HELPER (Ripon) — I support the amendment moved by the honourable member for Swan Hill, which alters the bill by inserting the definition outlined by the honourable member. I have to express my frustration that I do not have a spring or soak close enough to my place to take advantage of the amendment, in which case I would have to rise to outline my pecuniary interest.

However, it is a sensible amendment which effectively allows those very fortunate individuals who have such a spring or soak on their properties to use unlicensed water for what are ostensibly stock and domestic purposes and, as the amendment indicates, for the purpose of fire prevention. I welcome the amendment and wish it the support of the committee.

Mr PLOWMAN (Benambra) — I support the amendment of the honourable member for Swan Hill, and in doing so I point out to him that his amendment gives an ideal example of why the National Party should be prepared to support the 3 per cent limit proposed by the Liberal Party. It is just one of 100 examples of why Victoria needs that flexibility for its water. The water may be used around the house, but have National Party members thought about the fact that in some cases the bush runs right up the edge of valleys and in the extreme fire areas some of our farmers actually irrigate a patch along the edge of the bush to minimise the risk of a fire breaking through?

The CHAIRMAN — Order! I remind the honourable member for Benambra that the committee is dealing with amendment 1 moved by the honourable member for Swan Hill, which relates to the inclusion of a domestic and stock water use definition and not to the 3 per cent limit. I ask the honourable member to confine his comments to that amendment.

Mr PLOWMAN — Madam Chairman, I do not wish to defy your ruling, but might I suggest that I am responding to the suggestion of the honourable member for Swan Hill and supporting the amendment. I am pointing out that if the honourable member were to look at the issue inclusively, he would find that his amendment would be covered by the proposal for the 3 per cent rule that the Liberal Party proposes. I am not arguing for the 3 per cent, I am merely enhancing the argument that the honourable member for Swan Hill has put in support of his amendment.

I will leave the matter there, but I was interested to discover that the bill contains no definition of 'spring' or 'soak'.

My colleague the honourable member for Bellarine suggested that he has got an old soak that lives just around the corner. I suggest that there is every justification for the definitions of 'spring' and 'soak' to be in the bill. There is no mention of the words in the act. I have looked through the act from one end to the other. There is no mention of the words 'spring' or 'soak' in it. They have been introduced into the bill; I suggest those definitions should be in there.

I would like a response from the minister to this question: why is the definition of a dam in this bill quite different to the definition of a private dam in the principal act? In the principal act it says that a private dam includes a channel, a drain or a pipe. Minister, could you tell me whether a bank constructed to direct water as a drain, a channel or a pipe could be included as a dam?

Mr INGRAM (Gippsland East) — I will speak briefly on the amendment proposed by the honourable member for Swan Hill. I understand the reasons for moving the amendment, which basically is about expanding the definition of 'domestic and stock use' in the Water Act. I am slightly uncomfortable with that because it expands a right. Although it has been fairly tightly worded and affects the curtilage of a particular area and is only about water obtained from a spring or soak or water from a dam — and I understand the reason for that — when you look back at the historical — —

Mr Delahunty interjected.

The CHAIRMAN — Order! The honourable member for Wimmera is not in school!

Mr INGRAM — The definition of 'domestic and stock use' has been in our statutes since about 1886 and is derived from the English common law, so it is an extremely old definition. I am wondering why we need to expand the definition now, but I understand that there is reasonable agreement on all sides that we should be

doing this. I am just registering my slight concern about expanding the definition of 'domestic and stock use'.

Mr MAUGHAN (Rodney) — I accept the points made by the honourable member for Gippsland East, but I support the amendment. I do not think it is necessary to take up the suggestion of the honourable member for Benambra by defining what a spring or a soak is. It does not really matter where the water comes from for this particular usage around the curtilage. It would be relatively easy to calculate how many homes there are in the area and multiply that amount by whatever it is — that is, 3 megalitres.

What I can say, and what I will say, is that it is a damn sight less water than would be required under the 3 per cent proposal — —

Honourable members interjecting.

Mr MAUGHAN — It is a lot less water than the 350 000 or 400 000 megalitres that would be required under the 3 per cent. It is a relatively small amount of water. As the honourable member for Gippsland East pointed out, that right is already available. This amendment clarifies it and indicates that you can have that curtilage of about 3 acres — 1.2 hectares — around the home, and if you want to use it for irrigating strawberries or whatever, so be it. That is within the legislation.

Mr MACLELLAN (Pakenham) — I am concerned about the amendment. It is a generous gesture in the direction of trying to provide fire protection to a house. Having said that a farmer might use what was otherwise stock and domestic water — in other words, some of the stock and domestic water which he might have quite a lot of — to green up an area around the house, why can he not green up an area to protect the farm?

I hope I do not have to remind the chamber that my electorate includes Cockatoo, Upper Beaconsfield and the areas where we had the most devastating fires in Victoria in recent memory. To tell those people that they can use some of their stock and domestic water — that is, the dams which are used for stock and domestic purposes — to spray around the house, but they cannot use that to green up, as the honourable member for Benambra said, along the edge of the public land where the fire comes from is an unnecessary narrowing of what is otherwise a good idea.

The government and the National Party seem to be in agreement about the proposal. I am certainly not opposing it because this is the beginning of good sense in the bill. But while the bill is between here and another place we could look at why it will be all right to spray the water around the house — and I know that when you get further into the definitions you find that 'house' includes sheds and other things — to protect the improvements, if I might put it that way, such as the house, the garden and the sheds, if they all happen to be gathered together in one nice, neat site, but it will not be legitimate to use exactly the same amount of water for another reason. It would still worry the honourable member for Gippsland East, because I sense that he just does not want people to have stock and domestic water unlimited. As an agrarian socialist he likes regulation, and I am not surprised. He wants restriction; he wants to tell people what they can use their water for, and this is another example.

The CHAIRMAN — Order! The honourable member for Pakenham, on the clause!

Mr MACLELLAN — I am explaining, but I am in some difficulty in knowing how to respectfully address you. I do not know that some examples are good, but never mind. I am trying to explain that it seems a rather miserable approach, having generously said that you can have a hectarage of sprayed, green land with the water that falls on your place so long as it is not out of a waterway, to then turn around and say that you can only have it if you put it to the use that this amendment speaks of.

You cannot have it if you think there is another use — and I have to mention 'growing strawberries, but not round the house', to pick up a comment made by a colleague from the National Party. I am not saying the water should be used wilfully and stupidly, and I do not think people would, but why not some lucerne helping to block the most vulnerable aspect of the property? It is worth looking at while the bill is between here and another place.

Mr KILGOUR (Shepparton) — I am happy to support the amendment, because it is a commonsense amendment. I was concerned when the honourable member for Pakenham said it might be a little bit generous. I am not sure he would think that correct if he saw a fire coming towards a house with a 40-kilometre breeze behind it; he would very much like to have a green area around the house, as I saw at Stawell after the massive fires there in February. I saw the devastation that took place, yet the houses that were saved were quite clearly those that had a green belt around them. I do not think we are asking too much to expect three acres or whatever it is of this green land.

I also take the point that the honourable member for Pakenham made about growing lucerne or whatever. I

do not care what happens with the greening of that land, whether it is feed for cattle or sheep or whatever. If it greens up the area around the house for protection from fire then the sheep can come along and eat the flaming grass for all I care — or the strawberries, as the honourable member for Warrnambool said. Supporting the amendment is simply a commonsense issue to allow people to use the water they have in their dams to protect their houses by ensuring they have a green belt around them.

Mr VOGELS (Warrnambool) — When the minister responds, could she clarify for me the following words in the definition of 'dam' at the top of page 3 of the bill:

> … other works water is collected, stored or concentrated;

In the Western District we have a lot of trouble with cattle pugging paddocks because it gets very wet, and a lot of our farmers do what they call mole draining or key draining. Every year they mole drain following the contours, and the water follows these mole drains to a catchment area. Is that still allowable under this bill?

An honourable member interjected.

Mr VOGELS — Keyline farming.

Ms GARBUTT (Minister for Environment and Conservation) — I am happy to respond to those two questions. The first was from the honourable member for Benambra about the definition of 'dam'. He queried whether the new definition of 'dam' now includes a channel drain or pipe. I refer him to the definition in the original act:

> 'Private dam' … does not include …
>
> (c) a channel drain or pipe …

That remains the case, so effectively the status quo remains.

The honourable member for Warrnambool repeated a question, which I think he asked in the briefings, about banks or wings. He asked whether they were seen to be concentrating water. He must have forgotten the answer, I presume. Under this bill it does not matter because the dams will be registered or licensed anyway. That is the thrust of the whole bill, and in fact it is not included.

Mr PLOWMAN (Benambra) — If the minister suggests the two definitions are exactly the same, why are there two definitions — one for a private dam and one for a dam?

Ms GARBUTT (Minister for Environment and Conservation) — There are different requirements in the act under sections 80(1) and 80(2), and this clarifies those requirements.

Mr ROWE (Cranbourne) — I wish to seek clarification from the minister. In my contribution earlier the minister — —

Debate interrupted pursuant to sessional orders.

The CHAIRMAN — Order! The time allocated under the government business program has expired. Under sessional orders I am required to interrupt business and report progress.

Progress reported.

LEGAL AID (AMENDMENT) BILL

Second reading

Debate resumed from 31 October; motion of Mr HULLS (Attorney-General).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

HEALTH SERVICES (CONCILIATION AND REVIEW) (AMENDMENT) BILL

Second reading

Debate resumed from 30 October; motion of Mr THWAITES (Minister for Health).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

FUNDRAISING APPEALS (AMENDMENT) BILL

Second reading

Debate resumed from 31 October; motion of Mr HAERMEYER (Minister for Police and Emergency Services).

Motion agreed to.

Read second time.

Remaining stages

Passed remaining stages.

WATER (IRRIGATION FARM DAMS) BILL

Committee

Resumed from earlier this day; further discussion of clause 4.

Mr ROWE (Cranbourne) — My question for the Minister for Environment and Conservation relates to her interjections that growers in the Cranbourne area, and particularly those growers who draw water from drains, are not affected by this bill. I draw her attention to the definition of 'dam', which states:

> … anything in which by means of an excavation, a bank, a barrier or other works water is collected, stored or concentrated.

Mr Howard — On a point of order, Honourable Chair, is the honourable member for Cranbourne talking about clause 4? Are we not dealing with clause 4 at the moment?

The CHAIRMAN — Order! We are dealing with the motion that clause 4 as amended stand part of the bill. I understand that he is referring to the difference in definitions between something in clause 4 and another part of the bill. Is that correct?

Mr ROWE — I refer the minister to the definition of 'dam'. Surely earthworks and excavations are required to create a drain, and the work of constructing a dam falls within this meaning. I ask her to put on the record her guarantee expressed in her earlier interjection that growers in the Cranbourne area and on the Mornington Peninsula are not caught up by this definition and will not be charged for their water because they take it from drains.

Ms GARBUTT (Minister for Environment and Conservation) — I am happy to respond to the honourable member. He has deliberately misunderstood my earlier interjection. In fact, most of those drains belong to authorities and they already require a take-and-use licence. Most of them have those, so this bill does not change that. It does not depend on the definition of 'dam'; they already have a licence.

It is not true to say that there has not been an impact on them as a result of this problem of catchment dams, because there has. I have been down to see the south-east vegetable growers, I have met with the people the honourable member mentioned, and I have heard them complain that the farmer next door has put in a dam that has taken away their water. They are very upset that there is nothing currently in the act to stop that because farmers have had their security and access to water dramatically affected by what their next-door neighbour has been doing. This bill will fix up those problems.

I suggest the honourable member go back to talk to them and talk about what is really in the bill and not the scaremongering nonsense he goes on with, and he will find they are supporting it.

Amendment agreed to; amended clause agreed to.

Clause 5

Mr PLOWMAN (Benambra) — Will the minister make it absolutely clear what powers, discretions and functions, authorities and duties of the Victorian Civil and Administrative Tribunal are subject to the agreement approved by the Murray-Darling Basin Act 1993? Will she also indicate to the committee exactly what those agreements are and what they mean?

Mr HOWARD (Ballarat East) — With regard to this issue in clause 5, powers, discretion and function — —

Mr Smith interjected.

The CHAIRMAN — Order! The honourable member for Glen Waverley will desist from yelling out in that manner!

Mr HOWARD — It was my understanding that every honourable member has a right to speak on any clause as they choose. Some honourable members may not have been pleased to hear what members on the other side said or some of the lengthy addresses that misrepresented this bill in so many ways, so I see it as my right to speak on any clause in this bill.

I am pleased to be able to say a few words about clause 5. It introduces a number of provisions with regard to powers of different authorities and about the ground water agreements that are already in place. This particular amendment, which relates to a number of issues, including the Murray–Darling Basin agreement, is — —

Mr Plowman interjected.

Mr HOWARD — But it is with regard to the clause, and it is an important issue in the clause.

The CHAIRMAN — Order! The honourable member for Ballarat East, without assistance.

Honourable members interjecting.

Mr HOWARD — I am pleased to speak on this clause to clarify some issues.

The CHAIRMAN — Order! I know it is late in the afternoon, but I ask honourable members to cooperate with the Chair so that we can proceed through this bill. Honourable members have the right to speak. The minister can choose to speak or not, according to her wishes. At the moment the honourable member for Ballarat East has the call, and I ask honourable members, including the honourable member for Glen Waverley, to allow him to continue.

Mr HOWARD — I have finished.

Mr INGRAM (Gippsland East) — On interstate agreements, I notice in clause 5 there is a reference to the Groundwater (Border Agreement) Act. I seek clarification from the minister about the Latrobe aquifer and where it crosses into commonwealth waters and is impacted on by oil and gas extraction. Does the bill pick up any regulations that would address the impact of the extraction of ground water where farmers have had their rights to water impacted on when the aquifer has dropped and there is less availability of water?

Ms GARBUTT (Minister for Environment and Conservation) — The answer is no, it does not extend that. This clause simply clarifies issues relating to interstate agreements and states that we must uphold those interstate agreements as they have been signed; they take precedence over the bill.

Mr PLOWMAN (Benambra) — Clearly the minister has not answered my question. My question was: how does this impinge on the Victorian Civil and Administrative Tribunal? It states clearly in proposed new section 6(1) inserted by clause 5:

> "(1) Every power, discretion, function, authority and duty of the Minister, the Authority and the Tribunal under this Act must be construed subject to —
>
> …
>
> (b) the Murray-Darling Basin Act 1993 and the agreement approved by that Act.".

I have asked the minister specifically: what are those agreements and how are they affected by that agreement under that 1993 act?

Ms GARBUTT (Minister for Environment and Conservation) — What is being referred to, clearly, are two interstate agreements — the Groundwater (Border Agreement) Act 1985 and the Murray-Darling Basin Act 1993. I refer the honourable member to clause 5 of the bill which inserts proposed section 6(4), which states:

> "(4) The Minister, an Authority or the Tribunal, in exercising a power, discretion, function, authority or duty under this Act, must not act in a manner detrimental to or inconsistent with the operation of an agreement referred to in subsection (1).".

Those are the two that I just referred to.

Clause agreed to.

Clause 6

Mr McARTHUR (Monbulk) — I move:

1. Clause 6, page 5, line 2, omit 'building).".' and insert "building or permitted under sub-section (5B)).".

2. Clause 6, page 5, after line 2 insert —

> '(5B) Despite sub-section (5A), a person has the right to use water from a private dam if the amount of water used in any year does not exceed 3% of the rainfall on the property on which the private dam is situated.".'.

During the course of the second-reading debate many members referred to the 3 per cent proposal. This is in effect the 3 per cent proposal. It amends clause 6, and clause 6 itself amends section 8 in the principal act. Section 8 of the Water Act is that part of the act which deals with the continuation of private rights to water. It is the proposed amendment of those private rights which has caused the most controversy around the state.

The two amendments standing in my name are the Liberal Party's response to that and are an attempt to insert back into the private rights system the ability for landowners to take and use up to 3 per cent of the rainfall that lands on their property — property that they occupy — for irrigation and commercial purposes. The right will be in addition to stock and domestic use but would be deemed subject to a water supply management plan under amendments which will follow later on.

The 3 per cent proposal is analogous to the Victorian Farmers Federation policy. During the second-reading debate some honourable members referred to the Hill committee report and its recommendations and mentioned that it was similar to that. I need to point out to the house that the Hill committee recommendations were to provide a credit which was calculated on 10 per cent of the run-off of property, but a credit towards the purchase of entitlement rather than an actual

entitlement, so there is some difference there. Nevertheless this is the Liberal Party's proposal to protect private rights to water across the state, and we are seeking the support of all honourable members on this issue.

Mr PLOWMAN (Benambra) — In proposing the insertion we are asking for something quite small by comparison with what we have had in the past. We are asking for the use of only 3 per cent of rainwater, which we had 100 per cent of before. You might well say that a lot of that rainfall soaks in, and it does, but in round figures it amounts to 10 per cent of run-off. This has been questioned in many quarters. The Bureau of Meteorology Victorian rainfall figures — a copy of which I have supplied to the minister, and she has kindly agreed that it might be incorporated into *Hansard* — clearly shows as lines on the map where the rainfall is across the state.

The reason for using the rainfall map is that you cannot argue about it. It is quite clear what the rainfall is in every area of the state, as deemed by the Bureau of Meteorology. Under this principle what you do quite clearly is multiply the area of the farm — the land it occupies — by the rainfall that falls on it, which gives you the volume of water that falls on that area of land. You take 3 per cent of that, and that is the amount of water that can be used for any purpose.

There have been questions as to whether this 3 per cent amounts to about 10 per cent of run-off. The paper developed by Burton in 1965 deals with the catchment yield as a percentage of the annual rainfall in catchments north of the Great Divide since rainfall records have been kept. It says the run-off in areas of land with above 1000 millimetres is 20 to 30 per cent; and on land with between 525 and 1000 millimetres, which is the area we are predominantly talking about on the map and where people will be wanting to build dams — in the old terminology it is between 21 and 40 inches of rain — the run-off is between 7 and 10 per cent. That is the basis of the figures for rainfall of 3 per cent equating to a run-off of 10 per cent in these areas of the state. The percentage of rainfall is the easiest way to determine an amount of water. The reasons for coming up with the 3 per cent as being the appropriate amount is that this follows closely the formula basis that is the Victorian Farmers Federation (VFF) policy.

I quote from a letter directed to Mr Brian Fraser by the chairman of the Victorian Farmers Federation dated 20 September 2001. The letter states — I am quite happy to table it — that the following two points were made at a meeting held at Wodonga on Friday, 14 September:

1. There should be an absolute statutory right retained as per the 1989 act to harvest an on-farm catchment volume for irrigation, without the need to purchase back from the trading market.

2. To retain equity this volume should have a limitation formula. This formula should be based on a percentage calculated surface run-off for a given farm being 10 per cent run-off, which is determined to be [3] per cent of rainfall.

His answer in the letter says:

> Points 1 and 2 of this policy are more or less a restatement of existing VFF policy. As stated at the meeting we do not believe it is politically possible to achieve the NSW formula approach to the definition of private right. Neither the government nor the opposition parties support it …

He is right about the government, but he is certainly not right about the opposition. The opposition parties clearly support this VFF policy. What has happened is that the VFF has tried, through the government, to achieve it; it has been unsuccessful. This is its policy, and we are supporting it.

The second point about the 3 per cent is that this figure is the figure that was determined by the Bill Hill committee in coming up with an equitable arrangement for that amount of water that should be available to catchment farmers.

The third point equates very closely to the New South Wales formula that gives 10 per cent of run-off. This is not a property right, as the honourable member for Swan Hill suggested it was. It is a continuation of the existing right under section 8 of the act. It is a vastly reduced right from what we have under section 8. It is not a tradeable right and it will not be allowed to be carried over from one year to another. It will also be included in the amount of water available to a farmer under a registration licence. This continued right will not be at a cost to government; there will be no cost to government for the 3 per cent of water remaining available to farmers. The continued right will not impact on irrigators' entitlements, particularly not in northern Victoria, where we have had the private right to all rainwater up until now — and might I say that over the past 10 to 15 years very few people have taken up that right.

When the Baxter committee, chaired by the Honourable Bill Baxter from another place, reviewed this it found that around 5000 megalitres was taken up over a 10-year period prior to the Baxter committee being formed. So clearly this will not impact on irrigation entitlement.

Finally, the 3 per cent of rainfall will be subject to the proclaiming of a water supply protection area, and this covers the other suggestion — that this will be environmentally deleterious. In fact, for a stressed catchment if there is a water supply protection area proclaimed by the minister and there is a management plan, that management plan determines how much of the 3 per cent can be used. It can be reduced from 3 per cent; it can even be eliminated if there is not the water in the catchment to do it. But as the honourable members for Mornington and Pakenham said, in those catchments where there is an abundance of water this is not a helluva lot to ask for. This gives some degree of flexibility to those farmers who want it.

This water would also cover dairy wash-down, which I am sure the honourable member for Warrnambool will mention. If we are successful in getting this, it would cover the National Party requirement to provide the water for the curtilage of a house. The only other point I would make is that this water may well be required to be metered to meet the other requirements of the act.

The CHAIRMAN — Order! The honourable member for Benambra has sought to have a document incorporated into *Hansard*. I ask the honourable member if he has submitted the document to the Speaker for his approval.

Mr PLOWMAN — I beg your pardon?

Mr Cooper — You said you would make the document available.

The CHAIRMAN — Order! You do not wish to have it incorporated into *Hansard*, then?

Mr PLOWMAN — I do.

The CHAIRMAN — Order! I am asking the honourable member for Benambra — not having the assistance of the honourable member for Mornington would be useful — if he has sought approval from the Speaker to have the document incorporated into *Hansard*.

Mr PLOWMAN — Not as yet, but I propose to do so.

The CHAIRMAN — Order! It cannot be incorporated until he has had approval from the Speaker, so we will have to leave it until later.

Mr MULDER (Polwarth) — I raise some issues regarding clause 6 and what is a contentious matter regarding the 3 per cent referred to in the amendment. Unlike other honourable members who have spoken on this issue, I can say for myself that I am not here representing just the farmers of Polwarth, the irrigators or the upper catchment farmers; I am here today to contribute to debate on this clause for farmers across Victoria.

I will refer to some of the issues raised regarding the removal of farmers' statutory rights. In his contribution the honourable member for Swan Hill said it is not the first time rights have been removed without compensation and that in some irrigation areas sales water rights had been removed. I advise the honourable member that sales water rights are quite different from a statutory right that has existed for 150 years, particularly in catchment areas and particularly the catchment areas in my area. These farmers are being asked to give up 100 per cent of a right they have had for 150 years, and in return they are asking for 3 per cent of the rainfall falling on their farms.

In looking at the matter statewide and where we find ourselves with this legislation, there is no doubt the matter is before the house because some time ago a mistake was made regarding overcommitment in irrigation areas. As a result farmers in my part of the state, the south-west, are being asked to pick up the damage that has resulted from it. They are the fall guys because of this mistake that was made some years ago.

Farmers in the south-west, like farmers across the state, have a tremendous bond. They know and understand the issues they have faced regarding water shortages throughout the last five to six years in particular, and are very conscientious about water conservation. Farmers are being asked to give up a right that has existed for 150 years, so it is a humble gesture on the part of the Liberal Party to ask the committee to support the provision of 3 per cent of the rainfall falling on their properties when they have had an entitlement to 100 per cent throughout the period.

I am happy to look at the different areas around the state such as the irrigation areas and say that we know there are huge inefficiencies still within the irrigation system up north. I am happy to support the National Party in seeking improvements for irrigators in that area. I am also happy to support the honourable member for Wimmera on pipelining the Wimmera–Mallee system, but what about a bit of support the other way? I am not standing here today for one section of the community, I am here today saying that we understand it is a statewide issue. We are happy to support the irrigators and the Wimmera–Mallee, but what about support the other way? We are asking for a minuscule amount compared with what is taking place statewide.

Several issues have been raised and arguments put regarding the amount of water that the 3 per cent would add up to, but if the pipelining was done in the Wimmera–Mallee and we could get another 10 per cent of efficiency out of the irrigation district we would not be looking at this legislation for south-west Victoria. As I said, let's take a holistic approach to this issue and not just look at our own backyard but at the state as a whole. When you look at the state as a whole you cannot ask someone to be the fall guy for something that has happened in another part of the state. That is what is happening.

I am asking for support for the amendment, because relative to what is being given up 3 per cent of the rainfall that falls on a farm is a small gesture.

Mr HOWARD (Ballarat East) — It seems appropriate to clarify some of the issues that have been presented to the committee. I do not support the proposal put by the honourable member for Monbulk. The 3 per cent is a ludicrous figure to have selected. The Liberal Party talks about the loss of 100 per cent of the right.

The legislation takes into account the shortage of water in the state and the fact that water is a finite resource. The government is trying to ensure security of water supply for those who now have that supply and to set in place a useable system for those who wish to take the opportunity to use water supplies in the future.

The government has looked at past legal anomalies when people have been able to take water from an area that is not listed as a watercourse — and we know there has been a shemozzle about what is and what is not a watercourse. If people do not collect water on a watercourse, the water — or at least a large proportion of it — will continue to flow onto somebody's else property. Therefore, anybody taking water from an area will affect somebody else.

That fact was recognised back in 1886 in the Irrigation Act, which said that water is a community resource. Water is not a divine gift given by God that people seem to think they are losing; nobody is losing that gift or right. If somebody has a dam that is used for commercial irrigation purposes, they can continue to use the water from that dam, but now the dam must be registered or licensed so that the authorities can keep a check on it.

If the dam is in a non-stressed area there is no reason why additional dams cannot be constructed and new licences provided, so long as it is recognised that any new dam will affect other people further downstream. It is incorrect to suggest that suddenly something will be given up.

Honourable members interjecting.

The CHAIRMAN — Order! The honourable member for Glen Waverley!

Mr HOWARD — I will be pleased to continue to talk on the clarity of this bill and why the 3 per cent and the so-called loss of 100 per cent right is a complete furphy. It is a misrepresentation of the existing issues.

The 3 per cent provision, the honourable member for Benambra says, will not have an effect on the water supply in any area. He talked about areas north of the Great Dividing Range where, as we know, a cap has been placed on the Murray–Darling Basin catchment; he says that will not be affected. It will not cost the state anything because, he says, so much of the 3 per cent right has not been taken up. If that opportunity has not been taken up in that area, why are we suddenly giving a 3 per cent right? People are not using the so-called God-given right he talks about, so why do we have to give it to them without any policy base for sensible water usage?

The proposal is for 3 per cent across the board, which we know from Don Blackmore is not 3 per cent of the overall catchment, it is more like 30 per cent of the overall catchment. Don Blackmore's estimation is that 1.2 million megalitres just north of, and a similar amount south of, the Great Dividing Range could potentially be taken out of the system. We do not know when people may choose to try to use that right, which is not being used at the moment, so people are not losing anything under the proposed legislation. There is no loss.

The legislation provides security, and all honourable members know that. It provides security for those who have taken up the use of dam water until now. The 3 per cent provision is an absolute furphy — it would encourage poor water usage practices. If people in the north start to take up the huge amount of unused water that the honourable member for Benambra talks about — and many properties do not have a dam at all — suddenly many people who have not in the past seen a need to take up that God-given right will use the 3 per cent rule, and nobody will challenge them.

Honourable members interjecting.

The CHAIRMAN — Order! The honourable member for Bellarine!

Mr HOWARD — What is the point? There is no sensible point. The legislation gives security of ongoing water usage to all the farmers and land users who have dams.

It simply says that from now on if anybody wishes to put in a dam we need to look at that to see whether it puts stress on the water catchment. If there is no stress there is no reason why they should not be able to put in a dam and take up a water right. However, if there is stress in that area then we need to look at the overall use of that catchment to ensure that any water used is used to its best benefit — that it is used sensibly and is not wasted.

Suddenly putting on a figure of 3 per cent overall and saying that it gives people the opportunity to take up a right does not help anything. It simply means we have 3 per cent of water that can be used for any wasteful purpose. There is no challenge to ensure that farmers using that water would use it sensibly or to the best benefit to the state. The responsibility of any government is to govern for the benefit of the whole community.

The legislation as put forward by the state looks at security for those who have dams on their properties at the moment and who are using irrigation water. It provides security for upper and lower catchment people, and that enables them to plan accordingly. People who come into the market and want water rights will be able to take up those water rights if the system allows and do it sensibly and plan accordingly, knowing that they can then have a protected right.

The 3 per cent overall would add nothing to any sensible planning in this state. It would enable a liability to be in place for many years to come, as anybody who wished to take up the liability could. It throws out planning for stream flow and is in no way helpful to the state. It does not help the farmers that opposition members purport to support. It simply provides greater insecurity and a poor planning process. It is of no benefit at all.

Mr MAUGHAN (Rodney) — I rise to oppose the amendment that is before the committee for a range of reasons. The first is that there has not been sufficient time for consultation with those whose rights will be adversely affected.

I hear what the honourable member for Kew says about the proposed legislation removing some rights. I accept that. But so does this proposal. It also removes rights from other people, and that is what we are about in this Parliament — —

An honourable member interjected.

Mr MAUGHAN — It does! We can argue about whether the irrigators have rights or not, but the reality is that if this amendment is passed there will be about 350 000 megalitres of water in the northern part of the state in a contingent liability. If you look across the state you see that on Don Blackmore's figures it is 1.2 million — —

An honourable member interjected.

Mr MAUGHAN — We have not got that already because we have right now, within the existing legislation, a limitation as to how it can be used. You cannot put a dam on a farm in a waterway, so you cannot use the right that is there now.

Honourable members are arguing that they have that right now to hold all the water that falls on the farm, but that is not the case because it is modified by where you can hold that water, and you cannot hold it in the obvious spot to hold it, which is in the waterway — —

Mr McIntosh interjected.

Mr MAUGHAN — Under the existing legislation you cannot. Under the legislation that is proposed you can. So the point I make is that, firstly, the volumes are questionable. A range of volumes are being talked about — —

Mr Plowman interjected.

Mr MAUGHAN — The honourable member for Benambra says that it is not a lot to ask for. The honourable member for Polwarth used the term 'minuscule'. The honourable member for Evelyn says, 'Up to 3 per cent'. I ask the honourable member for Evelyn how you can organise a stream flow plan when you say, 'Up to'. Looking just at the north of the state, we are saying up to 450 000 megalitres needs to be kept. If you are trying to do a stream flow plan, how do you know what volume to allow going down that stream when you have a contingent liability of up to 450 000 megalitres?

Mrs Fyffe — How will it happen with irrigation?

Mr MAUGHAN — I can tell you how it will happen with irrigation — I do not think now is the time — but there is a contingent liability of up to 450 000 megalitres — —

Honourable members interjecting.

The CHAIRMAN — Order! The honourable member for Rodney, without assistance from the honourable members for Benambra or Evelyn.

Mr MAUGHAN — There are a whole range of these issues and questions that need to be asked, and there are obviously different points of view. In my area I have thousands of irrigators, and I have a letter here from one of those — —

An honourable member interjected.

Mr MAUGHAN — I am not taking a partial approach. I have tried all along to take a holistic approach, and I think the legislation does that. It balances the competing needs of those in the catchment areas and those in the irrigation areas, and I do take a holistic approach.

My irrigators have not had a chance to consider it. I shall quote from the chairman of the Central Goulburn Water Services Committee, Peter Fitzgerald, a constituent of mine, who talks about the effects it will have on the 2500 irrigators he represents. The honourable member for Benambra may be right — he may be able to convince my irrigators, but he will not.

Mr Plowman interjected.

Mr MAUGHAN — It is too late in the day because we are voting on it today.

The CHAIRMAN — Order! The honourable member for Rodney will address his comments through the Chair. This is not a debate with Liberal Party members.

Mr MAUGHAN — I am pleased to hear the offer from the honourable member for Benambra. It is too late. I did not see the amendment until a matter of days ago. It is before the committee and we will vote on it today. It came about through publicity two days ago. Mr Fitzgerald states:

> About 450 000 megalitres will need to be set aside under the cap to allow upper catchment farmers to take up any of this water if ever they do, which in effect is locking up water that can be utilised for productive purposes.

I take his point. He continues:

> The Hill report and the Blackmore review identified that financial compensation for some part of the water required for their dams was sensible and workable. It had a finite time frame and then the issue was closed. The $400 megalitre as compensation to buy allocation was agreed to by most community representatives.

That was agreed to by the downstream irrigators. He continues:

> This amendment has been devised to keep a small sector of upper catchment farmers happy, who may never intend to build or use irrigation dams.

That is not empty rhetoric. As an honourable member for North Eastern Province, the Honourable Bill Baxter, pointed out, only 5000 megalitres has been taken up over the past 10 years. There has been plenty of opportunity for those upper catchment farmers to take up that water, but they have only taken up 5000 megalitres, and now we are proposing to give a minuscule amount of 250 000 or 350 000 megalitres. They have only taken up 5000 megalitres and we are proposing to give them much more. I will be opposing the amendment.

Mr McIntosh — On a point of order, Madam Chairman, this is a Liberal Party amendment moved by the honourable member for Monbulk. It has been opposed by two speakers subsequently and it is about time we had the call to support the amendment.

The CHAIRMAN — Order! At this stage I do not know what is the view of the honourable member for Gippsland East, so I am not in a position to make a judgment about that.

Honourable members interjecting.

The CHAIRMAN — Order! All honourable members will have the opportunity to speak on the clause. However, the opportunity to speak will be improved if they are silent and allow the honourable member for Gippsland East to make his contribution.

Mr INGRAM (Gippsland East) — Clause 6, the crux of the bill, is about private rights to water, an issue that has been controversial, which is why it has taken so long for everybody to get to a point where we can approve of a change of statutory rights for irrigation storages. I understand why the amendment has been moved by the honourable member for Monbulk because he got in touch with me and explained the amendments the Liberal Party was moving, for which I thank him. This particular amendment came out of the blue and we have not had much time to discuss it and come to a rational view. It is something that did not come up in the review process, the Blackmore report, and so on. To introduce it at the last minute after all that consultation places the Parliament in a difficult position because it is controversial.

I will be opposing the amendment for a number of reasons. The amendment complicates the whole issue. A number of discussions have taken place, which I do not think I need to go into. One of the main reasons for

the bill is to resolve some of those upper and lower catchment disputes

This amendment, if accepted, will still leave that conflict and there will still be upper catchment disputes between farmers.

An issue I raised in the debate on the bill is the impact on the Murray–Darling Basin cap, which all honourable members should support because the Murray-Darling Basin Commission cap and the use of water out of the Murray–Darling Basin must be maintained. The real reason why upper catchment farmers have a different view is that the majority of water that falls into the Murray–Darling Basin — —

The CHAIRMAN — Order! There is too much audible conversation. I ask honourable members to lower their voices.

Mr INGRAM — The majority of water flowing into the Murray catchment falls in the upper catchment areas. I understand why someone who buys a farm in a high rainfall area believes they should be able to collect a lot of the rain. What that does, though, when they are allowed to harvest a large proportion of the rain or the run-off, is create problems downstream. And what percentage of the run-off is it? According to some of the initial discussions we have had, 25 per cent to 30 per cent of the run-off could be in the high catchments so there could be a major impact downstream. Indications we have are that about 1200 gigalitres of water north of the Divide and potentially 1100 gigalitres south of the Divide could be taken up — not will be taken up, but could be. That is where the uncertainty comes in, and that is why the bill as it stands will leave us with uncertainty.

As I said I will oppose the amendment because it will further confuse the issue and create further divisions in the irrigation community.

Mr VOGELS (Warrnambool) — I simply say that in the past farmers have had a right and that right is being taken away. They were able to build dams off waterways and use that water for any purpose. All we are asking in exchange is that up to 3 per cent — note we are not saying 3 per cent — is made available and water supply protection is declared by the minister and the government, then the stream flow management plan consultative committee will set the percentage. That might be 1 per cent or 0.5 per cent. People in stressed areas will not get 3 per cent. We all agree with that.

Before I ask the minister to answer a question for me I will reiterate a couple of things. The Murray–Darling system at the moment has 14 million megalitres flowing down it. Of that, 12 million megalitres — 85 per cent — go to the irrigators already, and 3 million of that is lost through inefficient farming practices. That is where we should start addressing the problems in the first instance. Then there is seepage in channels, soakage and stuff like that. These problems need to be addressed. The honourable member for Gippsland East said that Melbourne Water has millions of dollars sitting around. That is where we should be spending it.

My question for the minister is as follows: on dairy farms most if not all stock and domestic dams are commercial dams so they need to be registered or licensed.

An honourable member interjected.

Mr VOGELS — Because it is commercial use.

Honourable members interjecting.

The CHAIRMAN — Order! The honourable members for Gippsland West and Evelyn!

Mr VOGELS — I would like them to come one day and have a look at a dairy farm down our way where nearly all the dams on dairy farms are commercial. Those dams will have to be registered and licensed. The minister says farmers will still be entitled to stock and domestic dams as of right so why would not the farmer go and register all his dams as commercial — which they are — and then start building stock and domestic dams for his stock? What is to stop him?

Mr Helper interjected.

The CHAIRMAN — Order! The honourable member for Ripon!

Mr VOGELS — What is the answer?

Mr KILGOUR (Shepparton) — In answer to the honourable member for Warrnambool, what we are talking about here is a dam that will be irrigated from or used for stock and domestic purposes.

You can go to hundreds of farms all over Victoria and see dams that are used for catching yabbies or fish or simply to water the stock.

Mr Vogels — What about in the south-west?

Mr KILGOUR — I do not know about the south-west, but come up to northern Victoria and have a look. I would very much welcome the honourable member for Benambra and his legal mate, the honourable member for Kew, at the Shepparton town

hall, where they could stand in front of 2500 irrigators and tell them that they intend to remove a water right from them and will hold the water up in the hills.

Honourable members interjecting.

The CHAIRMAN — Order! I ask honourable members to address themselves to the bill. If they have a personal disagreement with other honourable members, perhaps they could resolve those issues at a later time.

Mr KILGOUR — I am happy to address the bill and the 3 per cent issue the committee is talking about. If the honourable members for Benambra and Kew want to come to Shepparton and explain to 2500 irrigators that they are going to take from them water that can be used for irrigating and providing the dairy products and horticulture that we export or turn into food — —

Mr McIntosh interjected.

Mr KILGOUR — The honourable member for Kew does not even know where Shepparton is! This is the best issue we could have had to show that the National Party truly represents country Victoria. The city-centric Liberal Party has rolled the honourable member for Monbulk, who used to come from Mildura.

Honourable members interjecting.

The CHAIRMAN — Order! I ask the honourable member for Shepparton to address his comments to the clause and not give us his views of the Liberal Party.

Mr KILGOUR — I am addressing the comment that although the honourable member for Monbulk might have — —

Mr Mulder — On a point of order, Madam Chairman, on the matter of relevance I ask the honourable member for Shepparton to repeat his comment that he represents irrigators and not farmers.

The CHAIRMAN — Order! There is no point of order, and I ask the honourable member for Polwarth not to use points of order to make points in debate. The honourable member for Shepparton will address the clause.

Mr KILGOUR — The honourable member for Polwarth has not been in this place very long, and I understand that. However, the amendment has to do with the 3 per cent issue, which clearly will not work. As I said, I am happy for anybody from this side of the house who wants to support that argument to come to Shepparton and talk to 2500 irrigators and tell them they will take from them — —

Honourable members interjecting.

Mr KILGOUR — Just listen to what I am trying to say! If you listen you might learn something! To take from the irrigators a water right that they have — —

An honourable member interjected.

Mr KILGOUR — I am not reading my speech; I do not have to, and you will not have to when you face those people!

Honourable members interjecting.

The CHAIRMAN — Order! The honourable member for Shepparton will address his comments through the Chair, and I suggest he ignore the Liberal Party members who seem to be causing such problems.

Mr KILGOUR — It is very hard to ignore those people, but I will honestly try. If they want to come to Shepparton to tell the irrigators of northern Victoria that they will take from them water that could be used for production and hold it up in the hills for some bozo who might want to use it in the future — —

Honourable members interjecting.

Mr Plowman — On a point of order, I find that personally imputative and outrageous. I have been called all sorts of things in my life, but never a bozo from the hills!

The CHAIRMAN — Order! I am not sure that the honourable member for Shepparton was calling the honourable member for Benambra a bozo, but if he was I ask him to withdraw the comment.

Mr Mulder — On a further point of order, I do not think the honourable member for Shepparton was referring to the honourable member for Benambra as a bozo; he was referring to upper catchment farmers as bozos.

The CHAIRMAN — Order! There is no point of order. I ask the honourable member for Polwarth to sit down, and I ask the honourable member for Shepparton to continue.

Mr KILGOUR — Let us get serious about this issue, because it is an extremely serious one. I listened to ABC Radio and heard that the chair of the farm dams review had rejected the concept of stored water rights and said that the amendment to catch 3 per cent of rainfall would exceed the Murray–Darling Basin cap

and would provide enormous uncertainty to both irrigators and environmental flows.

Don Blackmore chaired the committee, and he is highly regarded across Australia as the chief executive officer of the Murray-Darling Basin Commission. He has studied this issue to the nth degree, and he said it would create a contingent liability. My colleague the honourable member for Rodney mentioned the comments made by his irrigation chairman, and he was talking about 450 000 megalitres. This is what I am talking about — the people from the city say 3 per cent of rainfall is not much, but Don Blackmore said:

> It would create a contingent liability of 1.2 million megalitres of water being available for farmers to store on their properties at some stage in the future. Now, that water has already been allocated by due process of governments over the last 100 years to another group of customers.

That 1.2 million megalitres is one-third of the capacity of the Eildon Dam. We are talking about a massive amount of water being taken away from people who already have a right to it. Don Blackmore says it will sit there so that at some stage in the future somebody may elect to take it up. If you provide the 3 per cent to those up there just in case they want to use it, it cannot come down to these people to use. They have not understood that; that is their problem.

The CHAIRMAN — Order! The honourable member for Shepparton, through the Chair.

Mr KILGOUR — Don Blackmore says quite clearly:

> … any of these policies will all have to be done within the cap … there's no provision to allow a rule like this to exceed the cap.

Clearly it will not work — that is the point.

Don Blackmore further says there is another major problem with this idea, and it is related to the stream flow management plans the honourable member for Evelyn talked about. Don Blackmore says there has been a huge demand for those plans, but:

> … can you imagine trying to develop a stream flow management plan not knowing how much water is going to be consumed within your valley?

That is a very good point.

> I think that's a huge problem for those people trying develop those plans.

This is not from somebody who does not know, it is the greatest expert in Australia talking about this issue. He says the 3 per cent rule or a 10 per cent run-off is a significant amount.

Mr Mulder interjected.

The CHAIRMAN — Order! The honourable member for Polwarth knows better than that. If he cannot behave himself in the chamber, I suggest he leave.

Mr KILGOUR — As I said, please remember he is just new in the place. Don Blackmore said:

> I think the 3 per cent proposition is not going to be helpful for farmers in Victoria.

Not just irrigators but all farmers in Victoria.

> It creates uncertainty — not certainty — and it creates a huge uncertainty for the current irrigation community. And north of the Divide, the set up of contingent liability that could be exercised at some stage for over 1 million megalitres — 1.2 million megalitres — seems to me to be, you know, just creating another set of uncertainties which we're going to have to manage.

That is what Don Blackmore says. People should realise that the 3 per cent will not work. I do not support the amendments.

Mr COOPER (Mornington) — I understand the honourable members for Shepparton and Rodney speaking passionately about this issue on behalf of their constituents. They represent constituents who come from areas where there is a stress on the water supply. That is the whole point the opposition has been trying to make. There are areas of Victoria where there is stress on the supply, and certainly the irrigation areas of the north are included in that. However, there are areas such as the ones I and many other members of this house represent where there is no stress on the supply. What the bill seeks to do — and the National Party is supporting it — is to shovel everybody into a situation of one size fits all. In other words, to say that because those people have a stress where there is an overcommitment of the resource that rule of thumb should apply right across the state.

I notice the honourable member for Shepparton in his passionate address just now happily ignored the fact that the amendment moved by the honourable member for Monbulk says 'does not exceed 3 per cent of the rainfall'. Everybody who is approaching this amendment, including the honourable members for Shepparton and Rodney, is talking about it as if it were a flat 3 per cent.

As the honourable member for Warrnambool pointed out, we are talking about up to 3 per cent. It could well

be that there is a situation in the irrigation areas of the north where it would be zero because there is an overcommitment of resources. But I can tell you now that on the Mornington Peninsula or the Bellarine Peninsula and other areas that were mentioned by the honourable member for Pakenham, the 3 per cent rule would apply and there would be no problems at all.

Why should the rural producers on the Mornington Peninsula be subjected to restrictions that are not reasonable and fair? Why should they be subjected to those restrictions? We are talking vineyards, flower growers and fruit growers who are going to have caps put on them and rights taken away that they do not need to have taken away. Why should that occur? We are talking here about fairness and equity. We are talking about dealing with different areas of the state in different ways. If there is an overcommitment, which the honourable members for Shepparton and Rodney have said occurs up in the irrigation areas, which I assume is correct because I know them to be honourable people — and the honourable member for Swan Hill would support them on that view — then deal with that overcommitment under this bill. But do not go and say to the people in my electorate and other areas where there is no overcommitment, where there is no problem, that they have to be shovelled into the same box. Why should they be subjected to that?

We are talking about equity and fairness here. We are talking about rights that have existed for years — for many, many decades — and rights that those people should not have taken away from them. So while the honourable member for Shepparton challenges the honourable members for Kew and Benambra to go and address a large number of irrigators in Shepparton — 2500, or whatever it is — I challenge the honourable member for Shepparton to come down and talk to the farmers and rural producers on the Mornington Peninsula and see what kind of reception he gets. I can tell him now the kind of reception he would get. He would be told to get out of the peninsula and never come back again — that is what he would be told — because those people are saying to me and other honourable members who represent them, such as the honourable member for Dromana, that they should not have this imposed upon them. There is no stress on the water resources on the peninsula and there is no reason why this 3 per cent allocation should not be allowed to them.

I am saying to honourable members in this place that if they want to truly be looking at the needs of rural producers throughout this state they cannot have a one-size-fits-all approach. If honourable members were taking into consideration the people I represent they would certainly be voting for this amendment.

Mr STEGGALL (Swan Hill) — This has been a quite fascinating hour of discussion. I assure the honourable member for Mornington that this legislation in no way impinges on any of his rights. The only thing it changes is that a person in his area who wishes to build a dam which is not on a waterway will now need to apply for a licence. He will not have to pay for it because there are no charging mechanisms down there. I do not think there are any in Mornington.

Mr Cooper — Yes there are.

Mr STEGGALL — Not on a waterway — where a person would wish to build a dam not on a waterway?

Mr Cooper — There are.

Mr STEGGALL — Then there is nothing stopping this. This legislation does absolutely nothing for the Mornington Peninsula, the Bellarine Peninsula and those areas.

This is an unfortunate amendment, to put it mildly, but it is probably a debate we had to have and we might as well have it today. The up-to-3-per-cent concept that is embodied in amendment 2 puts a contingent liability of some proportion on all land in Victoria, not just in the north-east. Honourable members have been debating the bill today as if it were the only part of the Water Act. There is a huge Water Act in the state which is designed to give people throughout Victoria that equity and protect their interests.

I say to the members in the south-west in particular — because they have had particular difficulty in this, their first water debate, and it is the first time they have wandered into this area — that in the south-west we have irregular users of water, particularly the further west you go in the irrigation areas, and those who have irrigation in those areas have irrigation licences today and nothing in this legislation will touch, modify or change any of those areas.

There are, however, in the south-west a lot of people who use water occasionally in the dry years, and I believe it will not be very long before the south-west farmers will want to regularise their rights, which they can do under the Water Act. The Water Act is there for them to do that. There will be no purchase of water in this case as they have no capped regions; it will be a matter of their applying for a licence to construct a dam, which must not impinge on the rights of others, and taking water for their use on their properties. That right is there now, it has been there for a long time and

nothing is changing. The Water Act is written to look after that situation.

I say to honourable members from the south-west that no matter what happens to the irrigation districts of northern Victoria, it will not in any way, shape or form impact on the south-west. The water systems are not linked. I heard the honourable member for Warrnambool telling me that if we smartened up the irrigation districts in northern Victoria and saved a bit of water, it would help the south-west. It would not. The Wimmera–Mallee pipeline will happen, I have no doubt; it is just a matter of when and how quickly it can be done. I believe that with the pipeline the Glenelg River — I do not know where the honourable member for the Glenelg area is today — will get an allocation of extra water in addition to what it has now, because it will get some water that today is being trapped in the reservoirs and going to the Wimmera–Mallee region. When that happens we need to have an allocation of water in that area so that those communities, property owners and environments that are affected will be able to sort out and work out their bulk entitlement for the area and thus get a big benefit out of it. The benefit for the Wimmera–Mallee region will not just be in the north, it will also be in the Glenelg River area.

The Hopkins River has caused problems over quite a few years, and the salinity problems are well known to the local members. The stream flow management plans will get to that area and there will be an improvement in the understanding and a proper distribution of water there.

The 3 per cent water usage amendment would mean taking the Water Act as we have it today and throwing it away. The honourable member for Mornington tells me that it is up to 3 per cent, so I could argue with him that the rights of these people exist today, although it could be said, as the honourable member did say, that in some areas there would be zero rights. The people in these areas do have rights and the only thing this bill is taking away is the right of a person to build a dam — not on a waterway — so they are able to collect water and use it as they wish.

Mr Cooper interjected.

Mr STEGGALL — No, that is the right that we are taking away.

Mr Cooper interjected.

Mr STEGGALL — We are replacing that right. A few things to help you understand — —

The CHAIRMAN — Order! The honourable member for Swan Hill, through the Chair!

Mr STEGGALL — There are virtually no areas that will fit into that category today. Our upper catchment farmers have been moving their dam applications into the waterways and then fighting the waterway definition. As a result our upper catchment people and our communities have not been able to get through that gap to be able to build their dams and take their water. We have a policy vacuum in there which has made the act difficult for us to handle.

The honourable member for Benambra says that this is not a property right. What he is envisaging to deliver to everyone is not a property right. He also tells me that it will not impact on irrigation. I ask the honourable member for Benambra to tell us the next time he speaks: just where is that water that he is talking about?

The water in our catchments is totally allocated. It is allocated to the environment and we have the rules that run with it. It is allocated to the user groups — the communities and irrigation. It is all allocated and that is where the cap comes in. If we have an amount of water available, as the honourable member for Benambra is suggesting, then I put the question nicely: where is it now? The argument does not bear up.

Honourable members should read section 40 of the Water Act, which covers the matters that need to be taken into account. Whether you are applying for a licence or a licence is granted or a construction licence for a dam is granted, you will have to run through the items under the heading ‘Matters to be taken into account’. Section 40(d) refers to:

> … any adverse effect that the allocation or use of water under the entitlement is likely to have on —
>
> (i) existing authorised uses of water; or
>
> (ii) a waterway or an aquifer —

and a range of others. Section 40(e) refers to:

> … any water to which the applicant is already entitled.

The Water Act handles nearly all the issues that have been raised today and handles them very well. This minor change is being made to try to unclog a clogged-up area.

The Victorian Farmers Federation has had bit of run today. I thought I might run through the VFF policy as I know it to be. The VFF has a policy on its books for the New South Wales-type 10 per cent run-off. The VFF acknowledges that the policy vacuum in this area is causing problems and restricting development. It is not

supportive of the 3 per cent run-off — the 3 per cent of rain is not the VFF's policy; the status quo today is not acceptable to the VFF.

As the debate has gone on this week we have seen the report by Sinclair Knight Merz on the volumes that we are talking about today. I ask honourable members to look at those and to consider the type of impact that that would have. Don Blackmore's comments yesterday and the minister's press release of a couple of days ago covered that pretty well.

The other issue is that the 3 per cent does create a property right. There is no doubt that if you have a right to 3 per cent of all water that falls on your land that is a property right. But I have heard people say that it will not be tradeable. Given our law on water and property rights, if anyone stood up in a court in Victoria and tried to argue that the property right given to people under a 3 per cent rainfall operation is not a tradeable right they would find that the court could not handle that argument. It would not hack it. You will not win that argument.

We have mobilised our property rights in water and we have a very good system. This has been a difficult political issue for the north-east. I say to the honourable member for Benambra, who has been one of the leaders in that, that I acknowledge, respect and understand the issues that he has traversed, and why. People in the rest of Victoria have been rather quiet on this issue, because they have not really believed that anyone would move in the direction of an amendment such as this.

No-one in my area — and I am pretty sure no-one in the south-west of Victoria — ever believed that the Parliament would physically consider giving a right of 3 per cent of rainfall to all the landowners throughout Victoria, so it has not been a fiery issue in our areas. Today's debate is a good one. It will be read and looked at closely by people around Victoria. Can I say to honourable members that I only wish we better understood our Water Act because it covers nearly every issue that has been raised today, with the exception of the 3 per cent. The rights of people in the south-west, the Mornington Peninsula and the Bellarine Peninsula are all protected and looked after. Our water law is written so that the things of a fearful nature that people are talking about will not happen. That is how we have developed this law over the last 20 years — more so in those 20 years than before — but the principles have been in place for nearly 120 years in Victoria.

I cannot support the amendment that has been moved. I am happy that the debate is being held. One thing horrified me last night and today while listening to the debate — that is, how little we actually understand. We, the legislators of the state of Victoria, start off this 21st century knowing that water law is going to be one of the major areas of debate and discussion. It is going to test us and our successors as to how we manage and run it. I am very happy with the laws with which we start this new century.

I suggest that the minister give some consideration to having her department run some seminars for honourable members on the Water Act and acquaint people from various regions of Victoria with just how their interests and rights are looked after in this legislation. From that honourable members will be far more aware of what they need to change to better protect or improve their own areas. We have to debate the issues. My friend the honourable member for Gippsland East and I have some very different opinions on the Snowy, but we have to be able to sit down and reasonably work them out. The solution that has come so far contains the principles that will allow us to achieve as much as is possible without disrupting the whole community.

As I said, I will be voting against this amendment, and I hope that those who have brought it here will use today to fully debate, through their arguments, those points they wish to have considered.

Mr McINTOSH (Kew) — I have risen very regretfully to briefly join this debate. It concerns me somewhat that the honourable member for Swan Hill entreats us all to attend a number of seminars about the Water Act. A number of people have spoken about the eminence of the honourable member for Swan Hill in relation to his understanding of the Water Act. I hope that is confined solely to the practicalities of the Water Act, because when you look at its legalities I am afraid the honourable member for Swan Hill does not know the difference between a property right and his elbow.

Looking at this bill, I have had to deal with a number of new words like 'curtilage', 'megalitre', 'gigalitre' and even, as the honourable member for Shepparton said 'bozo'! However, one thing that is pretty clear is the declaration of rights set out in part 2 of the Water Act. Essentially everybody understands that the Crown owns water and that the Water Act permits the use of water in a variety of ways. Section 8 of the act, which clause 6 is amending, talks about the continuation of a private right to water.

Mr Howard interjected.

Mr McINTOSH — You ought to be listening to this because you did not know anything about rainwater.

The CHAIRMAN — Order! I ask the honourable member for Kew to address his comments through the Chair.

Mr McINTOSH — I will read it out. Perhaps the honourable member for Swan Hill could follow this through in the act. Section 8(4) of the act states in part:

> A person has the right to use —
>
> (c) rainwater or other water that occurs or flows (otherwise than in a waterway or bore) …

Essentially — and correct me if I am wrong — that is all water. I might be obtuse, strange and from Kew, but I read that as 100 per cent! Water referred to in section 8(4)(c) may be used for any purpose on any land. In this circumstance you have a 100 per cent right to use that rainwater and water as long as it is not in a waterway or bore.

Mr Howard — That is not accepted in water law!

Mr McINTOSH — I do apologise, Madam Chair, I thought I was reading from the Victorian Water Act 1989! I believe this is the current water act, which defines the water law in this state, and that it refers to a 100 per cent right!

What has happened by way of these amendments is that that use is limited to three types of use if our amendments are accepted, or two, as is proposed by the government. The first is for domestic and stock purposes. The second is for the use of water supplied by rainwater from the roof of a building, and that right is also preserved. The opposition proposes an amendment to subsection (5A) which will give a person:

> … the right to use … 3% of the rainfall on the property on which the private dam is situated.

The honourable members for Swan Hill and Shepparton may be talking about contingent liabilities, but this is far less, because on my reading of it — and I am not a mathematician, I might have been a lawyer and I might be just reading from the Victorian Water Act — what we have in Victoria, what we are dealing with and what we are removing by passing this legislation is the 100 per cent right of persons to use water from a private dam. All we want is 3 per cent!

Mr HELPER (Ripon) — Far from being a lawyer or a failed conveyancing solicitor, I rise to oppose the amendment moved by the Liberal Party to introduce a 3 per cent rule. I oppose it for a number of reasons, and I will make a number of observations about the amendment in the first place. It would have to be the most sloppily drafted 'principle' that we have ever had the displeasure — —

Honourable members interjecting.

The CHAIRMAN — Order! I ask honourable members to desist from interjecting and allow the honourable member for Ripon to continue so that he is not required to yell.

Mr Plowman — On a point of order, Madam Chair, I believe the honourable member for Ripon was casting aspersions on the parliamentary draftsmen when he said that this was the most sloppily drafted legislation he has ever seen. I know he has not been in this place very long, and I accept that, but he has cast aspersions on the parliamentary draftsmen. I believe that as a matter of common courtesy he should withdraw that comment.

The CHAIRMAN — Order! There is no point of order.

Mr HELPER — I accept the Chair's ruling that there is no point of order. However, in case there is any ambiguity I should correct my words and indicate that this amendment constitutes the most sloppy, ill-considered, ill-conceived instruction to the parliamentary draftsman that has ever come before this Parliament. Let me set that right because the last thing I want to do is impugn anybody else in the parliamentary process with the drivel that is obviously behind this particular amendment.

Let us work through the incredible inconsistency of it. The honourable member for Evelyn stressed that it refers to up to 3 per cent of the rainfall that falls on a particular property. Then the honourable member for Cranbourne, or was it Berwick — that bloke there — —

Honourable members interjecting.

The CHAIRMAN — Order! The honourable member for Ripon will address his comments through the Chair.

Mr HELPER — A previous speaker from the Liberal Party — he will know who I mean — suggested that if the figure of 3 per cent is not right, then we should tell them what the figure ought to be. What a bizarre thing to put in the drafting instructions for an amendment: 3 per cent, but if we have got it wrong tell us what the right figure is!

What does 3 per cent mean? It means 1200 gigalitres of water north of the Divide alone; that is enough water to fill 1200 million Olympic-sized swimming pools. That is what the amendment is about. We do not have as much water as that to spare north of the Divide, let alone consider the impact of it south of the Divide. My electorate is predominantly, although not exclusively, north of the Divide in the Murray–Darling Basin catchment. Therefore I will concentrate my comments on — —

Honourable members interjecting.

The CHAIRMAN — Order! I ask honourable members to take their seats and be quiet.

Mr HELPER — This 1200 gigalitres of water or 1200 million Olympic-sized swimming pools worth of water constitutes 25 per cent of the Murray–Darling Basin cap. Members of the Liberal Party have dismissed the term 'contingent liability', but if you happen to put a right — in inverted commas — in an act, as this amendment seeks to do, of landowners to retain and use at their discretion up to 3 per cent of rainfall on their land, you have to plan for the eventuality that they may do so. That is a consequence. If you legislate for something some people may take up the opportunity offered by the legislation. There is a genuine contingent liability which equates to 25 per cent of the Murray–Darling Basin cap.

I ask opposition members to tell the committee who the 25 per cent entitlement in the Murray–Darling Basin will be taken from. Will it be taken from irrigators? Will it be taken from environmental flows? Where will they get 25 per cent of the Murray–Darling Basin cap from? Tell us, please! Somewhere along the line, in moving this amendment, the practical implications of the amendment need to be addressed.

I do not wish to speak a great deal longer because I notice that some people, particularly those on the Liberal benches, wish to be excessively emotional about something they construe to be a civil rights issue when in reality it is a resource allocation issue which, simply, north of the Divide has the impact of turning into a contingent liability 25 per cent of the Murray–Darling Basin cap entitlement to Victoria. It is an absolutely harebrained proposal and I somehow feel a little embarrassed that members of this Parliament, irrespective of which side they come from, could be so lamebrained as to come up with this particular amendment.

Mr RICHARDSON (Forest Hill) — I am overwhelmed by the most wonderful sense of deja vu. What we have here is a good old-fashioned Liberal–Country Party stoush, and it is wonderful to see. It brings it all back to me. It is just marvellous. It is the free thinkers versus the agrarian socialists. Yes, you capitalise the profits and you socialise the losses. It is all coming back!

I was a bit concerned a moment ago. I noticed that the deputy leader of the Country Party, who is leading the charge for his party on this matter, was up with — —

Mr Delahunty — On a point of order, Madam Chairman, this is the National Party.

The CHAIRMAN — Order! There is no point of order. The honourable member for Forest Hill, on the clause.

Mr RICHARDSON — In that case I take it the National Party does not want to have anything to do with the country! Is that what it is? But the Deputy Leader of the National Party — hullo, here he goes again — —

The CHAIRMAN — Order! Before the honourable member for Wimmera raises his point of order I remind him that he has to give his grounds for the point of order. It is not an opportunity for debate.

Mr Delahunty — On the point of relevance, Madam Chair, the National Party puts the country first. That is what I want to say.

The CHAIRMAN — Order! There is no point of order, and I ask the honourable member for Wimmera not to prolong the debate by raising silly points of order. I ask the honourable member for Forest Hill to address his comments to the clause and the amendments, please.

Mr RICHARDSON — Yes indeed, and you are quite right, Madam Chairman; he was pathetic, he really was pathetic. Equally pathetic was the sight of the Deputy Leader of the National/Country Party — no, they are not allowed to be 'Country'; they do not like the country! The leader who was leading the charge was up in the corner with the minister's adviser clutching a copy of the Water Act and getting advice on it. It is a bit late. He should have boned up on it beforehand.

The essence of the Country Party — sorry, the National Party — response to this amendment is that if you do not live, work and operate your property along the ribbon that follows the Murray River then it does not want to know about you. National Party members are not interested. They are saying, 'If you are in the

Wimmera, if you are in the Western District, if you are in South Gippsland, if you are in West Gippsland, we do not want to know about you. We do not want to know anything about you'.

They have been abandoned. That is what it means, because the essence of the proposition before the committee is that the government, supported by the National Party, wants to retain all the existing rights that apply to those irrigators who operate along the ribbon following the Murray River. But if you live in any other part of Victoria they want to disadvantage you.

This amendment leaves intact the existing rights and procedures that apply to the people who live and operate along that ribbon of the Murray Valley which just happens to be where the Country Party — sorry, the National Party — members have their seats, but if you live somewhere else in Victoria then you will be disadvantaged. The National Party wants to continue that disadvantage to people in the Wimmera, the Western District, Gippsland, South Gippsland, West Gippsland, the Mornington Peninsula and so on.

Let us be quite clear about where members of the National Party stand and whom they are abandoning and whom they are supporting. Let us be certain that we let the people who are being abandoned know that they are being abandoned.

Mr DELAHUNTY (Wimmera) — The honourable member for Kew raised the issue of the 100 per cent right that he believes farmers have at this stage, and he quoted from the act. I would argue strongly that if you are to give up something, you do not give up 97 per cent, and that is what we are saying about the amendment. The Liberal Party is saying, 'We are going from a 100 per cent right' — that is what the Liberal Party was screaming about — 'and we only want 3 per cent. In other words, we are giving up 97 per cent'.

We know the issue about waterways is being debated, and I explained that earlier in the debate. We know that the current Water Act is not working. This is a very important issue, and it is a pity we have gone to the depths we have today, but water is a finite resource and it is a pity we have had to stoop the way we have, because I do not represent people along the Murray River. I represent the largest electorate in the state — that is, the Wimmera. This issue has been debated with the people in the Wimmera; they have been consulted, and no-one will ever be happy with water laws, but they believe this is the best we can do.

The amendment provides that a person has a right to use water from a private dam — and I am not 100 per cent sure about the definition of 'dam' because it is not in the bill — if the amount of water used in any year does not exceed 3 per cent of rainfall on the property on which the private dam is situated. If you have a 100-hectare property and you build a dam to cater for it, and then you subdivide and cut the dam away from the property, what does the person with the other 70 hectares do? He has no entitlement to water. It is unfortunate that this 3 per cent amendment comes into Parliament at the 11th hour in this important debate. Had it been done properly, the 3 per cent amendment should have been laid on the table for further discussion, particularly during the deliberations on the Blackmore report; then we would have achieved a better outcome than will be achieved today.

The 3 per cent proposal translates into a huge volume of water — at least 350 000 megalitres just in north-eastern Victoria alone, not taking into account what happens in western Victoria, and South Gippsland or West Gippsland. It creates a new right that has never existed in more than 120 years. As the committee has heard from the honourable member for Gippsland South, the amendment contravenes the Council of Australian Governments direction and, importantly, it highlights many concerns that the committee will not debate today.

I am pleased that the honourable member for Polwarth and a few other honourable members, including the Premier, support the Wimmera pipeline. That indicates the importance of water, but if we are to have water in the pipes we must go about harvesting it in the right way.

The debate about the definition of 'waterway' has been a hot one. Experts better at such matters than any honourable member have tried to work it out. The Heeps committee could not resolve the problem, nor could the Blackmore committee. Now the Liberal Party has come up with the amendment.

The National and Labor parties and the Independents support the thrust of the bill, but this amendment is a major divergence from the bill. If we are to go that way, perhaps we should start again. I have yabby farmers in my area. It is an important little industry, and they are concerned. Will they be classified as commercial?

Mr Maclellan — Yes!

Mr DELAHUNTY — They will? They will have to get a licence?

Mr Maclellan — Yes.

Mr DELAHUNTY — They are pleased now, because they can either register it or licence it, but the important thing is they will have security of supply. All of us know the value of water. If you were going into a financial institution, your bank or the like, under this proposal your bank manager would say, 'What security do you have?'.

Mr Mulder — You could say, 'This is a note from the ministerial adviser.'!

The CHAIRMAN — Order! The honourable member for Polwarth is behaving in a disorderly manner. I ask him to desist. It is not appropriate to interrupt members while they are speaking. The honourable member for Wimmera, continuing.

Mr DELAHUNTY — Thank you, Madam Chair. It has been said that this is a very important issue, and I do not want to treat it in any other way than as the very important issue it is.

When this debate started and the Blackmore inquiry started and the work was started by those people, like many others in this chamber I was worried about how we could reconcile the differences between the upper catchments and the lower catchments. As I highlighted earlier today I have them in my area. I cannot support the 3 per cent right because I just think there are too many uncertainties about it all. Again, it would take away the security that every developer, farmer and landowner, wherever they may be, is looking for with this new bill. So I will not support the amendment.

Mr PLOWMAN (Benambra) — Before I start, I ask for leave to incorporate this Victorian rainfall map provided by the Bureau of Meteorology.

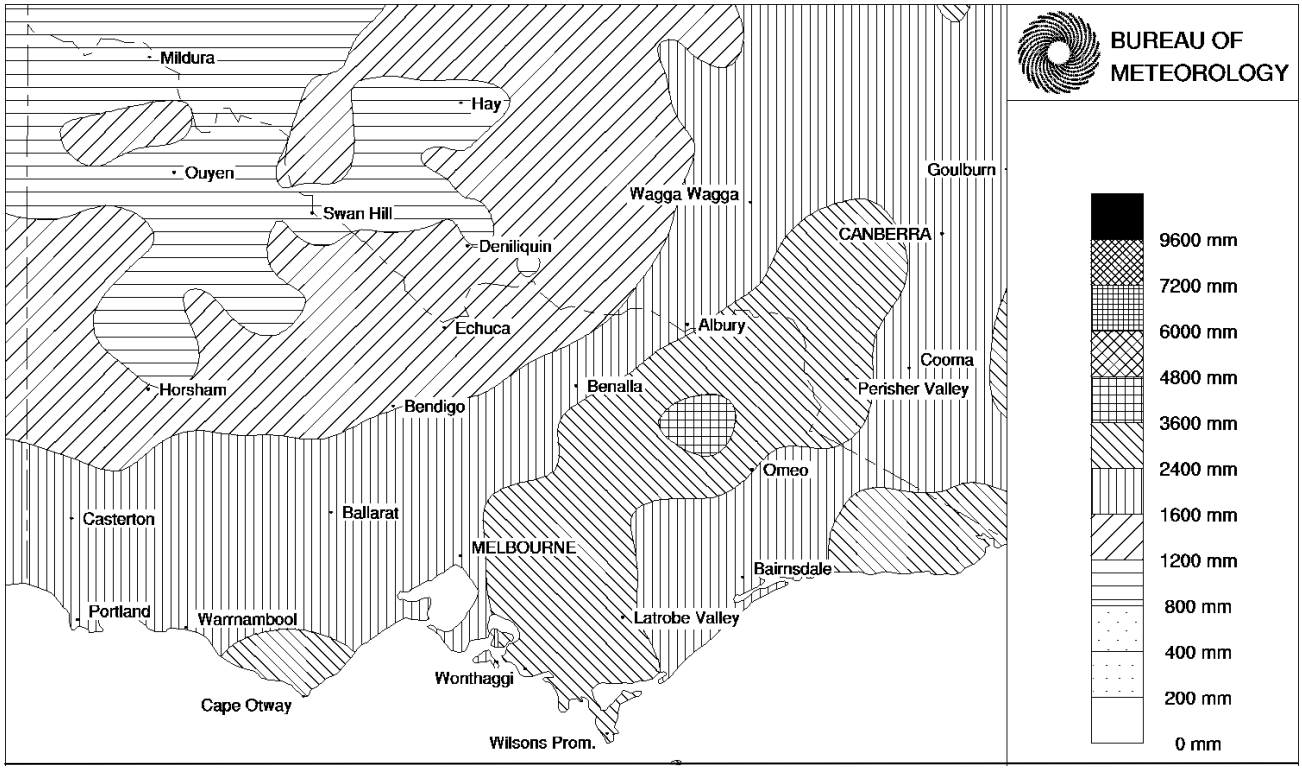
The CHAIRMAN — The Speaker has approved it, I presume?

Mr PLOWMAN — Yes, he has.

Leave granted; map as follows:

Victorian Rainfall (mm) 1 October 1998 to 30 September 2001

Product of the National Climate Centre



http://www.bom.gov.au

© Commonwealth of Australia 2001, Bureau of Meteorology ID code: IDCRFXvc.1998100120010930.bw.img Issued: 29/10/2001

Mr PLOWMAN — I would like to bring a bit of respect back to my friends in the National Party. I will start with the honourable member for Wimmera, who asked what would happen if you had a block of land, put a dam on it and subdivided it so that part of the land would not get any water. I point out that the opportunity to use water applies to the area of the land that is occupied. If that happens to be subdivided, then the area that you occupy is the area that you can draw your 3 per cent from. That simplifies that matter. He also suggested that we were prepared to give up 97 per cent and that, as a good footballer, you would not like those sorts of rules because if you go for something you go for it all.

Members of the Liberal Party accept that in this circumstance we cannot win on the use and we cannot retain the private rights to water. All we are asking for is the retention of 3 per cent of those rights. It is not a very big ask. Quite clearly what we are asking for is no more than 3 per cent, and in many cases where there are water supply protection areas, that will be determined at being less than 3 per cent.

I also ask a question — indirectly of course through you, Madam Chair — of the honourable member for Wimmera. He said it seems strange that members of the Liberal Party were prepared to give up 97 per cent but wanted to retain 3 per cent. Why then would the National Party want to retain an even smaller amount — that is, the curtilage? Why does the honourable member want to have that much around the house and say to us we are being a little bit silly in asking for only 3 per cent? The National Party is actually asking for less. I suggest there is little logic in that argument.

When we talk about the Wimmera catchment — which is a difficult catchment because it is under stress and is a terminal catchment — it is quite clear that if that Wimmera–Mallee pipeline is to be completed the 85 per cent of water that is currently lost in the distribution of water through that system would allow farmers to build any number of dams in the Wimmera catchment to accommodate all the water that is currently lost. I suggest it would take all the pressure off the issue in the Wimmera catchment and it would be like some of the other catchments where there is the opportunity to use some of the water. As the honourable member for Wimmera rightly pointed out, 3 per cent is not a lot.

The honourable member for Swan Hill suggested that all the water is allocated, and so it is under the cap. But what the honourable member fails to tell the committee is that part of the water is sales water. What he also fails to tell the committee is that the opportunity to use that buffer of water has always been available to catchment farmers. It is allocated, but catchment farmers have had the use of that water, which is otherwise allocated as sales water. Irrigators have always had the opportunity to access that water, but in the past it has been shared equally. It strikes me that irrigators are asking for a bit much when they say something that was shared in the past will no longer be shared in the future.

If this legislation is drawing some heat, honourable members should wait until legislation is introduced to change sales water to a medium security entitlement, which would totally tie up that water. There will be a fight over that and the issues will become very heated. I suggest to the honourable member for Swan Hill that when that debate occurs he could truly say the water will be an entitlement. The Liberal Party will fight that on the beaches!

The honourable member for Swan Hill also raised the fact that Sinclair Knight Merz has come up with these magical figures — or extraordinary figures. I think the honourable member for Gippsland East may have multiplied that figure by 1000 because he talked about the same number of gigalitres instead of megalitres, but that is a mistake anyone could make. The figures are hypothetical. This water will not be used; it cannot be used. If it was able to be used, more of it would have been used by now.

The honourable members for Shepparton and Rodney referred to locking up the water. How do you lock up water that is not locked up. It hits the ground and runs off; it is not locked up. The Liberal Party is asking for access to the use of that water. The suggestion that that amount of water will not be available to irrigators is hypothetical.

I agree that Mr Don Blackmore is one of the best authorities world wide, not just in Australia, so when he talks about it creating a contingent liability of 1.2 million megalitres I suggest he is talking about a hypothetical contingent liability. My understanding of a contingent liability — and I would like the honourable member for Kew to back me up on this — is something that will have to be met. There is no way this so-called contingent liability will be met. It is a hypothetical amount of water and there is no way in the world we could store that amount of water in the catchment areas. It is not possible. There are not sufficient dam sites or enough land to irrigate or money to build the dams.

The CHAIRMAN — Order! The honourable member has 2 minutes, so he had better remember!

Mr PLOWMAN — I will leave that: I would rather get back to the contribution of the honourable member for Ballarat East. I was appalled by his contribution, because it clearly showed that he does not understand the way the water system works in northern Victoria.

Having been part of it with the honourable member for Swan Hill I know he knows how it works, I promise you — and in my area, I know how it works. The ultimate hypocrisy in the bill — and it is something nobody has picked up yet — is that we are told an existing use can actually get a registration licence which will be free and continuous, or whatever the minister finally agrees to. That is, an existing irrigation use can get a registered licence. But what the minister has not said is that it has to be off a waterway, because quite clearly there are thousands of irrigation dams in northern Victoria that are not licensed that are on waterways. The minister has suggested that those dams can get a registration licence that will be free.

The bill states that a person may, without payment of an application fee, apply to the minister for a registration licence to take and use water from a spring or soak or water from a dam, to the extent that it is not water supplied to the dam from a waterway.

The CHAIRMAN — Order! The honourable member's time has expired.

Mr STEGGALL (Swan Hill) — I thank the honourable member for Benambra and remind him that, as he does his mathematics, he might just remember the cap implications that exist there. The National Party looks forward to the discussion which I know we will have on the allocation of the area of the water right, which is commonly referred to as 'sales'. I appreciate that this is not the right bill to have the discussion on, but I thought the honourable member might have raised it a bit earlier than today.

I have to respond to my friend the honourable member for Kew, who, being a cunning lawyer, has come in here with a lot of shouting and fist-hammering and quoted section 8(4)(c) of the Water Act. Obviously he did not have the rest of the Water Act with him, because I know that if he had had it he would have read it. Subsection (5) states:

> Water referred to in sub-section (4)(c) may be used for any purpose on any land.

And that is exactly what the honourable member was saying. However, subsection (6) states:

> A right conferred by this section is limited only to the extent to which an intention to limit is expressly (and not merely impliedly) provided in —
>
> (a) this Act; or
>
> (b) any other Act or in any permission …
>
> (c) the conditions of a licence …
>
> (d) the prescriptions contained in an approved management plan …

Subsection (7) states:

> The rights to water conferred by or under this Act on a person who has an interest in land replace any rights —
>
> (a) to take or use water; or
>
> (b) to obstruct or deflect the flow of water; or
>
> (c) to affect the quality of any water; or
>
> (d) to receive any particular flow of water …

Subsection (8) states:

> This section does not authorise any act or omission that may —
>
> (a) cause any water to be polluted; or
>
> (b) obstruct the flow of any water in a waterway; or
>
> (c) erode or otherwise damage the surrounds of any waterway.

I appreciate the legal ability of the honourable member for Kew and non-legal ability of the honourable member for Swan Hill, but I think we might read section 8 in its entirety as we try to address this issue.

Mr COOPER (Mornington) — I am indebted to the honourable member for Swan Hill for confirming to me in his earlier contribution to the committee debate that the right to freely use dam water is being, in his words, 'changed'. For that read 'eliminated', because that is what he said. The honourable member for Swan Hill has just shaken his head, but the reality is that that is what he said: that all dams would have to be registered, and that the only right being taken away is the right to the free use of dam water, and that is being changed. However, the reality is that what he means by 'changed' is 'eliminated'.

The reality of that for the farmers on the Mornington Peninsula is that they will have to pay for water that they currently do not have to pay for. That is what it boils down to, and again I say to the committee that there is no need for that kind of restriction to be applied to the farmers on the Mornington Peninsula or in many other parts of the Victorian country. There is no need for that. Therefore we are again, as I said earlier, trying to make one size fit all. It is not necessary. What is necessary is to clearly address the areas where there has

been an overcommitment of water, and those areas concentrate in the irrigation areas along the Murray River. It is fair and reasonable, and we should do that because we are talking about a finite resource. But when you are talking about areas where there is no overcommitment, when you are talking about taking away the rights of farmers in areas where there is no need to remove those rights, then you have simply got to explain to them why this is beneficial to them.

From everything I have heard in the second-reading debate and on the clause in the committee stage nobody has come up with a sensible argument that would allow me or the honourable member for Dromana or members representing other electorates to go back to the farmers and say to them there is a sensible, rational reason for imposing this restriction. Again I say to the committee that you will have some angry people out there in country Victoria and you will have angry people on the Mornington Peninsula if you do not accept the fact that there is no need for this restriction to be applied to them.

If honourable members believe there is a valid reason for this, I would like to hear it. Perhaps the minister in addressing the issues on the clause may be able to come up with the reason. I would welcome it if she could, but so far the honourable member for Swan Hill, who is somebody who has dealt with the Water Act in this Parliament on many occasions over the years I have served here with him, has not been able to come up with any reasons, and nobody on the government side has been able to come up with it either.

I say to the honourable members who represent areas along the Murray — the honourable members for Murray Valley, Swan Hill, Shepparton, Rodney: I support you fully in addressing the issues where there is an overcommitment of supply. I have no problems at all with that, but I ask you to take into account and have some decent consideration of the people I represent. Why should they be subjected to restrictions just because there is a problem in your areas? If there is a problem in your areas we will address it, and we should address it not only as a Parliament but as a community. But if there is no problem on the Mornington Peninsula — and there is none — why should my constituents be subjected to unnecessary restrictions? Again I ask members of the National Party to take that into consideration. If they are asking for our support in regard to their areas we are happy to give it, but we are asking for something in return.

Ms GARBUTT (Minister for Environment and Conservation) — We have had 3 hours of passionate debate and some honourable members strongly and emotionally defending their areas. The problem is they are fighting the wrong issue. The honourable member who just sat down is fighting the wrong issue. He is saying that it is his electorate or the electorates of Dromana or Polwarth or others — —

An honourable member interjected.

Ms GARBUTT — The catchment of Kew, yes. He is saying that the issue at stake is that they are being the fall guys, to use the analogy of the honourable member for Polwarth, because other areas have overcommitted and are using too much water for irrigation and the waters are stressed in the irrigated areas. That is not the problem the bill is addressing. The bill provides that in Mornington, Dromana, Polwarth, Warrnambool and other areas there are neighbours who have catchment dams, for which they currently do not require licence, but a farmer next door can build a dam and take away the water that the other farmer was relying on.

The vineyard owners on the Mornington Peninsula want security and want to know that the farmers further up the catchment cannot build dams and take away the water supply on which they are relying. That is what is happening. It is happening with the south-east vegetable growers, on the Mornington Peninsula and on the Bellarine Peninsula. This is not about the irrigated areas versus the upper catchment areas; this argument is occurring inside the upper catchment areas. It will occur in Polwarth, if it has not already, and will occur in Warrnambool. It is occurring in Wimmera. They are not irrigation areas. That is the issue that we are having to address and that is the real problem.

Those landowners, whether they are growing grapes or providing water for their cows, want security of access and supply, and that is what the bill will give them. The Cranbourne vegetable growers were a classic. The first time I visited them they said they did not like the proposals or anything about the bill. Then two months later my department received a telephone call from a farmer who said, ‘My next-door neighbour is building a dam — —

Mr Plowman interjected.

Ms GARBUTT — Let’s focus on the real issue, shall we! A couple of months later my office gets a telephone call and the farmer says, ‘My next-door neighbour is building a very large dam and it is going to affect the water that goes into my dam’. It was not about catchment versus irrigation, it was about that farmer and the next-door neighbour. That can and is happening throughout the state. We should focus on the issue, not on the nonsense about irrigators taking all the

water and overstressing the rivers. That is not what the bill is about.

The problem with this last-minute 3 per cent amendment is that it has not been thought through — it was not part of the 18-month consultation process that the review committee undertook. It has not been circulated for people to think about the impact on them and how it would work.

Mr Plowman — It is VFF policy.

Ms GARBUTT — It is not Victorian Farmers Federation policy. I will come to that. The problem is that this is a last-minute, knee-jerk response by Liberal Party members. I have been debating this issue for two years. Honourable members opposite have been debating this for two, three or five years, yet this proposal emerges today. The problem with it is that it is flawed — it will not work. An initial analysis shows that 3 per cent of rainfall turns into 30 per cent of run-off. The honourable member for Benambra's own figures show that 90 per cent of rainfall soaks into the ground and only 10 per cent runs off. If the entitlement is for 3 per cent of rainfall that translates into 30 per cent of run-off. They are huge volumes.

Mr Plowman interjected.

The CHAIRMAN — Order! The honourable member for Benambra has had his go.

Ms GARBUTT — It has to be accounted for in the allocation system. Those huge volumes, as Don Blackmore has said, represent about a third of Eildon Weir when it is full, not at its current level. It would take half the irrigation water currently used by the northern irrigators. We would have to do one of two things: either break our obligations under the Murray–Darling Basin cap, tear up the interstate agreements we have under that cap, which we have always proudly met until now, or claw back irrigation water from our irrigators because the contingent liability of the 3 per cent would take out enormous amounts of water currently available further down the river.

That is the ultimate problem. It is not about the percentage figure even; it still would not work if it were 1.5 per cent, 1 per cent, 2 per cent or 2.3 per cent.

Mr Plowman interjected.

The CHAIRMAN — Order! The honourable member for Benambra!

Ms GARBUTT — It would create an administrative nightmare. There is absolutely no detail in this proposal about how it would work. Are we going to have a rain gauge on every property? Are we going to meter every dam? Is it proposed that if more than 3 per cent on one property is taken the farmer will have to licence it? If a stream flow management plan said, 'That is too much.', how would you limit it if it were not licensed? It simply would not work; it would be an administrative nightmare. This is not Victorian Farmers Federation policy. VFF policy was for 10 per cent of run-off and this is for 3 per cent of rainfall. It is a different figure: different in its application and in its volumes. It is simply not honest to say it is VFF policy.

Of course we know what this is really about: it is about scrambling for a few extra votes in the federal electorate of Indi, a Melbourne lawyer's failing campaign and a lack of leadership in the Liberal Party. I believe the Liberal Party needs to have a long, hard look at the proposed 3 per cent. Its needs to take the proposal out to the community while the bill is between houses and let people talk about it and work out the impact on individuals, on irrigation areas and on individual properties, and see what the response is. It has not been subject to any of that.

I am happy to make available to the Liberal Party all the figures and calculations we have done about the proposal and the problems in administering it that we have already identified after just one day's work, but I believe the community needs to have a look at it as well. I can understand how the proposal came from heavy lobbying and real concern in some electorates, but I believe the Liberal Party has a responsibility to its own constituents. It should get out there, put the proposal while the bill is between houses and see what sort of response comes along. Everyone deserves to have a good look at the proposal.

I note that the leader of the Liberal Party said today on radio he is happy to put the idea forward and have it tested on the floor of Parliament. We will do that today, but I think that as well everyone else needs to have a good look at the figures and the proposal.

Mr MULDER (Polwarth) — In relation to the contention by the minister that this has been a last-minute inclusion in the amendments by the Liberal Party, it is a simple fact that the proposal has in one form or another been put to the government and discussed with the minister — namely, that the private right be given as a percentage of run-off or in any other way, shape or form the minister may deem appropriate to negotiate. To say that the Liberal Party came along with this at the last minute and that it has not been

raised out there in the community is totally and utterly wrong. We have had meetings with the Victorian Farmers Federation (VFF) on this issue, and the federation's advice to us was, 'We have tried to get some sort of formula from the government. We have not been successful. If you can, go for it! Try to get something to replace the statutory rights that are being removed from farmers'.

In relation to the 3 per cent — and the minister is arguing the point about administrative problems and other issues to do with volumes of water — we are saying, 'Up to 3 per cent'. If a water supply protection area is declared and permissible annual volumes that can be taken from the water supply protection area can be set, it may well be that during the course of the year there will be no water to be taken, but if the water is available, why not take it? Those people have up to this time had the right to 100 per cent of the rainfall that has fallen on their property, but we are only asking for 3 per cent.

Irrespective of the minister's statement that it has never been put on the table, it has in fact been expressed and put on the table by the VFF and is VFF policy. It is the Liberal Party that is pursuing that policy not just for farmers in our own electorates — not just for Polwarth, for Warrnambool or for Benambra — but for country people right around Victoria. We are asking that the statutory rights that have been taken away be replaced with a miserable 3 per cent from this government.

I call on not just the government but the Independents and the National Party to support country Victorians.

Mr McARTHUR (Monbulk) — During the course of discussion the minister offered to provide members of the committee with calculations and data the government has available to it from its research on the 3 per cent. On behalf of the Liberal Party I welcome that offer; I accept the minister's kind offer. We would be pleased to see the information. Will the minister please make that information available as soon as possible?

Ms GARBUTT (Minister for Environment and Conservation) — I did make the information available earlier in the debate. Perhaps the honourable member was not here?

Mr McArthur interjected.

Ms GARBUTT — We might be able to do that as well.

The CHAIRMAN — Order! The committee has been discussing amendments 1 and 2 moved by the honourable member for Monbulk, and it will vote separately on those amendments. The committee will now vote on amendment 1.

Committee divided on amendment 1:

Ayes, 34

Asher, Ms	Maclellan, Mr
Ashley, Mr	Mulder, Mr (*Teller*)
Baillieu, Mr	Napthine, Dr
Burke, Ms	Paterson, Mr
Clark, Mr	Perton, Mr
Cooper, Mr	Peulich, Mrs
Dean, Dr	Phillips, Mr
Dixon, Mr	Plowman, Mr
Doyle, Mr	Richardson, Mr
Fyffe, Mrs	Rowe, Mr
Honeywood, Mr	Shardey, Mrs
Kotsiras, Mr	Smith, Mr (*Teller*)
Leigh, Mr	Spry, Mr
Lupton, Mr	Thompson, Mr
McArthur, Mr	Vogels, Mr
McCall, Ms	Wells, Mr
McIntosh, Mr	Wilson, Mr

Noes, 50

Allan, Ms	Kilgour, Mr
Allen, Ms	Kosky, Ms
Barker, Ms	Langdon, Mr (*Teller*)
Batchelor, Mr	Languiller, Mr
Beattie, Ms	Leighton, Mr
Bracks, Mr	Lenders, Mr
Brumby, Mr	Lim, Mr
Cameron, Mr	Lindell, Ms
Campbell, Ms	Loney, Mr
Carli, Mr	Maughan, Mr (*Teller*)
Davies, Ms	Maxfield, Mr
Delahunty, Mr	Mildenhall, Mr
Delahunty, Ms	Nardella, Mr
Duncan, Ms	Overington, Ms
Garbutt, Ms	Pandazopoulos, Mr
Gillett, Ms	Pike, Ms
Haermeyer, Mr	Robinson, Mr
Hamilton, Mr	Ryan, Mr
Hardman, Mr	Seitz, Mr
Helper, Mr	Steggall, Mr
Holding, Mr	Stensholt, Mr
Howard, Mr	Thwaites, Mr
Hulls, Mr	Trezise, Mr
Ingram, Mr	Viney, Mr
Jasper, Mr	Wynne, Mr

Amendment negatived.

The CHAIRMAN — Order! As a consequence of his amendment 1 being lost, amendments 2, 5, 6, 7, 8, 9, 10, 20, 21, 24 and 27 foreshadowed by the honourable member for Monbulk are all lost.

Clause agreed to.

Progress reported.

ROAD SAFETY (FURTHER AMENDMENT) BILL

Second reading

Mr BATCHELOR (Minister for Transport) — I move:

That this bill be now read a second time.

This bill proposes a range of amendments to the Road Safety Act 1986 and other acts dealing with road transport. One of the principal measures is the establishment of a register of written-off vehicles, which will make it harder to trade stolen vehicles. The bill also proposes a number of improvements to drink-driving laws, in particular by establishing more consistent principles governing when a first offender should lose his or her driver's licence.

Motor vehicle thefts in Victoria are at an unacceptable level. When a vehicle is stolen, it causes hardship to the victim and higher insurance premiums for all. The National Motor Vehicle Theft Reduction Council estimates that professional car thieves carry out around 20 per cent of vehicle thefts, representing about 55 per cent of the cost of vehicle theft to the community through higher premiums.

To sell a stolen car, professional thieves frequently replace its vehicle identifiers with those of a damaged car and then pass it off as a repaired vehicle. This scam is known as rebirthing. It is estimated that each year around 2000 stolen vehicles are rebirthed, at a cost to the Australian community of over $30 million. This bill proposes measures intended to curtail this trade in stolen cars.

The register of written-off vehicles will be maintained by Vicroads and will form part of a national network of such registers. The bill will authorise regulations to be made that will make it mandatory to report written-off vehicles to Vicroads in specified circumstances. When it receives a notification, Vicroads must list the vehicle's identifier on the register. Vehicle identification numbers are unique identifiers required by the Australian design rules. Once an identification number is listed, the bill will limit the circumstances in which a vehicle with that number can be registered for use on public roads.

The bill divides written-off vehicles into two classes, statutory and repairable. Basically, a statutory write-off is one that is assessed as being so badly damaged that it cannot be safely repaired. Where a vehicle has been listed as a statutory write-off, the bill will prohibit any vehicle with that vehicle's identification number from being registered for use.

In contrast, a repairable write-off is a vehicle that could be safely repaired but is written off by an insurer or self-insurer because the cost of repair would be more than the vehicle is worth. In these cases, regulations will require that the vehicle pass an identity inspection before it can be registered for use on public roads. The usual requirement for a roadworthy inspection will also apply.

New South Wales and South Australia have already established registers of written-off vehicles. However, to be fully effective registers need to be established in each state and territory and linked into a national network. Otherwise, professional car thieves will simply sell the vehicle in the jurisdiction with the weakest safeguards. There is evidence that vehicles stolen in other states are being resold in Victoria.

It is not possible to know precisely what savings the establishment of a register of written-off vehicles would achieve, but it will be a significant addition to the range of measures available to combat vehicle theft. The effect of the proposed register in reducing the rate of vehicle theft would be greatest in relation to high-value vehicles most at risk of rebirthing.

The bill proposes changes to drink-driving laws designed to prevent and deter drink-driving and to ensure that, where drink-drivers' licences are cancelled, it will be done in accordance with a consistent set of principles.

The dangers of drink-driving cannot be overemphasised. On average, only 1 in 300 drivers tested at police booze buses is a drink-driver. Yet about 1 in 4 driver fatalities are drivers who had a blood alcohol concentration of .05 or more. Put bluntly, and it needs to be put bluntly, a person who drinks and drives is not fit to hold a drivers licence until he or she reforms. They are a danger to themselves and to others.

When a drink-driver's licence is cancelled, the person concerned naturally sees it as a punishment. But punishment is not the real purpose. Rather, the main purpose is to save lives by removing a danger from the roads by providing an opportunity for rehabilitation and by deterring others.

For these reasons, the Road Safety Act requires that drink-drivers' licences be cancelled in most cases. And the period of disqualification reflects the seriousness of the offence. The higher a driver's blood alcohol content, the longer the period the person must be disqualified from driving.

Drink-driving infringement notices issued to first offenders impose a cancellation of licence whenever the reading is .05 or more. In contrast, where first offenders with readings of less than .10 choose to go to court, more than half keep their licences.

The concept of an infringement notice is that it allows a person to accept a fixed, but normally a lesser, penalty than would be likely if a court found the person guilty. It is anomalous in principle that persons who receive infringement notices should generally suffer more severe penalties than those found guilty by a court. This bill seeks to address that problem.

The bill does this by fixing .07 as the reading at which drink-drivers must lose their licences, irrespective of whether they accept an infringement notice or are found guilty by a court. Instead, first-time drink-drivers whose blood alcohol reading is between .05 and .07 will receive 10 demerit points. In the case of persons who are subject to a zero blood alcohol condition, such as probationary drivers and truck drivers, their licences will be cancelled if their reading is .05 or more.

This will mean that first-time drink-drivers with good driving records and whose reading is just above the legal limit will not necessarily lose their licences. But they will be put on notice not to re-offend. A person who accrues 12 or more demerit points within three years risks licence suspension, with the period of suspension varying according to the number of points. Even where a driver exceeds 12 demerit points, the driver may choose to retain his or her licence by opting to risk suspension for double the period if he or she incurs any further points in the next 12 months.

Thus the bill endeavours to balance a number of competing considerations. It reinforces the message that drink-driving is totally irresponsible and that drink-drivers should expect to lose their privilege to drive. It retains a measure of leniency for first offenders who are just over the limit and who have previous good driving records. But it puts those persons on notice to drive responsibly in future and provides an incentive for them to do so. Finally, it will be fairer in that first offenders who accept infringement notices will no longer be treated more harshly than the majority of those who go to court.

The bill also proposes a number of miscellaneous amendments, and I will now outline these to the house.

The bill will allow alcohol breath tests to be administered in places other than police stations and booze buses, such as police cars and hospitals. The present restrictions on where breath tests may be administered cast an unnecessary burden on both police and motorists in rural and remote areas. In remote areas, the requirement to take the person to a police station can delay the testing process by several hours. By allowing testing in police cars or other places, the test can be completed as soon as practicable and the motorist would be free to go. In Melbourne and regional cities it is expected that most breath tests will continue to be conducted at police stations or booze buses.

The bill will make driving instructors and persons steering towed vehicles subject to all the duties of a driver.

More and more individuals are trying to evade detection and prosecution by attaching wrong numberplates to a vehicle. Methods include swapping plates between vehicles, using stolen plates or using personalised plates to which the rights have been sold but which Vicroads has not assigned to a vehicle.

The bill will address this problem by amending the owner-onus provisions. Presently, owner-onus makes the registered operator of a vehicle liable for parking, traffic camera and tolling infringements unless and until the registered operator nominates the person who was actually driving. The bill extends the owner-onus principle so that it will also treat as an owner the person who was responsible for the numberplates actually displayed on a vehicle, whether or not those plates were assigned to that vehicle. Say, for example, a vehicle involved in a hit-and-run accident was displaying the wrong plates at the time of the accident. In that case, the person who last held those plates would be under a duty to assist police to identify the driver, in the same way as vehicle owners are currently required to assist police in hit-and-run cases.

The bill will also authorise police to confiscate numberplates displayed on unregistered vehicles, but only if the registration renewal period has expired.

The minimum age for a motorcycle learner permit in Victoria is 17 years 9 months, and the minimum age for both a driver and motorcycle licence is 18 years. As motorcycle learners can ride unsupervised, the current arrangements allow a person to ride a motorcycle solo at an earlier age than to drive a car solo.

Motorcyclists in urban environments have a risk of injury per kilometre travelled that is about 17 times the risk for car drivers. Licensing data for 1996–2000 shows that about 0.9 per cent to 1.8 per cent of motorcycle learner permit holders are 17 years old. However, analysis of data on vehicle accidents for the

period 1995–99 shows that 8 per cent of motorcycle learner permit holders who were killed or seriously injured were aged 17 years.

The bill proposes to raise the minimum age for obtaining a motorcycle learners permit to 18, so that the age at which novice motorcycle riders and novice car drivers may ride or drive solo will be the same.

The bill clarifies that infringement notices, and enforcement orders may be recorded and counted for the purposes of Victorian and interstate schemes for suspending the registration of heavy vehicles that are repeatedly involved in speeding offences as well as for the purposes of the licence demerit points scheme. The bill will also make several machinery amendments to the provisions governing the use of digital technology and of Vicroads registration and licensing records in traffic camera enforcement.

To sum up, the bill proposes an important measure to combat the rising rate of vehicle theft. It will tighten drink-driving laws while at the same time making those laws fairer for first offenders whose blood alcohol is just above the legal limit. And it will make a range of minor and machinery measures designed to close loopholes in existing laws. Taken together, the bill represents a significant package of measures that should improve the safety of all road users.

I commend the bill to the house.

Debate adjourned on motion of Mr LEIGH (Mordialloc).

Debate adjourned until Thursday, 15 November.

MARINE (HIRE AND DRIVE VESSELS) BILL

Second reading

Mr BATCHELOR (Minister for Transport) — I move:

That this bill be now read a second time.

The bill provides for improved marine safety in Victoria by:

requiring operators of some hire-and-drive vessels to hold an operator licence; and

providing specific regulation-making powers to improve the safety for all operators of hire-and-drive vessels.

The bill also implements the government's explicit commitment to introduce separate regulatory arrangements for operators of hire-and-drive vessels, which maintain the safety objectives of licensing.

In November 2000, the government announced new licensing arrangements to improve safety on Victorian waters by ensuring that operators of registered recreational boats have a basic knowledge of waterway rules and safe boat operation. Licensing is consistent with the government's objective for a safer marine environment through improved operator competencies and related safety measures.

Whilst hire-and-drive vessels are predominantly used for recreational purposes, they are classified as commercial vessels. They are surveyed annually by officers of the Marine Board of Victoria but not registered like recreational vessels. As such they do not come within the scope of the new recreational boat operator licensing system.

The uncontrolled use of hire-and-drive vessels by unlicensed operators gives rise to obvious safety concerns, but restricting their use to licensed operators only would have an unintended adverse impact on the industry.

Having regard to this, the government gave two further commitments:

firstly, the hire-and-drive industry would be closely consulted in the development of the new regulatory arrangements; and

secondly, to address the hiring of personal watercraft, commonly known as PWCs or jet skis, when licensing is introduced for operators of registered recreational PWCs.

The government is now delivering on those commitments.

The Marine Board of Victoria conducted a survey of 120 hire-and-drive businesses in Victoria to gauge their response to various options for regulation of operators of their vessels. Eighty businesses responded and some participated further in a number of focus groups.

The industry feedback confirmed the need to improve safety and competencies of operators of hire-and-drive vessels to be consistent with the objectives of licensing. However, it also confirmed the government's view that a balance needs to be struck between improving boat operators' knowledge and skills and ensuring that improved regulation of operators of hire-and-drive

vessels does not unduly impact on small business and local tourism.

Licensing requirements

The bill provides that new licensing for operators of registered recreational boats will also apply to:

operators of hire-and-drive PWCs;

operators of mechanically powered hire-and-drive vessels capable of 10 knots or more;

operators of prescribed classes of hire-and-drive vessels; and

young persons aged 12 years and less than 16 years, who hire mechanically powered vessels.

The licensing requirements for operators of PWCs and young persons will be introduced during the 2001–02 boating season. The licensing requirements for operators of hire-and-drive vessels capable of 10 knots or more will be introduced during the 2002–03 boating season.

This staged implementation is consistent with the arrangements for the introduction of licensing for operators of privately owned and registered recreational boats.

The bill also establishes an appropriate offence and penalty regime to ensure that safety requirements are maintained.

Persons who have been disqualified from obtaining an operator licence either in Victoria or interstate will not be allowed to hire a mechanically powered vessel during the period of that disqualification. The same will apply to persons whose operator licences are suspended or cancelled for medical reasons.

Additional regulation-making powers

The bill also provides additional regulation-making powers to better manage the use and operation of hire-and-drive vessels.

These powers will also allow the instructions given to the vessel operator by the vessel owner to be improved. Current arrangements for regulating the operation of hire-and-drive vessels are limited to a requirement in the Marine Regulations 1999 that a person who hires out a vessel must ensure that the operator is competent to take charge of that vessel within any specified geographical limits. Although the regulations require the operator of the vessel to sign a statement indicating that he or she fully understands the instructions given, there is no prescribed form as to how this is to be achieved or documented for audit or enforcement purposes.

It is proposed to introduce an improved comprehensive pre-trip safety briefing and safety checklist to substantially improve the existing regulations for the instructions of operators of hire-and-drive vessels. A similar system operates in NSW and Canada.

The additional regulation-making powers will also improve the records to be maintained for the hire-and-drive vessels and require them to made available for inspection and audit purposes.

Other regulation powers cover information to be displayed on hire-and-drive vessels, such as safety and waterway rules, information, additional requirements for the issue of a certificate of survey for a vessel such as safety management plans, and the information intending operators of hire-and-drive vessels must give to the vessel owner in relation to any operator licence they hold or have held.

The consultation already undertaken with the hire-and-drive industry indicates general support for the improved safety measures to be provided by the additional regulation-making powers. However, the industry will be further consulted in the development of the regulations and given sufficient time to meet the new arrangements.

I commend the bill to the house.

Debate adjourned on motion of Mr LEIGH (Mordialloc).

Debate adjourned until Thursday, 15 November.

ANIMALS LEGISLATION (RESPONSIBLE OWNERSHIP) BILL

Second reading

Mr HAMILTON (Minister for Agriculture) — I move:

That this bill be now read a second time.

The Animal Welfare Advisory Committee is an advisory group that provides advice to the Minister for Agriculture on animal welfare policy, strategies and programs to facilitate effective application of legislation that affects the welfare of animals. The committee has made recommendations for amendments to the Prevention of Cruelty to Animals Act 1986 and the Domestic (Feral and Nuisance) Animals Act 1994.

A public discussion paper calling for public comment was released as a result of those recommendations and legislative amendment of both acts is considered to be necessary to resolve problems with enforcement of the acts and to improve animal welfare.

I will now deal briefly with some significant features of the bill.

The following comments relate to proposed amendments to the Prevention of Cruelty to Animals Act 1986.

Regulations prohibiting the possession of certain implements or their use on animals and to prohibit certain procedures used on animals

Currently the act must be amended each time a new cruelty offence is proposed. For example, where a specific procedure or the use of certain implements is to be prohibited, the list of cruelty offences in section 9 of the act needs to be expanded. The bill will allow regulations to be made to prohibit the possession or use of certain implements and prohibit the conduct of certain procedures. Cruelty resulting from the use of implements or conduct of procedures could still be prosecuted under the general provisions of the act.

The prohibition of the possession or use of a number of implements will be able to be regulated subject to the regulatory impact process. Some examples of implements which may be considered for prohibition or regulation are dog or cock-fighting implements, pronged collars and electronic dog-training collars, except when used under the supervision of suitably qualified experts.

An example of a procedure for which prohibition by regulation will be considered is the firing of horses. This is an antiquated procedure where hot irons are used to burn the skin in a pattern that increases blood supply to areas near joint/tendon injuries and immobilises the horse due to pain. There is no support in the veterinary profession for this procedure.

Attendance at animal fights

There are currently severe penalties, $12 000 or 12 months jail, for providing premises for animal fights and for being the owner of an animal that is injured by an organised fight. There is currently no penalty for attending an animal fight. Given that attendance at an animal fight encourages such activities to take place, the bill will make it an offence to attend an animal fight.

Entry to a person's dwelling to investigate animal cruelty

Inspectors appointed under the Prevention of Cruelty to Animals Act can currently enter premises, other than personal dwellings, to provide assistance to animals and to inspect for cruelty. Situations arise in urban areas where such animals may be inside a house that is used as a personal dwelling and no action can be undertaken by inspectors. The bill enables inspectors to enter a person's dwelling if there is a reasonable suspicion of cruelty but only after obtaining a warrant from a court.

Notice to comply

Inspectors are frequently faced with a situation where they provide reasonable advice to an owner of an animal which is at risk, but this advice is ignored or poorly implemented. The situation then declines such that animal cruelty develops or an animal's suffering continues. Currently, a court can make orders for an owner to comply but only if the owner has already been convicted of a cruelty offence. This results in many situations where an inspector cannot take timely action to prevent a cruelty situation arising if the owner is not cooperative.

The bill will allow an inspector to issue a notice to a person that requires the person to comply with specific written instructions to alleviate cruelty to an animal or to prevent a situation in which cruelty is likely to occur. It will be an offence not to comply with the notice.

Warrants to seize animals

The act currently includes a process whereby the minister can order a specialist inspector to seize and dispose of animals. Usually the animals remain on the property until disposal is arranged. In practical terms, this process is intended to cover farm livestock situations that are protracted and unlikely to be resolved by the owner. Currently, inspectors, as opposed to specialist inspectors, can provide assistance, feed, water and treatment to animals on site but cannot remove animals to place them in care.

The bill will allow an inspector, with the written permission of the secretary, to apply to a magistrate to seize an animal from premises, including a dwelling if the inspector believes on reasonable grounds that the welfare of the animal is at immediate risk.

I will now comment on the proposals in the bill which relate to amendments to the Domestic (Feral and Nuisance) Animals Act 1994.

Increased penalties for dog attacks

The current penalty for a dog attack on a person or for setting a dog to attack is $500. An owner is also liable for any damage caused by an attack if convicted. A magistrate can also order the destruction of the dog. The bill increases the maximum court penalties for dog attacks in response to public concern over publicised dog attack cases and the perception that current penalties are not an adequate deterrent. The increases are significantly higher for dog attacks that result from a deliberate human action such as urging a dog to attack and for an attack by a dangerous dog that has a history of attack or attack training.

Restricted breeds

The bill will align commonwealth and state legislation regarding pit bull terriers by introducing restrictions to be placed on restricted breed dogs. Restricted breed dogs have been defined to mean those dogs prohibited from being imported by the Commonwealth Customs (Prohibited Imports) Regulations 1956 and includes pit bull terriers. Defining restricted breed dogs in this manner will ensure consistency with the relevant commonwealth legislation.

The controls on restricted breeds include limiting the number of restricted breed dogs that can be owned without a permit to two, defining housing requirements and warning signage on the premises, controls when the dog is off the premises, permanent identification, compulsory notification upon the sale of an animal and in the event of escape, death or change of ownership of the dog. The proposed amendments will prevent ownership of a restricted breed dog by a minor.

To avoid vexatious appeals, a fee will be imposed on owners of dogs declared to be dangerous who seek a review of that declaration by the review panel. If the appeal process is shown to lead to vexatious actions then the government will take further action to ensure that it operates effectively.

Over a period of one year, the effectiveness of the restricted dog measures will be monitored and assessed. Should there be sufficient justification, the government may consider greater controls on restricted breed dogs, for example compulsory de-sexing.

The restrictions proposed in the bill are consistent with responsible pet ownership requirements, are generally consistent with the restrictions placed on owners of dangerous dogs and address concerns expressed by the community over these breeds of dog.

The bill ensures that the welfare of animals is protected and that enforcement agencies are better equipped to enforce the respective legislation. It also responds to community concerns over the keeping of animals that are perceived as having the potential to cause serious injury if they attack.

I commend the bill to the house.

Debate adjourned on motion of Mr McARTHUR (Monbulk).

Debate adjourned until Thursday, 15 November.

VICTORIAN INSTITUTE OF TEACHING BILL

Second reading

Ms DELAHUNTY (Minister for Education) — I move:

That this bill be now read a second time.

Victoria's continued economic growth and social and cultural wellbeing are greatly affected by our capacity to successfully engage with the new knowledge economy and society. Knowledge, innovation, skills and creativity are the drivers for this emerging new world.

Education and training are therefore more important than ever before in preparing our students with the necessary knowledge and skills to successfully participate as active and informed citizens, family members and workers in this new world.

Parents know what recent research both here and overseas has consistently shown — that allowing for other factors, the most important influence on student learning is the knowledge, skills and attributes of teachers. We can all remember the teachers who helped shape our lives and careers.

Indeed where would today's lawyers, doctors, nurses and architects be without the professional knowledge, skill and dedication of our teachers. Yet it is a curious anomaly that all of these professions, each important to our social and economic wellbeing, are recognised and regulated as professions — yet teaching is not.

While Victoria's current teaching profession is the most qualified it has ever had, we and the profession face a number of emerging issues. These issues challenge us to secure the continued high-quality and improving standards that we expect from the teaching profession — in the interests not only of the profession,

but more importantly of the general public and in particular of our children.

There are three key issues which need to be addressed.

The first issue is the changing profile of the profession. The profile of the profession shows that we face a generational change in the teaching profession in the next 10 years and we must ensure the continued high quality of our teachers. The current average age of our school teachers is estimated to be close to 44 years. Within the next decade half of our current school teachers can be expected to retire.

The second issue is the changing nature of teaching. Our future generation of teachers must be better prepared for their changing role. The changing world of work, the increasing cultural diversity of our community and the changing nature of families, the increasing reach and power of information and communication technologies — these are all factors which are now irrevocably changing the learning relationship between student and teachers.

Research commissioned by the commonwealth government and presented to the recent national summit on school education highlighted that, within this context, the role of the teacher is likely to become more complex and demanding, requiring greater levels of knowledge and expertise to adapt the learning environment to the stage of development and needs of individual students.

The third issue is raising the status of teaching. We must raise the status of the teaching profession to secure the quantity and quality of the next generation of teachers. Paradoxically, while parents recognise and highly value the work of individual teachers, the community in general and teachers in particular do not believe that the teaching profession is highly valued.

Teaching is not being recognised for the highly skilled profession that it is. Unfortunately many people and groups in our community regard teaching as just a job — not a profession. Teachers are not just employees — they are professionals and should be recognised and treated as such.

Teachers see themselves as professionals but not as belonging to a profession. The social institutions which we create to recognise, support and foster other professions do not all exist for the teaching profession.

The government is therefore moving to address these issues through this bill to establish the Victorian Institute of Teaching.

The institute is part of a broader reform agenda, whereby through strategic investments in our schools and teachers, the government aims to improve Victoria's education and training services so that all Victorians have the best chance of success in the future.

The government has already moved to lift the gag on teachers so that they can contribute to public debate on educational issues. It has created a new, enhanced career structure based on high standards and is offering up to 220 teaching scholarships in this and the next two years to attract the best graduates to teaching.

This bill complements these key achievements and also fulfils the government's election commitment to establish an independent and representative professional body to advise on standards, qualifications and professional development.

The bill sees the establishment of the Victorian Institute of Teaching as a world-class standards setting authority, reflecting contemporary international best practice for teacher professional regulatory bodies.

The institute is established to promote and improve, for the public benefit, the quality of teaching in all Victorian schools through the regulation of the teaching profession.

To this end the functions of the institute will include the following.

Recommending for approval of the minister, qualifications criteria and standards for the registration of teachers in schools in Victoria.

Developing, establishing and maintaining standards of professional practice for entry into the teaching profession and for continuing membership of the profession.

Approving teacher education courses for entry to the profession.

Granting registration or permission to teach to persons seeking to teach in Victorian schools.

Maintaining a publicly available register of teachers who are registered.

Investigating the serious misconduct, incompetence or continued fitness to teach of registered teachers and impose sanctions where appropriate.

Developing and maintaining a professional learning framework to support and promote the continuing education and professional development of teachers.

Undertaking and promoting research about teaching and learning practices.

Providing advice on the professional development needs of teachers.

As the new single registration authority for all primary and secondary government and non-government school teachers, it will act to reassure the Victorian community that teachers in our government and non-government schools are qualified, competent, fit to teach and of good character.

The institute will replace the Standards Council of the Teaching Profession and have transferred to it the functions associated with the registration of non-government school teachers currently undertaken by the Registered Schools Board. The board will continue to be responsible for the registration of non-government schools and endorsement of non-government schools to accept overseas students.

The current requirement to undergo a criminal record check, which presently applies to persons seeking registration with the Registered Schools Board or employment in the department, has been incorporated into this bill. Similarly, the present provisions of the Education Act which provide for the automatic deregistration of teachers found guilty of sexual offences involving children, have also been incorporated into this bill. There is a considerable body of knowledge within both the Registered Schools Board and the department that the institute will be able to draw upon for the administration of the proposed registration requirements.

The establishment of the institute through this bill provides it with certain legal administrative powers that are quite separate to the responsibilities of employers or individuals under civil, criminal or labour law.

In the exercise of its functions the institute would need to have due regard to the actions of employers or members of the institute under such laws.

The net effect of the institute's powers and functions is to limit employers of school teachers only by the requirement to employ teachers registered by the institute. They retain all other current powers and functions.

This makes registration by the institute a necessary but not necessarily sufficient condition for employment. Employers are free, as currently, to impose higher standards for employment.

On the other hand it adds to the current powers of the employers an added sanction of referral to the institute for the possible deregistration of teachers for serious misconduct, serious incompetence or where employers believe, with due cause, that a teacher is no longer fit to teach.

As such the employment responsibilities of employers remain intact and separate.

Where formal complaints are made to the institute alleging serious misconduct, serious incompetence or that a teacher is no longer fit to teach, the institute will initially investigate such complaints through referral to an employer wherever appropriate and practicable.

The bill provides for the provisional registration of new entrants to the teaching profession, requiring that such persons demonstrate that they meet appropriate standards of professional practice for full registration. It also recognises that teaching, like many other professions, requires people to keep abreast of contemporary knowledge and practices. Therefore teachers will be required to renew their registration every five years by demonstrating that they have maintained an appropriate level of professional practice in that period.

The bill also provides that all teachers currently registered with the Registered Schools Board or employed by the Department of Education, Employment and Training in the previous two years, would be automatically registered.

A recent commonwealth report has highlighted that much is available by way of professional development for teachers and that teachers are generally deeply committed to continued professional development with a strong belief in its importance and efficacy. However, throughout the wide-ranging consultations undertaken for the establishment of the institute, teachers have repeatedly highlighted their need for sound professional advice on the best and most appropriate professional development. The institute will therefore have a critical role in developing a professional learning framework that will both guide teachers' professional growth and advise them on the professional learning needed to maintain their professional practice.

Addressing the key issues identified above requires a committed partnership between the teaching profession, government, employers and other key stakeholders.

The government's election commitment was to support the establishment of the institute through the redirection of funding for the Standards Council of the Teaching

Profession and the teacher registration function of the Registered Schools Board.

To fully support the essential work of the institute this funding will be supplemented by an annual registration fee from registered teachers. The government wants to minimise the cost of registration to teachers and in this context the institute will prepare for the approval of the minister a strategic plan and an annual business plan for the institute.

The Victorian Institute of Teaching's funding arrangements reflect that partnership, as does the composition of its governing body — the institute council.

The composition of the maximum 19-member council reflects the key principles of:

accountability;

ownership; and

partnership.

As a public statutory body, the institute will be required under the Financial Management Act 1994 to report to Parliament through the Minister for Education. In addition the institute is required to have due regard to the minister's advice in carrying out its functions.

Ownership is addressed by ensuring that a majority of the institute's governing body are practising members of the profession with the majority of this proportion being elected by the profession.

Partnership is addressed through the major stakeholders (government, employers, teacher educators and parents) being represented on the institute's governing body.

The institute will also have the capacity to establish colleges to recognise and promote high standards of practice in particular domains of practice within the profession — domains of practice distinct from practice in the regular classroom.

The institute council can decide to establish such colleges through the delegation of its powers and functions articulated in a charter. A charter must detail the purpose, delegated powers and functions of a college as well as the governance and funding arrangements for the proposed college.

In recognition of the unique and important leadership role of principals in the profession the government will support the institute in its transitional phase by establishing the first such college — the College of Principals. Work is currently under way on the drafting of a proposed charter for this college to ensure that it is established with the full support of all the major school principal organisations.

The government recognises that the institute must remain focused on meeting the contemporary expectations of government, the community and the profession. The government therefore intends to initiate a review of the institute of teaching in its fifth year of full operation.

The review will consider:

1. the appropriate objectives for the institute in the light of government policies and changes in all educational sectors since its establishment;

2. the effectiveness of the institute in achieving its original objectives;

3. the most appropriate structures for achieving the objectives identified under point 1;

4. whether the institute or a successor body has a role to play in this future environment; and

5. if the institute is to continue, changes that may be required to its functions, structure and legislative mandate.

The establishment of the Victorian Institute of Teaching will go a long way towards providing the Victorian community and the teaching profession with the assurance that we can secure and improve the high quality of our teachers for the individual and collective wellbeing of our future generations.

All governments should seek to do no less.

I commend the bill to the house.

Debate adjourned on motion of Mr HONEYWOOD (Warrandyte).

Debate adjourned until Thursday, 15 November.

FILM BILL

Second reading

Ms DELAHUNTY (Minister for the Arts) — I move:

That this bill be now read a second time.

This bill supports a key Bracks government commitment to make Victoria a centre of excellence for

film, television and multimedia production and ensure a strong future for the industry.

One of the first actions of the Bracks government was to establish the Victorian Film and Television Industry Taskforce, chaired by Sigrid Thornton. The task force spent several months consulting with film and television industry practitioners, receiving 80 formal submissions and meeting with more than 30 other groups and individuals.

The task force report was delivered to government in September 2000. Its first and key recommendation was for a re-invigorated state film and television funding body — 'It is critical that Victoria has a well regarded and well-funded government film and television body … submissions to this review have been quite clear about this. They overwhelmingly favour change'.

The evidence detailed in the task force report proved that the Victorian film and television industry has suffered significantly without a dedicated government body focused on its strategic needs. Victoria's share of the total national value of Australian and foreign production reached a low of 17 per cent in 1998–99 — a drop of more than 10 per cent from 1988–89.

The Victorian government is committed to implementing the recommendations of the Victorian Film and Television Industry Taskforce to re-establish the industry and exploit its potential for the economic and cultural good of all Victorians.

This legislation is the latest in a series of initiatives to secure the renaissance of the Victorian film, television and multimedia industry. Initiatives to date include:

Extension of the department of state and regional development's strategic initiative industry program to film and television.

Increased recurrent funding of $31.6 million over four years for industry development and investment in film, television and new media production.

Recurrent funding of $13.13 million over four years, and capital funding of $13.84 million in 2001–02 for the Australian Centre for the Moving Image.

Up to $40 million for the Docklands studio development

These initiatives, in response to the task force recommendations, will revitalise the Victorian film and television industry and will result in increased employment from more film and television production. In 1998–99 Victorian-based companies generated production activity worth $117 million. The task force estimated that, following implementation of its recommendations, in three years:

Independent film and television productions will be worth between $150 and $200 million annually.

The combined impacts of domestic and footloose production (and through the multiplier effect) will inject $500–$700 million into the Victorian economy.

This bill delivers robust and necessary changes to government film and cultural institution structures.

In 1997, the Australian Centre for the Moving Image, was only an idea. Opening shortly, the vibrant centre will need specific legislative functions and powers, and require focused attention and management capacity to realise its potential

The case for two new statutory bodies is compelling, and there is overwhelming industry support for change.

The bill repeals the Cinemedia Corporation Act 1997, abolishes Cinemedia, and establishes, from the partitioning of the assets and human resources of Cinemedia, two entirely new and separate bodies which have different charters and objectives.

Film Victoria, a small statutory authority, will be the government's dedicated and strategically focused film, television and multimedia industry policy and funding body. Film Victoria will fund projects which are significantly Australian in content and which are controlled, developed and produced by Victorians in Victoria or which provide clear economic benefits to Victoria. Together with other initiatives already announced, Film Victoria will help focus and restore Victoria's national and international position.

The Australian Centre for the Moving Image (ACMI for short), will manage the new facility at Federation Square, and promote screen culture to a national audience. ACMI will showcase the moving image and the screen arts, promote events, festivals, and other activities, and advance public education. ACMI will be Victoria's seventh major cultural institution and venue (after the State Library of Victoria, Museum Victoria, National Gallery of Victoria, Public Record Office Victoria, Victorian Arts Centre, and the Geelong Performing Arts Centre).

Cooperation between Film Victoria and ACMI, and an effective use of government resources, will be assured. Both new bodies will be in the arts portfolio. The

statutory functions of the bodies require the development of relationships and partnerships.

The main features of the bill

This bill includes many provisions commonly found in other statutory bodies' legislation, particularly in respect of procedures for member appointments and corporate governance arrangements. As with all statutory bodies' legislation, the key provisions in this bill are the unique functions and powers prescribed for the two new bodies.

Part 1 repeals the existing Cinemedia Corporation Act 1997, and establishes two new Crown inner budget statutory arts bodies, Film Victoria, and the Australian Centre for the Moving Image. A brief description of the new bodies' overall aims/objectives is included.

It is the government's intention to proclaim a commencement date of 1 January 2002.

Part 2 establishes Film Victoria, sets out the functions and powers of the new body, and specifies its membership and governance structure. Members of Film Victoria will be appointed by the Governor in Council. The majority of members of Film Victoria will be chosen from persons who are, in the opinion of the minister, experienced in the film, television or multimedia industry. Provision is also made for the establishment of committees, the appointment of a chief executive officer and the employment of other staff. As a grant and investment body, specific conflict of interest provisions have been included for Film Victoria's members, committees, CEO and employees.

Part 3 establishes the Australian Centre for the Moving Image. This part substantially mirrors the structure of part 2. However, ACMI's functions are quite different to those of Film Victoria. Other differences are to be found in ACMI's powers and its membership constitution. There are also specific provisions relating to the sale or disposal of items in ACMI's collections.

Part 5 sets out transitional arrangements. In summary, it provides for the partitioning of Cinemedia's human resources, assets and liabilities between Film Victoria and ACMI.

A schedule sets out some common provisions for Film Victoria and ACMI in relation to procedural matters for the appointment of members, and for meeting procedures including quorums and voting.

This bill is the product of extensive consultation with the industry and government bodies. Firstly through the Thornton task force and subsequently, at various stages of the bill's development, with members of the task force, representatives of the film and television industry working party, Cinemedia board members and other industry experts.

I have been pleased, but not surprised, by the energy, diligence and goodwill of everyone who has participated in this legislative reform project, and I would like to record my appreciation.

I commend the bill to the house.

Debate adjourned for Mrs ELLIOTT (Mooroolbark) on motion of Ms Asher.

Debate adjourned until Thursday, 15 November.

ACCIDENT COMPENSATION (AMENDMENT) BILL

Second reading

Mr CAMERON (Minister for Workcover) — I move:

That this bill be now read a second time.

Voluntary settlements

The prime purpose of the bill is to implement commitments in relation to voluntary Workcover settlements made by the government in April last year during debate on the Accident Compensation (Common Law and Benefits) Act 2000.

The government is committed to a system of weekly benefit payments for workers compensation, which focuses on creating strong incentives for rehabilitation. It believes that, for the vast majority of injured workers, an indexed weekly payment is the most appropriate compensation for economic loss. Of paramount importance is the fact that no eligible injured worker will be forced to take any settlement, and may instead choose to receive an indexed weekly payment for as long as he or she remains entitled to one.

The current settlements provisions of the Accident Compensation Act 1985 are unduly restrictive as they do not enable the calculation of different settlement amounts to differentiate between categories of applicants by reference to particular injury dates. In addition, they do not establish sufficiently clear and robust administrative processes for settlements. Legal advice has also reinforced concerns that the existing section 115 may expose the Workcover scheme to considerable and unintended financial loss.

In these circumstances, the government has decided to legislate specifically for a limited range of the voluntary settlements provisions.

ICRP claimants

First, the government honours its April 2000 commitment to make voluntary settlements available to certain workers injured during the non-common-law period. These workers are those who were seriously injured between 12 November 1997, when access to common law was removed by the Kennett government, and 19 October 1999, after which access was restored by this government under the Accident Compensation (Common Law and Benefits) Act 2000.

As announced by the government in April last year, the intensive case review program (ICRP) was established to assist these workers to ensure they received the maximum benefits to which they were entitled. It was originally intended to use the existing settlement provisions in the act. However, as outlined above, legal advice suggested that this would be problematic given the rigidity of the existing act. The advice was to the effect that specific amending provisions should be adopted — which is the purpose of this bill. As common-law access was reinstated for serious injuries from October 1999, many workers in this ICRP period have now been on weekly benefits for more than two years.

As per the government's commitment in autumn last year, the amendments in the bill will make voluntary settlements available to those ICRP workers who:

- are assessed as having a whole person impairment of 30 per cent or more using the AMA Guides fourth edition; and
- have been on weekly payments for at least 104 weeks; and
- who are assessed as having no current work capacity indefinitely.

Workcare claimants

In addition, the government has decided to legislate to allow VWA to make voluntary settlements available to workers who were injured before 1 December 1992 and so did not generally have access to common-law damages for economic loss. This allows for some policy consistency regarding injuries during periods when common-law benefits were not available. Again, this will only be relevant to those injured workers who choose not to exercise their right to continue receiving weekly payments. The Governor in Council is empowered to determine a suitable payments table for this group within six months of the commencement of the new legislation with such determination being made on the advice of the VWA board.

Should such a payments table be introduced, then under these arrangements a worker will be entitled to apply for a voluntary settlement in respect of a work-related injury if he or she:

- suffered the injury between 31 August 1985 and 1 December 1992;
- was receiving weekly payments at the date of submitting an expression of interest;
- is assessed either as having no current work capacity indefinitely, or as having a serious injury for the purposes of receiving weekly payments; and
- as at 3 September 2001, was receiving weekly payments and had received them for a total of at least 104 weeks.

The bill includes a table of settlement payments for ICRP claimants. This table has been calculated based on actuarial advice, as envisaged by the government in April last year. Consistent with the government's concern to ensure the financial viability of Workcover, the table delivers benefits that are reasonable and do not put the scheme at risk, even if all eligible workers took up their entitlement. The table is actuarially determined, as envisaged in autumn last year.

Current claimants

Certain ICRP and Workcare claimants have applied to VWA since 4 November 2000 or to a self-insurer since 28 November 2000 for settlements under section 115 of the act. Those claimants whose applications are pending may request VWA or the self-insurer to defer consideration of their application until the new provisions come into operation, as the ICRP and (if acted upon) Workcare-specific settlement tables may be more generous than the existing section 115 table.

Again, I emphasise that all settlements are voluntary and the injured worker will have the right to continue to receive his or her current indexed weekly payment, subject of course to continuing to meet the relevant criteria, or to choose a settlement.

Other voluntary settlements claimants

In addition, existing opportunities to apply for voluntary settlements will remain for some claimants. However, the bill removes the existing requirement for

some applicants to show that they require the settlement for an income-producing project. The existing power to extend opportunities to offer settlements by regulation is retained.

Administrative procedures for voluntary settlements

The bill also introduces certain formal administrative procedures into the act relating to making and processing of settlements applications and, in order to avoid disputes, settlement amounts will be calculated in accordance with set formulae. Workers' rights will also be protected by requiring them to obtain independent legal and financial advice on any settlement amount advised to them by VWA or a self-insurer prior to making any decision. VWA or a self-insurer will pay the reasonable costs of obtaining such legal and financial advice, up to a maximum amount to be set by ministerial direction. VWA or the self-insurer will also retain a limited discretion to refuse to offer any settlement.

Taxation status of voluntary settlements

The Australian Taxation Office has advised VWA that it currently treats lump sum payments such as the settlements provided for in this bill as not constituting assessable income. For this reason, the bill uses the net-of-tax amount of weekly payments as the basis for the settlement calculation.

The ATO has indicated that this policy is currently under review. The state government does not support such a change in commonwealth tax policy, and believes that it would severely disadvantage injured workers. It would also be inconsistent with the policy recently announced by the commonwealth in respect of structured settlements.

However, should the commonwealth change its current tax policy in such an outrageous and unfair way, the Victorian government is determined to ensure that injured workers do not suffer a financial penalty. The bill takes this possibility into account and gives options for the government to assist affected workers.

I now turn to the other provisions of the bill.

Conciliation service

The role of conciliation officers has been very important in handling disputes between parties in relation to workers compensation claims in a sensible manner. However, the conciliation service itself has had an ambiguous structure since its inception. Conciliation officers are currently engaged by VWA on the nomination of the minister, but are not subject to direction by VWA. The senior conciliation officer is responsible for allocating cases to conciliation officers, but has no administrative authority for the service.

In keeping with the government's election commitment to an independent dispute-resolution process, this bill establishes the conciliation service, for the first time, on a clearly independent basis. The bill creates the Accident Compensation Conciliation Service as a body corporate, separate from VWA. The senior conciliation officer, as the sole member of that body corporate, is given the necessary powers to run the conciliation service. All conciliation officers will now be appointed by the Governor in Council, on terms and conditions agreed by the minister. The conciliation officers retain their independence in carrying out their duties in providing conciliation services, and are immune from any liability for acts done or omitted to be done in good faith in the exercise of their duties, with any such liability attaching to the service and not to the conciliation officer.

The bill provides for the removal or suspension of a conciliation officer by the Governor in Council for a serious breach of his or her duties. The government received legal advice that under the present act, such a removal could only be effected through the very public and dramatic process of a resolution of both houses of this Parliament. While it would be hoped that these new provisions will never have to be used, they have been carefully drafted to ensure that natural justice will be required to be followed if any such case should unfortunately arise.

The bill also removes the requirement for compulsory conciliation of claims for compensation for the death of a worker. As these tragic claims must be determined by the County Court, such conciliation achieves nothing but a delay.

Part 5 of the bill: I. R. Cootes and SBA Foods litigation

On 6 June 2001, the Court of Appeal handed down its decision in the case of the *Victorian Workcover Authority v. I. R. Cootes Pty Ltd*. In that case, the court read down a number of key provisions in the Accident Compensation (Workcover Insurance) Act 1993 and the premiums order made under that act. In effect, the Court of Appeal determined that VWA cannot recover recalculated employer premium prior to the current policy year, except in very limited circumstances.

The full extent of the decision is unclear, but even on a conservative reading it has widespread implications for Workcover funding, for VWA's practices, and for

employers. Since 1993, Workcover premiums have been determined by employers self-assessing their industry classification with VWA using an audit system at the conclusion of policy years to determine if the correct premium has been paid or whether an adjustment is necessary.

Further uncertainty about the extent of the decision in Cootes arises from the later decision of the Supreme Court of Victoria in *SBA Foods v. Victorian Workcover Authority* where Justice Gillard found that VWA did have sufficient statutory power to recalculate and recover employer premiums in respect of past policy years.

VWA's legal advice was that the Cootes and SBA Foods decisions are incompatible and leave the law on these points uncertain. This situation would be ultimately detrimental to the interests of VWA and of most employers. Although VWA has sought special leave to appeal the Cootes decision to the High Court, it could be at least two years before this is resolved.

In the meantime, VWA and employers are likely to be engaged in protracted and expensive litigation.

Further, VWA will be required at least to double its audit program of employers, if it is to prevent revenue leakage arising from the Cootes decision. This is part of the fiduciary duties of the board requiring it to take the most cautious approach, given the unresolved nature of this issue. If VWA did not do this, the lost revenue would eventually have to be recouped across all employers, not just those employers whose industry classifications were incorrect. The shorter the period in which incorrect premium can be collected, the more intense the VWA audit program has to be, as would be expected.

The government seeks to avert a massive rise in the number of audits and wants to avoid an unnecessary increase in premium for those employers whose industry classification is correct.

Consistent with its desire to stabilise the operation of the Workcover scheme, the government would prefer to be proactive and provide definitive rules for the determination of premiums, rather than enter into a two-year period of uncertainty and extended litigation.

In these circumstances, the government seeks to clarify the law by including appropriate amendments in this bill. Part 5 of the bill effectively reinstates the practices that have operated since 1993, but with some adjustments, which include limiting the power of the VWA to recover past premiums. This limitation of period is four years, rather than six years.

The amendments seek to entrench in a fair and even-handed way the rights of both VWA and employers under the act in relation to the recalculation of premium from past policy years. The reasons for entrenching VWA's rights are best summed up in the following extract from the Supreme Court decision of Justice Gillard in the SBA Foods case:

> In the end, under the scheme, employers must provide the funds to meet the obligations on the statutory fund, and if employers fail to pay the proper premium in accordance with the premiums order, the burden is thrown upon other employers. Clearly, it is in the interests of all participants in the Workcover scheme that each employer pay the premium which is payable pursuant to the premiums order … If errors are made, wrong facts are relied upon, decisions are made contrary to the facts, which result in the wrong premium being calculated and paid, the legislative scheme is in danger of collapsing.

The government appreciates the various views provided by VECCI, AIG, VACC and other peak employer groups in assessing the impact of the Cootes decision. The government appreciates that there is a variety of views around this issue. The government wants to provide certainty, and avoid the massive increase in audits that would otherwise result.

In addition to providing certainty, the government makes concessions to employers, such as reducing from six years to four years the period over which the VWA can recoup underpaid premium. The government believes that this is a more sensible provision.

The government is not just moving on the legislative front to assist employers. Employer associations have advised that many employers would appreciate the opportunity to have their premium calculations checked by Workcover, without the risk of significant amounts of adjusted premiums and penalties being collected for past years. VWA accepts that a moratorium for past premium years would assist employers, claims agents and the Workcover system.

To this end, VWA will initiate a moratorium, other than where fraud is involved, on collection of incorrectly calculated premiums and penalties for prior years. The moratorium will run from the date of passage of this bill in the spring 2001 session until at least 30 May 2002.

Following the I. R. Cootes decision, Workcover retained Pricewaterhousecoopers to review the employer audit program and the management by claims agents of the workplace industry classification system. Workcover will be seeking the active involvement of employer associations in the review and their contribution to the revised program. It is hoped that this

will decrease the number of incorrect workplace industry classifications.

Consistent with the government's desire not to penalise employers who are doing the right thing, the bill also gives, as part of this package, a discretion for VWA to apply reduced penalties, or no penalty, in some circumstances where a heavy penalty is currently mandatory. One example is of an employer who becomes incorporated, fails to notify their agent of the change, continues to pay a premium for the old entity, and fails to take out coverage for the new entity. In such a case there may be no increased insurance risk to VWA, but without a discretion at present VWA is obliged to charge a 200 per cent premium penalty for the failure of the new entity to be insured.

Other amendments

At present, the OHS act does not apply in licensed mines where the Mineral Resources Development Act covers occupational health and safety matters. This bill extends OHS act coverage to mines and quarries, and provides for DNRE staff to have power to enforce these provisions, thereby contributing to improved safety in these often dangerous workplaces.

The bill also extends regulation-making powers under the OHS act and the Dangerous Goods Act. While these extended powers are not limited to any particular materials, they will now be available to allow the government to provide for the licensing of asbestos-removal firms, and to prohibit the manufacture and use of products containing asbestos.

The bill implements some recommendations from the government's review of business taxation to harmonise the definitions of the remuneration bases on which payroll tax and workers compensation insurance premiums are calculated. Bringing these definitions closer together will reduce the administrative burden on employers.

The bill extends from 12 months to three years the term for which a hearing loss examiner is approved. This will remove an unnecessary administrative burden in renewing approvals every year.

The bill also extends the discretion for VWA to permit a common-law action for damages to be commenced outside the time limits under the act, thereby enabling some cases to proceed to a damages hearing when previously they could not. This provision will relieve the hardship suffered by those cases whom VWA previously had no power to help. The exercise of this discretion rests with VWA alone. I can assure the house that this provision will not enable cupboards full of long-delayed actions to be revived.

The bill delivers on important commitments and effects other changes in a way that is both responsible and affordable.

I commend the bill to the house.

Debate adjourned on motion of Mr CLARK (Box Hill).

Debate adjourned until Thursday, 15 November.

HOUSE CONTRACTS GUARANTEE (HIH FURTHER AMENDMENT) BILL

Second reading

Ms KOSKY (Minister for Finance) — I move:

That this bill be now read a second time.

The House Contracts Guarantee (HIH Further Amendment) Bill addresses a number of issues that have arisen in respect of the operation of the state's HIH builders' warranty insurance package since its implementation in June this year.

As honourable members will recall, after insurance companies in the HIH group were placed in provisional liquidation in May, the government acted promptly to assess the impact of the collapse on the state and on the people of Victoria. The relevant departments encountered extreme difficulty in obtaining access to much information held by HIH because of both the inevitable disruption the provisional liquidation caused to HIH's operations and the pre-existing chaotic state of HIH's files, particularly in relation to builders' warranty insurance.

The House Contracts Guarantee (HIH) Act 2001 was necessarily prepared and passed quickly to prevent hardship to home owners and builders affected by the collapse. I record again the government's gratitude for the assistance provided by all parties at the time. The speedy passage of the bill has meant that over 800 claims have been able to be lodged. Around $2 million has been paid to affected home owners.

The act was developed in a very short period, given the complex issues arising from the collapse of an insurance group and the nature of the builders' warranty product. It was developed on the basis of the best information that could be obtained at the time, and the most thorough due diligence that could be conducted given the state of HIH's files.

Despite continuing difficulties in obtaining information from HIH files, the act is generally operating very well. I want to make it clear that these difficulties do not arise through lack of effort on the part of Victorian agencies or building associations, nor through lack of cooperation by the liquidator. They are the result of the poor state of HIH's files, and the logistical difficulties of dealing with companies in liquidation.

However, some problems have emerged that could not have been anticipated when the act was prepared. These problems arise mainly from the nature of some HIH insurance policies and the way in which the builders' warranty insurance scheme operated before the current ministerial order was implemented on 1 December 1998.

The problems that are addressed by this bill relate to:

excluding claims by property developers;

excluding claims unrelated to builders' warranty insurance;

enabling claims by home owners whose policies lapsed when HIH ceased to trade;

precluding HGFL from being obliged to accept claims simply because they were lodged with HIH more than 90 days previously; and

enabling direct claims on HGFL, as agent for the state, by home owners under HIH policies where the builder was the insured.

Claims by developers

The first of these problems relates to the ability of developers to claim under the state's builders' warranty HIH indemnity scheme. The indemnity scheme was developed and implemented with the intention of assisting home owners, not commercial promoters of residential developments. In my second-reading speech on the act, I stated that:

> The government accepts that, while the state does not have a legal obligation to assist home owners who are no longer adequately covered by builders' warranty policies issued by HIH, it nonetheless has a moral responsibility to do so.

A close reading of the parliamentary debates on the act confirms that all parties shared the view that the scheme was intended to benefit families and individuals.

The government did not believe then, and does not believe now, that the state's moral duty extended to assisting property developers. This view is consistent with that of the other states and the commonwealth in implementing their various HIH rescue packages. For example, the commonwealth has imposed an income test on claims by individuals under its scheme, and has completely excluded claims by corporations with more than 50 employees.

However, because developers were covered by builders' warranty insurance under some HIH policies, the act unintentionally created a legal obligation for the state to indemnify developers with builders' warranty claims against HIH. Some developers' legal advisers have already stated their desire to lodge claims against the state through HGFL.

This bill excludes developers from being entitled to an indemnity from the state. The bill explicitly provides that this exclusion is retrospective to the establishment of the state indemnity scheme on 8 June 2001. The bill also explicitly provides that this exclusion is intended to apply to matters that are currently the subject of legal proceedings.

Honourable members should note, however, that this exclusion from the state indemnity scheme in no way affects the rights of developers under their insurance policies. Developers are fully entitled to pursue their claims with the liquidator. This places them in the same position as other businesses who held policies with HIH. Nor does the exclusion affect in any way the rights of home owners who have purchased homes that were originally owned by developers to claim under the state scheme.

The whole of this bill has retrospective application, as it is deemed to have commenced in its entirety on 8 June 2001, the commencement date of the major provisions of the House Contracts Guarantee (HIH) Act 2001 that implemented the state scheme. This bill will therefore provide retrospective benefit to some home owners, while restoring developers to the position that they were in between HIH entering provisional liquidation in March this year and the commencement of the state scheme.

The government shares the view that has been expressed by the Scrutiny of Acts and Regulations Committee over many years that retrospective legislation is not a step that should be taken lightly. The government considered carefully the arguments for and against retrospective legislation, including seeking legal advice.

The Victorian Government Solicitor has provided advice that:

> There is a well-known assumption that legislation is not retrospective in the absence of some clear statement to the

> contrary … I consider there is clear power for the Parliament to pass retrospective legislation in the terms proposed and moreover that such legislation and the retrospectivity would be considered reasonable in the circumstances.

Provision of insurance other than builders' warranty insurance

The bill provides that the government's indemnity is restricted to claims that relate to builders' warranty insurance. The act provides that the state's indemnity is the same as that provided by HIH under a HIH policy. However, it has become apparent that HIH issued some bundled policies in which other types of insurance, such as public liability, were provided as well as builders' warranty cover.

While no claims have yet been received by HGFL in relation to insurance other than builders' warranty, the bill will ensure that the state is not obliged to meet claims that do not relate to the state's statutory builders' warranty scheme. Claims in relation to other HIH insurance matters are generally the responsibility of the commonwealth under their scheme.

Claims accepted after 90 days

The ministerial orders provide that if a claim is received by an insurer and that claim has not been determined within 90 days of its receipt, the claim is deemed to be accepted. Generally, this is an admirable provision that is designed to prevent insurance companies from delaying their handling of claims. However, this provision creates particular problems for the state indemnity scheme that is intended to provide social relief in aberrant circumstances.

As the scheme is voluntary, it remains possible for home owners to lodge builders' warranty claims directly with HIH. Understandably, such claims do not rank high on the liquidator's current priorities, as he will most probably not be making any payments to creditors for at least two years. It is quite likely, therefore, that a claim made direct to HIH will not be determined within 90 days of its receipt.

Should the home owner subsequently lodge a claim with HGFL, the act requires the state to provide the same indemnity that HIH does under the policy. However, if 90 days have elapsed since a claim was received by HIH, HIH may be deemed to have accepted the claim and therefore to have provided an indemnity to the home owner. Consequently the state may also have automatically provided an indemnity; before the merits of the claim have been established and, in all likelihood, before HGFL has even received the claim.

To avoid unnecessary cost to the taxpayers, and the risk of litigation on purely technical points, the bill provides that an indemnity from the state is not created solely through 90 days having elapsed since a claim was received by HIH.

Cease to trade provisions

Previous ministerial orders enabled insurers — including HIH — to include in their policies a frankly extraordinary provision that the policy's cover ended if the insurer ceased to trade. HIH ceased to trade when it entered full liquidation on 28 August this year. Consequently, any such policies are now effectively worthless.

While I am advised that claims already made under such policies before that date must be honoured by HIH, claims made after 28 August will not be. Under the act as it currently stands, there would be no indemnity from HIH to any home owner lodging a claim under such a policy after that date. Consequently, there would not be a state indemnity either.

The government's intention was never to exclude these home owners because of the fine print in their insurance policy. The bill therefore provides that the state's indemnity is available to home owners whose claims are made under a builders' warranty policy with such a provision, despite the home owner — and consequently the state — having no entitlement to claim against HIH.

Builder, not owner, the insured

Some HIH policies provided that the builder, not the home owner, was the insured. Under such a policy, a home owner seeking to have a home completed or a defect corrected, had to seek restitution from the builder, and then claim against HIH if the builder failed to meet his obligations.

Since the act explicitly provides that a builder is not entitled to an indemnity under the state scheme, a home owner covered by such a policy can only lodge a claim against HGFL after pursuing legal action against their builder that has succeeded in establishing the home owner's right to restitution from HIH. With HIH in liquidation, such legal action is likely to be extremely protracted, with the home owner therefore not obtaining satisfaction for their claim for some years.

The bill therefore provides that where the HIH policy indemnifies the builder, not the home owner, a state indemnity exists to the home owner. Home owners covered by such policies will therefore be able to have their claims handled expeditiously by HGFL.

I advise the house that, if enacted in their entirety, the provisions of this bill will not change the cost estimates of $35 million for the state indemnity scheme. The original actuarial projections assumed that all genuine claims by individual and family home owners would be met by the state. These projections therefore did not allow for claims by developers; but nor did they assume that some claims by home owners would be denied through the technicalities of 'cease to trade' and 'builder, not owner, the insured' clauses in HIH policies. This bill will restore the actual operation of the scheme to its original intentions.

In closing, I would again like to thank those organisations and individuals who have assisted in the rapid development of this bill, and in particular the Housing Guarantee Fund Ltd, which as I have said has to date paid out around $2 million in claims. I cannot overemphasise the administrative complexities faced by HGFL because of the inadequate state of HIH's documentation. HGFL is doing its very best to assess claims fairly and quickly.

Honourable members should be sensitive to the fact that in many cases problems in claims management for distressed home owners result from the appalling state of HIH paperwork on which HGFL has to rely, and in some cases the total absence of records of policies against which home owners are seeking to claim.

I also again extend the government's appreciation to the cooperation of all parties who have agreed to fast track this bill so that home owners will obtain the relief intended when the original legislation was enacted.

I commend the bill to the house.

Debate adjourned on motion of Mr CLARK (Box Hill).

Ms KOSKY (Minister for Finance) — I move:

That the debate be adjourned for two weeks.

Mr CLARK (Box Hill) — On the question of time, Mr Acting Speaker, I want to make this point in relation to the minister's closing remarks. While it is fair to say that all parties appreciate the reasons underlying this bill and the importance of the matters raised in it, I am not sure it is accurate to go as far as the minister has to say that there has been agreement to fast track the bill. Nonetheless, on behalf of the opposition, I say that we will look at the bill quickly and hopefully be in a position to respond to it and enable it to proceed through the Parliament expeditiously, provided no problems emerge.

Motion agreed to and debate adjourned until Thursday, 15 November.

AUDIT (FURTHER AMENDMENT) BILL

Second reading

Ms KOSKY (Minister for Finance) — I move:

That this bill be now read a second time.

The bill introduces amendments to the Audit Act to further enhance the independence of the Auditor-General, strengthen the accountability arrangements of his office and provide greater scope in his powers to promote sound financial management in the state.

In November 1999, during the debate on the Audit (Amendment) Bill 1999, the Premier advised the house that the government was considering further amendments to the Audit Act that had been requested by the Auditor-General. The Premier stated that these further amendments required more consultation than could be accommodated in the time available for the preparation of that bill. On behalf of the government, the Premier assured the house that further legislation would be introduced after the necessary consultation had occurred.

There has now been extensive consultation between the Department of Treasury and Finance, the Auditor-General, the Department of Premier and Cabinet, the Department of Justice, and other bodies, including other jurisdictions within Australia and New Zealand. As part of this consultation process the Public Accounts and Estimates Committee was also consulted fully on the Audit Act amendments. On behalf of the government I thank the chairman and members of the committee for the valuable contribution they have made to the development of the bill.

The amendments to the Audit Act introduced by this bill relate to the following issues:

Greater protection for the Auditor-General

Indemnity for Auditor-General and staff

Consistent with the government's steps in restoring the independence of the Auditor-General, the bill provides an indemnity for the Auditor-General and his staff, through amendment to section 94D of the Constitution Act. Although such indemnities in legislation are rare, this provision ensures that as the Auditor-General is an independent officer of the Parliament, appropriate indemnity protection is provided through legislation rather than being at the discretion of the government.

Both the current Auditor-General and his predecessor have requested a statutory indemnity to cover him and

his staff. In support of these requests, the Auditor-General commented that a number of other officers, such as the Regulator-General, the Ombudsman, the Legal Ombudsman and the Chief Electrical Inspector enjoy strong statutory protection.

The indemnity that has been provided exempts the Auditor-General and his staff from any personal liability for acts or omissions in performance of official duties, provided they have been done in good faith.

Disclosure of information in reports yet to be tabled

As part of the amendments to the consultative process, the government has provided the Auditor-General's proposed reports with greater protection. Under section 20A(2) of the bill, a person receiving a proposed report or part of a proposed report must not disclose any information in that report unless acting in the course of their official duties, or the information has been made public in a report by the Auditor-General to the Parliament.

The bill also introduces penalties for persons or body corporates that breach these secrecy provisions. In disclosing information outside of the avenues available under section 20A(2) a person is liable to a maximum penalty of 50 penalty units, while a body corporate is liable to a maximum penalty of 250 penalty units.

Scope of Auditor-General powers

Scope of powers

The Auditor-General has sought clarification in his powers and functions under the Audit Act. To ensure a common understanding of what types of activities his office may undertake, the Auditor-General requested the Audit Act be amended to set out clearly the general scope of his powers and therefore his duties and functions. To this end, the government has proposed in the bill amendments to the Audit Act to provide clarification of the powers and functions of the Auditor-General through a revision of the objectives of the act, under section 3A.

In addition, the government recognises the important role the Auditor-General plays in the identification of any wastage, lack of probity or financial prudence in the management or application of public resources. Accordingly, the public interest focus of the Auditor-General's work is now clearly articulated in the Audit Act.

Extension of the authorities definition

The Auditor-General has raised concerns that the definition of an authority in section 3 of the Audit Act is insufficient to give him the power to audit entities controlled by the state or other authorities.

The definition of an authority in section 3 of the Audit Act includes a corporation, all the shares of which are owned by or on behalf of the state, whether directly or indirectly. This section does not confer power on the Auditor-General to audit partly owned corporations, no matter how close to 100 per cent the state's effective shareholding is. While section 3 allows for other persons or bodies to be prescribed as authorities, the Auditor-General has expressed the preference that a power to audit bodies that are not wholly owned be provided explicitly.

The bill amends section 3 to provide the Auditor-General with the power to audit all entities controlled by or on behalf of the state or authorities.

Where the state or an authority does not hold a controlling interest in an entity, the Auditor-General shall continue, as now, to audit the authority in whose books this minority shareholding appears as an investment and comment on the value or risk of such an investment.

This amendment will ensure that the Auditor-General has responsibility for the financial audit of all entities in which the state or an authority has control.

Auditor of Victorian public sector non-authority bodies

Circumstances can arise where it is desirable for the Parliament to enable the Auditor-General to undertake financial statement audits for entities not coming within the definition of an authority under the Audit Act, but still within the Victorian public sector. An extension of the Auditor-General's powers to audit these types of entities provides him with greater opportunity to scrutinise the use and flow of public funds.

Under section 16G, the bill provides the Auditor-General with the power to audit entities outside of the definition of an authority under the Audit Act, but still within the Victorian public sector. The Auditor-General will only be able to undertake such audits if invited to do so by the entity and it is in the public interest and practicable for him to do so.

Examination of funded bodies

The Auditor-General has advised the definition of a public grant in section 20 of the Audit Act has caused some interpretive difficulties for his office. For example, the question has been raised whether goods or services provided to a community or private body at subsidised or nominal cost, or free of charge, constitute a grant within the meaning of the section.

The bill provides clarification of the nature of grants to funded agencies. The purpose of the amendment is to ensure that the Auditor-General has clear directions as to what resource flows to funded agencies he has the power to examine.

To achieve this, under section 16C of the bill, the Auditor-General has been provided with a general audit power to conduct any audit necessary to determine whether a financial benefit, paid by an authority to a person or entity that is not an authority, is being applied economically, efficiently, effectively and for the purposes for which it was given.

Other audit services

The Auditor-General has sought an explicit power in the Audit Act to enable him to provide additional auditing services to authorities, when requested to do so. Situations can arise where, due to the knowledge the Auditor-General may have of an authority's activities or particular expertise in a sector, an authority may wish to engage the Auditor-General to undertake additional audit services.

Through section 16E the bill provides for a limited extension of the Auditor-General's powers to undertake additional audit services for authorities. Under this provision, the Auditor-General can only provide these services where an authority has requested him to do so and the authority has gained the approval of its responsible minister to make the request.

Information to public officials during the course of an audit

The Auditor-General has requested he be provided with the ability to communicate information to other persons and bodies where it is considered appropriate.

A situation may arise during the course of an audit where the Auditor-General becomes aware of information that is more suitably dealt with by another person or body. For example, if fraud is found taking place in an authority the Auditor-General may wish to pass on this information to the Chief Commissioner of Police. However, under the current provisions of the Audit Act the Auditor-General cannot pass on any information, obtained during an audit, to other persons or bodies.

A new section 16F is proposed in the bill to enable the Auditor-General to provide written information to a minister, the Chief Commissioner of Police, an authority, a member, officer or employee of an authority and a statutory office holder — for example the Ombudsman. Where the Auditor-General passes information on under this section, he must notify the Premier.

Efficiency in Auditor-General audit operations

Capacity to transmit reports to the Parliament out of session

The Auditor-General has requested that he be provided with the power to send his completed reports to the Parliament when it is not sitting and therefore be provided with parliamentary privilege. This would obviate the need for additional work to ensure that reports are still current at the time of transmission to the Parliament and would better meet the public need for information to be available as soon as possible after an audit is undertaken.

Under section 16AB the bill provides for the transmission of reports of the Auditor-General when the Parliament is not sitting. This, however, will not preclude the report from being debated in the Parliament once the Parliament is sitting.

Revised threshold for the delegation of authority to undertake financial audits

The threshold for the Auditor-General to delegate the undertaking of a financial audit and signing of an audit opinion is currently set at authorities with net assets of $1 million or less. The Auditor General requested this threshold be increased to cover authorities with $5 million or less in expenditure for that financial year.

The increase in the delegated threshold is not a move towards greater outsourcing of the Auditor-General's work. Approximately 70 per cent of the Auditor-General's current financial audit work program is contracted out to private audit service providers. The main difference between contracted-out work and that work coming within the delegated threshold is that an audit service provider is required to sign the audit opinion as the Auditor-General's agent under the delegated provisions.

The purpose of this amendment is to achieve greater efficiency and effectiveness in existing outsourcing

arrangements of the Auditor-General. It provides him with the ability to gain greater flexibility in achieving value for money (and accountability) from private sector audit firms he contracts work to. Under the current threshold levels 91 per cent of contracted audits are required to be reviewed (and often have rework conducted) and then signed by the Auditor-General, leaving only 9 per cent of audits being signed off by the contractor who actually did the work. This situation does not lend itself to an efficient means of contract management for the Auditor-General.

Through the bill, the new section 7G increases the threshold limit to entities with expenditure of $5 million or less. It also includes the requirement that only those persons registered as company auditors, under the Corporations Act, may be delegated the authority to undertake financial audits as agents of the Auditor-General. Although currently the Auditor-General only delegates audits to company registered auditors, the Audit Act did not specify this requirement.

More practicable time frame for tabling the Auditor-General's narrative report on the annual financial report (AFR)

The Auditor-General has requested a more practicable time frame be provided in the tabling of his narrative report on the annual financial report, under section 16A. The current timing requirement is presentation to the Parliament within seven sitting days after the tabling of the annual financial report (which is set from 27 October).

The bill provides that in section 16A(4) of the act 'seven sitting days' is deleted and the date 24 November under section 16AB(2)(b) is substituted in place thereof.

The bill also amends the current requirement in section 16A(3)(a)(ii) that states the Minister for Finance only has seven days in which to provide comment on the Auditor-General's report on the AFR. This requirement is amended to 10 business days. This provides for a more realistic time frame in which to comment and removes the confusion as to whether the number of days referred to in the Audit Act are business days or calendar days.

Greater accountability for the Auditor-General

Publication of auditing standards

The Audit Act requires the Auditor-General to comply with those auditing standards produced by the accounting profession.

Section 7B(2)(f) of the bill sets out amendments whereby the Auditor-General will be required to summarise in his annual report details of any additional standards he develops above those produced by the accounting profession.

Professional quality control arrangements

In extending the powers of the Auditor-General, such as the ability to audit non-authority entities within the Victorian public sector and the delegation of a greater number of audits, it is important the Parliament is provided with greater accountability mechanisms over the Auditor-General's work.

As part of the development of greater accountability, the bill sets out a new requirement for the Auditor-General to summarise in his annual report the quality control processes undertaken by his office each year. This will provide an effective mechanism through which the Auditor-General can highlight to the Parliament the quality control systems he maintains and any improvements undertaken in these systems from year to year.

Auditor-General's annual plan

Under the current requirements of the Audit Act (section 7A(4A)) the Auditor-General is required to have regard for any comments received back from the PAEC on a review of his annual plan, but does not have to change the plan or document where he does not accept a recommendation. We do not believe the Auditor-General should have to change his annual plan but should have to document where changes from the PAEC recommendations have not been made. This approach provides a much stronger accountability back to the Parliament in its review of the Auditor-General's planned activities and establishes a more transparent process between the development and review of planned work.

The bill introduces a new section 7A(4A) that requires the Auditor-General to indicate in his annual plan the nature of any changes suggested by the PAEC that he has not adopted.

Administration of the Audit Act

Clearer distinction between audit opinions and audit reports

The Audit Act contains numerous references to requirements that the Auditor-General prepare and present a report. This wording draws no distinction between a report in the sense of an audit opinion and

the more extensive narrative reports that the Auditor-General prepares for some audits.

Sections 9, 9A, 15 and 16 of the Audit Act have been amended through the bill to make a clear distinction between the types of reports prepared by the Auditor-General.

Clarification of audit fee

The current wording of the Audit Act is not clear in what services the Auditor-General can charge a fee. The bill, under section 10, sets out the Auditor-General's power to only charge for his mandatory financial statements audit activities. No charges will apply to those audits and reports reflecting his discretionary work in informing the Parliament on accountability and resource matters. Instead, these audits and reports are funded through the Auditor-General's annual appropriation.

Narrative reports covering more than one financial audit

The Audit Act's current provisions provide the Auditor-General with the power to make a narrative report on a performance audit that relates to the activities of multiple authorities, but he may not make a single narrative report that relates to issues arising from the financial audits of several authorities.

The bill, through amendment to sections 15 and 16, provides the Auditor-General with the ability to make a narrative report covering more than one audit.

Enhancements to the consultative process for audit reports

In the development of a report to the Parliament the Auditor-General goes through a process of consultation with entities directly related to the report and other interested parties. As part of this process the Auditor-General is required to seek formal submissions or comments from these groups and include this material in his final report to the Parliament.

Under the current reporting provisions of the Audit Act the Auditor-General is required to provide these parties with a copy of the summary findings and proposed recommendations. However, the Auditor-General has advised government that he wishes to have the option of providing a full copy of a report or a section of a report that is relevant to a particular party. In most circumstances it is appropriate to provide an entity with a full copy of a proposed report. However, situations do arise where it is more appropriate for an entity to receive only that part of a report that directly relates to them.

Under a new section 16(3)(a) the bill provides the Auditor-General with the discretion to provide a full copy of a proposed report to an entity, or only that part or parts that directly relate to the entity, for comment.

I commend the bill to the house.

Debate adjourned on motion of Mr CLARK (Box Hill).

Debate adjourned until Thursday, 15 November.

FAIR TRADING (UNCONSCIONABLE CONDUCT) BILL

Second reading

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That this bill be now read a second time.

The bill before the house fulfils the government's small business election commitment to introduce unfair and unconscionable trading clauses to the Fair Trading Act 1999 to provide a safety net against predatory trading practices.

The bill effectively replicates section 51AC of the Trade Practices Act 1974, which prohibits unconscionable conduct in business transactions of $3 million or less, and inserts it in the Fair Trading Act 1999.

Without section 51AC of the bill, the equitable doctrine of unconscionable conduct developed by the courts is the only prohibition on unconscionable conduct in business transactions.

Under the equitable doctrine, a small trader must establish that he or she suffers from a lack of English or a special disability, such as drunkenness or other incapacitating condition, and that the stronger party unconscionably took advantage of that disability.

Under section 51AC and the provision inserted by the bill, a wide range of matters, including 12 listed matters, can be considered. The case law on section 51AC indicates that it is not limited by the concepts developed under the equitable doctrine, such as special disability.

The drawdown of section 51AC will mean that at least three additional important matters will now be able to be considered in establishing whether unconscionable

conduct occurred. These are the requirements of any applicable industry code, the extent to which the small trader could have obtained a better deal elsewhere, and the extent to which the stronger party was prepared to negotiate the terms of any contract.

A number of cases have been brought under section 51AC since it was introduced in 1998 and there have been several significant victories for small traders. In particular, in the Simply-No-Knead case, (*ACCC v. Simply No-Knead (Franchising) Pty Ltd* (2000) 178 ALR 304) the Federal Court extended the meaning of unconscionable conduct to include such actions as a franchisor authorising an incursion into a franchisee's territory, omitting the names of dissenting franchisees from advertising material and refusing requests to negotiate disputes over the terms of the franchise agreement.

The bill will apply to all persons and effectively bring into the net any unconscionable conduct by an unincorporated trader against another unincorporated trader. Previously, this situation was not covered by section 51AC because of the commonwealth's constitutional limitations.

More importantly, a dispute under the bill will be a fair trading dispute under the Fair Trading Act 1999. This means that small traders, including retail tenants, can take these disputes to the Victorian Civil and Administrative Tribunal. The tribunal is an alternative to a court and has less formal procedures, cheaper application fees and a strong emphasis on mediation.

The combination of section 51AC and the bill should increase the competitiveness of small businesses by providing the full range of remedies under the Trade Practices Act 1974 and the Fair Trading Act 1999. These remedies are available to them to combat unconscionable conduct that destroys their business or damages their competitiveness. Small businesses will also have access to the full range of courts and tribunals.

The fulfilment of the government's election commitment, through this bill, has been delayed pending the commencement, on 28 June 2001, of the Trade Practices Amendment Act (No. 1) 2001. This act clarified that state versions of section 51AC can operate concurrently with section 51AC. The government is therefore taking the earliest opportunity to fulfil its commitment to small business.

I commend the bill to the house.

Debate adjourned on motion of Mrs SHARDEY (Caulfield).

Debate adjourned until Thursday, 15 November.

LIQUOR CONTROL REFORM (PROHIBITED PRODUCTS) BILL

Second reading

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That this bill be now read a second time.

From time to time certain products coming onto the Victorian liquor market constitute an unacceptable risk in terms of their potential to encourage the misuse and abuse of alcohol, particularly by young people.

While there is a commitment to responsible product development, packaging and marketing from the mainstream liquor suppliers in Australia, some marginal suppliers and importers often fail to comply with such industry standards in an effort to increase their market share.

It is a deficiency of the Liquor Control Reform Act 1998 that the minister has no power to ban an alcoholic product from sale where it is apparent that the product is unacceptable to the community and/or could encourage the misuse or abuse of alcohol.

The immediate need for such a power is clearly shown through the ongoing retail availability of unacceptably high-alcohol content food essences in 375 millilitre bottles which are exceedingly dangerous, particularly in the hands of young people. Some of these products have an alcohol content of over 70 per cent, which is more than twice the alcoholic content of typical spirits such as scotch or vodka.

There is ongoing potential for other unacceptable products to come onto the market from time to time, for example, high-alcohol ice-creams, milk with alcohol content, products packaged in such a manner that they are particularly directed to or attractive to young people, et cetera.

In exercising the regulation-making power, the minister will be required to have full regard to the community interest, particularly in respect of the harms that may arise as a consequence of the ongoing availability of alcoholic products of concern.

Such regulations will be subject to the rigorous regulatory impact statement process, including extensive community and industry consultation.

Whilst the regulation-making power is necessarily wide to cover all potential eventualities, its application will be highly targeted to specific products or types of products that are a danger to the community, particularly young people.

The potential problems caused by the sale of high-alcohol content essences was brought to the Bracks government's attention by Mr and Mrs Clark, whose son Leigh died tragically after consuming Hoyts vodka essence supplied by a family friend. The government does not wish to pre-empt the coroner's decision in this matter but has decided to act in a timely manner to further strengthen the legislation to ensure the responsible selling of alcohol and alcohol-based products in Victoria. This bill is proposed because other action taken at the Victorian and commonwealth levels to restrict the sales of high-alcohol-based food essences has not been successful.

While existing regulations bring the retail sale of such products under the control of the Liquor Control Reform Act 1998, the risk of young people accessing them through home, friends or illegal sales remains.

The Liquor Control Reform (Prohibited Products) Bill provides that the minister may make regulations providing that alcoholic products or classes of products are banned from sale where it is in the community interest to do so.

The penalty for breaching such regulations is to be 30 penalty units (currently $3000).

The bill further creates the offence of a person selling an alcohol-based food essence that is packaged in a container that is above 100 millilitres capacity in the case of vanilla essence and above 50 millilitres capacity in respect of any other alcohol-based food essences.

The penalty for breaching this provision is to be 30 penalty units (currently $3000), with such offences being subject to the infringement notice provisions of the act.

The amendments will have no impact on the wholesale sale of food essences for food manufacturing purposes and for domestic use in small containers.

These amendments to the Liquor Control Reform Act 1998 will further facilitate and encourage the responsible development of the Victorian liquor industry.

I commend the bill to the house.

Debate adjourned on motion of Mrs SHARDEY (Caulfield).

Debate adjourned until Thursday, 15 November.

SECOND-HAND DEALERS AND PAWNBROKERS (AMENDMENT) BILL

Second reading

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That this bill be now read a second time.

The bill implements the recommendations flowing from a review of the Second-Hand Dealers and Pawnbrokers Act 1989 (the act), which was undertaken as part of the government's commitment to consumer protection. The review examined adequacy and effectiveness of the various information and other mechanisms in the act intended to protect the rights of people who pawn goods, noting that often these people are disadvantaged and amenable to exploitation. Extensive consultation with representatives of consumer and pawnbroker organisations was undertaken as part of the review.

It concluded that non-compliance by some elements of the pawnbroking industry has given rise to a need for better identification of who in the marketplace is conducting the business of a pawnbroker, and for improved enforcement mechanisms to enhance compliance with the act. Accordingly, it recommended that a registration scheme be introduced to distinguish pawnbrokers from second-hand dealers, and strengthening of the enforcement mechanisms in the act.

The bill provides for the separate registration of pawnbrokers, which will be effected by providing those second-hand dealers who wish to also trade as pawnbrokers with an authority, endorsed on their second-hand dealers certificate, to conduct the business of a pawnbroker.

The bill also introduces powers of inspection for Consumer and Business Affairs Victoria. These powers will enable inspectors to monitor compliance by pawnbrokers with the signage, notification and record-keeping requirements imposed by the act. These requirements help in tracing stolen goods, and ensure that consumers of pawnbrokers' services are informed of their rights and responsibilities.

The bill contains a number of measures to improve enforcement. It increases certain penalties that apply to

signage and other notice requirements under the act in order to improve compliance, and introduces the power to issue infringement notices for some offences. The bill empowers the Business Licensing Authority to impose conditions on second-hand dealer registration and pawnbroker endorsement. It also enables the Victorian Civil and Administrative Tribunal to discipline second-hand dealers and pawnbrokers in relation to their conduct and the conduct of their business.

The bill reinstates the entitlement of a person who has pawned goods to claim any residual equity in their goods, if they do not redeem the goods and the pawnbroker subsequently sells them. The residual equity is the amount remaining after the reasonable costs of selling the pawned goods and the amount owing under the loan contract have been deducted from the proceeds of sale.

The customer will have the right to claim the residual equity payable within 12 months of the goods being sold. The bill makes it an offence for a pawnbroker not to pay the residual equity to the customer upon request, and empowers the court to order the pawnbroker to pay the residual equity to the person entitled to it.

The bill also prohibits the pawning of motor vehicles to stop the practice identified in the review, of pawnbrokers advancing disproportionately small amounts of money on the pledge of a motor car of potentially much higher value as security. The review also concluded that it is inappropriate to allow for the pawning of motor cars because they are in many cases one of a person's most valuable assets.

Finally, an additional purpose is added by the bill to clarify that the act is intended to protect the rights of customers of pawnbrokers and second-hand dealers as consumers.

This bill is an important initiative that protects the rights of consumers without imposing an unreasonable burden on the pawnbroking industry.

I commend the bill to the house.

Debate adjourned on motion of Mrs SHARDEY (Caulfield).

Debate adjourned until Thursday, 15 November.

Remaining business postponed on motion of Mr HAERMEYER (Minister for Police and Emergency Services).

ADJOURNMENT

Mr HAERMEYER (Minister for Police and Emergency Services) — I move:

That the house do now adjourn.

Albury-Wodonga: council merger

Ms BURKE (Prahran) — I raise for the attention of the Minister for Local Government a query regarding the merger of the cities of Albury and Wodonga. With the announcement of the merger with considerable fanfare more than seven months ago there was a sense that perhaps the prospect of a merger of the two important cities was more than just an empty promise.

Unfortunately the consultation process seems to have stalled, and nowhere is that more evident than in the concerns expressed by the chairman of the Albury Wodonga Development Corporation in its latest report. He noted that in the year 2000–01 the Victorian government did not pass the winding-up legislation. One wonders about the commitment of the Victorian government to the proposal, given that it has dragged its feet on this matter compared to the commonwealth and New South Wales governments, which have already passed winding-up and draft winding-up legislation agreements.

The minister seems to have forgotten that one of the most important basic tenets of this joint announcement with the New South Wales Minister for Local Government was to consult with the local community in both cities. It seems the minister has less interest in following through with that commitment than might have been perceived through his statement at the time.

There are few people, especially among the residents of Wodonga and Albury, who would disagree with either the merger or the fact that it would bring enormous benefits to their community. However, this does not seem to matter to the minister, who will not instigate the single most effective way of demonstrating the level of the government's support.

I ask the minister to make the necessary preparations to conduct a plebiscite or a referendum of residents of Wodonga and to have the New South Wales Minister for Local Government do the same, if he can be convinced to do so, for Albury residents. That would highlight the government's commitment to the proposal and be an unequivocal demonstration of support from that community on the issue of the merger. Will the minister conduct a plebiscite of residents and ratepayers of Wodonga to determine their support for the proposal? As many in this house would realise, they

need the support of the community to have such a matter go through.

I have with me thousands of names of residents from the area who would like to have the right to say yes or no to the merger. Government members know what happens if you do not get agreement with the community on a merger. I ask the minister to stop the rhetoric on democracy and deliver on the promise that he made to those people — that is, to let them say whether or not they want their communities to merge.

Latrobe: governance

Mr MAXFIELD (Narracan) — I request action from the Minister for Local Government. There is a bit of a dispute between the parts that form the City of Latrobe, which is driven around the desire of the city to relocate council offices to Morwell. Fundamentally this is a problem that was driven by the honourable member for Prahran, who together with her commissioners made some very bad decisions when she was in government, decisions in which she was aided and abetted by some upper house members.

In the last three years there have been several petitions that have come out of Traralgon. The result has been that there is some ill will about the proposal to relocate the council offices, and obviously that ill will has spilled over into other parts of the Latrobe Valley and, in my view, is not helping the unity of the valley or the government's ability to drive the Latrobe Valley forward.

I ask the Minister for Local Government to assist the parties involved in improving their lines of communication if they wish to do so.

Voice of Special Children

Mr RYAN (Leader of the National Party) — I raise an issue for the attention of the Minister for Community Services. It is a matter of the gravest concern for the people on whose behalf I raise it. I seek the minister's response on a number of issues that have been put to me by Mr Tim Bull of Bairnsdale in his capacity as the chairman of the Voice of Special Children. This unique organisation comprises the parents of children in the Gippsland region who are disadvantaged in various ways. These children's problems might include autism or other forms of disability; however, they have a mutual interest in the fact that the parents have come together to form this wonderful group.

Only about 10 days ago I attended a forum in the company of the federal member for Gippsland, the Honourable Peter McGauran, in the course of which a number of issues were raised for his consideration on behalf of this group, which does fantastic work for children who suffer terrible disabilities. I am sure all honourable members recognise the important work these people do.

Speaking from my own perspective, it is a compelling experience to be among these parents, who are utterly and completely committed to the welfare of their children. They raised with me and with Mr McGauran a number of issues pertaining to some correspondence written by the minister to Mr McGauran on 14 December last year. They asked me to bring that correspondence to the attention of the minister for her further consideration.

Most particularly the parents are interested in the current developments concerning further strategies to which the minister referred in her correspondence. They also raised funding of aides for year 4 special needs kindergarten students and the degree of assistance that is available by way of aide funding in the private school system as opposed to the public school system in Victoria. They illustrated that in a number of instances.

We had the privilege, as I said, of hearing the experiences of these extraordinary parents in accommodating the special needs of these special children. I undertook to raise those matters for the consideration of the minister. The parents of these children are concerned to have her response, and I would be pleased if the minister could provide answers to the issues I have put to her.

Australian Defence Industries: rural jobs

Ms ALLEN (Benalla) — I refer the Minister for Manufacturing Industry to the important issue of retaining jobs in rural Victoria. I want the minister to take action to ensure that the federal government will commit fully to the retaining of more than 500 jobs at the Benalla and Mulwala Australian Defence Industries plants. ADI commenced operations at Benalla eight and a half years ago and has provided jobs for more than 300 workers. The value of this plant to the Benalla economy is millions of dollars and without the plant those workers would be out of work, out of their homes and out on the street.

The plight of ADI was brought to the attention of the federal government and the communities of Benalla and Mulwala by the Australian Labor Party regional policy committee led by Barb Murdoch, the federal ALP candidate, and the union. Rallies were then organised by union representatives. In particular I

commend Colin Riddell of Benalla for his passion and determination to win this battle.

Ms McCall — On a point of order, Mr Speaker, the honourable member for Benalla requested a minister of the state government to ensure action be taken by the federal government. I am not sure if that is within the allowable jurisdiction of the adjournment debate.

The SPEAKER — Order! On the point of order, the Chair understood the honourable member for Benalla to be asking the minister for action to ensure the continuation of 500 jobs. There is no point of order.

Ms ALLEN — The workers and their families and hundreds of members of the community in Benalla and Mulwala marched in the streets demanding the federal government commit to keeping their plants open. I remember the image of a little 10-year-old girl carrying a banner which read 'Save my pop's job, save my dad's job and save our home'.

The mayors of both Delatite and Moira shires travelled to Canberra to meet with the defence minister to plead their case. The federal government was dragged kicking and screaming to the table to negotiate keeping the plants going. I want the minister to take action to ensure that the federal government keeps its commitment to retain the 500 jobs in Benalla and Mulwala.

Victorian Young Farmers

Mr McARTHUR (Monbulk) — I seek the assistance and action of the Minister for State and Regional Development to immediately and urgently intervene and help to restore funding to a worthwhile organisation — that is, Victorian Young Farmers. In raising the issue I will provide a little background for honourable members. The VYF has been operating for more than half a century in this state. It has been doing a wonderful job across the length and breadth of country Victoria.

From the membership of Victorian Young Farmers a number of significant figures in agricultural industries have come forth, and in the future we can expect something similar. Over the last 35 years there has been a history of cooperation between the state government and the VYF, and the VYF has received core funding for that period. It was dismayed to hear from the Department of Natural Resources and Environment earlier this year that that was to cease. The VYF was told it should apply for funding through the Department of State and Regional Development and for other project funding through other departments. When it took that advice and applied for funding through the Department of State and Regional Development it was told by the Minister for Agriculture that he would assist, sponsor and support its application. Its members were therefore very dismayed when on 18 October a DSRD adviser, one Stephen Newnham, advised them it had been decided that the VYF would not receive continuing funding, that the organisation could apply for non-guaranteed one-off project funding, that members would not be given a chance to meet with the Minister for State and Regional Development and — most outrageous of all — that Victorian Young Farmers was an irrelevant organisation. I find that surprising.

The honourable member for Bendigo East laughs about young farmers. She thinks they are irrelevant, but let me tell you what the Minister for State and Regional Development said when as the shadow minister he was the guest speaker at the 1999 state conference of Victorian Young Farmers. He said that the key to success across Victoria for rural industries is being able to export, and that Australia has earned its standing in the world through its export trade. He said that to achieve the $12 billion expected increase in rural export earnings would mean better advantages for rural youth, that there was a need for better infrastructure in rural areas and that VYF members should be vigilant and make sure that rural industries in the bush had the support of government. That is not irrelevant!

Autistic Citizens Residential and Resources Society of Victoria

Mr LIM (Clayton) — I draw to the attention of the Minister for Community Services the plight of the Autistic Citizens Residential and Resources Society of Victoria in providing services to people with disabilities in the southern metropolitan region. I ask the minister to take action to address the difficulties faced by the ACRRSV by way of resourcing it appropriately to ensure that it is in the position to provide a high-quality service for its clients.

By way of background I advise the house of the following: in 1992 the Autistic Citizens Residential and Resources Society of Victoria established the Wickham adult training and support service, which is a day service. For many years it has operated from leased premises in Wickham Road, Moorabbin. The building is substandard. Formerly a dairy, it consists of a small room with inadequate heating and cooling, limited toilet facilities and a restricted kitchen and eating area, and it has electrical problems.

The Moorabbin service is considerably below acceptable standards. The environment is inappropriate, which has exacerbated clients' challenging behaviour. Most of the clients of this day service have autism spectrum disorder, and several display challenging behaviour that has led to the need for additional funding for them. I believe there is a compelling rationale for the government to respond positively to the demonstrated need of the clients of ACRRSV to be treated with dignity and to be provided with quality services. I ask the minister to respond accordingly.

Anthrax: Warrnambool scare

Dr NAPTHINE (Leader of the Opposition) — I ask the Premier to investigate allegations raised and respond immediately to a letter he will be receiving or has received from a Mr Leigh Allen of Narrawong, following a genuine anthrax alert in Warrnambool recently. I will read the letter into *Hansard*:

> I am writing to register my absolute disgust at the treatment I have received from a senior bureaucrat within the Department of Human Services.
>
> In particular my concern is in relation to the appalling reception I received to my inquiries about possible compensation and financial assistance after I provided professional trauma counselling to eight of my employees and one employee's wife after an anthrax alert in Warrnambool this week.
>
> I am a small business operator who runs a courier service, based in Portland in south-west Victoria. We routinely transport parcels, packages and a variety of items all over the country, regional and metropolitan Victoria.
>
> On Tuesday night my employees were involved in the transportation of a number of parcels from Melbourne to the Hamilton office of member for Wannon David Hawker.
>
> When the parcels reached Warrnambool for further transfer on to Hamilton, my employees noticed white powder leaking out. I was notified and we immediately alerted police and the CFA. All necessary steps were taken to decontaminate the area, my employees and their trucks. Several items including the suspect parcels, the employees' clothing, mobile phones and so on were seized for closer examination.
>
> Even though the police and CFA were completely professional about the whole thing and treated my employees with the utmost compassion, respect and understanding, my employees were traumatised by the thought of possibly coming into contact with anthrax, and with having to strip down and undergo high-pressure, freezing cold showers in the open air in the middle of the night.
>
> I organised trauma counsellors to talk to my employees at considerable personal cost. In fact, this whole episode has been extremely costly to me in terms of lost time, lost productivity, money spent and the personal impact on my staff.
>
> On Wednesday I contacted the Department of Human Services and spoke to a Mr Paul Van Brynder. This particular individual I found totally unsympathetic and unhelpful. His attitude was:
>
> > Emergency service workers (police and CFA firefighters) 'overreacted' and were 'over the top'.
> >
> > The department had received a large number of reports of powder in letters/parcels and all of them had turned out negative.
> >
> > If he were in charge, he would not have travelled to Warrnambool because it would have turned out to be a hoax anyway.
> >
> > He indicated that a lot of reports were coming in which were not worth investigating.
> >
> > The anthrax scare was basically 'bullshit' in Victoria and Australia.

He did not receive any indication of any assistance from Mr Van Brynder. He is absolutely disgusted with the attitude of this senior bureaucrat and the Department of Human Services. I must say I share that disgust if these allegations are true.

Anthrax is a serious matter. It is being treated seriously around the world. It was treated seriously by the police and the Country Fire Authority, and it is about time it was treated seriously by the Department of Human Services. I ask the Premier to investigate the matter immediately.

Schools: Keilor–Melton

Mr SEITZ (Keilor) — I raise a matter for the attention of the Minister for Education, and I ask her to take appropriate action. Students and other people in my electorate of Keilor, and particularly in the Keilor–Melton growth area, should not miss out on educational opportunities and the development of school buildings and the facilities surrounding them just because it is a very fast-growing area which already has overcrowding.

I received a letter from one of the schools, which is enthusiastic about the extra funds the minister is putting into developing the schools as a catch-up. However, we also need to ensure that the new growth area does not drop behind while we are extending our classrooms in existing schools. The growth in the Keilor–Melton corridor is something that has been underestimated by most bureaucrats over a period of time because it has grown so fast that people have not factored it into their growth planning.

Now the kindergartens are full, and the City of Brimbank has had to establish a temporary kindergarten on the Sydenham Primary School site. Within two or

three years those children will all be ready to go into primary school. We have built a new secondary campus at Sydenham, but that building work will need to continue in the rest of the growth area. I ask the minister to ensure that the department, with its forward planning over a number of years, takes into account the growth of that corridor, because it is one of the fastest growing corridors in the suburbs.

I do not want to be in the same position we were in with the kindergarten, when we virtually had to push and hurry to get it finished in a portable building to meet the needs of the community. As honourable members know, this year we had a census. They are always well behind, and it is four or six years before the proper results are known.

I want the minister to take the appropriate action now to ensure that future needs are met for the expansion in Hillside and right through that area in the Keilor–Melton corridor and that there are enough secondary colleges to meet the needs of the students. At present the Taylors Lakes and Keilor Downs secondary colleges are overcrowded, as are the buses that transport the students from the Keilor–Melton corridor to the existing Keilor schools. I am sure the minister will take note of that and will ensure that the planning is carried out and that the budget allocations are done for the years to come so there is not a backlog in meeting the needs of the people in my electorate.

Frankston Hospital

Mr COOPER (Mornington) — I want the Minister for Health to take urgent action to stop a Labor Party candidate for the federal election on 10 November from his activities, which I have been told are dangerous to patient care.

In the house yesterday the honourable member for Frankston East claimed that the total budget at Frankston Hospital has increased by 18 per cent and that an additional 80 nurses have been employed. He went on to give credit for all of that to Mark Conroy, the Labor candidate for Dunkley. If Mr Conroy is the man responsible for everything that is going on at the Frankston Hospital, as the honourable member for Frankston East claims, the voters in Dunkley will be very unhappy to hear that Mr Conroy is overseeing staff cuts in the midwifery section of the hospital — in the delivery suite area, in fact — that I am told will be dangerous to patient care.

Mr Nardella — By whom?

Mr COOPER — I ask the minister why he has allowed — —

Mr Nardella interjected.

Mr COOPER — Would you mind stopping that, moron!

The SPEAKER — Order! The honourable member for Melton! The honourable member for Mornington, continuing his remarks.

Mr COOPER — I ask the minister why he has allowed Mr Conroy to become involved in the running of the Frankston Hospital, and will he now step in and stop the dangerous activities of this idiot before the lives of mothers and babies are put at risk?

La Trobe University

Ms ALLAN (Bendigo East) — I raise a matter for the Minister for Health regarding some developments at the Bendigo campus of the La Trobe University. The action I seek from the minister is that he support the establishment of a centre for professional development at La Trobe University, Bendigo.

A lot of new initiatives have occurred throughout the university at Bendigo. This is another important one for the university in the area of human services, particularly that of supporting the nursing profession. Initiatives like these are important to encourage people to take up nursing, and in country Victoria it is certainly very important to encourage more people into the nursing profession. It is also important to keep people in the nursing profession once they are there. We all know how important their job is and how important it is to keep the maximum number of nurses in the profession and to provide them with the support they need in their professional development. The Bracks government understands this, unlike the previous government, as we heard about yesterday, with the number of nurses that it slashed from the system during its seven years in government in this state.

I am very pleased to see that the initiative at La Trobe University will support the extra 52 equivalent full-time nursing positions at the Bendigo Health Care Group. In reality that number is many more, when you consider that many people in the nursing profession work part time; it can become quite a flexible occupation for people. In reality that number is likely to be much higher than 52. With the government's ongoing nurse attraction program, which is very important to attracting nurses around the state, no doubt the numbers will continue to grow.

I am very pleased to support this initiative at La Trobe University, Bendigo, which I must declare I am a

former student of and am very proud to say so. It is certainly an important educational provider — —

Mr Wynne interjected.

Ms ALLAN — It would surprise you to hear that I was an arts student. It is an important education provider for the region and for many country students — not just those like myself who resided in Bendigo, but for country students around northern Victoria. La Trobe University, Bendigo, has been and continues to be an important source for access to tertiary education, particularly for those who for family reasons are not able to live and support themselves in Melbourne and find the choice of a regional university much more affordable.

The Bracks government recognises the importance of the regional university in Bendigo and has already supported it through funding for the Centre for Sustainable Regional Communities and $3.2 million funding for the information communications technology centre. Again we make the contrast with the federal government, which continues — —

The SPEAKER — Order! The honourable member's time has expired.

Frankston Hospital

Ms McCALL (Frankston) — I raise for the attention of the Minister for Health serious allegations about the status of elective surgery and staff levels at Frankston Hospital. Honourable members may recall that the honourable member for Frankston East made some serious comments about the sorry state of Frankston Hospital after a number of people and members of the community approached him anonymously during the last state election campaign. Let me reassure the honourable member for Frankston East that I am now receiving those anonymous phone calls from people raising serious allegations, some of which have been raised by the honourable member for Mornington, regarding staff cuts in midwifery and in the delivery suite. I am reliably informed that babies wait for no man or beast, so to say there is no staff in the midwifery section is serious stuff.

Serious allegations have been made about underfunding in the accident and emergency areas because no money is available in the hospital coffers. Anonymous phone calls have been received from nurses at the hospital claiming promises made by the then opposition and the then candidate for the electorate of Frankston East are now not being fulfilled. They are concerned that the confidence they showed in him during that election campaign was clearly unfounded. They were idle promises. I therefore ask the part-time Minister for Health, when he is working in whichever department or office he may be working in at present, to come into the chamber and seriously undertake to investigate the allegations made by both the honourable member for Mornington and myself. The members of the community of Frankston who are served by Frankston Hospital deserve the allegations to be investigated, and I urge the minister to appear to do so.

Spring Racing Carnival

Mr ROBINSON (Mitcham) — I raise for the attention of the Minister for Racing the forthcoming Spring Racing Carnival, a great highlight in the racing calendar of the state of Victoria. The action I seek from the minister this evening is to provide an assurance to the house and the Victorian community that every arrangement and provision is being made for the good conduct of the Spring Racing Carnival, which commences at Flemington on Saturday with the time-honoured Victorian Derby.

Recently we have seen with some sporting organisations — the Australian Football League comes to mind — that problems have occurred with the organisation of major events. Honourable members understand that in Melbourne every spring we go through the routine of tickets for AFL finals being organised in a most unreasonable way. Mr Speaker, I know you suffered the ignominy of having to line up for finals tickets in a manner that you would and the honourable member for Gippsland South would find less than satisfactory.

We do not want the racing industry to suffer the same difficulties. I seek from the minister an assurance that all arrangements are in place for the Victorian public to attend a series of magnificent sporting events in Melbourne.

Responses

Mr HULLS (Minister for Manufacturing Industry) — The honourable member for Benalla is right to be concerned about the future of Australian Defence Industries. I too am concerned that the commonwealth defence manufacturing facility has not received adequate support from the Howard government.

The Howard government was caught out recently in a Senate estimates committee hearing drawing up plans to import its ammunition and explosives. I have raised the future of the facility with the federal government, as have local communities and the workers at those two

plants. I have visited the site in Mulwala and it is in urgent need of an upgrade.

After local workers raised the issue and after visiting the facilities, the Howard government announced it would upgrade the facility at Mulwala. The Howard government has had years to fund this project. It has also had months since the announcement to sign a contract, but it has put no money at all towards its so-called commitment to upgrade this very important facility and therefore no money to keep the hundreds of jobs there. It is an unfunded commitment by the Howard government and should be treated as just another Howard government non-core promise.

The honourable member ought be concerned that the federal government has made no concrete proposals to upgrade the facility. If the honourable member really wants to ensure the best outcome for her constituents — as I know she does — she should be telling every single one of them to ensure they support Barbara Murdoch at the forthcoming federal election because Barbara has been outspoken and vigilant about this facility and the protection of jobs at Mulwala, Yarrawonga and Benalla.

The coalition candidate, Sophie Panopoulos, has done absolutely nothing about those jobs. I have drawn the matter to the attention of Peter Reith and Brendan Nelson, who have made hollow promises and no commitment. The only person who has made a commitment is Barbara Murdoch. Therefore it is only the Labor Party that has committed to signing a contract for the redevelopment of the facilities and it is only the Labor Party that has made provision for funding this project. It is important that the people of the area understand that Barbara Murdoch has fought for the survival of those facilities and jobs and that she is the only candidate who has taken concrete action in relation to the jobs.

The honourable member for Mitcham raised a matter for my attention in my capacity as Minister for Racing. Can I just say that all roads will be leading to Flemington on Saturday for the Victoria Derby, on Tuesday for the Melbourne Cup, on Thursday for the Oaks and on the following Saturday for Emirates Stakes Day. Unfortunately I will not be at the Oaks on Thursday, and neither will any other honourable member, because we will be sitting here ensuring that democracy is alive and well in this place.

I understand that transport arrangements are in place. There will be a large crowd at the Derby on Saturday and a huge crowd at the Melbourne Cup. You get all sorts of tips as racing minister, but I expect the Bart Cummings horse, Ustinov, to win the Derby on Saturday and probably Universal Prince or Rain Gauge will win the Melbourne Cup.

Dr Napthine interjected.

Mr HULLS — An offer has been made to me by the Leader of the Opposition. He said, 'Hullsy, Let's Elope'. There is absolutely no way I intend eloping with the Leader of the Opposition. But if he is at Flemington on Saturday it will be interesting to see whether or not he is wearing a morning suit. That will be the test. I have been trying to bring the racing industry into the 21st century with a new governing structure. I will not be wearing a morning suit on Saturday.

Dr Napthine interjected.

Mr HULLS — The Leader of the Opposition says that therefore I should not be allowed in. He should be wearing a mourning suit — that is, a m-o-u-r-n-i-n-g suit.

Honourable members interjecting.

The SPEAKER — Order! Will the house come to order, and will the minister come back to addressing the issue that was raised by the honourable member for Mitcham, which was about preparations for the Spring Racing Carnival.

Mr HULLS — Preparations are all in order. I was out there this morning. The roses are looking absolutely magnificent. They are blooming. I give everyone a tip: get out there on Saturday, get out there on Tuesday. It is going to be a great carnival!

Ms CAMPBELL (Minister for Community Services) — The first matter was raised by the Leader of the National Party on behalf of Mr Tim Bull, representing his organisation the Voice of Special Children. I join with the Leader of the National Party in paying tribute to Mr Bull. I have met him on a previous occasion, and he speaks forcefully and clearly on behalf of his own family and many other families with children with special needs.

The matters raised went to two specifics, but before I go to those I will briefly mention that not only did I meet with Mr Bull but the regional director at the Gippsland regional office and senior staff have been working with parents in the Gippsland region to come up with better systems and outcomes for children with disabilities, particularly in the early intervention area. Mr Bull and local parents have worked cooperatively in that regard.

In regard to early intervention services, the last budget and the one before have provided an additional 12 per cent in funding for children with special needs. The government is proud of the additional 12 per cent, which has enabled hundreds of families to access additional services. We are doing that in the face of being underfunded by the federal government to the tune of around $10 million for disability services compared to other states. That has not stopped the government putting in and focusing on the needs of families and children with special needs. That the state is underfunded by $10 million is relevant because our preschool specialist integration aides are funded by the commonwealth government. We worked with my interstate colleagues at the last ministerial council to try to emphasise to the commonwealth that underfunding Victoria by $10 million has a significant impact on families. Mr Bull would be aware of that.

In relation to the point raised concerning the Catholic school system, that is a matter that is rightly the responsibility of the Minister for Education, and I will pass that over to the minister.

The honourable member for Clayton raised the Autistic Citizens Residential and Resources Society of Victoria, which has been working for over four years to have better infrastructure for its people with disabilities. This government delivers: it has provided a good outcome to the society. I am pleased to inform the honourable member for Clayton that in line with the government's policy of inclusion we have approved $870 000 for the purchase and refurbishment of a property for the society. Further, in line with the government's policy to promote inclusion of people with a disability, that infrastructure will be based on community life, and a hall will be upgraded, which will enable not only the society's clients but others in the community to enjoy the infrastructure.

The clients currently attending the day service have high support needs. The government will make sure that is taken into account in the infrastructure bill, and I look forward to joining the honourable member for Clayton at the opening of the site in 2002.

Mr CAMERON (Minister for Local Government) — The honourable member for Narracan raised a matter concerning the City of Latrobe, where a dispute is taking place. It seems that the relocation of offices from Traralgon to Morwell is the root cause of the dispute. A petition has been circulated in the Traralgon community seeking that the council be sacked. I have asked my department if there is anything the council has done which would trigger the Local Government Act provision, and the answer is no. Notwithstanding that, it seems, as the honourable member for Narracan suggests, that there has been a breakdown in communication on both sides. We want the region to work well. Other municipalities with diverse communities work well. From what I have read I realise that the local member, the Honourable Peter Hall in the other place, does not seek to interfere in local government matters, but he has an opinion. If both sides want an independent facilitator to help with lines of communication, although it cannot be done legislatively, if there is an approach I will ensure that a facilitator is provided.

The honourable member for Prahran raised a matter concerning the amalgamation of Albury-Wodonga to bring about Australia's first national city, a city that will speak with one voice for that metropolis. Certainly the honourable member for Prahran had hoped for more since the promise was made by the states that we would seek to bring together the joint city. To that end, and wanting to move the process along more quickly to bring about the joint city, the honourable member wanted legislation passed for the winding-up of the Albury-Wodonga Development Corporation.

I thank the opposition for its support in wanting to quickly bring it about. However, the Honourable Ian Sinclair is involved and consulting with the community, and people want state and local government issues addressed. The honourable member for Benambra is a keen supporter of the joint city. We have made it clear that we want to survey community opinion to see if they want to bring about the benefits of a joint city and the benefit of doing away with some of the state anomalies. I thank the opposition for its support.

The Leader of the Opposition and the honourable members for Monbulk, Keilor, Mornington, Bendigo East and Frankston raised matters for the attention of ministers. I shall forward those matters on to them.

Motion agreed to.

House adjourned 8.53 p.m. until Wednesday, 7 November.

QUESTIONS ON NOTICE

Answers to the following questions on notice were circulated on the date shown.
Questions have been incorporated from the notice paper of the Legislative Assembly.
Answers have been incorporated in the form supplied by the departments on behalf of the appropriate ministers.
The portfolio of the minister answering the question on notice starts each heading.

Tuesday, 30 October 2001

Health: Bennettswood — Royal Dental Hospital waiting list

365. MR WILSON — To ask the Honourable the Minister for Health — how many Victorians from each of the postcodes 3125, 3128, 3130, 3149 and 3151 were on the Royal Dental Hospital waiting list for treatment at the end of each month from August 2000 to April 2001 inclusive.

ANSWER:

The number of Victorians from postcode areas 3125, 3128, 3130, 3149 and 3151 who were on the waiting list for treatment at the Royal Dental Hospital at the end of each month from August 2000 to April 2001 inclusive is as follows:

Number of Victorians on RDHM Waiting List for Postcodes 3125, 3128, 3130, 3149 and 3151 As At:								
31/8/00	**31/9/00**	**30/10/00**	**30/11/00**	**31/12/00**	**31/01/01**	**28/02/01**	**31/03/01**	**30/04/01**
1841	1875	1902	1939	1940	1920	1910	1901	1911

Premier: ministerial officers' pecuniary interests

433(a). MR KOTSIRAS — To ask the Premier whether all ministerial officers currently or previously employed by the Premier have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All ministerial officers currently employed by me have completed a declaration of pecuniary interest form.

Multicultural Affairs: ministerial officers' pecuniary interests

433(b). MR KOTSIRAS — To ask the Minister for Multicultural Affairs whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

I wish to advise that in my capacity as the Minister for Multicultural Affairs, I do not employ staff.

Treasurer: ministerial officers' pecuniary interests

433(d). MR KOTSIRAS — To ask the Treasurer whether all ministerial officers currently or previously employed by the Treasurer have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Workcover: ministerial officers' pecuniary interests

433(g). MR KOTSIRAS — To ask the Minister for Workcover whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Community Services: ministerial officers' pecuniary interests

433(h). MR KOTSIRAS — To ask the Minister for Community Services whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Environment and Conservation: ministerial officers' pecuniary interests

433(k). MR KOTSIRAS — To ask the Minister for Environment and Conservation whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Police and Emergency Services: ministerial officers' pecuniary interests

433(m). MR KOTSIRAS — To ask the Minister for Police and Emergency Services whether all ministerial officers currently or previously employed by the Ministers have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Corrections: ministerial officers' pecuniary interests

433(n). MR KOTSIRAS — To ask the Minister for Corrections whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Agriculture: ministerial officers' pecuniary interests

433(o). MR KOTSIRAS — To ask the Minister for Agriculture whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Aboriginal Affairs: ministerial officers' pecuniary interests

433(p). MR KOTSIRAS — To ask the Minister for Aboriginal Affairs whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Attorney-General: ministerial officers' pecuniary interests

433(q). MR KOTSIRAS — To ask the Attorney-General whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Health: ministerial officers' pecuniary interests

433(z). MR KOTSIRAS — To ask the Minister for Health whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Ports: ministerial officers' pecuniary interests

433(ab). MR KOTSIRAS — To ask the Minister for Transport representing the Minister for Ports whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Energy and Resources: ministerial officers' pecuniary interests

433(ad). MR KOTSIRAS — To ask the Minister for Environment and Conservation representing the Minister for Energy and Resources whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Consumer Affairs: ministerial officers' pecuniary interests

433(ag). MR KOTSIRAS — To ask the Minister for Corrections representing the Minister for Consumer Affairs whether all ministerial officers currently or previously employed by the Minister have signed a pecuniary interest form; if so, on what date — (a) was the declaration signed; and (b) did the employee commence employment .

ANSWER:

I am informed that:

All staff working in my office are employed by the Premier. Therefore there are no ministerial officers employed by me.

Treasurer: payroll tax payers

440. MS ASHER — To ask the Honourable the Treasurer — what was the total number of businesses paying payroll tax as — (a) at June 1999; (b) at June 2000; (c) at June 2001; and (d) an estimate for June 2002.

ANSWER:

I am informed that:

Registered Employers (including authorised employment agencies) paying payroll tax as at June 1999 and June 2000 are reported in the State Revenue Office Annual reports 1998/1999 and 1999/2000. Web site: www.sro.vic.gov.au/.

The number of the above employers as at June 2001 will be reported in the 2000/2001 Annual Report to be released late in 2001.

Reliable estimates of the number of Registered Businesses as at June 2002 are not available.

Treasurer: land tax payers

441. MS ASHER — To ask the Honourable the Treasurer — what was the total number of land tax payers as — (a) at June 1999; (b) at June 2000; (c) at June 2001; and (d) an estimate for June 2002.

ANSWER:

I am informed that:

Land tax payers as at June 1999 and June 2000 are reported in the State Revenue Office Annual reports 1998/1999 and 1999/2000. Web site: www.sro.vic.gov.au/.

The number of land tax payers will be reported in the 2000/2001 Annual Report to be released late in 2001.

Reliable estimates of the number of land tax payers as at June 2002 are not available.

Transport: route 109 project

470. MR LEIGH — To ask the Honourable the Minister for Transport with reference to expenditure on the Yarra Trams Route 109 Project — (a) what has been the Government's expenditure; (b) what future expenditure has been committed; and (c) how much of the project is being funded by Yarra Trams.

ANSWER:

Tram 109 is a major project with many elements. Some of the existing Yarra Trams franchise commitments are consistent with and will enhance the Tram 109 project. The key elements include:

(a) Box Hill tram extension — a $22 million project (including land acquisition) of which $4 million has been paid to date.

(b) Construction of a number of tram 'Superstops', the first two of which are under construction at the Collins Street/Swanston Street intersection (no payment to Yarra Trams has been made as yet).

(c) In addition, Yarra Trams will introduce 36 new 'low floor' trams — a $100 million investment — as part of their Franchise Agreement with the Government.

Yarra Trams is providing support, concept design and advice, working in partnership with the Government to deliver this project.

Opportunities to improve journey times and reliability on route 109 through changes to traffic management are still being examined, and will be considered by the Government for funding in future budgets in conjunction with other competing public transport projects.

Transport: road/bridge funding

494. MR MAUGHAN — To ask the Honourable the Minister for Transport — what is the Government's policy with regard to the ongoing funding of existing state highways and bridges where either a new highway or bridge is built to bypass a town.

ANSWER:

In the situation where a town is bypassed with the construction of a highway, the classification of the original route through the town would be reviewed following the opening of the bypass to reflect the changed function of the road through the town. It may be downgraded from a declared State Highway to a Main Road or, in the case where the old route reverts to solely a local access function, it may be unclassified to a Local Road status.

Construction and maintenance activities on both declared State Highways and Main Roads are fully funded by the State Government through Vicroads. In the case where a State Highway is reclassified to a declared Main Road, the State would continue to fund ongoing maintenance activities for both the road and any bridges along the route.

Local roads are typically funded and managed by Local Government with funding assistance grants provided by the Federal Government. If a road were to be unclassified to a Local Road status, the local municipality would assume responsibility for ongoing maintenance required