

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE ASSEMBLY**

**FIFTY-SIXTH PARLIAMENT**

**FIRST SESSION**

**Tuesday, 10 March 2009**

**(Extract from book 3)**

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<sup>1</sup> Resigned 6 August 2007

<sup>2</sup> Elected 15 September 2007

<sup>3</sup> Resigned 2 June 2008

<sup>4</sup> Elected 28 June 2008

<sup>5</sup> Elected 15 September 2007

<sup>6</sup> Resigned 6 August 2007



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**Tuesday, 10 March 2009**

**The SPEAKER (Hon. Jenny Lindell) took the chair at 2.05 p.m. and read the prayer.**

**ABSENCE OF MINISTER**

**The SPEAKER** — Order! I advise the house that the Minister for Children and Early Childhood Development will not be present during question time today. The Minister for Education will answer questions on her behalf.

**DISTINGUISHED VISITORS**

**The SPEAKER** — Order! I welcome to the gallery a delegation from Shandong Provincial People's Congress. Mr Li Hong-Qiang, welcome.

**QUESTIONS WITHOUT NOTICE**

**Bushfires: warnings**

**Mr McINTOSH (Kew)** — My question is to the Minister for Police and Emergency Services. Given that at 10.00 a.m. on Wednesday, 4 February, details of an extreme fire-weather spike for the following Saturday were available, why were the full details not made available immediately to the Victorian public on the Wednesday?

**Mr CAMERON (Minister for Police and Emergency Services)** — The last time this Parliament met there was a very respectful debate, and I will quote from one speech that was made during the course of that debate:

It was unbearably hot and followed weeks of scorching weather ... The conditions were known — they were predicted and they were aired. In the way to which Victorians have been made accustomed, fire plans were activated, and people did as they were encouraged to do.

Those comments were from the Leader of the Opposition. Victorians expect decency from their leaders.

Let us go back to what the fire chiefs did prior to Black Saturday. On the Wednesday, as a result of warnings from the weather bureau, the fire chiefs put out a press release warning of extreme conditions on the Saturday. On the same day the Premier also made comments about the weather and fire conditions on the Saturday as being 'ugly, ugly'. Certainly on the Thursday the fire chiefs gave an extensive media briefing at which they

went over the issues and the problems that would be confronting Victoria with the fire conditions on the Saturday. In question time that day the Deputy Leader of the Labor Party, who was acting Premier, set out the Saturday forecast and the concern that the government had. That was in answer to a question asked by the honourable member for Yan Yean, who was heckled by the opposition quite shamefully while asking the question.

On the Friday the fire chiefs put out further warnings about travel the next day, and the Premier referred to the 'worst day ever' for fire conditions at his press conference in Ballarat — and these were extensively reported. Indeed on that Friday an *Age* headline was 'Worst peril since Ash Wednesday', a *Herald Sun* headline was 'Heat and wind whip up red alert' and an *Australian* headline was 'States on fire alert as mercury soars'.

These were the preparations that the fire chiefs put in place. In addition to that, the agencies came together to make preparations for Black Saturday in the event that there should be fire, given the fire conditions and the possibility of fires becoming very large bushfires, as we saw happen. The government stands by the fire chiefs and our emergency services agencies. They do a completely fantastic job.

**Bushfires: recovery**

**Ms GREEN (Yan Yean)** — My question is to the Premier. Can the Premier update the house on measures that the Brumby government is taking to help communities rebuild after this summer's devastating bushfires?

**Mr BRUMBY (Premier)** — I thank the member for Yan Yean for her question, for her contribution as a Country Fire Authority volunteer and for her great work as a member of Parliament in supporting communities that have been so badly affected as a result of the fires on Saturday, 7 February.

We are all aware of the dimensions of the devastation that was caused on Saturday, 7 February. It was the worst natural disaster in our state's history and the worst natural disaster in Australia's history. More than 210 lives were lost as a result of that tragedy, and more than 2000 houses and properties were destroyed.

Since that day I have made it clear on every occasion that we will support communities which have been so badly affected. We will support families, and we will ensure that by working together we will rebuild. Since 7 February a range of initiatives have been put in place

by the government. On the day after the fires I launched, with the Red Cross, the Victorian Bushfire Appeal Fund. I am pleased to say that the appeal fund has obviously exceeded all of our expectations. At last count it had raised more than \$232 million from more than 528 000 individual donations.

This morning I opened the Avalon air show. I was out there with the federal Minister for Defence Science and Personnel, Warren Snowden, whose electorate is in the Northern Territory. He was telling me that over the weekend he was at a very small and very remote Aboriginal community where, he said, people had been fundraising for the last two weeks. They have raised over \$1500 for the bushfire appeal. That is an example of the way in which people, right across Australia and in many parts of the world have given so generously to the appeal. As I said during the condolence motion on the bushfires in this house two weeks ago, at the worst of times we have also seen the very best of human behaviour.

As of today we have made more than 8000 emergency grants valued at around \$6.3 million. There have been 1800 grants from the bushfire appeal fund valued at around \$13 million, mainly for home dislocation grants. On top of this, the state and commonwealth governments have put in place many initiatives to help people through the crisis. We have appointed case managers for every family affected by the bushfires.

I mention that because the Leader of The Nationals suggested, very constructively and in good faith last week, that we should look at a one-stop shop between commonwealth and state agencies. The purpose of the case managers in a sense is to try to be that one-stop shop so that everybody who has been affected by the fires has a single point of contact within government — someone who could help them navigate with the banks, navigate with insurance or navigate with government. It is a one-stop shop through the case manager.

We have provided counselling support. We have provided funding for funeral costs, land tax and stamp duty release, free legal advice and computers. We have worked with the Victorian Farmers Federation (VFF) to facilitate delivery of fodder and the replacement of fences. I think it is fair to say we have got a bit more to do in that area; and we have pledged to rebuild all of the primary schools that were lost in the fires.

The Prime Minister and I have also established the Victorian Bushfire Reconstruction and Recovery Authority, which is led by the former Victorian Chief Commissioner of Police, Christine Nixon. I think she will do a fantastic job as the head of that authority, and

that work will build on the great work that has been done by Major General John Cantwell, who filled that job for the first three weeks after the fires.

One of our first priorities is to clear almost 80 000 tonnes of debris and hazardous materials from the sites that have been affected by the fires. The commonwealth and state governments have offered to meet the cost of that, which is estimated to be somewhere between \$20 million and \$40 million. That contract is being administered by Grocon, using local contractors wherever it can.

We are also providing temporary housing to help affected families. Last week while we were in Flowerdale, the Minister for Community Services, the Minister for Housing and I announced the first steps in that regard, which involves community housing and utilising the very generously donated homes, caravans and units. I should mention too that some of those have been sent from as far as Western Australia, having been donated by Andrew Forrest.

Looking forward, our government understands that many people who live in the areas which have been affected by fire do so because of the great natural beauty and unique lifestyle. Going forward we have to make sure that we rebuild in these areas. We have got to make them safer against fire in the future, but we have also got to maintain the livability of those areas as well.

With the Minister for Planning, on Friday I announced that we are introducing new building regulations, which will make Victoria the first state in Australia to put them in place. They would have come into effect in May 2010 through Council of Australian Governments arrangements, but we have acted so that houses which are being rebuilt can be rebuilt according to the new regulations.

We are aware of issues in relation to tourism. Any members who have moved around the state will have noticed that the concerns about fire have kept tourists away from many of the fire-affected areas. In the not-too-distant future we will be announcing with the federal government a package to assist tourism in Victoria to recover and particularly to see tourists return to affected areas where it is safe to do so.

Schools and police stations will be rebuilt as quickly as possible. All of those projects have been fast-tracked and, as I mentioned before, the Australian Red Cross bushfire appeal has already approved around \$50 million of funding; \$13 million has already been paid out. The Red Cross is meeting this week to

consider other issues, including assistance for people who wish to rebuild their homes, and I am sure it will deal with those issues in a generous and compassionate way.

Finally, Victorians rightly want and deserve to know all the details about how the Black Saturday bushfires occurred — what went right, what went wrong and what we can learn for the future. That is why I announced a royal commission within days of the tragedy. I am pleased to say that the commission will begin a community consultation program this month. Formal hearings will start in May, and I expect to receive an interim report from royal commissioner Justice Bernard Teague by August. Indeed later today I will introduce legislation in relation to that matter.

In conclusion, as I have said before in the house, I believe that as we learnt lessons from the bushfires in 1939 and as we learnt lessons from the bushfires in 1983, so too will we need to learn the lessons from the bushfires of January and February 2009. But I believe the measures we have put in place in partnership with the extraordinarily generous contributions and donations by Australians will enable us to assist these communities and to assist with rebuilding, and I believe the right steps are in place to ensure that we can rebuild at the earliest possible opportunity in the most effective and safest way.

### **Bushfires: warnings**

**Mr McINTOSH (Kew)** — My question is to the Minister for Police and Emergency Services. I refer the minister to the finding of the emergency services commissioner, Bruce Esplin, in his 2003 report into the Victorian bushfires as to whether or not Victorian householders should stay and defend their homes or go early. He said:

If residents decide to stay, it is essential that they be fully informed of the risks.

I ask: given the prior notice of the extremely dangerous conditions of 7 February, why was a warning text message not sent out to the Victorian public as was done by the South Australian government in its state one week previously?

**Mr CAMERON (Minister for Police and Emergency Services)** — The member for Kew referred to the comments of the emergency services commissioner. He might also be aware that the commissioner has made it extremely clear that never before in Victoria's history have so many warnings been given, and I congratulate the fire chiefs and the emergency services agencies on doing that. Certainly

that is why there was extensive media and news commentary in the newspapers, on television and on radio, and why the ABC as the emergency services broadcaster was keen to talk about these matters and the issues during the course of the week.

Contrary to the comments of the member for Kew, South Australia did not put out any text message for fire, even though there was high fire danger in South Australia that week. The South Australian government did for the first time put out a text. There were considerable issues with it. Texts were turning up in the middle of the night, and the emergency services agencies did not have confidence in such a system. That is why they used the very extensive and established warning systems. Nobody should mistake text messages as an early warning system. It is not an early warning system, it is supplementary to the system.

As a result of greater confidence following discussions with carriers and given the issues that confronted Victoria on the first Monday in March, when the bureau forecast substantial and extremely strong northerly winds overnight with the potential for fire, there were discussions about how people were to be alerted about that, because on the Monday evening that would not have been apparent to anyone. The emergency services were equally concerned that some people had become desensitised to messages. I know the Leader of the Opposition also shared that view. He did not suggest the issue of texting. However, the emergency services agencies sent a text. My understanding is that afterwards, even though he did not mention it or say he was in favour of it, the Leader of Opposition congratulated emergency services agencies for doing that.

**Questions interrupted.**

### **DISTINGUISHED VISITOR**

**The SPEAKER** — Order! Before calling the member for Seymour, I welcome to the gallery a former Speaker, the Honourable Alex Andrianopoulos.

### **QUESTIONS WITHOUT NOTICE**

**Questions resumed.**

### **Bushfires: emergency response**

**Mr HARDMAN (Seymour)** — My question is to the Minister for Police and Emergency Services. Will the minister advise the house of the efforts of Victoria's

fantastic emergency services and those who came to assist them in responding to the recent bushfires?

**Mr CAMERON** (Minister for Police and Emergency Services) — I thank the honourable member for Seymour for his question, for his role as a local member during the fires and for his contribution as a CFA (Country Fire Authority) volunteer.

As members would be aware, in the lead-up to the fire season broadly emergency services agencies put out material, including for example on 30 November, about what was called Fire Ready Victoria. There was a pamphlet in the *Herald Sun* on 23 November. Messages went out over summer, including the messages in the lead-up to what we now call Black Saturday. I have already outlined to members the warnings that were given in that lead-up to Saturday. They were the most extensive warnings given in Victoria's history. The royal commissioner, Bernie Teague, has said those warnings were very extensive.

Unfortunately now the opposition wants to play politics. I urge the Leader of the Opposition to stand up for something — to stand up for decency, rebuke his spokesman and get back to the key task —

**The SPEAKER** — Order! The minister will not use question time to comment on the opposition.

**Mr CAMERON** — On this side of the house we believe in decency. We believe in the role of the chief fire officers and emergency services agencies and in what they did in the lead-up to the fires and certainly what they have done since then. When it came to the preparations, we saw additional air resources obtained. The MFB (Metropolitan Fire Brigade) moved to step up into CFA areas. The municipal emergency coordination centres and relief centres were put on notice particularly because of the warnings about high fire risks on the following Saturday, and it was important that they were ready to go in the event they should be required.

We have seen a tremendous response from state agencies, including Victoria Police. The response from Department of Sustainability and Environment the Department of Primary Industries, Parks Victoria and across government was such that on 14 February over 4000 personnel were involved, including the CFA and its core of tremendous volunteers. A couple of days after Black Saturday it had 2500 volunteers and 600 appliances in the field. The MFB had 27 appliances working in strike teams outside the metropolitan zone; and over 1000 different personnel of the State Emergency Service were involved in the fires.

I also thank all of the fire services from interstate. They made an enormous contribution, and some of them are continuing to make that contribution. They will not be leaving for another week or so. All of the police forces in Australia contributed people to make up the disaster victim identification teams, and they also included people from Indonesia. That victim identification process is a very challenging and difficult one; it is a very specialised task, and we thank all of those police forces for their contributions.

In addition to the 2000 Victorian police who have been involved throughout the course of the bushfires during February, the New South Wales and South Australian police also contributed general police officers to help with general duties, which has certainly been welcomed.

The Australian Defence Force had a peak number of 600 personnel involved in a whole series of different types of work, and also other agencies like the Red Cross, St John Ambulance, the Country Women's Association and a whole host of service clubs and local agencies were involved across the board. They have all put in an enormous amount of effort to come to the aid of people who have been affected by the bushfires. To all those people, the government and the people of Victoria say thank you very much.

### **Bushfires: Marysville**

**Mr RYAN** (Leader of The Nationals) — My question is to the Premier. I refer to the ongoing trauma and suffering of the residents of Marysville, and I ask: will the Premier, in consultation with the coroner, explore every conceivable option to have established an immediate program of supervised access to enable these fire victims to at least visit their homes?

**Mr BRUMBY** (Premier) — I thank the Leader of The Nationals for his question. All of us — I think every Victorian — would have been very focused particularly on the issues of residents of Marysville over the last few weeks, as we have all seen those residents wanting to return to their properties, wanting to look for possessions and memorabilia that may have survived the fires but being unable to do so because of the ongoing work of the coroner.

I know that the coroner is doing everything possible she can to ensure that the identification process for deceased persons is completed as early as possible. I heard the coroner speaking on this issue on the radio on Friday. I heard a number of other Victorians who lost family during the fires also speaking on the issue of

identification of deceased persons and access to property.

The relevant area of concern is section 40 of the Coroners Act. I understand the frustration and the confusion about those section 40 restriction notices which allow police to search sites for any further bushfire victims. But the coroner must be able to ensure that the searches are thorough and that any further victims are located and managed with dignity and respect. The notices do not restrict access to an area, but they give police the authority to control and preserve an area and prevent clean-up or removal of rubble or items — and police and coronial approval for access to a site is a key element of the clean-up process.

Last week restriction notices were lifted in a number of areas as investigations were completed, but in relation to a number of other areas, including Marysville, those section 40 notices are still in place. I will raise the matter again with the coroner and with the Chief Commissioner of Police, but these are obviously very difficult matters, where some persons are still missing and some deceased persons who are yet unidentified. Under international protocols, in those circumstances it is not the usual practice to either release the bodies of deceased persons or allow access to sites.

I appreciate the genuineness with which the Leader of The Nationals has raised the issue, and I will make further inquiries. However, it is a very complex and difficult matter, and at the end of the day I have to be guided by what the coroner is able to do under the act.

### **Bushfires: recovery**

**Ms GRALEY** (Narre Warren South) — My question is to the Minister for Finance, WorkCover and the Transport Accident Commission. Could the minister outline what financial support is available from the government for individuals, families and businesses affected by the recent bushfires?

**Mr HOLDING** (Minister for Finance, WorkCover and the Transport Accident Commission) — I thank the member for Narre Warren South for her question. As all honourable members are aware, the bushfires of Black Saturday and the days leading up to Black Saturday have been an unparalleled tragedy in Victorian history. As all honourable members would be aware, they have demanded an unparalleled response from all levels of government to provide the very best possible coordinated and compassionate support for those individuals, those families, those businesses, those community organisations and those communities

that have been affected in such a profound way by these tragic events.

The federal and state governments have responded in a quick and coordinated way to provide the very best level of support to these affected communities. Very quickly after Black Saturday we announced the provision of temporary emergency grants of up to \$1067 to support households. We also announced the provision of grants for temporary living expenses and re-establishment expenses. These grants of up to \$17 300 are means tested and are being provided as quickly as possible to support those households that have been so profoundly affected.

As the Premier mentioned earlier in question time, we have also provided a very quick government response in terms of providing a quick, coordinated clean-up. The government will meet the cost of that clean-up regardless of where it is occurring, not only to make sure that the clean-up of affected properties occurs as quickly as possible but also to ensure that issues relating to hazardous and dangerous materials and the disposal of waste from the clean-up are coordinated in the most effective and appropriate and safest possible way.

We have also announced the deferment or waiver of many taxes and statutory charges. We have told land tax payers in the affected areas that in many instances we will waive or defer land tax payments. In relation to stamp duty, we have announced that we will provide stamp duty support for certain individuals and certain property. For private vehicles this is up to \$1050, and for principal private places of residence the stamp duty relief is up to \$21 970.

We have also provided for the waiver of Land Victoria statutory charges for things like the registration of mortgages, land certificates and land transfer and search fees and of many other Land Victoria certificates and documentation charges that those who have been affected by this event would have incurred when obtaining replacement materials. VicRoads has announced a comprehensive program of registration and licensing support for those who have been affected so they can easily obtain replacement documentation. In some instances it will assist in meeting the costs of obtaining that documentation.

We have also provided some support for the families of those who lost their lives in terms of meeting some of the costs associated with funerals. That is being done through the provision of up to \$10 000 in funeral expense support. That is in addition to the bereavement support and the Centrelink support provided by the

commonwealth government. These payments are being administered in respect of the state government through the Transport Accident Commission.

We also recognise that businesses have suffered substantial hardship. That is why we have provided emergency grants of \$5000 in the first instance for businesses that have been directly and physically affected by the fires. We have supplemented that with access to up to an additional \$20 000 in funding so that those businesses can be supported through the immediate process of putting themselves back on their feet. We have also supported business through the provision of concessional loans at 3.2 per cent interest for up to \$200 000 over a five-year period. Those concessional loans are being administered through the Rural Finance Corporation. As the Premier indicated in his earlier answer, with the Victorian Farmers Federation we are providing support for fodder relief. We have also provided comprehensive business counselling support, which is available to a broad range of businesses in the affected areas.

We are also providing support for community organisations. We have provided \$10 000 grants for 21 neighbourhood houses in the affected areas. We have established a Community Recovery Fund to support sporting organisations and communities that seek to establish memorials. In addition, with the Department of Planning and Community Development and Regional Development Victoria, we are providing support for community events in the form of grants of up to \$3000. These grants will help community organisations conduct events to support communities in their recovery from the bushfires.

It is important to recognise, in addition to all the supports that have been so quickly established by the state and federal governments in a coordinated way, the extraordinarily generous contributions of Australians through the Red Cross relief fund. The \$232 million that has been provided through that fund will go a long way towards meeting the needs of communities through the rebuilding process. It is a critical addition to the support that is being provided by the federal and state governments and of course by local councils. The support that has come from all Australians and the coordination and leadership that has been shown by the state government, commonwealth government and local councils in response to the bushfires have played an important part in ensuring that communities can now get on with rebuilding and moving through the recovery process. The coordination of response ensures that compassionate, targeted and sensible assistance is provided in a timely way and plays a critical part in ensuring that these communities know that the

demonstrable support of government and the Victorian community is there during this extraordinarily difficult time.

### **Bushfires: royal commission**

**Mr BAILLIEU** (Leader of the Opposition) — My question is to the Premier. I refer the Premier to his commitment that ‘every single issue is on the table’ in relation to the bushfire royal commission, and I ask: is it not a fact that even before the first day of hearings the government is seeking to gag departments, agencies and public servants, including the Country Fire Authority, with a centralised legal unit which is being controlled by the Premier’s own department?

**Mr BRUMBY** (Premier) — I thank the Leader of the Opposition for his question. I have made it very clear in relation to the terms of reference of the royal commission that anything that anybody wants to raise before the commission — any fact, any view, any opinion, any aspect of government policy, resources, Country Fire Authority policy or communities — any of those matters can be considered under the terms of reference. The Leader of the Opposition is well aware that the terms of reference are not only as broad as the terms of reference of the 1939 royal commission but also that we have made them even broader by enabling the commission to examine any other matter which it considers important.

In relation to legal representation, of course it is the case that the government would want to focus through a single legal representation all the agencies — —

*Honourable members interjecting.*

**The SPEAKER** — Order! The member for Bass! The member for Polwarth!

**Mr BRUMBY** — This is consistent with what has been put in place previously. We have a single party before the commission because as a government and as a state we have a single emergency management coordination system. That is the fact of the matter; that is what we have got. We had it in the 1990s, and we have it now. As I indicated to the media this morning and made quite clear, this approach will not, however — —

*Honourable members interjecting.*

**The SPEAKER** — Order! I ask for some cooperation from the member for South-West Coast and the member for Kew.

**Mr BRUMBY** — As I have made very clear, this approach will not preclude departments or agencies from being separately represented or questioned before the commission if it emerges that their interests diverge from those of the government or if the — —

**Mr Baillieu** — Who will be testing that divergence?

**The SPEAKER** — Order! The Leader of the Opposition!

**Mr BRUMBY** — That is a silly question.

*Honourable members interjecting.*

**Mr Baillieu** — You will be testing it before it gets to the commission.

**The SPEAKER** — Order! I warn the Leader of the Opposition.

**Mr BRUMBY** — As I said, there are provisions if those interests diverge from those of the government or if the royal commissioner deems it appropriate.

*Honourable members interjecting.*

**Mr BRUMBY** — This is a veiled attack on the royal commissioner. The royal commissioner has hardly started his work — he is just weeks into his work — and already his independence and integrity are being impugned. I think the last thing Victorians would want would be that every single government agency or government-related entity would have its own team of lawyers out there, with all the implications that would have, firstly, for cost, and secondly, for timeliness.

I have made it very clear that I want the commission to provide its interim report before the end of this year so that we can get its recommendations in time for implementation for the 2009–10 fire season. I would want the commission to report in 2010 in time for any recommendations to be put in place for the 2010–11 fire season. I can guarantee you that if you have 10 000 different teams of lawyers out there — —

*Honourable members interjecting.*

**Mr BRUMBY** — That is the fact of the matter — you will add tens of millions of dollars to the cost of the commission and you will add months and months and months to the time. The reality is that this issue is just a furphy. It is a non-issue. The commission has all the terms of reference and all the independence and all the authority that it requires. If it wants and deems it appropriate to call any agency with separate representation, the commission can do it.

## Bushfires: coronial services

**Mr PANDAZOPOULOS** (Dandenong) — My question is for the Attorney-General, and I ask: can the Attorney-General update the house on the coroner's ongoing involvement with bushfire-affected sites and victims?

**Mr HULLS** (Attorney-General) — I thank the member for his question. Black Saturday will forever be remembered as a day of horror and tragedy in this state's history, and our thoughts and sympathies of course will remain with every Victorian struggling in the aftermath of the 7 February bushfires for many years to come. Accordingly I think it is vital that we understand how much work is occurring to bring certainty to the bereaved and a new start to whole communities. From the reconstruction authority that has been mentioned already by the Premier to local councils, Victorians are working right around the clock to assist those affected to start on the long road to recovery.

The deaths of those who perished in Black Saturday's bushfires fall within the jurisdiction of the state coroner, who has to establish the identity of a deceased person, how the death occurred and of course the cause of death. The coroner is committed to investigating the deaths as quickly as possible, but the unparalleled complexity related to the fires will have an impact on how long that investigation process will take. When the identification of a deceased person cannot occur by visual identification, the disaster victim identification (DVI) process must be undertaken to avoid any misidentification.

The DVI process usually requires that all identifications be carried out using two or more internationally recognised scientific means such as dental records or DNA. The coroner has determined it is appropriate to depart somewhat from these protocols in these circumstances. She will consider strong circumstantial evidence, such as possessions found with the remains, to establish someone's identity. This process will of course be undertaken with extreme caution.

The first identification board meetings were conducted on 6 March 2009. That resulted in the formal identification of four victims and advice to the families that the remains may be released. I understand the next identification board meeting will be conducted later this week. Given the number of cases involved, however, decisions on the identification of all the deceased persons may unfortunately still take many months. In some cases, where the board cannot determine the

identity of a deceased person or where tragically there are no remains, a coronial inquest may be required.

The coronial system recognises the importance of this process, and the coroner is making every conceivable effort to keep families informed about the progress of particular investigations. Support and counselling for the families of bushfire victims is absolutely crucial. The State Coroner's Office has set up an expanded service to deal with telephone inquiries and personal visits to the mortuary, and has developed material that helps explain the coronial process.

As the Premier said today, and I endorse his comments, there is a fair amount of frustration, particularly in relation to section 40 of the Coroners Act, which allows restriction notices to be put in place to enable police to search sites for any further remains of bushfire victims. We must allow them to get it right, which is why the police must make use of their authority to control and preserve an area and prevent clean-up or removal of items at too early a stage. The Premier said that some restriction notices were lifted last week, but a number of areas are still covered, including Murrindindi Mill, Marysville, Wandong, Narbethong, Kilmore, Humevale, Kinglake and Taggerty.

All of us can understand the need to start the recovery process as soon as possible, which is why staff at the coroner's office will continue to work around the clock until the job is done. We cannot forget, however, that we owe it to those who perished in the horror of 7 February to make sure that this very important job is done correctly.

### **Bushfires: royal commission**

**Mr BAILLIEU** (Leader of the Opposition) — My question is to the Premier. Is it a fact that the Victorian government solicitor, at a recent meeting of various government departments and agencies and their legal representatives, suggested that the bushfire royal commission would be limiting the details of its inquiries, and if so, on whose authority was this statement made? If not, will the Premier now assure departments and agencies that the royal commission has made no such indication?

**Mr BRUMBY** (Premier) — I think I answered this question in my previous answer. The terms of reference of this commission are broader than any terms of reference of a royal commission that has been held in this state's history — broader! The royal commissioners having been appointed, they now have terms of reference which are, as I said, the broadest in our state's history. They have a budget line, they have

the authority, they have legislation which I am introducing today in relation to reporting requirements, and they are able to take information, take advice and take submissions on any matter they deem fit.

This commission is open to all Victorians. It is open to people in fire areas who have a point of view, it is open to people in communities who have a point of view and it is open to those who have a point of view about fire safety, fire resources and fire planning. This is a commission for the people. This is a commission which will allow Victorians from every walk of life to have their say and to make a submission. There are no restrictions and no controls.

### **Bushfires: recovery**

**Ms LOBATO** (Gembrook) — My question is to the Minister for Mental Health, who is also the Minister for Community Services and the Minister for Senior Victorians. I ask what action the Brumby government is taking to help families and communities recover from the bushfires of Black Saturday.

**Ms NEVILLE** (Minister for Mental Health) — I thank the member for Gembrook for her question. It has now been over a month since the firestorm tore through large parts of Victoria. In that time the terrible scale of devastation wrought on families and communities has become evident. We have also witnessed incredible generosity and incredible community spirit as families take the first steps towards recovery and rebuilding.

In the aftermath of the fires relief centres were set up right from the start to meet the needs of traumatised families. These centres were staffed by volunteers and professional workers to meet the immediate and urgent needs of thousands of displaced people. All three levels of government worked right alongside emergency aid organisations and volunteers to provide a range of services, including shelter and accommodation, food, first aid and psychological support, and to provide information and emergency relief assistance. That was the first helping hand in what was and will be a long journey to recovery.

Moving forward, families and government alike are focusing on the medium to long term. Ten community support hubs are being established to reconnect and support communities through the long recovery process. As the rebuilding gets under way services such as legal advice, financial advice, building regulation and town planning advice, grants and counselling will be needed, and those services will be available through these community support hubs.

As the Premier mentioned earlier, families will also be supported in the process through access to the Victorian Bushfire Case Management Service. This case management service is a one-stop shop for families and individuals who have been impacted upon by bushfires. We are offering the services of a dedicated qualified worker who will coordinate access to all the appropriate services and support these people need to get their lives back on track. Case managers will offer one-on-one support for individuals and families to help them access and understand the full range of services and grants they are entitled to. They will be a friendly and familiar voice and will provide answers to questions about accommodation needs, fencing, fodder, coronial issues, water and so on — a true one-stop shop.

One of the needs case managers are identifying is the crucial psychosocial support required for people who have witnessed and experienced severe trauma. Psychosocial support is being coordinated at a local level in partnership with local government, community health organisations, schools and community service organisations. At a specialist level, primary mental health teams are providing support and clinical expertise, and I would like to commend the clinicians for their expertise in their response. But we know it is important to provide ongoing support for those who have been affected by the fires, because evidence tells us that about 20 per cent of people affected may experience post-traumatic stress disorders. That is why we are working with a team of trauma experts from across Australia to ensure that we have appropriate long-term support for those who need it. We know that the tough work of recovery and rebuilding occurs in the weeks and months after the fire front has passed.

Victorians, their communities, local agencies and staff across the different authorities have provided a magnificent response, and I want particularly to thank and acknowledge the Department of Human Services staff who have been at the front line of the relief and recovery efforts. These staff have of course been bolstered by the tremendous volunteers from all parts of Australia who have assisted, and I place on record in this house today my thanks and the Parliament's appreciation for their efforts.

This government is committed to providing ongoing support for families who have been so affected by this tragedy. Our focus is on reducing the burden on families who have begun the difficult task of rebuilding their lives.

## BUSHFIRES ROYAL COMMISSION (REPORT) BILL

### *Introduction and first reading*

**Mr BRUMBY (Premier) introduced a bill for an act to make provision for the publication of a report of the bushfires royal commission and for other purposes.**

**Read first time.**

## LEGISLATION REFORM (REPEALS No. 4) BILL

### *Introduction and first reading*

**Mr BRUMBY (Premier) introduced a bill for an act to repeal certain spent acts relating to land.**

**Read first time.**

## STATUTE LAW AMENDMENT (CHARTER OF HUMAN RIGHTS AND RESPONSIBILITIES) BILL

### *Introduction and first reading*

**Mr HULLS (Attorney-General) — I move:**

That I have leave to bring in a bill for an act to make amendments to various acts to ensure compatibility with the Charter of Human Rights and Responsibilities and for other purposes.

**Mr CLARK (Box Hill) — I ask the Attorney-General for a brief explanation of the bill, including in particular how the bill proposes to bring the various acts into line with the charter.**

**Mr HULLS (Attorney-General) —** The overall objective of this bill is to amend provisions in some seven existing Victorian acts that are potentially incompatible with the human rights contained in the Charter of Human Rights and Responsibilities Act. The amendments will ensure that each of those provisions can be read compatibly with the human rights contained in the charter.

**Motion agreed to.**

**Read first time.**

## CRIMES AMENDMENT (IDENTITY CRIME) BILL

### *Introduction and first reading*

**Mr HULLS (Attorney-General) introduced a bill for an act to amend the Crimes Act 1958 to create offences in respect of identity crimes, the Sentencing Act 1991 to provide for the issue of certificates to victims of identity crimes and as to sentencing procedure, to amend the Children, Youth and Families Act 2005 as to sentencing procedure and for other purposes.**

**Read first time.**

## HUMAN SERVICES (COMPLEX NEEDS) BILL

### *Introduction and first reading*

**Mr ANDREWS (Minister for Health) — I move:**

That I have leave to bring in a bill for an act to facilitate the delivery of welfare services, health services, mental health services, disability services, drug and alcohol services and housing and support services to certain persons with multiple and complex needs and for other purposes.

**Ms WOOLDRIDGE (Doncaster) — I ask the minister for a brief explanation of the bill.**

**Mr ANDREWS (Minister for Health) —** As the member for Doncaster would be aware, current arrangements under the Human Services (Complex Needs) Act 2003 sunset at the end of May. The bill we seek to introduce today will put in place enduring arrangements for us to continue to provide coordinated support to some of the most vulnerable clients across our human services system.

**Motion agreed to.**

**Read first time.**

## BUSINESS OF THE HOUSE

### **Notices of motion: removal**

**The SPEAKER —** Order! I advise the house that under standing order 144 notices of motion 43, 134 and 197 to 205 will be removed from the notice paper on the next sitting day. A member who requires the notice standing in his or her name to be continued must advise the Clerk in writing before 6.00 p.m. today.

## PETITIONS

### **Following petitions presented to house:**

#### **Electricity: Kilsyth South substation**

To the Legislative Assembly of Victoria:

The petition of residents of Clarkedale Rise, Kilsyth South 3137, Victoria, and adjoining streets, ward of Monbulk, electorate of Casey, draws to the attention of the house continuous power failures.

The petitioners therefore request that the Legislative Assembly of Victoria require upgrade of electrical substation in Clarkedale Rise as current substation is inadequate to supply residents.

**By Ms LOBATO (Gembrook) (44 signatures).**

#### **Yarra Junction Primary School: traffic lights**

To the honourable the Speaker and the honourable members of the Legislative Assembly of Victoria:

We, the undersigned, petition for traffic lights at the school crossing outside Yarra Junction Primary School to ensure the safety of our children.

**By Ms LOBATO (Gembrook) (125 signatures).**

#### **Police: Red Cliffs**

To the Legislative Assembly of Victoria:

This petition of residents of Red Cliffs and surrounding communities in Victoria draws to the attention of the house the need to increase police presence in our district.

The petitioners register their dismay after a weekend of vandalism with damage estimated to be in excess of \$60 000 to the local bowling club and private and public property.

The petitioners therefore request that the Legislative Assembly of Victoria take action to increase staff levels at the Red Cliffs police station as a proactive step in ensuring that this criminal activity is not repeated.

**By Mr CRISP (Mildura) (34 signatures).**

#### **Rail: Mildura line**

To the Honourable Speaker and members of the Legislative Assembly of Victoria:

This petition of the citizens of the region known as Sunraysia, primarily in the state of Victoria but including cross-border citizens of New South Wales centred on the city of Mildura, brings to the attention of the house the many promises to return the Melbourne–Mildura passenger train, without delay.

The undersigned petitioners therefore ask the Legislative Assembly to bring forward the reinstatement of the Melbourne–Mildura passenger train, especially in view of:

1. the many undelivered promises;

2. the urgent need to promote public transport in a global warming context;
3. the pressing need to connect remote Mildura to both Melbourne and the national rail network; and
4. the geographic distance now requiring a rapid service (very fast train) to be competitive.

'Protection of the Ombudsman and officers of the Ombudsman'.

- (1) Neither the Ombudsman nor any of his officers shall be liable, whether on the grounds of want of jurisdiction or any other ground, to any civil or criminal proceedings to which he would have been liable apart from this section in respect of any act purporting to be done in pursuance of this act, unless the act was done in bad faith'.

**By Mr CRISP (Mildura) (64 signatures).**

**Schools: Catholic sector**

To the Legislative Assembly of Victoria:

The petition of Victorian residents who choose Catholic education, or support this right of choice, draws to the attention of the house that the level of funding provided by the Victorian state government to Catholic schools is inadequate and discriminates against families who choose a Catholic education for their children.

The petitioners therefore request that the Legislative Assembly of Victoria guarantee funding at 25 per cent of the average cost of educating a child in the Victorian government school system, indexed annually and to provide equal funding for children with disabilities who attend a Catholic school.

Mr Brouwer made a number of recommendations to the government, none of which have been implemented.

Mr Brouwer stated, 'It is unfortunate that my proposals for reform of the FOI legislation were not able to be implemented, as the current FOI act is unsatisfactory. My review of the act identified its shortcomings and the need for amendment to improve its operation and ability to meet its objectives. The rejection of the bill has not assisted in addressing the cultural issues surrounding the poor handling of FOI requests by agencies'. This clearly identifies this process as a very serious denial of natural justice and an absolute farce. At the end of the day the Ombudsman's powers amount to making recommendations to agencies and government that are neither obligatory or enforceable, leaving the public with unresolved complaints and no closure.

I therefore request that the Legislative Assembly of Victoria review and amend both the Ombudsman Act 1973 and the FOI act 1982 in order to hold both offices accountable, open, transparent and fair in their dealings with the public and revoke section 29 of the Ombudsman Act 1973, (Protection of the Ombudsman and officers of the Ombudsman) and incorporate penalty points for non-compliance of the FOI act 1982.

**By Mr BLACKWOOD (Narracan) (38 signatures).**

**Ombudsman: powers**

To the Legislative Assembly of Victoria:

The petition of Mr Hugh Doherty, resident of the Oakleigh electorate in Victoria, draws to the attention of the house the most unjust and ineffective complaint management and resolution process initiated by government and conducted by the office of the Ombudsman Victoria (OV).

In his '08 annual report' to the Parliament, the Ombudsman, Mr George Brouwer, states under the heading of 'Making a complaint to the Ombudsman', 'I am able to independently investigate, review and resolve complaints concerning the administrative actions of'. He then lists a number of government/private entities under his jurisdiction. It is inexcusable and irresponsible for the Ombudsman to make such claims and then for his officers to use his discretionary powers to evade honouring them.

In his June 2006 'Review of the Freedom of Information Act' presented to the Victorian Parliament, Mr Brouwer identified a number of unacceptable practices and processes of FOI units. Many of these unacceptable practices and processes have continued to be practised and complained about for years. A number of the unacceptable practices and processes breach the FOI act and other acts, many of the practices are unethical and immoral, the use of these unacceptable practices is a systemic culture of a number of FOI units that still continue with impunity.

The FOI act 1982 does not impose any penalty for breaches or non-compliance of the act or unethical practices by agencies, therefore the act is not worth the paper it is printed on.

**By Ms BARKER (Oakleigh) (1 signature).**

**Tabled.**

**CONDOLENCES**

**Bushfires: Victoria**

**The SPEAKER** — Order! I have received the following resolution from the House of Assembly in Tasmania.

Resolved, nemine contradicente —

That this house:

- (1) expresses its deepest sympathy to the families and communities of all those whose lives were claimed in the tragedy of the recent Victorian bushfires;
- (2) notes the outpouring of support from Tasmanians for the victims, including the extensive donations of money and clothing to help those affected;
- (3) notes that the Tasmanian government, on behalf of all Tasmanians, has pledged up to \$1 million in assistance to the bushfire appeal.

'Section 29 of the Ombudsman Act 1973' states:

**Mr BATCHELOR** (Minister for Community Development) — By leave, I move:

That the resolution received from the Tasmanian House of Assembly regarding the Victorian bushfires be tabled.

**Motion agreed to.**

**Tabled.**

## DEPARTMENT OF EDUCATION AND EARLY CHILDHOOD DEVELOPMENT

### *Partnerships Victoria in Schools — Project Summary*

**Ms PIKE** (Minister for Education), by leave, presented report.

**Tabled.**

## SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

### *Alert Digest No. 3*

**Mr CARLI** (Brunswick) presented *Alert Digest No. 3 of 2009* on:

**Criminal Procedure Bill**  
**Major Crime Legislation Amendment Bill 2008**  
**Major Sporting Events Bill**  
**Melbourne University Amendment Bill**  
 together with appendices.

**Tabled.**

**Ordered to be printed.**

## DOCUMENTS

**Tabled by Clerk:**

*Drugs, Poisons and Controlled Substances Act 1981* — Documents under s 12H:

Poisons Code

Notice regarding the amendment, commencement and availability of the Poisons Code

Parts of the Commonwealth Standard for the Uniform Scheduling of Drugs and Poisons that the Poisons Code incorporates by reference

Mount Hotham Alpine Resort Management Board — Report year ended 31 October 2008

*Planning and Environment Act 1987* — Notices of approval of amendments to the following Planning Schemes:

Brimbank — C70

East Gippsland — C66

Manningham — C60

Mitchell — C43

Moorabool — C34

Mornington Peninsula — C88, C90 Part 1

Nillumbik — C54

Southern Grampians — C13

Stonnington — C96, C113

Victoria Planning Provisions — VC53

Wellington — C40

Yarra Ranges — C79

*Prevention of Cruelty to Animals Act 1986* — Code of Practice for the Responsible Breeding of Animals with Heritable Defects that Cause Disease

Statutory Rules under the following Acts:

*Administration and Probate Act 1958* — SR 18

*Conservation, Forests and Lands Act 1987* — SR 14

*Drugs, Poisons and Controlled Substances Act 1981* — SR 16

*Fisheries Act 1995* — SR 19

*Road Safety Act 1986* — SRs 17, 24

*Second-Hand Dealers and Pawnbrokers Act 1989* — SR 20

*Subordinate Legislation Act 1994* — SRs 21, 22, 23

*Supreme Court Act 1986* — SRs 15, 18

*Subordinate Legislation Act 1994:*

Minister's exception certificate in relation to Statutory Rule 18

Ministers' exemption certificates in relation to Statutory Rules 12, 14, 16, 20.

*Victorian Environmental Assessment Council Act 2001* — Government Response to the Victorian Environmental Assessment Council's Final Report on the River Red Gum Forests Investigation.

The following proclamations fixing operative dates were tabled by the Clerk in accordance with an order of the House dated 19 December 2006:

*Energy Legislation (Consumer Protection and Other Amendments) Act 2003 — Part 7 — 26 February 2009 (Gazette G9, 26 February 2009)*

*Gambling Legislation Amendment (Responsible Gambling and Other Measures) Act 2008 — Part 2 (except sections 3, 9, 10 and 14) — 1 March 2009; section 3 and Part 4 — 1 June 2009; section 14 — 25 November 2009 (Gazette G9, 26 February 2009)*

*Major Crime Legislation Amendment Act 2009 — Section 8 — 27 February 2009 (Gazette G9, 26 February 2009)*

*Metung Land Act 1991 — Whole Act — 2 March 2009 (Gazette G9, 26 February 2009).*

## ROYAL ASSENT

**Message read advising royal assent to:**

**3 March**

**Resources Industry Legislation Amendment Bill**

**10 March**

**Criminal Procedure Bill**

## APPROPRIATION MESSAGE

**Message read recommending appropriation for Major Sporting Events Bill.**

## BUSINESS OF THE HOUSE

### Program

**Mr BATCHELOR** (Minister for Community Development) — I move:

That under standing order 94(2), the orders of the day, government business relating to the following bills be considered and completed by 4.00 p.m. on Thursday, 12 March:

Associations Incorporation Amendment Bill

Bus Safety Bill

Gambling Regulation Amendment (Licensing) Bill

Melbourne Cricket Ground Bill

Melbourne University Amendment Bill

Transport Legislation Miscellaneous Amendments Bill

Workplace Rights Advocate (Repeal) Bill.

In moving the government business program for this parliamentary week I indicate to the house that we intend to conclude debate on these seven pieces of legislation by 4.00 p.m. on Thursday. The bills range

from the Gambling Regulation Amendment (Licensing) Bill, which is a substantial piece of legislation that will engender significant interest in this chamber from all members on both sides of the house and will accordingly consume a large amount of our government business program debating time, through to the Melbourne University Amendment Bill, which deals largely with a minor technical matter. The program of seven bills will provide sufficient time to deal with the two very weighty and more technical bills as well as a number of other bills that vary in content and importance. I commend the program to the house.

**Mr McINTOSH** (Kew) — The opposition does not oppose the government business program. It is certainly our view that we will be able to complete the program in the allotted period, and hopefully there will be some time to continue debate on the government's statement of annual intentions and the opposition will be given an opportunity of raising legitimate criticisms about it.

One matter I wish to raise is that while the government has been reasonably assiduous in the last few weeks in relation to notifying the opposition about the business program on a Thursday evening, for which I have said on a number of occasions we are very grateful, for some reason there was a hiccup this week that caused profound concern to the opposition. Originally it was proposed that the Occupational Health and Safety Amendment (Employee Protection) Bill would be part of the government's business program. I communicated that fact to all the relevant members of the coalition and spoke to shadow ministers in anticipation of a legislation report being provided to the shadow cabinet and to the party room. By the following morning we discovered that the occupational health and safety legislation was not on the program and instead the Associations Incorporation Amendment Bill would be substituted.

The member for Malvern is the shadow minister responsible for that bill. He is also the responsible shadow minister in relation to the gaming legislation. As the Leader of the House has indicated, the gaming legislation is substantial. The member for Malvern had to put aside his work on the gaming bill and deal with providing an appropriate legislation report and a details briefing to the opposition, all of which he did in the fullness of time. Importantly, this sort of thing puts the opposition at a substantial disadvantage in the way it conducts its affairs because of its limited resources. This incident is deeply regrettable and again highlights the fact that each week we seem to have a higgledy-piggledy approach to the government business program.

It is indicative of the way this government manages its affairs that it cannot predict before a sitting week what government business it proposes to transact but makes these alterations almost on the eve of a sitting week. If the way it manages the government business program is an indication of the way it manages the state of affairs in Victoria, it is a matter of profound concern. Having said that, we do not oppose the government business program.

**Mr LUPTON** (Pahran) — It is interesting to follow the member for Kew, who is not opposing the government business program, but you have to listen carefully to make sure you hear whether or not it is being opposed because often you cannot tell from the content of the contribution.

The way the business program has been put together this week gives members an opportunity to speak on a range of bills, some of which are very small and technical and some of which are very large and have wide ramifications. We go from such bills as the Workplace Rights Advocate (Repeal) Bill, which from its title one can see repeals a piece of legislation, and the Melbourne University Amendment Bill, which is a very small piece of legislation that will be of assistance to the university, all the way through to some significant bills.

The house will be able to deal with the five major pieces of legislation and the two minor pieces of legislation quite adequately, and I commend the program to the house.

**Mr DELAHUNTY** (Lowan) — On behalf of The Nationals I say that we are not opposed to the government business program, but we are going to watch with great interest to see how the Leader of the House controls government members so we get through debate on the seven bills. As he rightly said, the Gambling Regulation Amendment (Licensing) Bill is substantial. It will be interesting to hear how the minister responds to a lot of the concerns which will be raised not only by country members but also by our city colleagues.

Another such bill is the Transport Legislation Miscellaneous Amendments Bill. With the way transport is running in Victoria, this will be a very interesting debate. Bus safety is of critical importance to all of us, particularly for our young people travelling to schools and the like. A further important bill is the Workplace Rights Advocate (Repeal) Bill. Obviously jobs are important to all of us in Australia, and it will be interesting to hear the minister's comments in wrapping up the debate on that bill because many concerns will

be raised. The member of Pahran is right to say that the Melbourne University Amendment Bill is a small bill, so obviously a little bit of time will be saved there. It seems to be a small and technical bill, and for that reason a lot of us will not be speaking on it.

We note that the annual statement of government intentions could be debated on one of the sitting days. It will be interesting to see how many members have an opportunity to speak on it before the end of the year — not the end of the financial year, but the end of the calendar year — because last year a couple of members did not have an opportunity to speak in that debate.

The Nationals are disappointed that the Water Amendment (Critical Water Infrastructure Projects) Bill 2006 is still on the notice paper. The government would be disappointed if I did not make some comment about that, but overall we will be watching with a great deal of interest to see how the Leader of the House and the Government Whip control their members to enable adequate debate on the seven very important bills listed. The Nationals do not oppose the program.

**Mr HODGETT** (Kilsyth) — I rise to make a brief contribution on the government business program. As has been stated, members on this side of the house do not oppose the program. We note that there are seven pieces of legislation to be completed by the 4.00 p.m. guillotine on Thursday. Obviously with those seven pieces of legislation there is no room for the Water Amendment (Critical Water Infrastructure Projects) Bill 2006.

As has also been stated, the Gambling Regulation Amendment (Licensing) Bill 2009 will consume a large part of this sitting week's debating time, and while some of the other bills are somewhat smaller, I trust members will not be cut off from speaking but will be given an opportunity to contribute to the debate on all seven bills.

**Motion agreed to.**

## MEMBERS STATEMENTS

### Bushfires: electricity supply

**Mr BATCHELOR** (Minister for Energy and Resources) — I rise to draw the attention of members to the fantastic efforts of volunteer electricians and power workers across Victoria following the bushfires. Recently in this house I commended power workers for the work they did to reconnect households that lost power during our 1-in-100-year heatwave which preceded the bushfires. Today on behalf of all

Victorians I rise to thank them and the volunteers who worked with them for their efforts in reconnecting homes and businesses following the horrific bushfires.

As members would know, the bushfires destroyed a significant amount of energy distribution infrastructure. Volunteer electricians worked with workers from the distribution businesses, Electrical Trades Union members and Energy Safe Victoria to quickly restore power to homes both on a temporary basis and on a permanent basis. Temporary work was coordinated by the National Electrical and Communications Association of Australia.

I met with power workers at their bases and in the field and witnessed the devastated, burnt, ashen landscapes they had to work in. Restoring electricity is dangerous work at the best of times, and the bushfires made the conditions even more threatening, but safety remained a priority and risks were not taken. The power workers and the volunteer electricians did a fantastic job restoring power to those who had had it taken away by Victoria's worst ever natural disaster. On behalf of all members of this house as well as the people of Victoria I thank them for their sensational efforts.

### **Land tax: rates**

**Mr WELLS** (Scoresby) — This statement condemns the Brumby government for the massive land tax hike it has again imposed on Victorians. Rather than being open and honest with Victorians, the notice sent to landowners by the State Revenue Office fails to mention that Labor used the date of 31 December 2007, which is the peak of the property price cycle, to assess property values for 2009 land tax assessments.

Since December 2007 property values have fallen substantially, yet Victorians are left with land tax increases of up to 300 per cent. This is despite the Brumby government being warned by the Liberal-National coalition about the removal of the 50 per cent cap on land tax bills. Irresponsibly, the Brumby government refused to listen to us, and now many Victorian individuals and companies will struggle to pay their land tax bills this year. It is a decision which will see some businesses forced into retrenching staff or, worse still, closing their doors for good.

In a further distressing move the Brumby government has issued confusing letters to landowners affected by the bushfires. The Liberal-National coalition, along with the rest of Victoria, was led to believe that property owners who were affected by the bushfires would receive an exemption or waiver from paying their 2009 land tax liabilities. However, the letter

signed by the Treasurer, John Lenders, urges affected landowners to contact the State Revenue Office to discuss options to relieve hardship and gives a hotline number and a message to follow the prompts. This is the last thing that those who are rebuilding their lives and communities need. Furthermore, the Brumby government remains hell-bent on continuing its spin and rhetoric.

### **Cricket: Women's World Cup**

**Mrs MADDIGAN** (Essendon) — Currently the Women's Cricket World Cup is under way in New South Wales. It started last weekend and goes for two weeks. As we all know, women's sport struggles to get the same media attention as men's sport. But I would like to congratulate ABC radio 774 on the direct broadcast of the women's cricket at the weekend.

The World Cup, as I said, goes for the next two weeks. The Australian team members are the current world champions. I am sure other members of the house join me in wishing them success again this year.

### **Cricket: women's district final**

**Mrs MADDIGAN** — Last weekend was the district final for women's cricket in Victoria. My club, Essendon Maribyrnong Park Ladies Cricket Club, played Brunswick Park, which is the club of the member who sits next to me. Whilst I say it was a great match, I am sorry to say that Essendon Maribyrnong Park did not win, but I congratulate the Brunswick Park club on its victory this year. It played a great game of cricket.

It is good that women's sport is getting some coverage in the media now. I look forward to further coverage of women's sport in the future.

### **Police: Casterton residence**

**Mr DELAHUNTY** (Lowan) — I call on the Minister for Police and Emergency Services to stop the sale of the police residence in Casterton. There is a great benefit of having police living, working and socialising in our country towns. If the residence is sold it will be much harder to retain or attract police to the town.

Casterton is a progressive community with excellent education facilities, a wonderful hospital and a vibrant shopping and service centre. The Glenelg Shire Council, the businesses and tourism sectors and the Police Association are vigorously opposed to the selling of the police residence. The community of Casterton

will not tolerate a reduction in police services. The minister must stop the sale of this police residence.

### **Drought: counselling services**

**Mr DELAHUNTY** — Over the last decade, because of severe and prolonged drought, farming and country communities are dealing with economic, environmental and social matters impacting heavily on their lives. I call on the Brumby government to fund rural community counselling services to support country communities in dealing with the increased incidence of mental health issues including depression, suicide, community connectedness, resilience and self-worth.

The federal government has extended exceptional circumstances support, and the state must fund organisations like Wimmera Uniting Care to enable them to continue these vital counselling services for at least another 12 months. I say this to the ministers: Victoria is much bigger than Melbourne and we need your support in country Victoria, whether it be in regard to the proposed sale of the Casterton police residence or, just as importantly, the community counselling services provided to our country communities.

### **Bushfires: motor vehicle donations**

**Ms ALLAN** (Minister for Regional and Rural Development) — Last Saturday it was a real privilege to be part of a very special ceremony at community radio KLFM's Golden Square station. At the ceremony the keys to 25 cars were handed to Graham Etherton of the Red Cross to be given to people who had lost their own vehicles as a result of the Bendigo and Redesdale fires on Black Saturday.

Bendigo resident Geoff Pearson was responsible for organising this wonderful donation. Geoff himself lost property in a fire at Maryborough in 1994 and knew how hard it was to not have a car at precisely the time when it is needed most. Geoff, along with his wife Christine, in two short weeks put out the call for cars to be donated and then went from business to business to gain their support. The result was the offer of 25 cars — fully serviced, roadworthy and registered — ready to be donated to a number of local families. Geoff's special effort has made a real difference to many people in our community.

There are many people and businesses who are to be thanked for their support, and they include BTB Auto Service Centre, Greg Boyd Motors, Bendigo Lakeside Autos, Nolan Street, Bendigo Dyno Tuning, Cliff Doherty Automotive, Lou Owen Motors,

H & T Webster, Roger Hall, mechanic, Doug Neilson Automotive Services, R & J Batteries, Bond Batteries, Ron Twitt Motor Radiators and Air Conditioning, Natrad, Beeps Auto Parts, Burson Autoparts, Borough Tyres Bendigo, Beaurepaires, Jax Quickfit Tyres, Central Vic Dismantlers, Car Part Recyclers, Windscreen City, Phillips Auto Electrics Pty Ltd, McPherson's Auto Service Centre, Briggs Automotive, Super Power Exhaust and Auto Parts, RMH Group Cylinder Testing and Repairs. We also thank radio station KLFM for its great support.

### **Land tax: rates**

**Dr NAPTHINE** (South-West Coast) — Land and business owners across regional and rural Victoria are facing the same massive increase in land taxes as their Melbourne cousins. For example, a Warrnambool businessman who owns the same land today as he did 12 months ago is facing an increase in land tax of just over \$3000 in 2008 to nearly \$9000 this year — that is a 160 per cent increase. Many other business owners, retirees and investors are facing similar massive land tax increases simply because the Brumby government is basing 2009 land taxes on peak 2007 land values. These massive increases will cost jobs and investment across Victoria, especially in country Victoria.

### **Insurance: fire services levy**

**Dr NAPTHINE** — On another matter, the recent tragic bushfires have again highlighted that the state government fire service levy is inequitable and unfair. An estimated 30 to 40 per cent of houses destroyed were either uninsured or significantly underinsured. That in itself is a tragedy, but that means these owners have not contributed to the fire service levy that provides nearly 78 per cent of funding for Victorian fire services. Victoria needs an urgent overhaul of the fire services levy to ensure fairness and equity. I believe the royal commission should have a hard look at this and examine what happens in Western Australia and South Australia to ensure there is a fairer and more equitable way to fund fire services, state emergency services and other essential emergency services in Victoria. The current system is unfair and inequitable and needs to be remedied.

### **Bushfires: tourism**

**Mr HARDMAN** (Seymour) — I would like to start by thanking Victorians who over the long weekend heeded the call of the Minister for Tourism and Major Events, Tourism Victoria, local businesses and tourism bodies and visited the towns or areas around them that were devastated by the bushfire in the Seymour

electorate. For example, Yea was very busy on the weekend. The people in Yea have been suffering greatly for the last month and they were appreciative of people who came along and helped their businesses to thrive on that weekend.

This weekend is no different, especially in Yea. Everyone has a great opportunity to support the local tourism operators who have suffered so badly as a result of people staying away because of the fires. The Yea races are on Saturday. This is still set to be a great day out. Local cafes, accommodation and businesses will all be looking forward to people's support on that day. You can stay overnight, and on Sunday there is a fantastic autumn festival. I encourage people to come along to that festival; it will be a very big event. Its organisers have been assisted by the Melbourne International Arts Festival in getting together a range of top acts including Ice Cream Hands, Spiderbait, and Weddings, Parties, Anything and many more. There will be children's activities and workshops, other bands, an art exhibition and much more.

I encourage people to come along and support the local communities that have been impacted by the bushfires, and I thank again those people who did so over the long weekend.

### **Trade unions: militancy**

**Mr CLARK** (Box Hill) — Under state and federal Labor governments, Victoria is rapidly heading back to the bad old days of union militancy and disruption. We have seen trains stranded at stations for hours on end due to bloody-mindedness and demarcation disputes between rival divisions of the Rail, Tram and Bus Union. We have seen blockades at the Royal Children's Hospital site due to a dispute about the use of swipe cards and alleged assaults for which no charges have yet been laid.

Just today news has broken that the erection of suicide prevention safety barriers on the West Gate Bridge has been held up by a dispute between rival unions and claims for payments on a scale that harks back to 1970 and the bridge's collapse while under construction. You would think that the unions involved would listen to the pleas of the families of suicide victims and resolve this dispute without delaying vital safety measures.

You would also think that, particularly in the current economic situation, union officials would realise that a return to union militancy is going to deter employment and investment and cost jobs both for their members and for other workers. However, it is clear that under Julia Gillard, federal Minister for Employment and

Workplace Relations, and the Brumby government, the union militants are starting to flex their muscles again.

Labor's claim that it has a good working relationship with unions, which will see a reduction in strikes and disruptions, has once more been proven false. Members of the Labor Party have no trouble making contact with their union mates when it comes to lining up factional deals and power plays. However, when it comes to the public interest they have been unable or unwilling to use their contacts to tell their union mates that this folly and bloody-mindedness must stop. Victoria needs a government that is prepared to stand up to union militancy and protect the public interest.

### **Bushfires: Daylesford**

**Mr HOWARD** (Ballarat East) — Following the devastating fires of 7 February, like many other members in this chamber I attended a number of community meetings aiming to share more information about how best to plan for any further fire events.

One of the meetings I attended was in Daylesford when residents all recognised that theirs could be the next area to encounter fires. These views were shown to be correct only a few days later when fire broke out in the Muskvale area. As members will know, this fire burnt over a considerable area, causing a high level of concern for over a week. Fortunately, weather conditions were not as extreme as on 7 February, and although the fire burnt to within 5 kilometres of Daylesford, the many CFA (Country Fire Authority) and DSE (Department of Sustainability and Environment) units which attended, backed up by air support, were able to ensure that no homes were lost. Some residents, however, lost sheds, livestock and other property — those residents included Jim Culbertson, a key organiser of the weekend's very successful ChillOut Festival.

Over 300 residents also left their homes for several nights. I know that all affected residents were extremely appreciative of all the support provided by CFA members, DSE crews, police and Hepburn shire staff, who quickly set up a communications centre and a relief centre at Daylesford town hall. I know many residents also appreciated the immediate support offered by DSE and Centrelink and also by accommodation providers and other community members who offered their support.

### **William 'Bill' Bolitho**

**Mr INGRAM** (Gippsland East) — I rise today to honour the life of Captain William 'Bill' Bolitho, AM.

Bill was formerly chairman of ANL during a time of major reforms and change in the maritime industry in Australia. Bill was made a member of the Order of Australia in recognition of his service to the Australian shipping industry.

I only knew Bill during his time in Gippsland. Though it was when Bill was taking a much more relaxed semiretirement, it was still a busy life; his version of retirement was running a commercial property at Buchan in East Gippsland. He took to that task with clearly the same passion, energy and commitment as he brought to his much more public endeavours.

Bill was behind the A Future for Rural Australia, or AFRA, campaign in 1999 due to his concern about the difficulties being experienced in regional areas due to government policy and directions. The campaign led to a lone horserider taking views from right around regional Victoria to the steps of Parliament.

Bill gave much back to the community through a range of pursuits. He ran for the East Gippsland Shire Council and was elected. He spent time as mayor of East Gippsland Shire Council and worked very hard at the task of getting the best for our region. He also served time as the East Gippsland CMA (catchment management authority) chair.

Bill was a straight shooter. He was tough, driven, articulate, intelligent and strong willed in advocating his views. In my dealings with him I always found Bill a man of integrity and principle. He was never one to shirk a task. I pay my respects to Captain William 'Bill' Bolitho, and pass on my condolences to his wife, Bridget.

### **Bushfires: Gembrook electorate**

**Ms LOBATO** (Gembrook) — The electorate of Gembrook has hundreds of individuals to thank now that the threat of numerous bushfires surrounding the electorate has greatly eased. On behalf of the electorate I wish to thank many people — I will commence to do so now and continue in future members statements.

Firstly, I would like to thank emergency services commissioner Bruce Esplin for his unrelenting service to all Victorians. I thank him for his continuous advice and warnings and for his action in establishing a radio repeater in the Upper Yarra to enable my constituents to access ABC radio. I wish to also thank Ewan Waller and Russell Rees for their leadership and dedication to the protection of Victorians.

The Country Fire Authority's Lex De Man, general manager of region 13, and Peter Schmidt, general

manager of region 8, deserve immense gratitude for their protection of the Gembrook electorate.

Three incident control centres were responsible for protecting the electorate and fighting fires. I wish to thank all workers at the Woori Yallock incident control centre and controllers David Nugent, Nigel Brennan, Rocky Barka, Damien Kerr, Bob Brinkman, Chris Jacobsen and Anthony Maxwell. Also my sincerest thanks go to all workers at the Noojee ICC (incident control centre): to controllers Andy Gilham and Ben Rankin, the Ararat crew and the Western Australians. Our deepest thanks also go to all workers at the Belgrave incident control centre: to controllers Colin Brown, Anthony Maxwell, Trevor McIntosh, Ian Worrell and Craig Ferguson; and to the Queensland crew.

### **Bushfires: Latrobe Valley**

**Mr NORTHE** (Morwell) — I wish to update the house on the bushfire recovery in the Latrobe Valley. Those persons impacted by the bushfires of late January and Black Saturday have been grateful for the support bestowed upon them by local, state and federal governments and their departments; however, some cracks are starting to appear. Whilst the number of government grants in response to this disaster is most welcome, many residents are finding the qualifying process frustrating and time consuming, and I believe this will be exacerbated as recovery centres start to wind down.

Recovery centres have served our community well, and it is therefore imperative that an on-site presence is retained in bushfire-affected regions. The coalition believes the concept of a one-stop shop must be instigated to alleviate the stress and anxiety of many residents who experience a myriad of paperwork and bureaucracy when attempting to digest the range of grants that might be applicable to their circumstances. A case manager for every Gippsland resident affected by the bushfires, as has been promised, would be of great benefit. However, the government needs to ensure there is an appropriate number of accredited case managers to deal with that major disaster.

Fencing continues to be a major issue as communities rebuild. Whilst I am pleased to note the appointment of Ben Thexton as a fencing coordinator in the Latrobe region just today, the delay in making such an appointment has created a degree of angst and consternation within the local community. Given the massive task ahead, Ben will require the utmost support from all levels of government to undertake the tasks this role requires.

### **Frankston Hospital: redevelopment**

**Dr HARKNESS** (Frankston) — I was delighted to welcome the Minister for Health to Frankston last week for the official groundbreaking for stage 2 of the \$45 million redevelopment of Frankston Hospital. It was terrific that you, Speaker, and the federal member for Isaacs, Mark Dreyfus, were also able to attend. This project will see a range of upgrades to the hospital, including two new theatres and an expansion of the intensive care unit. There will also be new day procedure rooms and upgrades to the sterilising services and pharmacy departments. This major redevelopment project will employ over 250 workers during construction.

I know that many in the Frankston community are concerned about their health care, particularly elective surgery. The redeveloped Frankston Hospital will be better equipped to meet growth in demand for these and other procedures. I was extremely encouraged to see that, with the help of the new federal government, Victoria surpassed its elective surgery target in 2008, performing an extra 13 000 operations. Frankston Hospital has always provided the Frankston community with outstanding medical care, and this redevelopment means it will be well placed to meet future challenges.

### **Frankston: liquor controls**

**Dr HARKNESS** — The government's efforts to curb alcohol-fuelled violence in Frankston took an important step last week, with new police powers to tackle the problem. The main entertainment precinct in Frankston has been declared a 'designated area' by the director of liquor licensing. This means that people suspected of committing certain offences can be issued 24-hour bans from venues or from the entire area.

Frankston has a vibrant nightlife, but this can only be enjoyed if people feel comfortable and are safe in the knowledge that dangerous people will be removed from the area. The extra powers have been welcomed by Inspector Bryan Sharp and the police in Frankston, and I look forward to seeing their successful implementation.

### **Sport: solar energy funding**

**Mr HODGETT** (Kilsyth) — I rise to call on the Minister for Sport, Recreation and Youth Affairs to initiate funding opportunities for sporting clubs to install solar panelling for their clubrooms. Solar panelling is an environmentally conscious and economically efficient alternative to traditional power supply alternatives. Installing it at sporting clubs both in

my electorate of Kilsyth and around Victoria would be of great benefit to clubs, helping make them environmentally sound and financially self-reliant.

I am informed that while solar panelling could technically be funded under current Sport and Recreation Victoria grants, in reality this is never going to happen as the funding may not lead to a direct increase in community participation rates, which is necessary to give any application a realistic chance of being considered. This is despite the clear acknowledgement by the federal government that solar panel funding is a worthwhile exercise, as proved by the solar credits scheme as part of its renewable energy target legislation, which is to be introduced in July.

That will replace the current scheme, which is targeted at homes, schools and community organisations, with an emphasis on government-owned and not-for-profit groups, under which sporting clubs are precluded. The problem with the new scheme is that while it may assist sporting clubs with the up-front costs of purchasing solar panelling, it will still force the clubs to pay largely from their own pockets, which due to the drought and the economic climate is one area where many local sporting clubs are struggling.

Enabling local sporting clubs to apply for solar energy grants would be a terrific way for the state government to support our local sporting clubs and show a commitment to helping them become financially viable and environmentally sound. I ask the minister to create and fund a grants program for this purpose. I have written to the minister and will be interested to hear his thoughts on the matter, as I have already been approached by several local sporting clubs which have offered to be part of a pilot program and have expressed interest in applying for any such funding.

### **Williamstown Rotary Club: 60th anniversary**

**Mr NOONAN** (Williamstown) — I rise to congratulate the Rotary Club of Williamstown on the occasion of its 60th anniversary. Throughout its history the club has truly lived up to the Rotary motto of service above self, by making many valuable contributions to the Williamstown community, particularly in the areas of aged care and health. Some of its notable projects include raising money for the maternity wing at the local Williamstown hospital, supporting the formation of the elderly citizens club, building an extension to the Hazeldean Nursing Home for the aged, and funding Urimbirra, a residential centre for intellectually disadvantaged people. More recent projects include the building of gazebos for the Wintringham hostel and the Williamstown multiple

sclerosis house. The club has even refurbished the town clock in Ferguson Street, Williamstown.

The club has been especially active in raising funds for medical research. In recent times it has raised in excess of \$400 000 for projects such as ROQUAD — surgical procedures for paraplegics; ROCAN — ovarian cancer research; the Have A Heart, Give A Part — organ donation awareness program; and Heartstart — the provision of medical equipment for children suffering from long QT syndrome. Currently the club is providing funding for the Friends-R-4 project for research into leukaemia and other blood diseases. Club members have also sought to extend their services beyond the borders of Williamstown by sending volunteers to do building work in the islands of the South Pacific and by supporting health projects in the developing world.

### **Barmah State Forest: fuel reduction**

**Mr WELLER** (Rodney) — I rise today to express my disappointment in the Department of Sustainability and Environment's (DSE) refusal to reduce fuel loads in the Barmah State Forest to a safe level. If we are to take one lesson from Victoria's recent bushfire disaster, it is that unless fuels are maintained at safe levels, then we will have unsafe forests and the potential for more terrifying infernos like that which engulfed Victoria last month.

At a fire plan meeting held in Barmah on 9 December, DSE gave an undertaking to reduce the fuel load by grading roads and slashing long grass between the river road and the river on Barmah Island. However, soon after DSE reneged on these undertakings on the grounds that it was too expensive and that it might encourage more campers into the forest. In fact DSE advised the Barmah community that no further fire mitigation work would be undertaken in the forest during the summer period. In January this year DSE told a Barmah community meeting that it was impossible to reduce the fuel hazard in the forest to the amount required by the community. That is not true; it is not impossible. The community has done it very successfully over the past 150 years through controlled grazing.

Given the devastation, suffering and loss we have witnessed in recent weeks, it is extremely concerning that the high fuel loads in the Barmah State Forest have not been addressed by DSE. If the Brumby government is going to continue to refuse to allow cattle to graze in the forest, DSE and Parks Victoria must come up with an alternative fire plan.

### **Windarrang Adult Training and Support Service: relocation**

**Ms DUNCAN** (Macedon) — On Friday, 27 February I had the pleasure of announcing a \$500 000 grant from the community facility redevelopment initiative to the Central Highlands Association for People with Disabilities, known as Windarrang. The Windarrang Adult Training and Support Service has been operating in our region since 1980. It does fantastic work for people with disabilities and provides terrific support to their families. This grant will see the relocation of the current service from Robertson Street, Gisborne, to a redeveloped Gisborne community centre in the heart of town.

As I said, Windarrang has been providing services with care and dignity to the Macedon Ranges for over 30 years. Its relocation to this new centre and partnering with the Macedon Ranges shire will provide improved access for people with disabilities, including providing vocation, leisure, recreation and further education opportunities to more people.

This relocation of Windarrang will see a \$700 000 redevelopment, with the \$500 000 grant from the state government and \$200 000 from Windarrang in partnership with the Macedon Ranges Shire Council, which manages the centre. The redevelopment of this centre will mean the whole community can continue to utilise the centre, by providing better access for people with disabilities, such as restroom facilities and improved areas for integrated activities. A number of groups already use this centre, and their support and cooperation has been critical to this project.

### **Bushfires: forest access**

**Mr BLACKWOOD** (Narracan) — During the recent bushfires a huge amount of money, time, effort and risk was put into constructing containment lines, firebreaks and access tracks to assist the firefighting effort on public land. These tracks were constructed by timber harvesting contractors and earthmoving contractors and their crews. A considerable amount of taxpayers money was expended to pay for their construction.

Following the fire events of 2003 and 2006 these types of tracks were permanently closed, also at considerable cost to the taxpayer. These firebreaks are constructed either to provide access for road vehicles, so back-burning may be conducted from tankers and slip-ons, or to contain and stop the advance of fires.

Surely it would make good sense to conduct an analysis of these tracks to assess their strategic importance in the event of future bushfires and to assist future controlled fuel reduction burning. If kept open and maintained in future, they could well provide access for fuel reduction burning operations and quick and timely responses to lightning strikes in these areas. It seems ridiculous to permanently close off these tracks without proper regard for their future usefulness.

There is no doubt that they must be treated as soon as possible to protect water quality and prevent soil erosion. This can be done without closing them off permanently. I call on the Premier to place a moratorium on the permanent closure of these containment lines, firebreaks and access tracks until after the royal commission has been completed and a strategic analysis of these tracks has been conducted.

### **Church of Christ, Parkdale: World Day of Prayer**

**Ms MUNT** (Mordialloc) — Last Friday, 6 March, I attended the 2009 World Day of Prayer service at Parkdale Church of Christ. This service is held every year at different churches around my electorate, and I usually attend. It is an opportunity for our entire community to celebrate this service. The various church communities always do a wonderful job celebrating this prayer service.

The prayer service is decided upon by nominated countries, and it is held on the same day around the world. This year the service was prepared by the World Day of Prayer Committee of Papua New Guinea. Two symbols were chosen — the cross and the billum — as representative of unity across the diverse communities of Papua New Guinea. In past years the service had been the women's prayer service, and this year it was the women of Papua New Guinea who said:

The women are concerned about the violence that plagues their society.

I congratulate the Parkdale Church of Christ for the thoughtful manner in which the service was conducted this year. In particular I congratulate the minister, Steve Jackson, the organising committee, parishioners, participants and those who prepared a delicious spread for all to enjoy after the service.

### **Victorian Junior Life Saving Championships: awards**

**Mr FOLEY** (Albert Park) — On the weekend Sandridge Life Saving Club hosted the Victorian Junior Life Saving Championships, which had over

1300 young participants. Congratulations must go to the Point Leo club, which emerged as the victor, with Torquay second and Mount Martha third. The event showed that the nippers of the Victorian clubs were made of stern stuff, as they battled cool conditions, strong winds and a jellyfish infestation.

I had the honour both of opening the event and of awarding a number of the main prizes. The main individual prize was the Champion Junior Lifesaver of the Year. Local boy Chris Veal of South Melbourne Life Saving Club emerged as the winner from a strong field of contestants. Chris will have the opportunity to develop his leadership and lifesaving skills through a 12-month scholarship and will be provided with the opportunity to travel interstate as an ambassador for Life Saving Victoria.

This was the first time that junior championships have been conducted in the Port Phillip Bay region, and it showed that bayside clubs are more than up to the challenge of hosting this significant event. Based at a beach as close to the city as it is possible to get, the event reflected well on all those involved.

The event also saw the Sandridge club award its highest honour of life membership to the local lifesaving and community legend Kevin Bracken for over 20 years of meritorious service to the club and the local community. Kevin has been the backbone of the club through thick and thin. This acknowledgement is well-deserved, and I am told it should not be taken as an indication of his slowing down in his work for the club. Well done to all those involved.

## **GAMBLING REGULATION AMENDMENT (LICENSING) BILL**

*Second reading*

### **Debate resumed from 5 February; motion of Mr ROBINSON (Minister for Gaming).**

**Mr O'BRIEN** (Malvern) — This bill seeks to usher in the Brumby government's brave new world of gaming regulation in Victoria. It seeks to give the Minister for Gaming the authority to hand out 27 500 gaming machine entitlements as he sees fit by any process he determines. Already the government has stated its intention to engage in an eBay-style auction of these gaming licences, where the only thing that will matter will be deep pockets. Under Labor a club's or pub's contribution to the local community counts for nothing, under Labor the sporting or social infrastructure of a venue counts for nothing and under

Labor a venue's commitment to responsible gambling counts for nothing. Ultimately this reflects the government's attitude that the only thing that counts is the amount of revenue it can raise through selling off gaming licences to the highest bidder. When it comes to gaming, this government will always put revenue ahead of responsibility.

Just look at Labor's track record. Under Labor average losses on pokies have more than doubled to \$2.4 billion per year, and taxes on pokies have risen to exceed \$1 billion in 2008–09. At the same time as it is taking in record taxes from gaming, Labor has slashed funding for problem gambling communication by 35 per cent, making it even harder for those with gambling problems to access the help they desperately need.

This government's track record in gaming screams out that it cannot be trusted on questions of regulation, yet that is exactly what the minister asks us to do with the bill before the house. This bill is essentially a blank cheque. It empowers the minister to issue pokie licenses but does not set out how they are to be allocated or paid for. It allows the minister to set rules for the transfer of gaming machine entitlements without setting out the framework for those rules. It authorises the minister to set limits on the location of pokies between pubs and clubs, but because the minister is free to change his mind by picking up a pen and signing a new determination, there is no security for pubs or clubs.

You will forgive me, Acting Speaker, if I do not go through every clause in detail. The bill is about 160 pages long and amends an 810-page act. Unless the government offers to give me more speaking time, which I would be willing to accept, I will need to go through this relatively quickly. However, I should note at the outset that my colleague the member for South-West Coast, who is the shadow Minister for Racing, will be dealing with those aspects of the bill that pertain to wagering and betting licences.

The purpose of the bill is to substantially restructure the gaming industry through awarding a new licence for monitoring of gaming and through the creation and allocation of gaming machine entitlements, as well as other matters. The government has decided to get rid of the operator system, which has worked since 1992 in Victoria. In doing so the government is taking on a considerable gamble of its own. Taxpayers will be watching very carefully to see if the Minister for Gaming will wind up costing the taxpayer in excess of \$1.2 billion, which is the amount of money Tabcorp and Tattersall's state they are entitled to under the legislation. Let us see if the government's gamble with \$1.2 billion of taxpayers money will pay off.

Clause 2 provides that the provisions of the bill will commence upon the bill receiving royal assent, with the exception of those matters pertaining to the increased restrictions on advertising and trade promotion lotteries, where there is a six-month grace period. I would query whether that is sufficient time to adjust, particularly given the uncertainty of these new provisions. I will come to those provisions in detail, if I have time towards the end of my contribution.

Part 2 of the bill deals with the new monitoring licence and gaming machine entitlements. Clause 9 deals with ministerial directions, and in particular empowers the minister to give a direction to the Victorian Commission for Gambling Regulation regarding the number or proportion of gaming machine entitlements with respect to venues with a pub licence, a club licence or a racing club licence. This gets to the heart of one of the concerns of those on this side of the house about this bill — that is, it gives a huge amount of discretionary power to the minister, and there is no oversight of the use of that discretion, particularly when it comes to these measures which have been put in place over many years — not by this government, but by previous governments — to try and ensure that the allocation of poker machine licences and their location is in the community's interest.

There is no security in this bill that those measures will be maintained. A ministerial determination could be revoked by the minister with the stroke of a pen. How can the club and pub industry exist with any sense of security in this particularly difficult environment when the minister can get out of bed and decide it is all going to change?

**Mr Robinson** interjected.

**Mr O'BRIEN** — The minister says that is the way it operates at the moment. The difference is that the minister is now seeking the power to issue individual gaming machine entitlements. That is the difference. Under the old system the entitlements had been issued to the two operators, and that was understood by all. Under this new legislation the minister personally has the power to issue these entitlements. All the relevant clause says is that the minister has this power. It does not say how he can do it or how he should do it; it is entirely up to him.

In a new environment, where the minister is taking on this personal responsibility to issue gaming machine entitlements, the opposition believes the protections that had previously been contained in ministerial directions for the pubs and clubs sector and for rural and regional Victoria must be strengthened and must

come into the act. This is, therefore, an appropriate time for me to refer to the opposition's reasoned amendment. Therefore I move:

That all words after 'That' be omitted with the view of inserting in their place the words 'this bill be withdrawn and redrafted to provide for:

- (1) measures designed to limit the concentration of ownership, operation and location of electronic gaming machines;
- (2) the establishment of the government's promised systems and mechanisms for implementing responsible gambling measures for the conduct of gaming; and
- (3) the process of allocation of gaming machine entitlements to not unfairly disadvantage smaller, community-based clubs and small businesses in the pub sector'.

Clause 9 is extremely pertinent to the first limb of my reasoned amendment — that is, that those measures which have been designed to limit the concentration of ownership, the concentration of operation, and the concentration of location of electronic gaming machines must be brought into the act. If the minister is genuine about seeking support from all sides of the Parliament on this bill and if the minister has no plans to rip up those protections, he should have no difficulty with agreeing to withdraw the bill and to amend it, to bring those protections into the act so that any subsequent change needs parliamentary approval.

There is the 50-50 rule, which says that half the licences must go to clubs and half the licences must go to pubs. There is the 80-20 rule, which states that no more than 80 per cent of the licences on issue can be within the Melbourne area — that is, at least 20 per cent must be in rural and regional Victoria. There is also the limit of 105 machines per venue. The opposition supports these — in fact the opposition was responsible for these — and I understand that there is bipartisan support for these measures. Therefore if the government is serious about giving protection and certainty to the industry, I call on it to accept the reasoned amendment and provide for these measures within the terms of the act. That will ensure that industry has certainty going forward.

I move on to further aspects of the bill. Clause 10 deals with ownership and related-person restrictions. This is a very important provision, because in setting up the different roles under this licensing regime it is important that there not be conflicts of interest. Therefore I think it is quite appropriate that the holder of the monitoring licence not also be an operator of a gaming venue and not be a manufacturer of gaming equipment, and vice versa. Certainly the

cross-restrictions between the various roles that occur in the gaming industry are something that this side of the house does support.

We take on board the views of stakeholders who have also expressed some support for them, but we would note that there needs to be some continued observation of whether these are going to have any unintended effects. Certainly in terms of the principle of separating the venue operators from the operator of the monitoring licence from the manufacturers of machines, we think that is a very sensible move.

We note there is no provision within this clause for a 35 per cent restriction — or any restriction — on the number of licences that any individual club may hold. There is a restriction that a body cannot hold more than 35 per cent of hotel gaming machine entitlements. We are not quite sure how the government came to this figure, but apparently a new regime which is supposed to be getting rid of the dreaded duopoly could actually lead to only three companies owning all the hotel gaming machine entitlements.

You could have 35 per cent, 35 per cent and 30 per cent. It is important that the minister explain why, given we are supposed to have a new licensing regime which is designed to try and increase competition and diversity, he is setting a limit as high as 35 per cent in the hotel sector.

I think it would also be useful for the minister to explain why there is no prescribed limit in the club sector. At the moment the club sector is diverse, and one may not foresee circumstances where a club may be able to hold a significant number of poker machine licences.

**Mr Robinson** interjected.

**Mr O'BRIEN** — The minister just made reference to the mighty Carlton Football Club, and I welcome his interjection, because AFL (Australian Football League) clubs undoubtedly have very deep pockets. They have strong assets, strong brands and, in most cases, large financial resources. It is the prospect of these large clubs bidding or competing against tiny RSL sub-branches, bowling clubs and football clubs in the suburbs that has got many people in the club sector absolutely petrified about their future.

Given that we have seen consolidation in the gaming sector over about the last 15 years — since 1992 essentially — there is no reason to imagine that that pattern may not replicate itself in the club sector, particularly if the government insists on having some sort of scorched-earth option, an approach that money

is the only thing that matters. It will see a lot of the small community clubs kicked out of the process and large corporate-style clubs being the only ones that have got the resources to bid and win the entitlements.

On that basis I think the minister has an opportunity here to set appropriate limits on club ownership of gaming machine entitlements. The minister may say it does not apply to the situation today, but if the minister wants to look beyond the next election, surely he should try to set up legislation that will set the scene for this industry for the next 10 to 12 years, not just for the next 10 to 12 months.

I turn to clause 13, which is about the authority of the monitoring licensee. I note that there is a provision in the clause which states that it does not authorise the grant of any further gaming operators licences.

I refer briefly to the point that by deciding to scrap the operator system, the government has exposed itself and Victorian taxpayers to legal action. The government says it has taken advice on this matter, and we can all assume that that is legal advice. I know the government cannot discuss that, because it does not want to waive privilege, and I am not going to encourage the government to do so, but we on this side of the house sincerely hope that the government has got this one right, because if the government has not, there is going to be a \$1.2 billion-plus hole that the taxpayers of this state are going to have to fill.

I noticed in the budget papers that the potential liability to Tattersall's and Tabcorp as a result of the capital refund on these licences is still carried on the books of this state as a contingent liability. I think it is sensible and proper that it be on the books, but it does bring home to us the fact that this is a very serious issue and could cost taxpayers a lot of money.

Clause 22 deals with venue operators and agreements. I think it has some useful provisions that are designed to prevent profit sharing. I have been informed in a briefing by the department and the minister's office that this has been defined in such a way that any reference to gaming revenue in calculating a fee is prohibited. So even if a venue manager wished to have an arrangement with a venue operator where they were paid some sort of uplift in their fee on the basis of the total profit of the whole venue, that would be prohibited by the bill where gaming revenue formed any part of that net profit.

That is a very important issue because the one thing we do not want to see is sharp — and I use the term as a pejorative — business people trying to exploit

particularly the club sector through the use of various management agreements which take control of the venue away from the club and give it, as well as a lot of the profit that may come from gaming machines, to a non-club entity.

We do not want to see that, nor does the club sector. The government believes these provisions in the bill are sufficient to be able to prevent that happening. I think the proof will be in the pudding on that one. As tightly as the government has attempted to draw these anti-profit sharing provisions, I think the ingenuity of various accountants and lawyers will certainly put the minister to the test as to whether he has managed to achieve that protection or not. This side of the house supports the aim of this measure, but I think the jury is out as to whether it will achieve it or not.

This brings me to clause 23, which relates to the monitoring licence. It is sensible in a situation where there are more than just two operators running the 27 500 non-casino gaming machines that there be a common monitor and information is made available to the Victorian Commission for Gambling Regulation and the government. Certainly it is important from a probity point of view for there to be an independent monitor who is able to examine the transactions that are occurring in machines. It is also very important from a problem gambling point of view, because it will be possible to use the monitor's technology to implement problem gambling solutions.

The first thing I notice about clause 23 is that again it does not provide for a ban on lobbying in an attempt to get the licence. This is a matter which the minister and I unfortunately have had to agree to disagree on. The Merkel panel, which has previously reported on the lottery licences, made a quite clear recommendation that lobbyists be banned from the process for the awarding of gaming licences. Yet again the minister has put in a prohibition on what he calls 'improper interference' as though there is some sort of proper interference you can have if there is a lobbyist.

The ban is only on improper interference; presumably 'proper interference' is when the lobbyist is David White or another Labor mate. That is 'proper interference' in the awarding of a monitoring licence. It is only improper interference if a Labor mate is not getting a sling out of it. Again we notice that the Labor government has gone soft on banning lobbyists. The banning of lobbyists was recommended by the Merkel panel.

I also note that proposed section 3.4.49(1), under the heading 'Responsible gambling directions', provides:

The Minister may direct the monitoring licensee to provide, as part of operating and maintaining an electronic monitoring system, systems and mechanisms that implement responsible gambling measures for the conduct of gaming.

This goes to the second limb of my reasoned amendment, which is that:

this bill be withdrawn and redrafted to provide for:

...

- (2) the establishment of the government's promised systems and mechanisms for implementing responsible gambling measures for the conduct of gaming ...

What I am essentially talking about here is precommitment. The government has said that precommitment is coming in in 2010. It wants to auction off the licences in 2010, so it wants to have the measures in place for that. Why do we not see the measures for precommitment? Why do we not see what the government is planning to do to try to put gamblers back in control of their own lives? Why do we not see what the government is planning to do to implement real responsible gambling in this state?

We on this side of the house believe that precommitment is a very important move to deliver responsible gambling in this state, and I have been on the record advocating it for a long time before the minister ever came to this place and said the government was going to do it. With the government's promise that it is going to implement precommitment, why do we not see it in this bill?

We do not see it in this bill because the government is not serious about precommitment. It is not doing the work. It is happy to do the work to try and ratchet up the licences so it can go and grab the money to feed its budget black hole, but it is not able to do the work to implement responsible gambling in Victoria. Again this is a government that puts revenue before responsibility. We see it in this bill. We see it in everything this minister does. We see it in everything this government does in this gaming portfolio.

That is why the opposition is of the view that if the government wants to get its licensing platform up and running it should also do the time, do the work and make sure that responsible gambling can come forward as part of that.

It becomes very interesting when we come to the monitoring licence extension. The monitoring licence in the bill is provided for up to 10 years with the prospect of a two-year extension. You would think the government would have learnt from the mistakes of the past. Members should cast their minds back to late

2007, when the government bungled the lottery licence process and instead of being in a position to issue the new licences, which is another story I am sure most newsagents could discuss, it decided it was going to extend the period for consideration of the new licensees. So it gave Tattersall's a free kick: it gave it a free extension of 12 months on its existing lottery licence. But did the taxpayer get any extra dollars as a result of the increase in the licence period? Absolutely not!

In this bill the government has provided for gaming machine entitlements for 10 years with the possibility of a two-year extension; but if there is a two-year extension, the minister may charge a fee. We are talking about a 20 per cent increase or extension in the licence term if it goes from 10 years to 12 years. You would expect the taxpayer to get value for money. The bill provides for that in relation to the gaming machine entitlements, but when it comes to the monitoring licence, there is nothing.

I raised this issue at the briefing; the jaws of all the members of the department and the minister's office were hitting the table. They were turning around and looking at each other; they looked like the laughing clowns at Luna Park. It was a case of, 'Oh, my goodness, we have forgotten to put it in. Well, it is only taxpayers money, isn't it — and that does not matter. We stuffed it up before with the lotteries, we can stuff it up again with the monitoring licence. That's okay'.

After I raised this with the minister he wrote back to me; you can almost see the embarrassment in the response. He says:

There is no provision in this bill for a payment associated with the extension of the monitoring licence.

He has admitted it; it is not there. He could hardly deny it! The minister goes on to say:

Further detail in relation to the monitoring licence will be included in legislation to be introduced into Parliament later in 2009.

He has been caught out; he missed it. It is as clear as day: with the extension of the gaming machine entitlements, there was an additional payment. It is not there for the monitoring licence. This is a stuff up, pure and simple — sloppy drafting from a sloppy government which just does not know what it is doing.

This takes me to clause 25, which deals with the gaming machine entitlements. This is essentially the blank cheque provision. If we go to proposed section 3.4A.5 of new part 4A to be inserted in chapter 3, it is headed 'Minister may create and allocate

gaming machine entitlements'. The first paragraph of that reads:

- (1) The Minister may from time to time —
- (a) create gaming machine entitlements;
  - (b) allocate gaming machine entitlements to venue operators, including gaming machine entitlements forfeited to the State under Division 6, 7 or 8.

There is no requirement for the minister to act fairly, to put public interest first or to have any consideration for anyone involved in the process. The minister comes into the Parliament and says, 'Here is a bill. Just give me the power to issue the licences. Yes, of course we say it is going to be 50-50 clubs and pubs, and 80-20 city and country, but they are just determinations; I could wake up tomorrow and change my mind'. Members on this side of the house do not think that is good enough at all. We are not prepared to hand anyone in this Parliament a blank cheque, particularly those on the other side. We know what happened before and what they did with taxpayers money.

That takes me to the third aspect of my reasoned amendment, which is that the bill should be withdrawn and redrafted to provide for:

... the process of allocation of gaming machine entitlements to not unfairly disadvantage smaller, community based clubs and small businesses in the public sector.

I would like to very briefly take members of the house to some of the stakeholder comments on these issues. I refer to the Doxa Social Club. This club runs gaming venues, and all of the profits received by the Doxa Social Club are provided to the Doxa Youth Foundation for its work with disadvantaged youth in the community. In its submission to the government, Doxa said:

Doxa is at a loss as to how it and the majority of clubs will be able to finance a genuine bid.

...

Doxa has never dealt with a government that has been so totally unwilling to discuss or elicit information from the industry for which the government is proposing such a massive reform.

Unless this changes before the legislation comes before Parliament it is almost guaranteed that mistakes will occur.

On page 23 of its submission Clubs Victoria says:

There is a very real risk that the proposed system could wipe out the majority of small regional clubs and some metropolitan clubs.

In its submission the Community Clubs Association of Victoria said:

There is another factor to consider ... the relatively disadvantaged position of small clubs in non-metropolitan regions when compared with, say, large statewide sporting clubs or organisations.

I would say Australian Football League clubs are in that category.

Organisations that operate in the club sector and provide community benefits know that this bill basically gives a blank cheque to a government which has made clear that in its view the only relevant criteria is the amount of money that can be shaken out of these clubs. It does not care about community benefit; it does not care about providing facilities to the community; it does not care about community infrastructure; it does not care about responsible gaming. All it cares about is trying to drag as much money out of these organisations as quickly as possible to fill the impending budget black hole.

That is why the minister has said that 10 per cent of the amount for these entitlements is to be paid at the auction. These entitlements will be auctioned in early 2010, two years before they can be used. Ten per cent will be paid at that time. Another 10 per cent will have to be paid before they can be used, so 20 per cent of the cost of these entitlements has to be paid before the entitlements can ever be activated.

The minister sarcastically says this is a radical idea. I say to the minister that we are talking about a club sector where clubs are not-for-profit organisations. The minister does not seem to understand this. Clubs do not generally have massive amounts of reserves, because what they have, they spend on providing facilities for the members. That is the nature of non-profit clubs. It is ridiculous to expect clubs that have had pokies in the past to have some massive war chest they can deposit in the government's coffers in an attempt to fill the black hole in the government's budget.

It just does not work like that. That is why this bill should be withdrawn. There should be some element in the bill to ensure there is no unfairness or disadvantage to community clubs, small pubs and particularly venues, be they clubs or pubs, operating outside Melbourne and which are particularly vulnerable.

In the very brief time left I want to point out that there is a drafting error in this bill, which again underlines the sloppiness of this legislation. In clause 54 proposed section 4.2.11, to be inserted as new division 3 of part 2 of chapter 4, refers to 'section 4.2.8(3)'. Unfortunately,

no such beast exists. There is a proposed section 4.2.8, but it has no subsections at all; yet this mythical proposed section 4.2.8(3) has been repeated in subsections (a), (b), (c) and (d).

I appreciate that this is a large bill which amends a large act, but people are relying on the government to get this right. They should not have to rely on the shadow Minister for Racing, who first identified this flaw, to try to get it right on behalf of the industry. This is just another example of where this government cannot get it right and fails as a result.

In the very brief time available I refer to some other provisions. There are the use-it-or-lose-it provisions, which we consider are warranted. One concern, though, is in relation to the 50 per cent tax. The Australian Hotels Association has made a valid point, that it would be terrible if this 50 per cent tax designed to address speculative profits actually prevented people from selling hotels in the normal course of events.

The government has made a number of errors in the bill and has provided no certainty to industry. If the government is serious about seeking support across the house for its new platform in this state, it will take on board the reasoned amendment moved by the opposition. It will listen to people in the club sector and the pub sector, and it will try to ensure that something which is aimed at just dragging out of these organisations as much money as possible does not lead to the destruction of those very organisations.

**Mr DONNELLAN** (Narre Warren North) — It is an honour to speak on this bill. It is very interesting legislation because it leads on very much from the radical departure from a duopoly process which was previously introduced. It introduces a sort of market-based system, whether it be for the bidding for the licences for gaming machines or for having a venue operator licensing system, which I think will operate a lot better and actually provide better competition in the marketplace. This bill will reshape the gaming industry by allowing those venue operators to operate their own systems from 2012. Hotels and clubs that are interested in operating will have a venue operator licence. The bill retains the restrictions of the 50-50 and 80-20 rules.

There is a little bit of hysterical ranting from those on the Liberal Party side, that suddenly the world will fall apart, and that maybe the government does not care about clubs and so forth and wants them all to rot. I guess the suggestion in terms of the licensing would be that the government introduce some bastardisation of the marketplace. I do not consider that to be an appropriate system.

There has been a fair bit of consultation on this bill. In 2008 the discussion paper on gaming machines post-2012 was released and in December 2008 the discussion paper on the monitoring of licences and the exposure draft of this bill were released. There is general support for a lot of the provisions of the bill. Some are not fully supported by some, but generally it is a bill with pretty strong support.

One of the interesting things about the bill is that the term of venue operator licences will be extended from 5 to 10 years, which will give the licensees a lot more consistency and certainty when they go to banks to underwrite their exercise. As long as they pass an assessment by the Victorian Commission for Gambling Regulation in terms of their appropriateness to hold those licences, when those with current licences apply to renew them they can have them extended for 10 years, which is a positive thing.

Another interesting thing about this bill in terms of the ability to operate machines is that the Minister for Gaming will impose conditions that specify the geographic area and the venue type to which the entitlement relates. If you are looking at areas like some in my electorate, such as those in the city of Casey where there are caps, such as in Cranbourne, Doveton and other places, you see that the bill provides that the minister has the capacity to place caps and restrictions on those areas which have what one may consider to be an excessive number of machines, probably more in hotels than anywhere else. That is very important.

On payments for some of those entitlements, it is interesting to note that there will be some capacity to defer payment on a fixed schedule, which is 10 per cent within seven days of the entitlement allocation, 10 per cent in 2012 prior to the commencement of the new structure, and payment of the remainder in equal instalments on a quarterly basis over four years. That should satisfy some who are concerned that they would have to find all the money up-front, including some of the clubs, which some people have suggested will be decimated by this exercise and which I consider to be an absolute load of rubbish.

The government has opened up the marketplace with bidding for the licences. I guess one of the dangerous things that needed to be dealt with and which the bill deals with quite well is speculative bidders. A penalty tax of 50 per cent will be applied to any profits made from this exercise if the entitlement is sold within the first six months of the new structure. That is important in introducing a new marketplace.

Profit sharing is prohibited and ownership is restricted. We do not want a continuation of a situation which has arisen in the current environment. I do not impugn his reputation at all, but one person, Bruce Mathieson, has a large number of the hotel pokie licences through the current duopoly system, which means that he is in a very powerful position in the marketplace. For competition in the marketplace you do not want one individual holding too many licences, so a 35 per cent restriction is an appropriate way of dealing with that. I think that currently Bruce Mathieson has about 40 per cent of those licences through Tatts and Tabcorp. I think it is important that we do not end up with that again. If we are to open up the marketplace, as the government has, there must be some restriction on that type of thing so that we do not end up with a duopoly, or three or four major players owning most of the licences in the marketplace.

There are some other interesting things in the bill. More than anything else one area of great interest to me is wagering and the linking of funding from the pokies directly to the industry. As a great supporter of the racing industry, I obviously have some serious concerns about that. I notice that changes will be made to the parimutuel and fixed odds tax rates, to ensure that the industry has some degree of certainty in funding.

The rate for parimutuel wagering will be reduced from 19.11 per cent to 7.6 per cent of the pool, and the rate for fixed odds betting will be reduced from 10.91 per cent to 4.38 per cent. Those rates will still be subject to a review to be conducted in 2012, and if necessary the parimutuel rate will be adjusted based on the market conditions at the time. From what I understand, a lot of consultation has been undertaken with the racing industry, and this will continue to happen to ensure the review is appropriate.

Some of the harm prevention measures that the government will introduce include banning automatic teller machines from being located beside poker machines in metropolitan venues. That is appropriate and a good way of going about things as we move forward. The government is very keen to minimise the adverse effects of gambling.

I note that the current position of the opposition is that 20 per cent of the machines across the state will be cut. I would have thought that if members are worried about clubs and so forth, given the bleeding heart commentary before by the potential shadow Treasurer — —

*Honourable members interjecting.*

**Mr DONNELLAN** — It could be the leader; we do not know. It depends on which faction he is in at the moment. It is a bit hard to tell where the Costello and other factions are going.

A 20 per cent cut in the machines across the state would severely affect the clubs above all else. Worse, it would also severely affect the holder of the no. 3 spot on the Senate ticket of the Liberal Party at the next election, who is a member of the McGauran family.

If you look at its Millers Inn Hotel — —

*Honourable members interjecting.*

**Mr DONNELLAN** — We do not know. I think they are in the Costello faction, the happy faction at the moment, but I am not — —

**An honourable member** interjected.

**Mr DONNELLAN** — It could be the Ronno faction, I am not really sure. But if you look at the turnover per machine, you see it is \$181 000 per machine. I guess if you reduced the number of poker machines by 20 per cent their turnover could increase to about \$300 000 per machine. The difficulty with the Liberal Party's position is that it does not believe in market fundamentals at the moment. It does not want the market coming into play with the sale of any licenses, and somehow it wants to have this bleeding-heart special whereby licenses are just handed out for fun — just handed out to different groups because somebody likes that group or somebody says that club is a nice club. I would have thought that for the benefit of Victorian taxpayers we would need to ensure that we need to get a good and fair value for those licenses.

**Dr NAPHTHINE** (South-West Coast) — I rise to speak in the debate on the Gambling Regulation Amendment (Licensing) Bill. The purpose of this bill is to introduce a new system for electronic gaming machines, or pokies, in Victoria. This is of genuine concern to many country clubs and hotels across Victoria, and that is why I support the reasoned amendment moved by the member for Malvern.

However, in my capacity as shadow Minister for Racing I want to concentrate on the issues in this legislation affecting the racing industry. The bill provides for a new post-2012 wagering and betting licence to establish and operate a betting exchange, simulated racing games, and betting and wagering on the three racing codes in Victoria. The bill also sets out a new tax regime for racing and betting in Victoria. It certainly warrants significant analysis, because it goes

to the heart of the future of racing and to the funding of our three great racing codes in this state.

We have to remember that this bill has been brought to us by the minister responsible for the last major change to the Victorian gaming industry, which saw the introduction of Intralot. His track record of major changes to gaming is not too flash. Indeed an article in the *Sunday Herald Sun* of 22 February says:

The documents show the company is likely to take \$67 million in revenue this year — \$226 million short of the annual revenue it promised to earn when awarded a gambling licence in 2007.

Clearly we have a minister whose track record is one you would not want to bet on when it comes to any of these issues. On top of that his track record on probity is fraught with falls and failures. Indeed a report of the gambling and lotteries licence review panel, which was tabled in Parliament only recently, refers to the following issues:

A further issue concerns an Ernst and Young report dated 1 August 2008, which was commissioned by the VRI.

The VRI is the Victorian racing industry. The report further states:

The report was prepared by Ernst and Young on the VRI's instruction to it to develop a financial model and prepare a business case to estimate the racing industry funding requirements post 2012 ...

It says further:

The VRI business plan was intended to be, and was, presented to the government as a confidential document of the VRI. However, it was forwarded within Ernst and Young to the Ernst and Young partner responsible for the audit of Tabcorp Holdings Ltd (Tabcorp).

It says further:

Each of the probity auditors under the respective GLR and VRI probity plans considered that the forwarding of the VRI business plan to Ernst and Young's Tabcorp audit partner was a probity breach and was concerned that the breach may be perceived as having given Tabcorp unequal access to relevant information in relation to the regulatory review and the wagering and betting licensing process.

Further — and this is the real issue:

Ernst and Young appears to have accepted that the disclosure to its Tabcorp audit partner was inadvertent and unjustified, it claimed that Ernst and Young had not agreed to be bound by the VRI probity plan, because, among other things, it was introduced nearly eight weeks after the VRI's engagement of Ernst and Young.

The report talks about how the flaw was the government's fault, how the government messed up the

probity with respect to the basic issues to do with wagering and betting licences.

So we have the Intralot debacle, we have the probity debacle and now we have concerns about the bill itself, as the member for Malvern said. On page 118 of the bill, not once, not twice, not three times but four times reference is made to section 4.2.8(3), but there is no such section. The minister cannot even get his own legislation right. He has failed on Intralot, failed on probity and failed on drafting his own legislation. This is worth billions of dollars to the Victorian racing industry and worth thousands of jobs, yet this minister cannot even get the basic legislation drafted correctly. Now we are faced with dealing with amendments to try to correct a fundamental mistake made by this minister and the Minister for Racing. We have to deal with their fundamental lack of attention to detail on the most important issue affecting the racing issue for the next 10 to 20 years of racing in this state.

The tax rate is set out in clauses 61 and 62 with regard to wagering and betting in the state. The context is that on 10 April 2008 the Minister for Racing rocked the Victorian racing industry when he and the Premier announced they would be taking away the equivalent of about \$80 million a year from racing that comes from electronic gaming machines operated by Tabcorp. The Victorian racing industry's three codes receive about \$300 million a year in revenue, about \$220 million of which comes from the wagering and betting licences and returns to the racing industry and \$80 million of which has in the past come through Tabcorp electronic gaming machines. The Brumby government announced in April last year that this money would disappear — that is, \$80 million this year increasing at a rate of about 5 per cent a year.

At the time the government said it would make sure that the racing industry was not worse off. Indeed in *Hansard* of 10 April 2008 the Minister for Racing said:

The government has committed to developing funding arrangements which are 'no less favourable' to the racing industry in this state.

A press release from the Premier the same day said the government would put in place funding arrangements no less favourable to the racing industry. We waited until 3 November, when a press release was put out by the government which said the Brumby government would provide \$45 million to the three racing codes for capital and the redevelopment of venues, and the Minister for Gaming said:

The tax deduction savings will replace the revenue which the industry currently gets from electronic gaming machines and ensure the future arrangements are no less favourable.

He said further:

We estimate this will provide over \$1 billion over the licence period and ensure the ongoing success of Victoria's internationally renowned racing industry.

But the real question is: is that sufficient? To find out we have to go back to the Ernst and Young report which this government funded with the Victorian racing industry (VRI) to determine what was needed to create a no less favourable situation for the racing industry. On page 63 the report states:

By removing the gaming component of the VRI's return from the licence-holder, the state government has to fund a 'transition' gap of between \$104 million in 2012–13 and \$171 million in 2023–24 ... to enable the VRI to achieve a return 'no less favourable'.

This gap totals approximately \$1622 million over the period 2012–13 to 2023–24. Ernst and Young says that \$1.6 billion is needed. What did the minister say in November? He said the industry was going to get \$1 million over the period. We are finding that in comparing the Ernst and Young report to what the government is offering in this legislation, the racing industries are being robbed of \$622 million over the period of the licence.

On top of that, page 68 of the Ernst and Young report says:

The 'viable and growing' funding requirement is well in excess of the 'no less favourable' funding ...

It is \$622 million short in terms of being 'no less favourable' and well short when it comes to having a 'viable and growing' racing industry. The Minister for Racing, the Minister for Gaming and the Brumby government are absolutely robbing blind the racing industry in Victoria, and the government is threatening the future of the industry, which is at present strong and viable; it employs 75 000 people across Victoria, but is being threatened by the state.

The report states that the result could be the rationalisation of the VRI, with the closure of a significant number of tracks and clubs. It says the VRI may not be able to support the operation's owners, trainers, jockeys, breeders and race clubs, which would jeopardise jobs in regional and metropolitan areas.

We are \$622 million short of what is required on recurrent funding, and on the capital side the Ernst and Young report says on page 7:

... the VRI has identified \$105.9 million of regional projects earmarked to be co-funded by the VRI and government.

The VRI seeks a government contribution of \$64.3 million over the next four years ...

It sought \$64.3 million, but what did it get from the government? A lousy \$45 million. It was duded \$19 million on capital compared to what it was offered in terms of 'no less favourable' and was duded \$622 million on recurrent funding. This is a bad bill for the Victorian racing industry, which is being robbed by the Minister for Racing and by the Brumby Labor government. The Victorian racing industry will rue the day the minister brought in this bill. This is on top of recent decisions to take away country race meetings, close country training venues and threaten country race tracks. This government is bad for racing in Victoria.

**Mr STENSHOLT** (Burwood) — I rise to support the Gambling Regulation Amendment (Licensing) Bill 2009 and to reject the reasoned amendment moved by the member for Malvern. I always wonder why they are called reasoned amendments, because there is not too much reason in this amendment.

**An honourable member** interjected.

**Mr STENSHOLT** — I know it is of great interest to the Liberal Party, and the member for Narre Warren North mentioned that. It was interesting that last Friday we saw published a list of hotels and their gambling machines. Gaming expenditure — which means 'losses' — at Millers Inn Hotel was \$12.7 million. On the same day a McGauran family member was pre-selected for Parliament. Perhaps he is in the same faction as the member for Malvern, although I am not too sure what faction he is in; he seems to be in both factions. He might even be in three factions of the Liberal Party at the moment — —

**The ACTING SPEAKER** (Ms Beattie) — Order! On the bill.

**Mr STENSHOLT** — Thank you, Acting Speaker, I will come back to the matter at hand. In respect of the Millers Inn Hotel, the McGauran family — and in particular, the senator and now the senator-elect — have a very strong interest in the matter; in fact they have 70 interests — that is, 70 machines. The member for Narre Warren North has already given those figures.

The bill substantially restructures the gaming industry by implementing the new venue operator industry structure for gaming machines; providing for a new licence for the monitoring of gaming machines; providing for the creation and allocation of gaming machine entitlements under which gaming by means of gaming machines will be authorised; and imposing certain ownership and related person restrictions in

relation to licensees and persons on the roll of manufacturers, suppliers and testers.

As has already been mentioned — the member for South-West Coast talked about these matters — the bill also authorises the conduct of a betting exchange by the post-2012 wagering and betting licensee, makes further provision in relation to simulated racing games and simulated racing events, and provides for the taxation scheme for post-2012 parimutuel and fixed odds wagering, simulated racing games and the betting exchange.

I must admit the racing industry in Victoria is in very good shape. I am sure the minister took a great interest in the weekend's racing: I hope he had a few bob on Niconera. I can assure the member for South-West Coast that the racing industry here in Victoria is actually in very good hands.

The bill also restricts gaming machine advertising outside the gaming areas of approved venues or the casino — and I am glad that there is something in the bill that applies to the casino — and it prohibits trade promotion lotteries from being linked to gambling on gaming machines. Finally, the bill makes any necessary consequential or technical amendments arising from these changes.

I am not sure whether or not the member for Malvern has read the bill, which is designed to limit the concentration of ownership, operation and location. There are quite a number of measures in the bill that do exactly that. The member for Malvern said, 'Let us once again suck our thumb, scratch our head and wait for Godot'. He talked about the establishment of the government's promised systems and mechanisms for implementing responsible gambling measures. There have been a lot of them.

We announced the removal of automated teller machines from venues. We also announced a lowering of withdrawal limits, and I am sure the member for Malvern is well aware of that. We also announced a code of conduct, and of course we have the best research. If I remember correctly, problem gambling advertisements won some prizes. The campaign was refreshed last October, and there has been a 45 per cent increase in calls. Rather than the namby-pamby advertisements that we saw in the time of the Kennett government, we now have advertisements that people respond to.

We have helped to initiate a national phone service, and we now have a responsible gambling awareness week. A number of years ago we instituted smoking bans in

venues: I am sure the member for Malvern would remember them. There are limits on 24-hour venues: I am sure the member for Malvern would be well aware of the caps. There is a hotel in my electorate, which is across the road from his, which saw cuts to the number of gaming machines. I am quite supportive of the caps, which are in two stages. I also support the 1000 machines being relocated.

In addressing the process of the allocation of gaming machine entitlements the bill does not unfairly disadvantage smaller community-based clubs. I am not sure the member for Malvern has read the bill or participated in the process of preparation and consultation. The minister outlined some of these measures in his second-reading speech, and the member for Narre Warren North also talked about them. A review was announced in 2004, following which quite a number of changes were brought in. In April last year the government announced new industry structure arrangements for wagering, betting, keno and gaming machines after the expiry of the current licences in 2012. There has also been a significant consultation process with regard to the progression of the gambling licences review since its inception.

**An honourable member** interjected.

**Mr STENSHOLT** — Quite a lot of submissions have been made in regard to this. The development of the bill was informed by a consultation process. I do not know whether the member for Malvern put in any submissions; he might well have done and perhaps he can correct me in that regard. The process was held in June and October 2008. I hope he participated, because approximately 70 submissions were put in to the two consultation processes.

The industry is engaged in ongoing consultation in regard to related matters such as all the issues that have been raised. I know all parts of the industry take a great interest in this process; it is their livelihood and it is their right to be involved in consultations with the minister, the department and the appropriate regulatory authorities.

The government released the exposure draft of the bill and an explanatory statement for community feedback. The member for Malvern was well and truly entitled, if he wished, to provide some feedback in regard to that. Submissions closed on 13 January this year, and 20 submissions were received. Some minor changes were made to the bill as a result of those submissions. There were minor changes in regard to tax, the prohibition of profit-sharing arrangements, consultations on technical standards and gaming

machine advertising. The consultation process was a positive one and resulted in a number of ideas being put forward.

The government is continuing to consult with operators. In February it released its *Gaming Machine Arrangements 2012 — Statement of Outcomes II*, which further explains the recent decisions it has made on new arrangements for the gaming industries. That document provides details of new venue operator arrangements, gaming machine entitlements, conditions for their use, the role of venue operators, eligibility requirements, the functions of the independent monitor — that is very important — and the monitoring of the licensing process. It also deals with taxation arrangements, which are of great concern to operators or potential operators, including clubs, and the information that needs to be made available to industry members preparing for the new venue operating structure.

The government will continue the process of making information available throughout 2009, including gaming machine entitlements in the second half of this year. Information sessions will be conducted right across Victoria by the Department of Justice. I am sure this will include the electorate of South-West Coast, and I am sure the local member will be very interested in those. I hope he attends them. The purpose of the information sessions is to inform the industry of the government's decision regarding gaming machine arrangements for the 2012 venue operator structure. Some of the sessions may have been held already. There will be some further consultation around April 2009 following these briefings.

This bill is obviously very comprehensive. It contains a wide range of measures in regard to gambling regulation and makes amendments in a significant number of areas. This bill will mean a fair go for clubs.

*Honourable members interjecting.*

**Mr STENSHOLT** — Where previously it was divided three ways, it is now being divided two ways. Operators are going to have to pay for the licence as they do for other gaming and gambling operations licences in Victoria. This means that the third party is being removed, and licence-holders will be able to operate directly. I think that is fair for clubs and the requirements for the continuation of their community support.

**Dr SYKES** (Benalla) — I rise to speak on the Gambling Regulation Amendment (Licensing) Bill. I will be supporting the reasoned amendment moved by the member for Malvern. I would also like to

congratulate the member for Malvern and the member for South-West Coast for outlining a number of key concerns that this side of the house has with the bill in its current form.

I would like to focus particularly on the impact of the bill as it stands at the moment on community clubs, which are so important to the fabric of the community of Benalla. I would also like to focus on and spend some time on the impact of reduced funding for Racing Victoria and, again, the impact that is going to have on country communities, particularly the electorate of Benalla.

If we look at the bill at this stage, we see that it seems as if, as the member for Malvern indicated, the government wants us to sign off on a blank cheque. As the member for Malvern said, the bill will enable the minister to create and allocate licences, but little guidance is provided. Whilst I should acknowledge that the minister is a fine fellow, I think we need some protection —

*Honourable members interjecting.*

**Dr SYKES** — I will repeat that: whilst I would like to acknowledge that the minister is a fine fellow, we do not always have confidence in his judgement. We only need to look at the Intraflop debacle to see that the claims about significant amounts of money coming into the state coffers have not been realised, and the impact of the Intraflop debacle on the country communities and country agents has been significant. There has been unanimous discontent amongst agents in country Victoria. They have voiced that discontent very vocally to me in recent times.

If we look at the proposals in relation to the community clubs, we see that a number of community clubs in the electorate of Benalla rely quite heavily on poker machines for a significant part of their income. Those clubs include the Mount Beauty community club, the Savoy community club at Myrtleford, the Benalla Bowls Club, the Benalla Golf Club and the Mansfield Golf Club. When I have spoken to people from those clubs they have raised a number of concerns, the most common one being how they will be able to come up with the money up-front to purchase the licences.

As the member for Malvern mentioned, 20 per cent of the money will need to be on the table before 1 cent is raised. These clubs are not big clubs, and they have modest turnovers. The people who operate them are volunteers, and it is a challenge for them to keep the clubs functioning in the current tough climate. The expectation of the money having to be paid up-front

early places pressure on the clubs' tight financial situations. We have situations such as that of the Benalla Bowls Club, which has traditionally handed out significant amounts of money to the local community in sponsorship, writing to community groups, including a couple of which I am a trustee, stating:

Thank you for your application for sponsorship, unfortunately the Benalla Bowls Club will be unable to donate or sponsor community or sporting associations this year due to the government's decision that all venues will become owner-operators of gaming machines in 2012.

The knock-on effect in the community is already occurring as a result of this ill-conceived, incomplete piece of legislation. The Benalla Bowls Club also wrote to the Premier raising this concern, in particular the issue of having to put the 20 per cent up-front. The Benalla Golf Club has done likewise, writing to the minister at the table, and stating:

On behalf of the general committee and members of the Benalla Golf Club, I write to express the club's concerns at the uncertainty of our club's future given the proposed new gambling industry restructuring.

The club also indicated that it was:

...seeking surety of entitlements to enable this community organisation to continue to provide recreational facilities ...

The legislation as proposed at the moment is unnerving the community clubs which are the fabric of society in our small communities.

Concerns have also been raised with me in relation to whether or not the proposed legislation goes far enough in addressing problem gambling. Meryl Batson wrote to me, raising her concerns and quoting from firsthand experience about the terrible impacts of problem gambling on friends of hers. I know that Peter Ryan, the Leader of The Nationals, has made problem gambling a key issue and the need to address problem gambling a key objective of any related legislative changes.

I turn to the impact on racing. The member for South-West Coast provided a very good, clear indication of what this legislation will do to racing. In essence, according to Ernst and Young, which did an assessment on behalf of the state government, racing is going to be of the order of \$600 million worse off. That will have a flow-on effect on race clubs throughout Victoria. The pressure has been applied to country race clubs as Racing Victoria seeks to do as the Benalla Bowls Club has done — that is, to tighten its belt. So we have had a review of country racing, with the apparent objective of rationalising and saving money, and the impact of that on local communities in the

electorate of Benalla is potentially extremely significant.

In relation to the Mansfield racing club, the proposal by the racing industry to remove funding for training venues there will result, according to the Mansfield Shire Council's submission, in a loss of 34 jobs and \$2.1 million in the Mansfield community. That is significant at any time, but at a time when our country communities are seeking to cope with the impact of 12 tough years, bushfires and a global recession, it is an appalling state of affairs that further pain is going to be inflicted upon that community for the sake of, in the case of Mansfield, a lousy \$30 000 or \$40 000 a year.

I note that on the cover of the Mansfield Shire Council's submission is a photo of Luke Nolan riding to victory in the Blue Diamond Stakes at Caulfield only a couple of weeks ago. That is a product of the training that is available at Mansfield for young riders, indicating that we have something which must be protected at Mansfield.

We have also had clear indication that the racing club is important to many sectors of the community, with people like Mark and Julie King, who are trainers at Mansfield, saying it is illogical to expect people to commute 3 hours each way to train horses at Seymour as an alternative to training at Mansfield.

Then we have the situation again of costcutting measures proposed by Racing Victoria in response to this legislation. Picnic race meetings such as Merton's are under threat. We have had letters of support for Merton racing club, for example from the Mansfield and District Equestrian Club, that stress the importance of the picnic race meeting at Merton to the whole community and to fundraising groups such as it. There is also a letter from the Landcare group at Merton, emphasising the importance of that meeting locally.

Closer to home we have the Benalla racing club feeling the pressure of the threat of removal of \$120 000 worth of funding. Benalla racing club also feels that if that funding is removed, its 11 meetings per year will be under threat. I should say that Benalla racing club has a fantastic set-up. The Minister for Gaming, who is at the table, may care to come and have a great day of entertainment at Benalla this Sunday, St Patrick's Day, when a number of races will be run. Perhaps, Minister, you would like to join me, get into the spirit of the racing and co-sponsor the event I am sponsoring? Minister, are you listening?

**Mr Robinson** — Always!

**Dr SYKES** — Through the Chair, I tell the minister I am sponsoring the three-year-old maiden fillies handicap. I am sure the minister would like a hand in sponsoring that.

It is important that we continue to support country racing, and this legislation as it stands at the moment will continue to put pressure on country racing, which puts pressure on country communities, which in turn puts pressure on our trainers, schools and all of those who see country racing as a provider of places to go.

I close by reiterating that I support the reasoned amendment moved by the member for Malvern, because, in the words of the government, more needs to be done to get it right on this piece of legislation.

**Mr FOLEY** (Albert Park) — I rise to support the Gambling Regulation Amendment (Licensing) Bill 2009 and to oppose the reasoned amendment moved by the member for Malvern. Like me, most Victorians who take an interest in this subject welcome this bill as yet another step in this government's commitment to the phased, sensible reform of the regulatory arrangements for a post-2012 gaming industry. It also contains a series of amendments relating to the wagering and betting industry and to the keno licence system. That reform agenda strategy is based on the view that the current duopoly of gaming operators is not the best system and that the moves to a venue operator system have a lot more community benefit as well as industry logic to them.

This approach of the government is reflected in this bill and its part in the much broader regulatory reform the minister outlined in his second-reading speech. This approach is based on this government's view that the competition measures are to be introduced in a manner that benefits the broader community and breaks up the unhealthy duopoly system and the inherent closed-shop arrangement that has existed in the present system for some years.

The bill continues the government's responsible gambling measures. As the minister has outlined, this includes the banning of ATMs by the end of 2012, subject to a series of sensible exceptions relating to regional venues and the needs of smaller communities. Based on this approach, the government's bill goes through the necessarily detailed and complex processes required to implement this general approach. Before turning to the content of the bill, I would like to deal with the half-hearted reasoned amendment moved by the Liberal-National party coalition.

Noise does not make up for content when it comes to the Liberal and National parties' objections to this bill. Making half-hearted contributions without terribly much substance behind them does neither them nor their limited number of supporters in this area any good. Their reasoned amendment totally misses the goal of the process here. If we look at the extensive consultation, the rigid probity and rigorous processes that the minister and the government have put in place here, we see they all come together to deliver on the processes of reform the minister so well outlined in his second-reading speech.

That consultation involved a number of discussion papers being released through 2008, an exposure draft of this bill being released in 2008 and a series of wide, sensible consultations with industry and stakeholders in that period of time. It is interesting to note that, despite what the opposition would have Victorians believe, the significant majority of the submissions regarding this bill supported the government's general approach and its exposure draft.

Further, the processes of the exposure draft and the consultation saw a number of refinements suggested. It is equally pleasing to note that the minister has said these will be introduced in a phased and sensible manner as part of the government's phased approach to reform in this area. This will give the industry and stakeholders certainty well before the 2012 changeover date envisaged in this bill.

The broader reforms in the bill include a variety of measures which seem to be well-supported despite the hysterical nonsense of the member for Malvern's contribution and the member for South-West Coast's hyperbole in regard to how this bill will be structured, which were backed by little other than noise and ranting. The bill seeks to ensure that the framework supports the new venue-based operator system.

It introduces a system of 10-year gaming machine entitlements through a bidding system which will be about authorised venues possessing and operating gaming machines. The changes in this system regarding the safety and probity provisions will reduce the regulatory burden on small businesses and community-based organisations, which it is envisaged will do particularly well under these reforms.

The arrangements regarding natural persons and licences, the system of geographical area allocations and venue entitlements all come together in a package to ensure this bill and its contributions to reform in this area meet community needs and government targets for a sustainable sector into the future.

A significant part of this bill deals with models relating to restrictions on ownership of hotel gaming machine entitlements so that no one operator or person will be able to own more than 35 per cent of gaming machine entitlements. As noted, there will also be a use-it-or-lose-it scheme regarding gaming machine entitlements whereby venues will have six months to use or lose their entitlements after the introduction of the new industry structure.

I now turn to the false claims and the hysterical nonsense passing as a reasoned amendment, particularly as they relate to the wagering and betting licences. As we all know, post and pre the privatisation of Tabcorp the reforms to the gaming industry were built around a system of mutual reliance between the introduction of gaming machines and the racing industry. Most people now accept that while this model served a purpose, it no longer meets modern or industry demands, and that the community, the sector and the racing industry have moved on.

What needs to replace this model? The arrangement the government has introduced in this bill is both sensible and practical. Rather than undermining the future of the sector, as suggested by a number of members opposite, it will ensure the security of the sector going forward. This bill will contribute to the package of reforms to the racing industry through a range of sensible measures.

As outlined, this includes measures to reform wagering taxes post-2012 to secure the industry's financial position. There will be a 60 per cent drop in wagering taxes post-2012. The parimutuel rate will be reduced to 7.6 per cent, the rate for fixed betting will drop to 4.38 per cent, and there will be a range of other measures to replace the industry's historic reliance on revenue from electronic gaming machines. That delivers on this government's commitment to ensuring that the arrangements for the wagering and racing industry post-2012 are no less favourable for the sector than the arrangements which exist now.

This bill is an important step towards implementing this government's sensible and comprehensive reform agenda based on a series of principles that the Minister for Gaming and the Minister for Racing have outlined — that is, that competition and the breaking up of the cosy duopoly is in the interests of the community and the sector, and a venue operator-based system that looks to the future of community-based clubs operating in this field makes a sensible contribution to public policy. It does this by looking to ensure that the racing industry and its historic reliance on arrangements with this sector is reformed on a sensible basis that secures that sector's needs.

No amount of creating straw people or myth production or scaremongering or shady interpretations of the truth by either the member for Malvern or the at times, it seems, out-of-control member for South-West Coast and others opposite will distract this house or the broader Victorian community from the sensible and staged reforms this bill continues. The Minister for Gaming is to be congratulated for yet another sensible and reasonable process to introduce a sensible reform package for this sector.

*Honourable members interjecting.*

**Mr FOLEY** — As we can hear from the interjections, there is very little substance to the claims and arguments of those opposite. We look forward to the operation of this bill, and indeed to further contributions by the minister to the very sensible and long-term reform of gaming in this state. This bill will secure both the venue-based system of operating clubs and the wagering and racing industry. I wish the bill a speedy passage through this house.

**Mrs FYFFE** (Evelyn) — I am pleased to speak on the Gambling Regulation Amendment (Licensing) Bill 2009. The purpose of the bill is to restructure the gaming industry by providing for a new licence for the monitoring of the conduct of gaming, providing for the creation and allocation of gaming machine entitlements under which gaming by means of gaming machines will be authorised, and imposing certain ownership and related person restrictions in relation to licences and persons on the roll. The bill will authorise the conduct of a betting exchange, make further provision in relation to simulated games and simulated racing events, and otherwise improve the operation of the principal act.

Most of my contribution will be about pokies. They were introduced into this state by former Labor Premier Joan Kirner in 1991. If my memory serves me right, 32 000 pokie machines were going to be allowed into the state. Former Premier Jeff Kennett reduced that number to 27 500. This bill is changing the duopoly of Tabcorp and Tattersall's, a duopoly which small clubs felt disadvantaged them, because if they did not meet the targets set by those companies, they would lose their pokie machines. However, it appears they will also be disadvantaged under this legislation.

The Minister for Gaming has said the Gambling Regulation Amendment (Licensing) Bill 2009 underpins the government's decision to end the gaming operator duopoly and move towards a venue operator structure. Venues will now bid directly for gaming machine entitlements, and they will have more control

of their gaming business from 2012. According to the minister, as a result of the new arrangements pubs and clubs will receive a greater share of gaming revenue.

However, according to a submission by Clubs Victoria smaller venues will once again be disadvantaged. It has expressed misgivings about the bill because not-for-profit clubs are run by non-professional boards of directors and are not equipped to engage in an auction process for the allocation of gaming machine entitlements. Clubs Victoria is concerned that even with the best will in the world it will not be possible for many clubs to participate in the auction in any meaningful way, with the consequence that clubs that currently have pokies will lose them. This could lead to the end of some clubs, and it will certainly lead to the loss of significant community infrastructure provided by clubs.

Clubs Victoria also argues that clubs with existing pokies should be able to keep a proportion of them and agree to pay the government a fair price for them rather than entering into the open auction system. It says the anti-speculation provisions are inadequate to prevent pseudo clubs from taking advantage. It is also concerned that the proposed tax system provides a tax incentive for large clubs, such as Australian Football League clubs, to bid for more machines than they would utilise because the calculation of tax on an average-per-machine basis makes it tax effective to do so. Clubs Victoria says this will result in smaller clubs missing out on machines, with adverse consequences for their financial position.

A report by the Victorian Commission for Gambling Regulation shows Victorians gambled away \$4.84 billion on pokies, lotteries, table games and bookies in the year to June 2008. Of that sum, \$1.58 billion flowed to government coffers through taxes and levies. Much of that money comes from problem gamblers. The government has made a lot of noise about helping problem gamblers, but it is difficult to see that happening when it is so reliant on the income from gaming machines. The government's document *Gaming Machine Arrangements 2012 — Statement of Outcomes II*, which is dated February 2009, states:

... from 2010, municipal limits will apply statewide, so that for all local government areas (with the exception of the CBD, Southbank and Docklands ...) there will be no more than 10 gaming machines per 1000 adults.

The Minister for Gaming has put his spin on this ratio, saying it allows for a greater spread of benefits to be returned to the community. The operative word is 'spread'. This ratio will mean that pokie machines will be more evenly spread throughout Victoria, increasing

accessibility to them. In its 2006 submission to the review of electronic gaming machine (EGM) licences post-2012, the Financial and Consumer Rights Council cautioned the Brumby government that:

Accessibility to EGMs is a key contributor to the problem — that is, gambling — and must be addressed.

The bill suggests that that warning has gone unheeded.

Financial counsellors who work with problem gamblers report that their clients find the number and visibility of gaming venues to be enormous obstacles on the road to recovery from addiction. Currently about 42 per cent of pokie machine revenue comes from problem gamblers. The Salvation Army's submission to the review stated that poker machine licences should be structured in a manner that maximises taxation revenue in order to offset revenue losses that will be incurred through the reduction in problem gambling.

The *Yarra Ranges Journal* of 3 March says the number of gaming machines in the shire of Yarra Ranges could more than double under the proposed changes to Victoria's gambling legislation. The shire has 427 electronic gaming machines. However, under the proposed changes to the Gambling Regulation Act, another 646 machines could be installed based on the municipal cap of 10 machines per 1000 adults. Yet a 2006 submission to the review by the East Melbourne branch of the ALP asked the government to phase in the use of EGMs that allow playing only with a prepaid membership card, with monthly statements of expenditure to be posted to a member's home address. A similar view was expressed in the submission of the Country Women's Association of Victoria, whose members suggested that gamblers should be able to receive a printout stating how much they had won or lost upon exiting a gambling session. While there are obvious financial burdens associated with introducing a measure such as that, perhaps if it had been implemented, Victorians would have thought the government's rhetoric about its commitment to responsible gambling was more than just lip-service.

A recurring theme of the submissions reveals a genuine public anxiety about the placement of these machines in low-socioeconomic areas. It is widely accepted that people on lower incomes tend to be the biggest users of pokies as they live off the belief that they may one day hit the jackpot and improve their lot in life. With the current economic circumstances we are facing in this country, a lot more people will be gambling away money in the hope that they will hit the jackpot and

improve their situation. That aspiration is a dream or fantasy, as is the case with all forms of gambling. The odds are inevitably stacked in favour of the house, which is why the government will not impose serious limits to curb gambling.

In 2007 net Victorian expenditure on gambling was \$4.76 billion, and there was a nice increase for the government the following year, with the figure going up to \$4.84 billion. It grows and grows, as does the government's reliance on it. The concern that is expressed about problem gamblers is token. I do not see anything in the bill to suggest that anything is being done to help those who have this addiction.

I do not gamble, but that is probably because of my background. I do not want everybody else to have to stop gambling because I do not gamble. However, we must help those with gambling problems. The government's reliance on the income from gaming, and particularly from pokie machines, is appalling. We can see this growing more and more. This will damage the smaller clubs and the smaller businesses those clubs deal with when buying food for their establishments.

The closure of each small club has a spin-off effect in its local community. Will we end up having only massive clubs with large numbers of gaming machines which, because of their turnover, will offer inducements such as what may seem like a very cheap lunch or entertainment when in actual fact it is costing individuals far more than they can possibly afford? I support the shadow minister's amendment to this legislation. I am disappointed that the legislation does not change anything for smaller operators. They will have more difficulty. I am also disappointed that the legislation does nothing to combat problem gambling in this state.

**Mr HUDSON** (Bentleigh) — It is a pleasure to speak in the debate on the Gambling Regulation Amendment (Licensing) Bill. The government has announced that in 2012 Victoria's gaming machine industry will move from a gaming operator structure to a venue operator structure, which will end the gaming duopoly that has operated in Victoria and which will allow venues to run their own gaming businesses. In the past we have had a situation where Tabcorp and Tattersall's have owned the machines and decided where they would be located. Tattersall's and Tabcorp extracted from gaming revenue around \$500 million a year each, which they took out in effect as the middleman in the whole operation. Each company was able to do that with about 100 staff in its gaming division having responsibility for the operation of gaming machines. It was a very lucrative business for

the duopoly, and we have taken them out of the equation. We are making sure that we are operating the most efficient gaming machine structure that it is possible to operate in the state to give value to the community and to taxpayers.

In that duopoly Tattersall's and Tabcorp constantly monitored the machines to maximise their returns. We saw those machines shifted around from venue to venue depending on where Tattersall's and Tabcorp thought the greatest returns were to be made — that is, in the lowest socioeconomic areas. That created a lot of insecurity among clubs and hotels and if left unchecked would have led to greater concentrations of machines in particular low-socioeconomic areas. This government has introduced caps in those areas. We have said that you cannot have any more than 10 electronic gaming machines per 1000 adults in any of those local government areas. Victoria is the first state anywhere in Australia to implement such caps.

All the profits that Tattersall's and Tabcorp were making were centralised in their head offices, and all the decisions about the money that would be returned to communities in the form of grants for projects or facilities were made in those head offices. Under this new structure pubs and clubs will determine where their profits will be invested. They will be able to invest them in their local communities and in local facilities. The member for Malvern has suggested that somehow this is going to send pubs and clubs broke. The venue data that has just been released by the Minister for Gaming shows that pubs and clubs are doing very well from gaming machines, thank you very much.

**Mr O'Brien** interjected.

**Mr HUDSON** — The data contradicts what the member for Malvern is saying, because clubs and pubs are making quite a bit of money from their gaming machines at the moment. This new structure will put clubs and pubs into a position where they will be able to compete for entitlements and create competition in the market. This legislation also provides that clubs will have not only to demonstrate their capability to pay the designated levels of tax but also to implement precommitment programs that minimise the number of problem gamblers in venues through the use of their code of conduct and through reinvesting in their communities.

The member for Malvern has moved a reasoned amendment, which is true to form. He comes in here consistently and says, 'I do not like the bill' — which is fair enough — 'and I move that it all be deferred. I move that it all be put off. I move that we do not make

any decisions. I move that we do not proceed any further'. We do not have a single detailed amendment from the member for Malvern that puts forward a position from the Liberal Party and The Nationals. This is the same approach as was taken during the debate on the wagering bill last year. That is what the member did last year. He said, 'Let us put it off. Let us not make a decision. Let us put it off and have some further discussion'.

If we look at these clubs we will see that there are some clubs which have accumulated debts. We might ask how a club, having had gaming machines for the period up until 2012, explains to its members that it has accumulated debts. Perhaps clubs ought to explain that to their members, because there are lots of clubs which have not had machines that have operated in surplus and have returned benefits to their communities, yet the clubs in the privileged position of having machines somehow have not been able —

**Mr O'Brien** interjected.

**Mr HUDSON** — As the member for Malvern well knows, those clubs knew that they had those licences only until 2012. If they have not developed a business plan which makes them viable and which allows them to bid for the new licences — there were always going to be new licences in 2012 — then they will need to decide whether or not they want to stay in the business and bid for a licence. The question for the member for Malvern is this: if you do not have a competitive allocation process, what is the model? The member for Malvern has not put forward an alternative model. That is the problem we have here. There are literally hundreds of clubs across Victoria, 250 of which currently have machines. What is the member for Malvern saying to those hundreds of community clubs that do not have machines? Is he suggesting some sort of cosy arrangement for those who currently have machines? Is he suggesting that people cannot get into the market and bid for those machines? Is he suggesting that the current clubs can have machines but everyone else will be excluded? What are the criteria on which the member for Malvern would allocate those machines?

**An honourable member** — What are your criteria?

**Mr HUDSON** — We have said that you put forward a bid. The revenue for pubs and clubs at the moment is about \$1 billion a year, which I pointed out was previously siphoned off by Tattersall's and Tabcorp. That means there is about \$2 billion out there. Are we saying that no-one else can have a slice of that business or are we taking up the suggestion that has

been made that somehow we should make the decision about who gets these licences on the basis of some fuzzy commitment that the holders of those licences will focus on problem gamblers? This bill will require that every pub and every club will have a solid commitment to reducing problem gambling through the precommitment requirement, through the code of conduct and through self-exclusion programs. As the member for Malvern knows, all of these things will be dealt with before the new system is introduced in 2012.

What has happened to the Liberal Party here?

Somehow those in the bastion of free enterprise and the free market are saying the community should not extract the maximum community value for the taxpayer from these licences. That is what the member for Malvern is saying. He is saying that we should not somehow get the best return for the taxpayer from these licences. Quite frankly, if the proprietors of a club or pub cannot do the sums — all the data has been put out there — and cannot work out what is an appropriate rate of return and what they need to do to meet precommitment and what they need to do to meet the code of conduct and what they need to do to meet the requirements for self-exclusion and make a return for their club, then perhaps they should not be in this business, because there are lots of other clubs that want to be in it.

The member for Malvern has put forward a lazy reasoned amendment. He is suggesting that we put the bill off, but he has got absolutely nothing to offer. The opposition has not offered an alternative model; it has not put one up. It cannot put forward an alternative model because it does not have one. I commend the bill to the house.

**Mr WALSH** (Swan Hill) — It is a pleasure to rise to make a contribution to the debate on the Gambling Regulation Amendment (Licensing) Bill 2009. It is always fascinating to follow the member for Bentleigh. I must admit that I was sitting here and thinking about Kevin Rudd's recent statement that neo-liberalism was dead, but I have just listened to the greatest neo-liberal of all time talking about the market and how the government is going to design this licensing system so that the market does everything.

I personally invite the member for Bentleigh to come to my electorate, meet with the four clubs there and stand up and make that speech again. The member would be tarred and feathered and run out of town, because I have never heard so much rubbish in all my life. It is absolute rubbish to talk like that in the country about community clubs, but I will come back to that. The

member's perfect economic theory does not work for clubs in country Victoria.

I support the reasoned amendment moved by the member for Malvern, which I think is on the money — no pun intended! — in trying to get some sense into this particular piece of legislation. In this Parliament members constantly see enabling legislation being bowled up to us, saying, 'This gives the minister the power to do something in the future to sort this out, but we do not trust the Parliament and the people of Victoria enough to come clean and say how we are actually going to do it'.

**Mr Hudson** interjected.

**Mr WALSH** — No, the government has not got the process there. The government is the one that is putting the legislation forward. I will come back to that later.

Acting Speaker, if you look at gambling reform in the state and some of the industries around gambling, the government has form for making an absolute mess of this issue. Let us go back to the example of the harness racing industry and V3. We know what V3 did to country harness racing: in my electorate, three tracks — Boort, Wedderburn and St Arnaud — were closed. Was that a great outcome for harness racing in country Victoria, given that the government was going around closing all these tracks? Members have recently seen the discussion paper on gallops that the member for South-West Coast talked about. Again it is about how the government is going to close down training facilities in country Victoria, so again racing tracks in my electorate will suffer.

**Mr Weller** — And take away race meetings.

**Mr WALSH** — And take away race meetings, as the member for Rodney said. Members will see training facilities at Kerang, Murtoa and Warracknabeal in my electorate close down under this proposal. Members are going to see the gallops track at St Arnaud come under significant pressure to close. The town of St Arnaud has already lost its harness racing under this government, and now it is potentially going to lose its gallops racing. All this government wants to do is centralise racing back into the major cities.

Then we come to the changes to the lottery system. Hasn't Intralot been an absolutely outstanding success! The small newsagents in my electorate are all just so glad that they did not buy into this, because how it has been set up has been a disaster. The newsagent in Swan Hill, one of the larger towns in my electorate, bought into it but regrets it every single day he does business with Intralot. Again this government took something

that was working, something that was not broken, and changed it so it broke. That is what this government seems to like doing.

The member for Bentleigh should come to my electorate and meet with the sporting club at St Arnaud where I spent an hour and a half last week. I also met with the Kerang sporting club, the Swan Hill RSL and the Swan Hill Club. They are not making a fortune out of poker machines. They are providing a community service in a lot of ways. They are struggling to make a bob, but what bob they make they put back into the community. They are providing a service by having in their towns good venues which provide reasonably priced meals.

If members go to the St Arnaud sporting club, they will see a lot of the older people in town going up there to get a reasonably priced good meal. The clubs do not make a fortune — the profits that they make are put back into the sponsorship of sporting clubs in those towns — and they provide non-pub venues for organisations to have meetings. I think the neo-Liberal from Bentleigh needs to get a good dose of reality as to what happens out in country Victoria.

The clubs in my electorate that have poker machines have raised issues with me concerning the uncertainty of the whole thing and the fact that this is enabling legislation that gives the minister the power to determine what is going to happen in the future. Clubs that are not making a lot of money now have this uncertainty as to the market they are going to bid into. Is the club in St Arnaud going to be competing with clubs in Werribee or Bacchus Marsh, where larger populations will enable those clubs to put more money into the auction for the machines they want, or is the St Arnaud club going to be bidding into a market of like-size clubs and like communities? These are the issues that create a lot of uncertainty for these clubs. You will find that their bank managers have some major concerns about what is going to happen in the future.

**Mr Hudson** interjected.

**Mr WALSH** — The 20 per cent might be fine, but what is the actual market that the 20 per cent covers? Does it cover the major regional cities? Does it cover a club in a major regional city? There is uncertainty out there.

The member for Bentleigh and the minister in particular have not communicated well enough with country clubs to provide any level of certainty. The clubs have nothing but uncertainty when it comes to this piece of

legislation. Clubs need to know the market that they are going to be bidding in, and they need to have some certainty as to how they are going to do that, because there is a financial crisis on, in case the government has forgotten.

Money will be very hard to get for those clubs that have to borrow money — and they will all have to borrow money, because the clubs in my electorate do not have big bank balances. They have been putting money back into their venues and into sponsorship in the community. They do not have the millions of dollars in the bank that the member for Bentleigh talks about because they are not-for-profit organisations, and I would imagine the members for Rodney, Benalla and Shepparton would say exactly the same about the clubs in their electorates. These clubs do not make a lot of money, and whatever money they make is put back into the community. They provide a vital community service that is at risk from this government's market philosophies on how it is going to tip this whole issue of gaming machines on its head to make more money to fund its election promises in 2010.

I support the amendments proposed by the member for Malvern; they are sensible. The government should take this bill back and redraft it, based on what the member for Malvern has proposed. That would put some certainty in place for the industry rather than effectively having enabling legislation where all the power is with the minister and all the uncertainty is with the industry.

**Mr HOWARD** (Ballarat East) — I cannot believe that the member for Swan Hill did not speak for the full time available to him on this bill that he feels so strongly about. I am very pleased to follow the member for Swan Hill's speech on this gaming legislation and say that I support the bill before the house.

Over recent months I have spoken to many club operators in my electorate as the outline of this legislation has become available, and in general it is very clear to me that they support the government's view. They do not mind the idea of cutting Tabcorp and Tattersall's out of the middle man or Big Brother role they have been in. Clearly they like the idea of being able to bid directly, have control of their machines and gain extra revenue as a result, and that is something we are hearing from clubs in Victoria overall. We also understand that they feel, quite rightly, anxious and nervous about whether they will get the same number of machines they have now, and clearly clubs in my electorate are in the same position. They are nervous about the future, but they see that there are great benefits to be gained from the proposed system. We

have not heard members of the opposition propose an alternative position. They are sitting on the fence and saying, 'We do not like this new system', but they are not offering an alternative that is in any way acceptable. They are basically saying, 'Just put it off'.

We know that in 2012 a new approach to licences will be introduced. In general this new approach will provide for greater probity in the system and a greater opportunity for fair community returns to the people of Victoria, so I wholeheartedly support the philosophy behind this bill, as do club operators and other venue operators. They clearly welcome the opportunity to control the machines themselves. What has the government done to provide safeguards for them? We know the government is continuing to say that 50 per cent of gaming machines will be in the hands of clubs, and hotels and completely commercial operators will only be bidding for the other 50 per cent, so security is already in place.

A great range of other measures has been put in place to address concerns of clubs such as the Daylesford Bowling Club and other smaller clubs across my electorate whose members have talked to me. They are clearly doing a great job in their community, providing some good facilities. They have committed funding — there is no doubt about that — in terms of their future, and they are very anxious to keep the opportunity of having machines. They are doing a great job in the community, and I am confident that they will have a great chance of gaining machines under the new system. Having talked to the minister, it is clear to me that over the months ahead there will be opportunities for all of those venue operators to learn more about the system of submitting applications for machines in the future. Their questions will be answered by a team that is about to go out and talk to all these operators to try to explain to them the way the system will operate and to ensure they understand it and know they can put in a fair bid.

I am confident that we still have a lot of time to go this year before any of the bids will be submitted, and there will be plenty of time to ensure that all operators can feel comfortable about the way the system is going to operate. We know that other provisions have been put in place by the government with this legislation. There is the use-it-or-lose-it policy, which means that big operators cannot come in and bid for a lot of machines they are not going to use. They will have to be existing venue operators, and the machines will have to be used, so all of our existing operators will clearly receive a great benefit under that arrangement. They will be able to demonstrate that they have run venues successfully,

that they have licences for the machines and that they already have a great record.

The other thing I want to say while speaking on this bill is that I have a concern about gaming in our community because there are clearly a number of members of our community who get into forms of gambling they cannot afford. This government recognises that. We have been concerned to ensure that wherever we can we look at measures for implementing responsible gambling policies and supporting those people in our community who are vulnerable. We have done a lot in that regard already, but there is more to be done.

*Honourable members interjecting.*

**Mr HOWARD** — We do not hear much from the opposition on this score either, except to say how bad things are. What have we done already? We have ensured that venues will have natural lighting and that clocks are provided. We are also working through a process whereby from 2012 ATMs will not be allowed in gaming venues. There may be the opportunity to allow them in country venues where there are no alternatives, but essentially we will not be allowing ATMs in gaming venues.

We are also bringing in a new system which will make it mandatory after 2012 for all gaming machines to contain mechanisms to allow a person to preset the time and the loss limits they want in place when they commence play. These measures will place Victoria at the forefront, when people can go in and ensure that they do not lose more money than they can afford by setting into the machine an amount or a time limit, whichever they require. Those new measures will be added to the exclusion and all sorts of other measures to try to support people.

We know that this is an ongoing issue. We must make decisions about what are the best ways to support people, knowing that there are lots of benefits from gambling and that we have to allow people to make choices. It is not something that I choose to do, but I see lots of people who are capable of making that decision choosing to gamble. As I said, it returns a lot of money to clubs that have those gaming machines, and it also provides a lot of employment.

I do not hear members of the Liberals or The Nationals saying they oppose gambling. In fact I note that the current Liberal duty senator for Ballarat, who is a former member of The Nationals, Julian McGauran, happens to be the owner, with his brother, of the Millers Inn Hotel, which happens to be a 70-machine venue that last year turned over more than \$12 million in

gaming. It seems that those on that side are very supportive of gaming and making a profit. That is a right that Senator McGauran has, and I do not object to his right. We accept that people can make that choice within a community to have gaming machines.

I am confident that this new legislation will work well for our clubs and open up the opportunity for new operators and clubs to come in, if they can perform. Existing clubs will have a great chance of gaining the venue operator licences and then having control of the machines, without having Tabcorp or Tattersall's whip the machines away from them if they are not making the profit that Tabcorp or Tattersall's hoped they would make. Our venue operators stand to gain a lot from this legislation. I support the legislation, which I believe will have a good outcome for venue operators and the general taxpayers of Victoria.

**Mr INGRAM** (Gippsland East) — I rise to speak on the Gambling Regulation Amendment (Licensing) Bill 2009. The bill makes a number of changes to gambling, most notably moving it from the current duopoly system to a venue-based model with venue licensing, and I will speak predominantly on that issue.

As many members have outlined to the house, much concern has been expressed by a number of operators of regional venues, including bowls, golf and other sports clubs as well as RSL clubs, who are very concerned about how the new system will work. Some of that has been explained, but still a lot of the information about how the new system will work has not been explained fully to individual operators of licensed venues. Part of the concern is based on their not knowing whether they will be able to bid the appropriate amount from the resources available under their current business structure to get the machines that their current business model requires to keep their business going. That is of concern to them, and it creates considerable uncertainty for those venue operators. They have to decide whether they should invest, continue to invest and continue their current support of the community. That concern has been expressed to members on all sides of this place. I have heard that come through a number of presentations on the bill.

The minister's second-reading speech outlines that following the passage of this bill further pieces of legislation will be introduced — to address some of those concerns, I assume, and explain in further detail how the system will work. In this place we are debating and voting on the legislation that is before us, so that is what we have to address. Our job is to express the concerns of our constituents, including venue operators.

I think the jury is still out on how the new system will work and its impact on those venues.

In recent years there has been much discussion about how the community benefit system works. I think everyone acknowledges that going to the new system of the venue-based model should deliver greater returns to the community. If you take out the middleman, if you like, theoretically there should be greater returns to the community, whether that is through the tax system or because the venues — whether they are bowls, golf or other sports clubs — will be able to put more of their money into other sports institutions or services that they provide to the community. The RSL clubs provide an enormous amount of support to their members and to the broader community.

The problem, which is a legitimate issue, is whether those venues have the capacity to deal appropriately with the more complex licensing arrangements. If you take out the structure which was theoretically managing a lot of the machines and put that management back onto the venue operators, you have to consider whether they have that capacity. They will have increased responsibility, including making sure that the accountability processes are all in place. I know that they already have strict accountability in place, but recently a number of organisations have suffered significant financial difficulty. For one reason or another — they might have overcapitalised and are not getting the returns from the machines that they thought they would get — there have been some changes in club structures. When that occurs it is a real problem in the community.

In my community we have seen really good, longstanding clubs go into poker machines. Before that those clubs had a long history of delivering services to their members, but since that time they have had financial difficulties. They have had to restructure, and sometimes the original clubs have lost their identity, which is a concern to their original members. In my area there is also an enormous amount of concern about Intralot licensing and the delivery of its products and support to retailers. It is not a good system, and clearly great returns are not going back to newsagents and so on. I know that many newsagents have expressed their concerns to the minister. A lot more needs to be done to address those concerns.

Gambling is always an incredibly political issue. The previous government had issues and the opposition at the time scored a lot of political points against it, and it is likewise with this situation. Because a lot of the gaming industry has been outsourced, there is always a need to address the perception about how tenders are let

and the probity issues around them. I am definitely not a wowsler; I do not mind having a punt occasionally.

**An honourable member** interjected.

**Mr INGRAM** — I would not be mentioning pots with the pollies, if I were you! That is unbelievable.

There are real concerns in the community about the enormous amount of money generated from gambling, particularly on poker machines. There are real concerns in the community about the level of losses in problem gambling associated with poker machines. If we had had a crystal ball when poker machines were first introduced, I think we would have said, 'We shouldn't do it'. We definitely should not have done it as we have. That is an issue for the community out there. The jury is still out on poker machines, but my view is that they are a blight on our society.

That said, we do have them and we need to set up licensing and regulatory arrangements to ensure that the community gets a return from them through the venues, particularly the clubs. If we are going to have them, we have to ensure that the tax return goes back out to the communities at the level which it should.

There are a number of other issues in the bill that I would like to address. One of them is the betting exchanges. I have interests in racehorses: my wife is an owner-trainer and — —

*Honourable members interjecting.*

**Mr INGRAM** — Full on.

This has been a real concern within the industry, in betting exchanges — that is, where people can bet on horses losing, so a bet can be laid that a horse will run last.

The concern is that racing will not be fair. People will not always be striving to win. I look at the amendments in the bill, and whilst the bill says that no owner of a horse must offer and accept a bet through a betting exchange in relation to a horse — —

**Dr Sykes** interjected.

**Mr INGRAM** — Pulling them up, as the member for Benalla indicates. We really should move to make sure that everyone trusts the racing industry; otherwise people lose confidence in it. But that is going to be very difficult. I think it would be acknowledged that the reason these provisions are in the bill is because we have to try to do something; but it is very difficult to legislate to protect. It is much easier for licensed

operators like jockeys, trainers and so on to regulate the punting because they have to be more accountable. When you get further out from the industry it is much harder to create that regulation.

I support the reasoned amendment that has been moved, because these are the issues that have been raised in venues in my electorate over recent months. I acknowledge what the minister said in the second-reading speech: that more changes will come; some of them may be in future legislation, and whether some of it should be in the legislation is another thing. But it is important that the community understands exactly what the bill does. For that reason, I will be supporting the reasoned amendment.

**Mr WELLER (Rodney)** — It is with great pleasure that I rise to talk about the Gambling Regulation Amendment (Licensing) Bill, the purposes of which are to restructure the gaming industry by facilitating the creation and allocation of gaming machine entitlements to clubs and pubs to operate from 2012, to provide for a licence to monitor the conduct of gaming, to authorise the conduct of a betting exchange to be offered with the new wagering licence, to amend the law concerning advertising of gaming and trade promotion lotteries, to amend the law regarding keno games and to make miscellaneous amendments.

I will be supporting the reasoned amendment moved by the member for Malvern. We have heard from members of the government during this debate that the opposition does not have a position. Obviously we do; we moved this very reasoned amendment. For those who have not listened, it reads:

That all the words after ‘That’ be omitted with the view of inserting in their place the words:

‘this bill be withdrawn and redrafted to provide for:

- (1) measures designed to limit the concentration of ownership, operation and location of electronic gaming machines ...

That is where this bill is lacking: it does not identify that. That is why we have had to move the reasoned amendment, because we now have a tired and lazy government that has been here for 10 years and has not taken the time to go through this bill and see that the bases have been covered.

The second part reads:

- (2) the establishment of the government’s promised systems and mechanisms for implementing responsible gambling measures for the conduct of gaming ...

Of course we all support that, but it is not outlined in detail in the bill. All we have heard from government members is, ‘Trust us’. We trusted them on Intralot — although we did not really trust them — and look what we got as a result. So we cannot trust them. We must have it in writing, then there is no question, and the government should not be scared of putting it in writing so we can all see it.

The third part of the reasoned amendment reads:

- (3) the process of allocation of gaming machine entitlements to not unfairly disadvantage smaller, community-based clubs and small businesses in the pub sector’.

Small, community-based clubs are very important to my electorate. The clubs have approached me in the last month and explained that they have severe reservations about this bill. Firstly, the minister is saying that he will be able to alter the way entitlements are allocated without coming back to Parliament. Why are we here if we are going to give all the power to make these decisions to the minister? The clubs would feel a lot more secure if the government had to come back here for regulation rather than just leaving it in the hands of the minister.

Why am I so supportive of my clubs? In my electorate there is the Echuca Workers and Services Club, and the Kyabram Club. Both of those clubs donate quite generously to the community. Indeed the Kyabram Club has donated \$120 000 over the next three years to the rebuilding fund for the Kyabram hospital. Along with that, they have been very good supporters of the sporting clubs, schools and any causes like the State Emergency Service and the Country Fire Authority. They are very supportive of all the causes in their areas, so we must look after the small clubs and make sure that they are not put at risk in this process.

This bill also has implications for the racing industry. As the member for South-West Coast has pointed out, over the term of this program, Racing Victoria would miss out on \$620 million. Country racing is very important; it is part of Victorian racing. We are seeing how it is going to manage with this much less money. There is no doubt that the number of country racing meetings will be cut; the word has been around all Victoria that the government is going to reduce the number. So while the government is saying Racing Victoria will survive with the \$620 million less over the span of this program, it plans to cut country racing meetings, which are at the heart of rural Victoria.

We have already seen cuts to harness racing. Indeed in my electorate we have seen the closure of the

Gunbower harness racing racecourse, one of the longest harness racing venues in Australia — —

**Dr Sykes** — It is 1.9 kilometres.

**Mr WELLER** — It is 1.4 kilometres, if you want to be correct. The track at Kyabram has been closed, and people have to go to Echuca to go to the races. At one time of the year the Kyabram races are held at Shepparton as well. The closures are detrimental to those local communities. Many people in those communities train a horse and go along to the races. They trim the grounds, which are the pride and joy of those communities. That interest has been taken away by the cutting of funding to country racing. We must remember that and work towards reinstating the venues. There would be nothing better than to be at the Gunbower Harness Racing Club's inaugural racing cup.

**Dr Sykes** interjected.

**Mr WELLER** — I was at the Echuca gallops on Sunday, and it was quite a good day.

**Dr Sykes** interjected.

**Mr WELLER** — Indeed it would be, given I am the member for Rodney.

I will now refer to some of the statements made by government members. The member for Narre Warren North said it is rubbish to say that clubs will be decimated. The member for Narre Warren North and other government members need to go out past the end of the tram tracks and have a chat to people at some of the small country clubs. As I said earlier, because people in those communities have invested in hospitals, in the Country Fire Authority and in other worthy charities that the community in general gives so generously to, there are no funds for the clubs. Communities rely on their clubs.

The member for Burwood talked about consultation in the racing industry. We have seen the government's consultation process. We saw it with alpine grazing. The government talked and talked. The Mountain Cattlemen's Association of Victoria informed me that it was in discussions with the government and that things were fine, that it was being consulted. What happened? The rug was pulled from underneath it, and we no longer have alpine grazing. The government had a consultation process with the Victorian Environmental Assessment Council about the river red gums. There was consultation, but what did we get? The government pulled the rug from under the cattlemen in the case of the Barmah forest. That is also what has happened with the consultation with the racing industry. We have had

a consultation process, but all the government did was to talk and not listen. It has not responded to the needs of the small country clubs.

The member for South-West Coast was quite right when he said that the government has become tired and lazy. This bill refers to things in the act which are not there. The government needs to lift its game when it comes to drafting bills to make sure it has got it right.

The members for Ballarat East and Bentleigh said the opposition was not saying what it opposed. I go back to what I said at the start of my speech to make it clear what the opposition wants if it is to support the bill. We want measures designed to limit the concentration of ownership, operation and location of electronic gaming machines, and the establishment of the government's promised systems and mechanisms for implementing responsible gambling measures for the conduct of gaming. We do not want just talk; we want actual things in the legislation. We also want protection for the small clubs which are community based and which generate a lot of money for the community. They are the heart and soul of our communities.

Last week I was at the Echuca Workers and Services Club, which was hosting the Lions Youth of the Year ceremony. It was a great function to be at, and it is a worthy thing for the community to do. I often go the Kyabram club for Legacy, and we all understand the importance of Legacy to the community. I oppose the bill and support the reasoned amendment. If the reasoned amendment gets up, I will have another think about the bill.

**Mr LIM** (Clayton) — I welcome the opportunity to make a contribution to debate on the Gambling Regulation Further Amendment (Licensing) Bill. The bill provides the regulatory framework for gaming machine arrangements under the 2012 industry structure and for the government's intention to award a single independent 10-year monitoring licence via a competitive process. The bill also provides for several responsible gaming measures.

Problem gambling is an issue I have spoken about on a number of occasions since my election to this house. Its effects are felt throughout the community. It harms people of both genders and of various ages and ethnic backgrounds. I know the harm it has caused in various Asian communities. In fact I am afraid to say that I continue to be ashamed every time I walk into Crown Casino — not that I go there to gamble, but when I attend official functions — that the overwhelming majority of attendees are still Asian. It pains me that it

will be a long while before that scenario changes. I hope the bill will have some effect in that direction.

The bill outlaws the advertising of gaming machines, and this is the measure to which I wish to direct my attention. Gambling advertising gives the message that you are a winner, that cars, holidays or luxury retirement await those who buy a ticket or attend a gaming venue. If you believe the advertising, everybody is a winner. Gambling is exciting, enjoyable, pleasurable, fun and especially profitable — at least according to the advertisements. But of course not everybody can be a winner. The chances are that you are likely to be a loser, but advertising does not promote the odds of losing. That information might be in the fine print on a website, but it is not promoted as a message in the advertising. Gambling advertising is selective in its message and does not warn of the consequences. Maybe there will be a short message about where to get help, but by then the damage is done. Gambling advertising does not simply advise of available products, it gives a message about winning and pleasure. The message of pleasure is particularly insidious for problem gamblers.

Speaking psychologically, pathological gambling is an addiction similar in nature to other addictions such as alcoholism and addiction to other drugs. One of the insidious things about poker machine addiction compared to other forms of problem gambling is that it affects men and women in the proportion of roughly 50-50 for each gender. This compares to, say, horseracing, where somewhere between 80 and 90 per cent of pathological gamblers are male. At this juncture it is appropriate for me to point out that when the Crown Casino opened my only concern was the attendance of an Asian population at the venue. Early on there were hardly any Asian poker machine gamblers in the state, but now if you venture into any gambling venue with a poker machine facility you find that the overwhelming number of participants, particularly in my electorate of Clayton and in venues in Springvale and nearby suburbs, are Asians. They are losing their money, and it hurts me considerably.

Getting back to the bill, the implications of 50 per cent of poker machine addicts being women is that it has a direct effect on household budgets, with money for essentials such as food and gas and electricity being gambled away with tragic consequences. However, advertising by the gaming industry never mentions the harm caused to families. The gaming industry portrays itself as providing entertainment and recreation. It is a frightful prospect that the whole gaming industry is being projected as entertainment. It seduces families. The flashing lights and bells of the poker machines give

an absurd message of the pleasure to be obtained and the riches that await the players. In my view the operators know how to push the buttons of their addicts, the pathological gamblers, as assuredly as drug dealers know their addicts.

The misery and harm caused not only to individual problem gamblers and their families but by extension to the community in general must be the paramount consideration in deciding whether to permit advertising. This outweighs any general community benefit to be gained. This is why I support a ban on advertising.

**Mrs SHARDEY (Caulfield)** — I strongly support the reasoned amendment moved by the member for Malvern because I believe this bill has some serious flaws. I rise mostly in response to the views of my local constituency, particularly one of the clubs in my electorate that has expressed some real reservations about this piece of legislation.

The main provisions of the bill follow the government's decision to scrap the operator system in gaming run by Tattersall's and Tabcorp that has been in place, as we know, since 1992. Under the new system which will operate from 2012, pubs and clubs will need to have a GME (gaming machine entitlement) for each electronic gaming machine they wish to operate. The government has stated that it will keep the number of gaming machines at 27 500 which, thankfully, is not an increase; there will not be any change. Based on the current ministerial direction made under the act, those machines must be split 50-50 between pubs and clubs and no fewer than 20 per cent must be outside Melbourne. A venue operator's licence will be required in order to utilise the GMEs. The current venue operator licences, which are issued for 5 years, will now automatically be extended to 10 years.

The bill authorises the Minister for Gaming to create GMEs and to allocate them. A GME is of 10 years duration with the capacity for extension by up to 2 years. In the event of extension the minister can require payment of an additional fee. This is one of the issues that have been raised by the opposition.

I would like to raise some of the concerns of the Elsternwick Club in my electorate, which has been there for many years. The club is located in a beautiful old house in Sandham Street. It runs gaming machines. It also has a bowling green and various rooms where people can wine and dine and hold meetings. It is a place that the local community uses a great deal, and the gaming machines keep it afloat financially. The club members wrote to me and then came to speak to

me. We had a discussion. By way of background, I will read from the letter the club wrote to me:

Our club is a fundamental part of this community —

which it is —

providing the social, sporting and leisure infrastructure that keeps local residents healthy, vital and connected. Our club is the conduit for people to socialise, exercise, communicate, participate and be involved on boards, in teams, in groups for dining, as volunteers and spectators. Our club is legally bound to provide for prosperity as it is prohibited from distributing any income or assets to any individual. Our club is an investment in the community itself.

Gaming machines are a key source of income for the club and the level of our community benefit depends on the revenue generated. All our surpluses are reinvested into the club.

So no individual person benefits from the revenue garnered from these gaming machines. The letter then reads:

However, the viability of our club — a major community asset — and the benefits it provides for the community is threatened —

the club members believe —

by unintended consequences arising from the new licensing arrangements. The government's intention of providing for the grassroots clubs by allocating 50 per cent of entitlements to the not-for-profit club sector is at risk of being thwarted by opportunists who will be able to exploit the system.

Our club is at risk of being denied income from gaming machines when club entitlements are bought by operators whose primary objective is to make a commercial or personal financial profit rather than a community benefit.

I will go back to the issues raised by the opposition in this debate which explain this situation and why these clubs are concerned. Not-for-profit clubs are run by non-professional boards of directors and are not equipped to engage in an auction process for the allocation of gaming machine entitlements, as I mentioned. Clubs Victoria, which represents all these clubs, is concerned that even with the best will in the world it will not be possible for many clubs to participate in an auction in any meaningful way — this has been raised very clearly by the member for Malvern — with the consequence that the clubs that currently have pokies may well lose them. This could lead to some clubs closing. In Caulfield this is what we are very concerned about. Clubs Victoria argues that clubs with existing pokies should be able to keep a proportion of those pokies and agree to pay the government a fair price for them.

I do not want to continue to raise issues, because I would like to allow one of my other colleagues to make

a contribution. This bill has raised some issues of great concern to my community. The member for Malvern has explained carefully the opposition's position. I support the reasoned amendment. I think this bill should be withdrawn to address those issues. With those few remarks I conclude my contribution.

**Mr SEITZ (Keilor)** — I rise to support the Gambling Regulation Amendment (Licensing) Bill 2009. As I have said before, beauty comes before age and before corporate knowledge.

We introduced the gaming machines for two reasons. The system was set up to keep organised crime out of the gaming machine industry, which is why we went for two reputable companies to operate the licences for those gaming machines. That was our fear when we introduced the machines, but Victoria has matured quite a long way since those days.

Also, now we have a young minister with no baggage, who is being innovative in introducing these provisions for the clubs. The system being introduced by the minister in the bill will advantage the clubs; they will have a say in their own destiny. They will be able to buy into the machines only if they wish to. At the moment they are controlled by the duopoly, which tells them what they have to do, how they have to upgrade their premises every two or three years; they are told how money has to be spent on constantly fixing their buildings instead of that money going back to the community.

For those reasons I commend the young minister for having the courage to break that old duopoly. I am not saying there will not be a role for other people. Some will say they are going to get control, but as the minister has pointed out, the clubs will have plenty of time to get ready; 2012 is a long way off. The clubs need to prepare themselves with money, with banking lenders and with organising, and not with spending all their money on capital works or on over-investing in capital improvements. They need to set some money aside for the new operations. That will make them masters of their own destinies.

The system has evolved. Clubs used to be mainly managed by volunteers, by amateurs. That was an issue when the Kirner government passed the principal legislation whereby poker machines were introduced. None of the clubs had managers or paid staff; all the work was done by volunteers. Since then changes have occurred in the various organisations and community groups; they now have paid managers and staff, as well as volunteers. The clubs have learnt and been developed.

People from most of the clubs in my electorate have come to see me. Clubs Victoria has queried how they will handle these changes. As I said, and as the minister has said, further briefings will be held to help people understand and be educated about the new process. However, I believe most club boards these days have learnt and assumed responsibility, and are able to do the job. Most clubs with gaming machines have employed professional managers who can advise and give them direction, unlike in the days when we started, when John 'Darcy' Dugan came out to explain the position and when the main issue was to keep the criminal element out of the industry. We have had success in that regard in Victoria compared with other states and other countries. That is commendable, and it is important that we continue that way.

It is important for clubs in terms of their time, their investment, their efforts and their security that they be able to buy into the machines. Earlier a member said, 'The clubs will not know how to bid for the machines or how many machines to bid for', but the existing clubs have venues, their premises are licensed, and they have been approved as venues to have gaming machines; they will not have to face any of the hurdles we heard talked about. They have all the necessary facilities.

In the days when we introduced poker machines into Victoria, it was a different story altogether. It had to be done the way we did it — with the two major organisations. At first look it was just Tattersall's; then Tabcorp was brought in, so a duopoly was operating. But it is now time for that to be abolished and for the clubs to have a say.

The same situation does not apply in the hotel industry as it does for the clubs. The hotel industry has its own say, it has its own money and makes its own decisions in terms of economic development, process and what it sees as revenue returning. I can see that fact in the licensed hotels in my area, which are continuously making improvements they had never made before. The money for that comes from gaming machines, and I hope more will go to community groups as a result of this bill.

The clubs should also be aware they need to return more money to the broader community. There will always be some clubs and organisations that will not have licensed premises and cannot apply for poker machine licences. What I would like to see is the sharing of profit. This legislation will prevent entrepreneurs coming in and enticing clubs and groups by saying, 'We will finance this. We will set up the building, and you will get your 2 per cent, but we will

use your name and make all the money out of it'. The related provision in this legislation is a good one, because it will prevent those types of things from happening.

In the early days a lot of that sort of thing took place, and some of the smaller clubs were taken over by the big clubs that had the money to run the licence, to do the work for the smaller clubs and build completely new premises. That happened with the Deer Park club in my area, when the local footy club could not get its project off the ground and a bigger club came in with the money to put up the premises and run the show. This legislation will have an equalising effect on those sorts of things.

That time, which was a learning period, is well over now. The organisations involved in the gaming industry by now must know how to operate by themselves without fear or favour and how to be independent. There will be regulations they have to comply with, and I am sure, as he has promised, the minister will continue with his educational and information processes for the clubs. However, I warn the clubs that under the economic crisis we are going through, they should not continue overcapitalising in their premises. They should save some money and have a proper business plan with an assessment by accountants to look at how many machines they can buy and what the turnover will be when it comes to the change of system in 2012. I wish this bill a speedy passage through the house.

#### **Sitting suspended 6.30 p.m. until 8.02 p.m.**

**Mr MORRIS** (Mornington) — It is a pleasure to join the debate on the Gambling Regulation Amendment (Licensing) Bill 2009. This bill introduces the concept of gaming machine entitlements (GMEs), changes the licensing arrangements and makes other changes to the gaming structure. It changes the face of the wagering industry, including the betting arrangements. It introduces the concepts of betting exchanges and simulated racing events. It also makes a raft of other amendments, including to the gaming machine advertising controls, the arrangements for trade promotion lotteries, Keno licences and games and other matters. As some other speakers have remarked, there are 157 pages in this bill and it is amending some 800-plus pages of the principal act. Clearly I am not going to attempt to address all the issues in the very limited time available to us.

In the second-reading speech the Minister for Gaming foreshadowed legislation banning ATMs at gaming machine venues. He also foreshadowed the introduction

of preset time and loss limits. I think from memory the original commitment from the government was 2012 for the ATM ban and 2010 for the introduction of time limits. If the time limits and loss limits are going to be achieved, we need to get a wriggle on, or at least the minister does.

The minister went on to suggest that Victoria was leading the fight against problem gambling. The legislation foreshadows possible improvements, but I think it is stretching it to a rather fanciful extent to suggest that we are doing anything like leading the fight against problem gambling. In fact the government has done precious little in that regard in the nearly 10 years it has been in office. We are going to have a difficult time in Victoria, and probably across the nation, in the next 12 months. I do not think anyone disagrees with that. There is a lot of commentary about whether we are in a recession or not, but it is really a matter of semantic difference.

We know we have problems. Even the most recent survey — the Dun and Bradstreet survey that came out today — indicates clearly that there are difficulties with the economy. Whether it is called a recession or not, we know the gaming industry is a recession-proof industry. Sadly problem gambling tends to rise in times of stress in the same way that the crime rate and similar indices rise. It is just a natural consequence of the challenges that people face, but families which have an issue with a problem gambler in their midst and which are probably already stressed are going to be more so under these circumstances.

With the introduction of this new licensing regime in 2012 and the legislation of which this bill forms a part there was an opportunity to use the new arrangements to reduce the number of gaming machines available in the community. Unfortunately the government has passed up that option. There will be no change to the 27 500 GMEs, as they are going to be called, outside of the casino complex. I think that is a decision for which unfortunately Victorians will continue to pay for years to come.

The regime established by this bill and the other associated instruments will operate until at least 2022. There is little, if any, ability to respond to changes in social circumstances in that time, to respond to economic circumstances that will change in that time or even to respond to the possibility of technological change. What are not locked in of course, in stark contrast to this legislation, are many of the commitments that were given as part of the development of this framework. Far too many of the pillars on which this framework is based were

constructed by the device of ministerial direction. Whether you are talking about the 50-50 pub-club split, the 80-20 metropolitan-rural and regional Victoria split or even the cap on the number of machines that can operate at each venue, none of those things are dealt with by legislation. They are all matters that are of particular public interest. They are all matters that are very important. They are all matters that should, as a minimum, be subject to parliamentary oversight.

Sadly the whole process was derailed before it was commenced. Right from the start the process has not been about improving the industry and it has not been about harm minimisation for the small number in our community who form the group of problem gamblers for whom this industry is a scourge. Rather it has been about maximising the return to the state's coffers with scant regard for good public policy or for the interests of the citizens of Victoria. It has been all about the Treasury and how many bucks we can put in it.

The bill also lays down the process of transition from the current duopoly to a venue-based model. Venues will now operate their own gaming machines. However, the venue-based model has a sting in the tail, because the existing venues will be required to bid for a licence to stay in business. Quite frankly I have a few qualms about that. The press release of 10 April of last year which announced the new structure, and which incidentally came from the Premier's office rather than the office of the Minister for Gaming, made a series of claims about the perceived benefits of the reform. Indeed the claims were eerily similar to a press release from the Minister for Gaming in November 2007 when he announced the decision to give Intralot a 10-year entitlement to the Victorian market. He made the prediction at the time that this would be 'good for agencies across the state'. We all know how wrong that was, but we are still locked in for 10 years. That is exactly what is proposed in this bill — we will be locked in for 10 years regardless.

Perhaps more of a problem is that the bidding process that is established by the bill creates a very real risk that the smaller community-based clubs and the smaller pubs will not survive the process. Several government members have suggested in this debate that any measure that might be put in place to mitigate the impact on smaller clubs and pubs would be tantamount to manipulating the market. They are missing one important point: this is a government-run market. There is little protection for the participants, and they are certainly not afforded the protection that the participants in most other markets in this nation operate under — that is, the protection of the Australian Competition and Consumer Commission. This is a

market where the seller and the regulator are the same body.

If the bill is allowed to inflict similar damage on small pubs and clubs to that inflicted on newsagents by the government's Intralot decision, we are likely to see many more small pubs and clubs going out of business, and very quickly. That will be a great loss to the Victorian hospitality and entertainment industries.

The member for South-West Coast spoke about the challenges faced by the racing industry and the \$600 million black hole. Racing Victoria has already started threatening to swing the axe; it has not swung the axe yet, but it is certainly walking around the place in a menacing manner. It will tell you it is not about cost cutting, and it certainly will not close down facilities — it will simply withdraw the funding. I acknowledge that Mornington Racing Club is one of the favoured clubs under this proposal, and that is certainly a good thing. However, many of the smaller towns and communities where racing currently takes place are not so fortunate. There is a real risk that as a result of the costcutting involved in the attempt to avoid the black hole — I think it is a \$622 million shortfall — racing will be ended in many country venues, and that is a great pity.

In summary, this is flawed legislation and it should be withdrawn and reworked. I commend the member for Malvern for his reasoned amendment, and I commend the reasoned amendment to the house.

**Mr THOMPSON** (Sandringham) — It was 18 years ago that an *Age* columnist, Michael Barnard, noted that it was obscene to contemplate using the gambling industry as a means to economic recovery when it was the Labor government's financial gambling that had gotten us into the mess to begin with. During the same year a Labor Party member spoke in the other place on the Gaming Machine Control Bill, saying:

If in a mature market there are to be 30 000 to 40 000 machines the issue of allocation is a sensitive and critical one. For those reasons the government decided the Totalizator Agency Board and Tattersall's should be the operators of the machines.

The same member referred to the bill as:

... providing adequate access for the community to the machines. By access, I mean access for all Victorians.

There was also a 1991 report of a Labor Premier announcing that Victoria would have 'a gambling-led recovery'.

The reasoned amendment moved by the member for Malvern is:

That all words after 'That' be omitted with the view of inserting in their place the words 'this bill be withdrawn and redrafted to provide for:

- (1) measures designed to limit the concentration of ownership, operation and location of electronic gaming machines;
- (2) the establishment of the government's promised systems and mechanisms for implementing responsible gambling measures for the conduct of gaming; and
- (3) the process of allocation of gaming machine entitlements to not unfairly disadvantage smaller, community-based clubs and small businesses in the pub sector'.

Interestingly, an article dated 7 December 2006 by Julia Medew says:

A County Court judge has condemned the widespread availability of poker machines to 'witless' members of the public while sentencing a woman who stole more than \$3.5 million from her employer to fund her addiction to \$1 poker machines.

In the latest judicial attack on Crown Casino and the state government's gaming policy, Judge Roland Williams yesterday said he felt compelled to comment on the sad state of gambling in Victoria while sentencing ... a Lalor mother of two ... to at least four years jail.

'I feel constrained to remark how sad a situation this is ... sad that the availability of gambling in this state is that you found it so easy to turn to it as your outlet, and once started, you readily became trapped by the gimmicky enticements and rewards.

'How a so-called civilised society can allow and offer the mindless operation of poker machines to witless members of the public under the euphemism of gaming and entertainment is no doubt the question for the sociologists of this world'.

Parliament would do well to hear more of the views of Roland Williams on the gaming industry as a sentencing judge in Victoria. The article goes on to comment that:

... County Court judge Frank Dyett warned that Crown Casino should investigate how punters continued to lose large sums of money, or risk civil liability. He made the comments while sentencing gambler ... a 39-year-old Westmeadows accountant who stole almost \$1.7 million from her employer.

The article says of the person Judge Williams had commented on that she:

... pleaded guilty to misappropriating more than \$7.3 million and stealing \$3.5 million from the Bendigo Bank's Preston branch, where she worked as a customer relations supervisor. Yesterday she was sentenced to seven years jail.

The article says Judge Williams told the woman:

... she had stolen ‘mind-boggling’ amounts of money while dishonestly moving more than \$22 million through the bank’s computer system to fund her pokies addiction. He said that while she had been ‘seduced’ by the casino’s VIP program, which showered her with free gifts, her crimes were a massive breach of trust and she always had the opportunity to seek help.

The article said of this person that her:

... gambling increased each year. In 2003, she lost \$857 956 at the casino, averaging \$2014 each hour. She lost \$508 000 in the five months before her arrest in 2004. The casino kept a detailed profile of her, but never asked her how she was funding her gambling.

Dr Mark Zirnsak, chair of the interchurch gambling task force, said the state government and gambling industry needed to take more responsibility.

The objective of the reasoned amendment moved by the member for Malvern is for the community to take more responsibility as it seeks to put in place mechanisms for implementing responsible gambling measures for the conduct of gaming.

In 2007 Judge Williams had further remarks to make on gambling on the pokies, which he equated to ripping up your money and throwing it in a river. He further remarked that there was no justification for a civilised society to approve of gaming machines. He said:

I feel the phenomenon of poker machines in this state is an undesirable situation ...

I don’t see any real civilised justification for it other than a means of indirectly taxing the people who are too stupid to work out what they are doing.

Beyond those remarks are the plight of breadwinners who lose their earnings and life savings through the gaming industry and mechanisms with which the member for Malvern, through his reasoned amendment, is seeking to overcome through the implementation of responsible gambling measures.

James Doughney, an academic, had a number of remarks to make on gaming in a report entitled ‘Lies, damned lies and “problem gambling” prevalence rates — the unsavoury example of Victoria, Australia’, an interesting report by someone who has analysed the situation. In the report’s conclusion he states:

What I do argue, however, is that, whenever anyone uses prevalence estimates for ‘problem gambling’, such estimates must be used transparently and with the caveat that they are likely to underestimate the true level of the problem massively. Nothing less will do. Certainly such sloppily estimated data — for that is precisely what they are — must never be used to make absurd claims such as that the Victorian government —

the then Bracks government —

has halved ‘problem gambling’.

He goes on to note:

We have demonstrated in this paper that the Victorian government has been, quite literally, and in both senses of the word, unscrupulous to have made this preposterous claim. In addition, the paper has used evidence and argument from the Productivity Commission, the Australian Bureau of Statistics and statistical/epidemiological sources to conclude that extant sample survey techniques used to estimate prevalence rates are flawed —

and he goes on at page 16 of the article to give the range of reasons as to why they were flawed.

A number of facilities in the Sandringham electorate have gaming venues, including the Hampton RSL club, which is just outside the electorate; the Highett RSL club, within the electorate; and the Beaumaris and Mentone RSL clubs. With the bidding process that is being provided for under the Brumby government’s legislation, there is a concern on the part of local organisations, such as RSLs, as to their ability to find the necessary money to be part of the bidding process.

I understand from my country colleagues on this side of the house that that issue is replicated right across Victoria. Some of the venues that have been the beneficiaries of revenue that has provided some infrastructure may be forced into the unenviable position, if they are to repay moneys borrowed to buy the licences, of having to encourage people to be their patrons at the venue in order to meet the liabilities. This would be an untenable situation.

Having introduced the gaming industry to Victoria the Labor Party is now deviating under this legislation from the model it first introduced — a duopoly — which may lead to the benefits of community infrastructure being taken away. Every member on the government side of the house needs to take into account the tragic circumstances of people who are described by a senior member of the judiciary in this state as ‘witless’, but as legislators we have to look beyond that in terms of the mechanisms that are used which cause people tragically to lose their life savings, with the impact upon family wellbeing being extraordinary. Their loss and level of suffering will be profound, and we need to take responsibility for this.

**Mr DELAHUNTY** (Lowan) — I rise proudly on behalf of the electorate of Lowan to speak on the important Gambling Regulation Amendment (Licensing) Bill. As we know, the purpose of the bill is to amend the Gambling Regulation Act 2003 to substantially restructure the gaming industry by

providing for a new licence for the monitoring of the conduct of gaming, providing for the creation and allocation of gaming machine entitlements under which gaming by means of gaming machines will be authorised, and imposing certain ownership and related persons restrictions in relation to licensees and persons on the roll. The bill will also authorise the conduct of the betting exchanges, upon which I will touch briefly later.

At the outset I have to say that I have a son who works for Tattersall's in computer operations, so I have to declare an interest.

**Mr Jasper** — Indirect!

**Mr DELAHUNTY** — As the member for Murray Valley has said, it is indirect. I wish it was more direct so that he could give me the Tattslotto numbers, but that has never happened!

The current system is a duopoly which was set up and monitored by a Labor government. Despite what the Labor government said it would do, this bill does nothing to assist problem gamblers. I listened to the contribution made by the member for Bentleigh. I have never heard a member change from being a socialist to a capitalist in such a short period of time — just some 10 minutes.

The changes being enacted today will devastate many clubs, particularly those in country Victoria, and will do nothing to assist problem gamblers. The average annual loss through Victorian pokies is about \$2.4 billion, which is more than double, I emphasise, than under the previous government. The new licensing model will also lead to many smaller pubs and community clubs being shut out by gaming machines. Many club operators in my area share that fear.

Under the auction system for new licences the big players will be the only ones with the deep pockets necessary to succeed. Smaller clubs and local pubs will be trampled on in the rush by operators with big money to snap up lucrative licences. That is why I am very keenly supporting the reasoned amendment moved by the member for Malvern.

Like you, Acting Speaker, I have been lobbied hard by many club operators in my area, including Alexandra House in Hamilton and the Horsham Sports and Community Club. Horsham Tabaret, an RSL club and a couple of hotels in the area also have poker machines. Their main concern is that the government's proposed system for the distribution of gaming entitlements will result in a gross dislocation and disadvantage for many of these community clubs. There is no limit on the

number of club entitlements that one club or one management group may control or own, and grassroots clubs will not be able to compete for entitlements in clubs with so-called pseudo clubs that will have private backing. The fact is that many country communities will be dispossessed of gaming machines.

In Horsham we have a couple of gaming venues, but I am responsible for seven local government areas in my electorate, including the West Wimmera and Hindmarsh shires, which, together with the Yarriambiack shire, do not have gaming machines. However, I believe the Horsham Sports and Community Club has been a model club in the state. It pushes a lot of money out into the small clubs and community groups in the shire as well as to Horsham Rural City.

The Horsham Sports and Community Club was born in 1990. A very small group of community-minded people believed that if pokies were going to come to Horsham, which we all knew was inevitable, then it would be better for the community to control the profits rather than seeing faceless institutions or businessmen from other areas controlling the revenue, which would result in the profits leaving the community. That was discussed back in 1990, and that is the fear again today. If that were to happen, all the profits would leave the community.

At the start a number of community people provided an unsecured loan each and about \$200 000 was got together to purchase the then Jakades restaurant in Baillie Street, Horsham. According to a letter from the director of the club:

The idea was to have a full entertainment complex that provided live shows, along with meals and of course the option to play the poker machines.

It has happened. The club has now distributed over \$660 000 in cash sponsorship and donations to other groups. That is enormous sponsorship. Many clubs have saved probably \$70 000 in total by not having to pay for in-kind use of the facilities. It is also a thriving entertainment centre that not only provides great support to the community but also jobs to the region. It has won Clubs Victoria's achievement award twice and its members have volunteered over 10 000 hours of community work around the region. It is a very important club.

I just want to mention some of the groups that the club has put money into: the Arapiles Community Theatre, Dimboola Bowling Club, Gymbowen rural fire brigade, Harrow bush nursing centre, Horsham District Netball Association, Horsham North Kindergarten, Laharum

Preschool, Natimuk Preschool Centre, Nhill memorial community centre, Rainbow Archive and Historical Society, the Horsham unit of the State Emergency Service, Wimmera Hospice Care Auxiliary, Wimmera Parkinson's Support Group and Wimmera Regional Sports Assembly. The club distributed \$80 000 last year around the Wimmera region; it plays a very important role in our country communities. But that money is going to dry up because these people have to gather as many dollars as they can.

I heard you, Acting Speaker, speak earlier about the Benalla Bowls Club and the fact that, like many clubs across country Victoria, it will have to save every dollar it can to be in this bidding process. The nature of this process will mean that many clubs will not be equipped to be competitive bidders, because they will need to be quick and part of the competitive action. I do not believe many country clubs will be able to do that. The bill encourages exploitation of the clubs by profiting commercial operators. Some of these clubs will not have appropriate premises. The bill will not protect grassroots clubs.

Another fear is that the deposit will need to be borrowed and the clubs will not be able to obtain money. I know that in the last couple of years many of these clubs have not spent a dollar on capital works, because the banks will not lend money to them due to the uncertainty about the process in 2010. Another issue is that the tax structure will result in more electronic gaming machines at fewer clubs. Again, that is a major concern among our country clubs. The bill encourages speculation, so there is also concern there. As I said earlier, the bill will also disenfranchise grassroots organisations.

Before I finish I need to speak about the racing sector. As we know, the racing industry is covered by this legislation, and there are major concerns among those in the racing sector, which the member for South-West Coast addressed in his presentation today. This bill will take many dollars out of the racing industry. It was only a couple of years ago that the Premier visited Coleraine and Horsham to view race meetings and saw with his own eyes the importance of these country race meetings. But would you believe that we are now losing nine race meetings from Wimmera Racing? We have also lost race meetings from Casterton and Hamilton, and we have seen that training venues will be closed at Horsham, Warracknabeal, Murtoa, Ararat, Casterton and Edenhope, which are all in the Lowan electorate.

As members know, racing plays a very important role in the country. It is an integral part of the country

and the social fabric of many country communities. It also provides for important economic development. When the Minister for Racing spoke in this house he said that the government was a proud supporter of the racing industry in this state. The reality is that if this is the support we are going to get from this government, I think it is time we had a change of government. That is why we need to make sure this reasoned amendment is supported. If it is not, we will have to wait until the end of the debate to see where the government stands, particularly in relation to these very important matters that I and many others in the opposition have raised.

**Mr JASPER** (Murray Valley) — It is a recognised fact that the gaming and wagering industries in the state of Victoria are massive industries that benefit the state not only because of the people who are employed in those industries but also because of the revenue that is created for the government and the operators who are involved in the industry. I express my concern about the legislation that is before the Parliament. Concern has also been expressed by a number of other speakers on the opposition benches, particularly the lead speaker for the coalition, supported by the member for South-West Coast. The lead speaker spoke about the racing industry, the effect this legislation would have on it and the actions that are being taken by the government which will have a devastating effect on many country racing clubs across this state and particularly, as I have indicated, in rural and regional areas.

I think it should also be said that the duopoly established by the Labor government in the late 1980s and which continued through the 1990s has been very effective. It has operated effectively in maintaining the gaming industry and making sure no criminal elements have been involved in it. However, there has been criticism by people on both sides of the Parliament and indeed from within government ranks in relation to the operation of the duopoly. I indicate that whilst the duopoly of Tattersall's and Tabcorp has been very effective in generating profits for shareholders, the government has been the greatest beneficiary of the funds that have been created by those two operators.

With this bill the government is seeking to make major changes to the operation of the industry which members of the opposition believe will have an adverse effect on the industry and particularly on the smaller operators and clubs in country areas. The bill proposes a restructure of the gaming industry to facilitate the creation and allocation of gaming machine entitlements to clubs and pubs to operate from 2012. It will provide for a licence to monitor the conduct of gaming, authorise the conduct of a betting exchange to be

offered within the new wagering licence, amend the laws concerning advertising of gaming and trade promotion lotteries, amend the law regarding keno games and make miscellaneous amendments. It is a massive bill. We believe there is a need for further investigation with regard to its implementation.

The bill follows the government's decision to scrap the gaming operator system run by Tabcorp and Tattersall's which was established in 1992. Under the new system, which is to operate from 2012, pubs and clubs will need to have a gaming machine entitlement (GME) for each electronic gaming machine they wish to operate. The government has stated that it will issue the 27 500 gaming machines via a competitive auction process in early 2010. This will be based on the current ministerial direction that is made under the act. Those machines will then be split 50-50 between pubs and clubs, with no fewer than 20 per cent to operate outside Melbourne. A venue operators licence will be required in order to utilise the gaming machine entitlement. The current venue operators licences, issued for five years, will be automatically extended for a further five years.

The bill also facilitates the transition from the operator model to a venue model and authorises the minister to create the GMEs and to allocate them. The GME will be of 10 years duration with a capacity for an additional two years.

These are the issues in the legislation before the Parliament about which we have concern. The bill promises plenty, but there is a lack of clarity and a lack of information provided within the legislation. As I indicated earlier, we are concerned about clubs and the effect on their future of the new arrangements proposed by the government, particularly clubs operating in country Victoria. I have three of those clubs operating within my electorate of Murray Valley. They are the Wangaratta RSL Club, the Wangaratta Club and the Numurkah Golf Club. Those three venue operators will have difficulty in maintaining their systems under the new arrangements that will be implemented by the state government. This is something that needs to be investigated.

It is interesting to note that investigations undertaken by the coalition indicate clearly that this legislation will be against the interests of the industry generally, but particularly country people, and this has implications as far as the government is concerned. I have had discussions with Margaret Kearney, the executive director of Clubs Victoria. Ms Kearney has undertaken extensive investigations into the effects of this legislation on clubs across Victoria, particularly in respect of clubs operating in country Victoria. She sees

the disastrous effect this legislation will have on the clubs.

Clubs do not want to bid for the machines. They are not really equipped to do so and will be overlooked in the bidding process set out by the minister. There is a lot of talk by the government about how much money will be made as a result of these changes, but the field is open not only to the clubs but to larger operators to operate effectively within the sector.

I quote from some correspondence from Margaret Kearney that highlights the difficulties we see for clubs, particularly on how this bill will adversely effect their operations. Most small clubs will have difficulty operating within this new system. Ms Kearney says:

... the major problem with this bill is that its whole purpose is to bypass Parliament. As a voter I am flabbergasted that, firstly, no-one in the cabinet or the public service will talk to us about this issue which is a once-in-a-lifetime major reorganisation of infrastructure worth billions of dollars and which is socially sensitive. Then to make matters worse, the government is trying via this bill to stop the Parliament having the opportunity to scrutinise the details. How will the entitlements be allocated, what will the transfer system look like, what will be the monitoring arrangements? In the liquor legislation these matters are all covered in the act, not in ministerial directions — so why not in gaming legislation?

That sums up many of the views put by opposition members about the legislation. There is no doubt that the tactic being undertaken by the government in introducing this legislation is to bypass a system which has been effectively operating in recent years, albeit that it has been profitable for the duopoly and certainly profitable for the government with the huge revenue it has been able to secure from the industry. But the critical issue for us is that the introduction of this legislation needs more investigation. We believe the government needs to go back to square one. There is not enough clarity within the legislation.

The reasoned amendment moved by the member for Malvern needs to be recognised as an important part of reviewing legislation. No legislation that goes before the Parliament is perfect. We believe this legislation needs further investigation to take into account the genuine concerns which have been expressed to us by not only the small clubs across Victoria but by all clubs operating within the industry that are going to be adversely affected — not only the duopoly but all those that will look to operating gaming machines across the industry. I have not mentioned the adverse effect this will have particularly on the racing industry, but that was adequately covered by the member for South-West Coast, and I strongly support his comments.

Another issue that needs to be mentioned in my closing comments on this legislation is that there is a lack of recognition of the important part that has been played by small clubs operating gaming machines in country Victoria. They have been able to put back into the community the funds which were made through the profitability of the machines. They support a range of organisations, whether it be in Wangaratta or in small country towns such as Numurkah, where this has been extremely effective in providing funding to a range of facilities developing in these areas.

We see this as an area of great concern, and I see it as a concern in my electorate and across Victoria. We who represent country Victoria think this is going to have an adverse effect on us, and I want to clearly place on the record my strong opposition to the legislation on the basis that it needs further investigation, further clarity from the minister and responses to the issues of concern that have been raised by a number of people.

As is indicated by Ms Kearney, it appears that we will not see the government providing the appropriate investigation and responses to people within the industry who want to see it operate effectively. Yes, it is a gambling industry, and yes, there is no doubt that it has problems, but it is a massive industry in Victoria as far as the betting and gaming machine industry goes, and we should support the reasoned amendment on the basis of the industry being investigated.

**Mr CRISP (Mildura)** — I rise to make a contribution to the debate on the Gambling Regulation Amendment (Licensing) Bill 2009. The bill is a significant overhaul of our gaming machine landscape in Victoria. It is a major restructure providing for a new licence for the monitoring of the conduct of gaming. It provides for the creation and allocation of gaming machine entitlements under which gaming by means of gaming machines will be permitted. It imposes certain ownership and related person restrictions in relation to licensees and persons on the roll, authorises the conduct of a betting exchange, makes further provision in relation to simulated games and simulated racing events, and otherwise improves the operation of the act.

The Nationals in coalition support the reasoned amendment, the main provisions of this bill being of concern to us. The bill follows the government's decision to scrap the gaming operator system run by Tattersall's and Tabcorp that has been in place since 1992. Under the new scheme to operate from 2012, pubs and clubs will need to have a gaming machine entitlement for the electronic gaming machines (EGMs) they wish to operate. There is a ministerial direction that the machines will be split 50-50 between clubs and

pubs and that 20 per cent of the machines will be outside Melbourne.

The bill facilitates the transition from an operator model to a venue model and authorises the minister to create and allocate electronic gaming machines. The bill creates a monitoring licence where a single licensee will have responsibility for electronically monitoring all EGMs in Victoria. There are use-it-or-lose-it provisions so that theoretically people cannot hold or use these licences as investment tools. It also sets tax rates. However, the bill raises considerable issues.

Clubs Victoria, which represents many but not all clubs with gaming machines in the sector, has had a great deal to say and has expressed massive misgivings about the bill. Its concerns include that not-for-profit clubs are run by non-professional boards of directors who are not equipped to engage in an auction process for the allocation of the gaming machine entitlements.

Clubs Victoria is concerned that even with the best will in the world it will not be possible for many clubs to participate in such an auction in any meaningful way, with the consequence that clubs that currently have pokies will lose them. That could lead to the end of some clubs and will certainly lead to the loss of significant community infrastructure provided by the clubs. Clubs Victoria argues that clubs that already have pokies should be able to keep a portion of those pokies and agree to pay the government a fair price for them. It argues also that the anti-speculation provisions are inadequate as pseudo clubs can still get an advantage by speculating.

What does this mean for country Victoria and particularly the electorate of Mildura, which I am here to represent? Small clubs and pubs in our country areas fear the auction system because they will not be bidding on what they believe is a level playing field. They will not be bidding against like clubs or pubs. They see a great deal of good work done in communities as being at risk. I have been lobbied by three small clubs in my electorate which are a vital part of their communities. Many communities are struggling with drought, and they need their community clubs to remain strong and vibrant in order that the communities can survive the drought and be held together.

The Merbein community club has had its difficulties in the past. It is recovering from them, but because it does not own the freehold on its property, it has little equity available on which to borrow to enter an auction process that its members are not at all comfortable with. The community is struggling to support its local football club. The club is also the major sponsor of

many other small events that are so important for communities. The members of the Merbein community have a great deal to lose from this, and they feel extremely exposed, which is not helpful at a time of stress.

The Red Cliffs club has similar issues. Its members are major supporters of the community through sporting interests in particular. The club has become the main meeting venue within the community. For its club members the future of their community is very much tied up with the future of the club. Ouyen is a small community 100 kilometres south of Mildura. Its club members have done a good job through many, many years of drought to hold their town together. Again, they feel fragile due to the drought, and an increased threat to the future of their club is just adding weight to an already heavy burden.

For those reasons, I support the reasoned amendment, particularly the words that the bill provide:

... the process of allocation of gaming machine entitlements to not unfairly disadvantage smaller, community-based clubs and small businesses in the pub sector.

That is at the heart of this for country people. They feel exposed and fear that larger operators will take away something they have been managing extremely well. It was wise of the member for Malvern to move the reasoned amendment. Country people are not yet ready for this proposed change. They need some time to get ready for it, and they want a much more level playing field on which to operate. They need time also to muster their resources. The reasoned amendment gives them time, and it should be agreed to.

**Mr BLACKWOOD** (Narracan) — It is with pleasure that I rise to speak in the debate on the Gambling Regulation Amendment (Licensing) Bill 2009. A number of concerns in relation to this bill have been raised with me by my local clubs, in particular the Warragul Country Club, which includes the Downtowner, the Yallourn Bowling Club, the Moe Racing Club and the Moe RSL. They are all community-based clubs which are very well managed and which provide excellent facilities for their large and growing memberships. All those clubs make a significant contribution to the local economy through employment and the purchase of local goods and services.

It certainly appears that this legislation does nothing to protect the small country-based community clubs. The legislation actually leaves them exposed on a number of fronts. The potential for small country clubs to completely disappear is very real. It needs to be

addressed in legislation and not just left to the discretion of the Minister for Gaming. The main concerns of the clubs in my area have been very well expressed on their behalf by Clubs Victoria. On behalf of the members of the community clubs in my area, I would like to put those concerns to the house.

To put it in a nutshell, Clubs Victoria believes the government's proposed scheme for distribution of gaming entitlements will result in gross dislocation and disadvantage for community clubs. There is no limit on the number of club entitlements that one club or one management group may control or own. There is a limit of 35 per cent on the number of hotel entitlements that one organisation can own but no limit on club entitlements. Therefore grassroots clubs will not be able to compete for entitlements against clubs, pseudo or otherwise, that have private commercial backing. Communities will effectively be dispossessed.

The nature of decision making in clubs does not equip them for a competitive bidding process that requires quick and competitive action. The bill encourages exploitation of clubs by profiteering commercial operators. Having approved premises will not protect grassroots clubs. The deposits that clubs will have to raise will need to be borrowed and may be unattainable by clubs. The tax structure will result in more electronic gaming machines (EGMs) at fewer clubs, less tax and fewer jobs. The bill encourages speculation, especially in club entitlements, which will be cheaper than hotel entitlements. The bill will disenfranchise the current grassroots community clubs.

The proposal for a minimum entitlement for precommitment will address these issues. It involves an allocation of 75 per cent of a club's current EGM quota being offered to incumbent clubs prior to the competitive allocation for a fair price, and in return those pre-allocation EGMs will be converted to precommitment ahead of time.

That last point is a genuine initiative by community-based clubs to enhance responsible gambling, and it should be taken up by the government. From what I have seen this bill has paid very little attention to this issue. This government claims to be genuinely concerned with this issue but has failed dismally with this legislation to really address community concerns about problem gambling. The emphasis clearly has been more on the revenue return to government.

I will be supporting the reasoned amendment put before the house by the shadow Minister for Gaming. The amendment calls for the bill to be withdrawn and

redrafted to provide for measures designed to limit the concentration of ownership, operation and location of electronic gaming machines. It calls for the establishment of the government's promised systems and mechanisms for implementing responsible gambling measures for the conduct of gaming. It also calls for the process of allocation of gaming machine entitlements to not unfairly disadvantage smaller community-based clubs and small businesses in the pub sector.

The Minister for Gaming has a responsibility to take the opportunity offered by this amendment to redraft the bill. In doing so, he can protect the future and viability of smaller country-based pubs and clubs, which play a critical role in enhancing the quality of life and opportunity for interaction in our country communities.

**Mr BURGESS** (Hastings) — It is a pleasure to rise to speak on the Gambling Regulation Amendment (Licensing) Bill. The purpose of the bill is to restructure the gaming industry by facilitating the creation of gaming machine entitlements (GMEs) and their allocation to clubs and pubs to operate from 2012; to provide for a licence to monitor the conduct of gaming; and to authorise the conduct of a betting exchange.

The main provisions of the bill follow the government's decision to scrap the operator system run by Tatts and Tabcorp in gaming, which has been in place since 1992. Under the new system to operate from 2012 pubs and clubs will need to have a GME for each electronic gaming machine they wish to operate.

The government has stated that it will issue 27 500 GMEs via a competitive auction process in early 2010. Based on the current ministerial direction made under the act, those machines will be split 50-50 between pubs and clubs, and no fewer than 20 per cent must be outside Melbourne. A venue operator's licence (VOL) will be required in order to utilise GMEs. Current VOLs, issued for five years, will be automatically extended for five years, and new VOLs will be issued for 10 years. The bill facilitates the transition from the operator model to a venue model. It authorises the minister to create the GMEs and to allocate them. A GME is of 10 years duration with the capacity of extension by up to two years. The bill contains measures designed to prevent speculators bidding for GMEs, such as having a 50 per cent tax on profits of GMEs sold within six months and a 'use it or lose it' provision to require the GMEs to be used within six months under the threat of forfeiture.

The bill sets tax rates payable by pubs and clubs with electronic gaming machines (EGMs). Tax is calculated

on the basis of average monthly revenue per GME, and the rate is struck so as to increase as average revenue per machine increases.

Clubs Victoria has been quite critical of the proposed legislation, stating that the nature of the decision making in clubs does not equip them for a competitive bidding process that requires quick and competitive action; the bill encourages exploitation of clubs by profiteering commercial operators; having approved premises will not protect grassroots clubs; the deposits will need to be borrowed and may be unattainable by clubs; the tax structure will result in more EGMs at fewer clubs and less tax and fewer jobs; the bill encourages speculation especially in club entitlements which will be cheaper than hotel entitlements; and the bill will disenfranchise the current grassroots community clubs.

The bill provides a significant degree of power in the hands of the minister with little opportunity for parliamentary oversight — for example, as stated earlier, even fundamental rules such as the 105 machines per venue maximum, the 50-50 split between pubs and clubs, and the 80-20 split between Melbourne and the rest of Victoria are contained within ministerial directions that can be amended or revoked at will. Those measures, which provide protection for clubs and country Victoria, should be provided in legislation. Despite the government's promise to implement a player precommitment system by 2010, it is also absent from this bill.

This bill provides a double whammy, particularly for clubs in my area. Ernst and Young examined the legislation and stated that what the government was taking away it was failing to reinstitute. The government said that no club would be worse off. Unfortunately what it has said has not been matched by what it has done. It has worked it out that to be no worse off it would have to reinstitute \$1.6 billion, and what it has come up with is less than \$1 billion, leaving it a shortfall of over \$600 million for the term of the licence. Ernst and Young in its now much-publicised report said that that does not satisfy requirements that the government has put down, and therefore it would be required to slash the number of race meetings and close clubs. Certainly in my area of Hastings that has been the experience of the approach to date.

I have two wonderful clubs in my area: the Tooradin and District Sports Club and the Balnarring Picnic Racing Club. Both of them are not-for-profit organisations that promote enjoyable, family-oriented activities. The Balnarring racing club was founded in 1863 and has a long, proud history. In 1863 the

Hastings and Balnarring Racing Club, as it was then known, commenced racing. The site used for the first meeting remains the site used today. The racing club registered with the VRC (Victoria Racing Club) in 1918 and began holding two meetings a year; previously it had held one. The Depression hit the club hard. Despite continuing to hold races during these years, Balnarring was prevented from holding VRC meetings in 1932. In 1933 the club was reborn as the Balnarring Picnic Racing Club. During the 1950s the club built its first running rail to replace the sticks with small flags it had had up until that stage.

The Tooradin and District Sports Club is another wonderful organisation in my area. It too has a proud history of grassroots participation and has been put together by cooperation between various sporting organisations in the area.

I will certainly be supporting the reasoned amendment put forward by the member for Malvern. This bill should be withdrawn and redrafted to properly recognise the critical importance of local clubs such as the Balnarring Picnic Racing Club and the Tooradin sports club. Such legislation should support these clubs rather than attempt to strike them down.

**Mr RYAN** (Leader of The Nationals) — I just wish to make a brief contribution in regard to the time and the order of business progressing through the house. I do not intend canvassing the bill itself since the member for Malvern has done so extensively and capably, but I do want to speak to the reasoned amendment moved by the member for Malvern. It comprises three principal elements. Those elements are around the general notion that this bill should be withdrawn and redrafted until each of these elements has been accommodated by the government. Each of the three is important.

There is nothing that kills small business faster than trying to be practised in an air of uncertainty. This legislation perpetuates that air of uncertainty generated by the government. Since it made the decision that it would abolish the services of Tabcorp and Tattersall's, we have effectively been in a vacuum in Victoria in so far as the future of the industry is concerned, and this situation will remain once the new government proposals are put into place, because the government has not yet told us what are to be the basic principles underpinning this new regime. It is to that crucial issue that the three elements of this reasoned amendment go.

The first of them deals with a request to the government that it actually designate the issues to do with the limit of concentration of ownership, operation and location

of electronic gaming machines. Both pubs and clubs are very concerned as to who is going to be able to bid for what, in so far as the machines are concerned. We know, as a matter of principle, and at least by way of a ministerial direction, that the 80-20, 50-50 rule is to be preserved. That falls well short of the certainty which both pubs and clubs require to enable them to operate in the new era.

We need proper definition about this. Only in the last few days, if my memory serves me correctly, a front page article in one of the major daily newspapers gave fulsome details of the amount of money which is being extracted from the club system by Australian Football League clubs. I do not believe, as a member of this house and indeed as a member of the former government, that it was ever the intention, whether you barrack for the Magpies — God help us! — or for the Demons — good on them! — that either of those clubs or any AFL club should be making money at all, let alone in the magnitude disclosed in that article in relation to the operation of their clubs.

This issue has the smaller clubs and pubs very concerned. The question of the operation and control of those clubs in times to come is around the notion that ownership of the machines is one thing; but ownership and the operation of the club itself is another thing altogether.

Yes, there are mechanisms in the bill which preclude profit-sharing arrangements between those who might be actually operating the club, but there is more than one way to skin a cat, and the venue operators are very concerned that in the future they will be seriously impacted upon by the big operators who will come into what is now the domain of particularly the small clubs and pubs and take over the operation of those entities with disastrous consequences in so far as their respective operations are concerned. That is the first element of the reasoned amendment.

The second element concerns the establishment by the government of its promised systems and mechanisms for implementing responsible gambling measures. Suffice it to say that the government's oft-repeated commentary with regard to problem gambling and what it will do about it lies in absolute tatters. One need only look at the figures from year to year of the government's take from the operation of the industry to see that its take has continued to increase, and therein lies the response to the government's overall commentary.

**Mr Robinson** interjected.

**Mr RYAN** — The minister says they might have fallen in the September quarter. I would like to observe that a little bit of rain does occasionally help alleviate a drought, but it does not solve the problem. The government has an established problem because of promises made but not fulfilled. That is the second element of the reasoned amendment.

The third is to do with the process and allocation of the gaming machine entitlements, so as to not unfairly disadvantage the smaller community-based clubs and similarly the smaller pubs. That is a very reasonable point: the government cannot ask the Parliament and certainly not the coalition parties here to pass legislation which is going to be enabling in nature and which essentially is being done on a ‘Trust me’ basis. This is the sort of principle that underpins the Intralot issue, which became clear when we heard its many aspects being commented upon by the minister at the time of its ill-fated introduction only weeks or months ago.

The simple fact is that the industry does not have that measure of trust in the government, and it is incumbent on the minister to spell out to the Parliament and to incorporate in this legislation what the mechanisms are going to be whereby these machines are sold, auctioned, tendered for, or whatever might be the process in time to come.

How is that to happen? What mechanisms of control, if any, are going to apply? Will there be any advantages or disadvantages for any of the participants in the industry that might be bidding for the machines? These are elementary questions which the government is obliged to answer, and unless it does so I do not think it is going to do the right thing by the industry; it is not going to do the right thing by the Victorian people; it is certainly not going to do the right thing by the small business sector, particularly those small operators — the pubs and the clubs — that have invested millions of dollars in their respective entitlements. I think it is absolutely appalling that the government should leave them in the air in this way without having a proper definition of what, after all, is the key issue to their future functioning.

**Debate adjourned on motion of Mr LANGDON (Ivanhoe).**

**Debate adjourned until later this day.**

## TRANSPORT LEGISLATION MISCELLANEOUS AMENDMENTS BILL

*Second reading*

**Debate resumed from 4 December 2008; motion of Mr PALLAS (Minister for Roads and Ports).**

**Government amendments circulated by Mr PALLAS (Minister for Roads and Ports) pursuant to standing orders.**

**Opposition amendments circulated by Mr MULDER (Polwarth) pursuant to standing orders.**

**Debate adjourned on motion of Mr MULDER (Polwarth).**

**Debate adjourned until later this day.**

## BUS SAFETY BILL

*Second reading*

**Debate resumed from 4 December 2008; motion of Ms KOSKY (Minister for Public Transport).**

**Mr MULDER (Polwarth)** — I rise to make a contribution to debate on the Bus Safety Bill. We are on the buses. We have Reg Varney over there as we move forward — —

**The ACTING SPEAKER (Mr Ingram)** — Order! The member will refer to members by their correct titles!

**Mr MULDER** — Thank you, Acting Speaker. The opposition will not be opposing the bill. No doubt there will be issues we wish to raise through the debate and we trust the government will pick up on them. There are some minor improvements and issues of concern that we would like the minister to address in his summing up to ensure that they have been covered by the bill before the house.

The main provisions of the bill involve the accreditation of commercial bus operators, with a range of fees applying depending on the operator’s size, and the director of public transport having the power to waive accreditation fees; passenger vehicles with 10 or more seats being in line with Australian design rules; modifications not affecting bus definition, which refers to buses ‘as built’; and subsequent modifications not altering a vehicle status under this proposed regime.

There is a chain of responsibility that has been introduced into other legislation in the rail industry and in the heavy vehicle industry. There is less reliance on accreditation, so that non-commercial operators of buses with 10 or 12 seats, or operators of services that rely exclusively on minibuses, are exempt from the bill's provisions.

There is a requirement for a drug and alcohol policy. It provides the director of public transport with enforcement powers, many of which are currently unavailable under the Road Safety Act, including the ability to issue improvement notices or prohibition notices. Accredited buses are to have specified plates fitted to vehicles, and operators will be provided with a certificate of accreditation.

The Liberal Party has a couple of areas of concern. One relates to the fact that some bus companies provide commercial bus services with small buses, and the driver is supplied. They also hire out vehicles with or without drivers. It is not clear how this will be handled given that Victorians would expect accreditation to address driver competency.

The reason I raise this issue is that where you have a bus company that has vehicles it uses with its own drivers, and the commercial operator becomes an accredited operator and then provides that particular vehicle on a hirer basis without a driver, persons turning up to ride on that particular vehicle and noting it has an accredited plate attached to it would expect, I believe, that the driver had some special training, was accredited or was a licensed bus driver. That would not necessarily be the case.

I am not sure whether commercial operators will operate those vehicles with two sets of plates so that when they go out to hire to the private sector, people realise they are not accredited vehicles on the road under the circumstances where they are hired by private individuals to take parties of people to the races in Melbourne, the football or what have you. It is an issue that needs to be picked up and clarified by the minister.

Bus Association Victoria has raised issues with us in relation to community groups that have not been included in the accreditation scheme. At the departmental briefing it was claimed that these groups were excluded due to the low number of kilometres travelled by the vehicles in that low-risk profile sector. I raise those couple of issues and will pick that matter up further in the debate.

I want to refer to a provision in the definitions clause, 3(1)(g), relating to:

a vehicle known as a Hummer.

Example 3 under that provision states:

A motor vehicle built overseas as a bus is a bus unless it is a motor vehicle built to be a Hummer.

This issue was raised by me after I was contacted by an operator in Geelong, Rowan Kent, who runs a limousine business. Mr Kent has a Hummer. An article in the *Geelong Advertiser* sets out the problems, and states:

It's used as a limousine, but it's as big as a bus and registered as a bus, so what is this machine?

It's a Hummer. But under Victorian laws, for the purposes of commercial use, it needs to be called either a bus or a limousine.

The difference is more than just a name — it's about \$3500 in registration fees.

When its owner, Rowan Kent, bought his 10-metre long Hummer he was told it was a bus, governed by Public Transport Safety Victoria.

Mr Kent said it would cost \$400 a year to be registered with the authority in order to run his limousine-style business.

He was also prepared to pay a one-off \$4000 Monash University course and was three-quarters of the way through it when he was told it was actually a limousine.

That made it the responsibility of the Victorian Taxi Directorate, carrying a fee of \$6000.

And he was then told his studies were no longer necessary. But he can't get his money back.

Mr Kent came to us with this issue which was of deep concern to him as an operator trying to run a small business and struggling with the costs of running the business. He asked us to assist. As I understand it, as a result of representations made by our office on behalf of Mr Kent, some discounts have been provided to his limousine fees and in fact Hummers have been picked up under a different category. Discounts have been applied, and those discounts will continue until 2010.

We hope it will continue beyond that time, because when you look at the pressure that a lot of smaller businesses are under — and Mr Kent has one of those types of businesses — you see that getting caught up in some form of a bureaucratic nightmare that imposes enormous costs on those businesses is the last thing anyone wants to happen.

The other issues I want to raise, which I spoke about earlier, are the areas of concern that were outlined by

Bus Association Victoria. We received similar representations from the Skybus shuttle business. Many members have been lobbied by Bus Association Victoria about this bill. The association is concerned that the accreditation covers only commercial operators and not community groups and organisations.

The bus association claims that all-in accreditation of anybody who owns, operates or runs a bus should be picked up under the accreditation regime. The bus association says:

We would like to bring to your attention a significant failure of this bill in relation to bus safety accreditation.

...

During the negotiations we indicated that there should be one safety accreditation system for all buses but unfortunately the bill does not reflect this position.

...

The government has decided to exclude operators of non-commercial services, such as local councils, community organisations and clubs from the requirements placed upon all other bus operators.

This exemption places at risk those people in our community such as the aged, the young, the socially and financially excluded and people with disabilities.

The bus association believes:

... all buses should require the same safety accreditation therefore not placing those most disadvantaged at risk.

A similar type of approach has been made, as I said, by Skybus, the shuttle operator, about the fact that the accreditation scheme does not include community groups and/or organisations. We have had a lengthy discussion in relation to the request of members of Bus Association Victoria and I have had meetings with them. We have had a number of discussions with members who have been lobbied on this matter. We do not want to see small community groups or organisations loaded up with onerous regulations and highly expensive accreditation. We understand that the decision was made based not just on the issue of the regulation, the accreditation and the cost of it but also on the low number of kilometres that community buses actually travel.

I believe that was one of the determining factors used by the government in deciding that community groups and organisations who run those smaller buses for the groups they represent should not be dragged into what is a reasonably expensive accreditation scheme. It would involve a fair bit of compliance and would put those groups under a significant amount of pressure. A lot of them struggle to find the funds to run their buses,

particularly for day trips in Melbourne and days out into the country. The groups they support are usually people who are not well heeled — they are people who are struggling. I think it is appropriate that they not be dragged into the accreditation scheme.

In the two categories of commercial bus operators and commercial bus services there is a route bus service, a demand-responsive bus service, a tour or charter bus service, a courtesy bus service — other than a non-commercial courtesy bus service — a bus service which is a prescribed class of a commercial bus service, and a bus service which is declared by the safety director to be a commercial bus service. The community groups that have been excluded consist of those that engage in the carriage of passengers by a bus for or in connection with activities of a religious, educational, health, welfare, philanthropic or sporting nature and/or a social body which is provided for no consideration or a consideration which is limited to the cost or part of the cost incurred by making the journey. Some community buses may charge a fee for people who travel on the buses. That fee may cover the cost of the bus. It may also allow for a small profit to be made by that community organisation to be put back into other aspects of the business. It may also be tipped back into the ongoing expenses and costs of running a particular service.

We understand what the Bus Association Victoria is saying; we understand it has been a strong advocate for accreditation. I worked in the field of accreditation for a long time before being elected to Parliament. I know and understand its benefits, but you get to a point where you have to look at a particular organisation and ask if it is really going to benefit from accreditation. Is it going to be a cost impost on the organisation, and would it be better if it were left out of the system? In this particular case the government has done that, and we support that accreditation.

I refer to clause 18 on page 26 of the bill. It is headed 'Duties in relation to bus stopping points and bus stop infrastructure' and states:

- (1) A person who determines the location of, designs, constructs, installs, modifies or maintains a bus stopping point or any bus stop infrastructure, or who engages a person to do any of those things, must ensure, so far as is reasonably practicable, that the location, design, construction or condition of the bus stopping point or bus stop infrastructure is safe.

I would have added 'and appropriately located'. I take as an example the brand-new state-of-the-art bus stop that has been built at the Colac railway station. Anyone who lives in the country knows very well that if you

point a dog's kennel to the west, the dog will sleep behind it. It will sleep anywhere but in front of the kennel, because the prevailing wind blows straight into the front of the kennel. That is exactly the situation we have with the brand-new state-of-the-art bus stop at Colac.

I say to the minister and to those who determine locations and designs for these particular bus stops that they should take into consideration weather conditions because they are very important, particularly over the winter months. When people at the Colac railway station climb off the train and go over and wait for a bus, it is important that they are not sitting there in the pouring rain. It is an expensive piece of bus infrastructure, and it should at least be facing the right way.

**Mr Trezise** interjected.

**Mr MULDER** — Did the member for Geelong design it? The member may have had something to do with it. Quite clearly something needs to be done about it.

I refer to clause 25 on page 32 of the bill. The clause talks about accreditation fees and picks up the issue I spoke about earlier about costs. I noticed the Public Transport Safety Victoria bus accreditation fees on the government website. I spoke earlier about the costs. For new applicants the application fee payable depends on the type of accreditation sought. A scheduled passenger service is \$454; tour or charter bus service, courtesy bus service or hire bus service is \$266.70. A scheduled passenger service has an annual fee of \$227, which includes the first bus, and then it is \$62.40 for each additional bus.

I am not sure whether these are the current accreditation fees or new fees as we move forward, but I note when you get further down into the document it states under the category 'How are fees calculated' that the annual amount of a fee is established under the Monetary Units Act 2004, which would indicate that it is subject to consumer price index increases. Each and every year these costs of accreditation will continue to rise.

We do not know a lot about the actual accreditation process or the demands on the operators. We know that this particular process is designed significantly around safety and it is about improving bus safety. As I understand it Bus Association Victoria had some significant concerns about rogue operators in the state. We have seen and heard of instances of operators who have set up as cheap tour services with buses that are not properly maintained — for example, the buses are

fitted with bald tyres. They run the risk of a significant or serious accident. Those are the operators we are trying to weed out of the system.

Let us hope that through the accreditation scheme in the first place, and in the second place with closer monitoring of operators, those who run shabby, cheap bus tour services will get picked up along the way and will be turfed out of the industry before they get a chance to do any harm.

As I have said, accreditation should act as a shield for the good operators. It should protect and enhance their business and make sure they run a safer bus company and operation for the people who use their service. Commercial operators who try to muscle in on the business without going through proper accreditation and without having in place a proper safety regime need to be weeded out as a matter of absolute urgency.

I turn to clause 37 on page 42, which relates to an issue I raised when we spoke about accreditation in the tow-truck industry. It still amazes me to see this type of situation. The clause reads:

Time within which Safety Director must make decision whether to accredit

- (1) Subject to this section, the Safety Director must decide whether to accredit the operator of a commercial bus service or local bus service within 3 months after receiving an application from the operator.
- (2) The Safety Director may, before the expiry of the period specified in subsection (1), decide to extend the period within which he or she may decide whether to accredit the operator.

I am just not quite sure that the government is actually getting the message in terms of speed — in terms of being able to turn around documentation and applications for accreditation. It looks as if it could take anywhere up to three or four months for the safety director to receive and decide on the approval or otherwise of an application for accreditation.

As I say, this was an issue with a previous bill in relation to tow trucks — the question of how long after the removal of accreditation of one driver it took for another driver to gain accreditation to enter the industry. If someone is moving out the door and someone else now has the vehicle and wants to continue the operation, they should be able to continue on straightaway. The government should be able to turn this type of application documentation around in seven days.

Taking three months to deal with an application is outrageous, and the minister needs to look very closely,

in terms of the interface between the government and the private sector, at these types of provisions. The minister needs to consider this: if she in her own right were looking to register a car or obtain any sort of licence from the government, would she think three months was an acceptable time for that to be processed in? I would say not. I think it is important that the members of the government at least attempt to get their heads around this issue.

Clause 44 of the bill talks about unregistered or unaccredited operators from outside of Victoria, and it provides that vehicles that are permitted under the laws of another state or territory to be operated to provide the equivalent of a bus service may operate on a highway. As I understand it that arrangement applies under this provision providing that the interstate operators drop people off in Victoria or pick up people in Victoria who are travelling interstate but do not both pick people up and drop them off within Victoria. We support that.

Clause 53 on page 56 says:

An operator must return to the Safety Director the certificate of accreditation and the number plates issued to the operator on accreditation, if the accreditation of the operator is cancelled or surrendered under this Act.

I raised the issue about accredited plates before; I know we have them out there in the taxi industry. I understood that with the taxi industry all accreditation plates were going to be issued at once so that there would be no confusion amongst the operators and the public — that is, so that members of the public would not see some taxis driving past with accredited plates on them and others without them. But as I understand it that is not the case. I have seen taxis with accredited plates on them and others without them, which basically poses the question, ‘Should I be climbing into a taxi that is not accredited?’.

I raised an issue very early in the piece in relation to plates being returned. Anybody who sees a plate on a bus which says the bus is accredited would expect that the commercial operator of that bus would be in every single sense covered by some form of safety regime. However, as we know very well, commercial operators hire out smaller buses in hire-drive arrangements. Would people climbing on board expect, when they see that number plate, that there would be certain safety regime mechanisms in place offering them a greater level of protection? I think it is somewhat confusing, and I would hope the government would pick that up as a matter of course.

As I said, accreditation is costly, it is expensive and it is time consuming. It is not only a matter of getting the

accreditation. It is then a matter of maintaining the accreditation and having your business stand up to audits. I am not sure how the auditing regime works within this particular bill; no doubt that will be sorted out with the bus association. Whether they have full compliance audits or whether they have spot audit checks on different elements of a business, they are very much a time-consuming element.

I know the bill focuses very much on safety, but certainly the experience that I have had over the years working with businesses — putting in place accredited systems and business management systems — is that really at the end of the day you should make money. A business should function a hell of a lot better if it has an accreditation scheme in place.

As to this issue dealing with safety, it may well be that a company’s buses are maintained at a higher level and that it does not then suffer the risk of breakdown, maintenance failures and a loss of reputation because of the failure of its equipment. I believe accreditation has a great place in a lot of businesses and a lot of operations, providing it does one of two things: one, today you look at the safety regime, because a safety regime is very important; and two, you have to make sure you get a financial benefit out of it, because when you get a business that is being screwed or under enormous financial pressure, it tends to start to drift away from putting money into areas where it should, such as safety. What I would say to Bus Association Victoria members is, firstly, embrace the issue of safety, and secondly, make sure your accreditation schemes provide you with the opportunity to enhance your business, improve your bottom line and become a better operation as a result of it.

As I say, the opposition will not oppose the bill before the house. I have raised a couple of concerns that we have in relation to the bill and trust that the minister will pick those up.

**Mr HUDSON** (Bentleigh) — I rise to speak on the Bus Safety Bill 2008. This bill is really all about improving the safety of bus operations in Victoria. I think we need to recognise that there is already a high level of bus safety and bus safety standards that apply to buses in Victoria, and this bill enhances those and takes them to a new level.

Buses are playing an increasingly important role in our public transport system. For the 2008 calendar year there were nearly 98 million passengers on our buses, which is an increase of 12.9 per cent. They are experiencing the highest growth in patronage since 1949–50. We have a huge increase in bus use at the

moment. With the increasing role that buses are playing in the transport network, it is important for us to ensure that we have included all buses that are out there providing commercial bus services. The problem with the current regime is that it is prescriptive, it is limited in its scope and it is unclear. It focuses only on the operator of the bus service.

This legislation extends that to all the players in the bus sector. The part of the industry that has been regulated to date, the part that has been accredited really in many respects, is going to face a reduced regulatory burden as a result of this bill because those companies will not be required, as they are now, to renew their accreditation every three years. Instead what they will find is their accreditation will be ongoing and will be subject to audit.

The real impact of the bill is going to be felt mainly in the case of minibuses, which are currently completely unregulated — they are, typically, buses with 10 to 12 seats. There are about 5500 of those buses out there, and they are going to be brought within the scope of bus safety regulation for the first time. That represents about 40 per cent of all the buses that are out there in the bus sector, so I think that is where this bill is going to have the biggest impact, bringing those buses into the bus safety regime. They are going to do that principally, depending on whether they are a commercial bus or not, through the registration scheme.

The member for Polwarth referred to the community sector. There has been some debate and discussion with Bus Association Victoria as to whether the community sector should be included in the accreditation scheme. A number of organisations have taken the view that they should not be. They include the Victorian Council of Social Service and the community transport coalition. Whilst the bus association has expressed the view that they should be accredited, I think these services are basically filling gaps in the system where commercial taxis and conventional buses are not providing a particular service to disadvantaged groups. Whether it is because they are too expensive or they are not accessible or because they lack the flexibility to provide the service, that gap is being met by community transport services.

I have a very good example of that in my electorate with Trans Access Community Transport. It operates a community bus register. Basically through Trans Access you can ring up and book a bus for \$50 a day. They are used by senior citizens groups and by groups that provide community transport for people with a disability. Since July 2008 that vehicle register has provided buses to 79 organisations. It has made

903 bookings in just seven months. That is a lot of bookings and a lot of trips — 6265 trips and 1139 passengers — but the point is they are not travelling nearly the same number of kilometres or carrying nearly as many passengers as a conventional bus service. If we had introduced accreditation requirements for the community sector, that would have threatened the viability of many of those bus services. The risk profile for community transport is low. The fact of the matter is we are requiring those buses to be registered. They will have to comply with general safety duties, but they will not have to meet the higher benchmark of accreditation.

The member for Polwarth talked about safety duties and some of the distinctions that exist between hire-and-drive vehicles and Hummers and other vehicles. I think it is important to understand that safety duties will apply to every part of the bus sector. They all have a responsibility under the legislation to eliminate or reduce the risks to health and safety. They have to eliminate those risks if possible or work to reduce those risks as far as is reasonably practicable. That requirement is a very familiar one. It is one that is in our occupational health and safety legislation. It is a requirement in the Rail Safety Act passed by this Parliament in 2006. These are the kinds of duties that we impose on employees and employers in workplaces, so they should be familiar with them.

A whole range of people will be subject to these safety duties. Obviously bus operators will be subject to them, but so will drivers. The people who schedule the bus timetables will be subject to them. Mechanics and testers who repair and assess vehicles will be subject to them. Think, for example, about a bus timetable: if a bus timetable is set in such a way that it is unrealistic and a bus driver has to speed to meet the timetable or has to breach other road rules in order to stay on time, that is not a safe operation of a bus, so there is a duty on the timetable scheduler to make sure that the bus timetable is realistic and safe. It is the same with bus stops. In response to the member for Polwarth and the issue of the bus stop at Colac, the real point is whether the bus stop is safe. Does it meet the safety requirements? Is it as safe as is practicable? That is the test that is being set here.

The member for Polwarth raised a whole lot of issues in relation to things such as Hummers, for example. He pointed out the anomaly that has arisen in relation to the operator of a Hummer in Geelong who had been registered as a bus service. That was clearly an anomaly. I do not think there is anyone in this house who thinks that a Hummer is a bus. I do not think anyone who looks at a Hummer will think that a

Hummer is a bus. Everyone understands that a Hummer is a Hummer. If it looks like a Hummer and sounds like a Hummer, it probably is a Hummer. It is also a limousine service, and that is the critical point. If it is a limousine service, it should pay the fee that applies to a limousine service, not the fee that applies to a bus. I understand that that operator in Geelong referred to by the member for Polwarth is in discussions with the Victorian Taxi Directorate and there will be some discussion around the fee that has been charged for the registration of that service.

The member for Polwarth also raised the issue of hire-and-drive vehicles. The real point here is that hire-and-drive vehicles do not have to be accredited, because they are not operating as a commercial bus service. They are being hired out to someone else to operate as a hire-and-drive service. That is what is happening. But that does not reduce the requirement to satisfy the safety duties that are encompassed within this bill. It is important to note that the safety regulator will be developing a code of practice. That code of practice will of course be applicable to all services that have to meet those safety requirements.

The member for Polwarth also raised the issue of accreditation fees and asked: is this revenue raising by the government, will the fees be indexed and will they be something that has to be paid on an annual basis? It is important to point out that the accreditation fees applicable in this instance are well below full cost recovery for that accreditation; in fact they are less than half. The government is not making money out of these accreditation fees. There is a real cost in providing that accreditation to the bus operators in this instance. In addition those operators are getting an extra benefit under this bill because they will not be paying a renewal fee, and for the buses that are registered there is no cost. This is a good safety bill. I commend it to the house.

**Mr CRISP (Mildura)** — I rise to make a contribution to the debate on the Bus Safety Bill 2008. The Nationals in coalition are not opposing this bill. The purpose of the Bus Safety Bill is to improve safety management, to encourage a safety culture and also to improve public confidence in bus services. The bill will regulate bus-related activities, such as driving a bus, designing and constructing a bus, repairing and modifying a bus, testing a bus and setting or altering a schedule or timetable for a bus service.

Five principles are being explored in this bill. The first of these is shared responsibility. The bill makes the safe operation of bus services the shared responsibility of the operator and the procurers; those who design,

construct, install, modify or maintain infrastructure; and members of the public. The level of responsibility is determined by the capacity that a person has to control, eliminate or mitigate that risk or any other risk to bus safety.

The second principle is accountability for managing safety risks. Managing safety risks associated with the provision of bus services is the responsibility of the person who is best able to control the risk.

The third principle is enforcement. Enforcement of the act and the regulations should be undertaken for the purpose of protecting public safety, promoting improvement in bus safety, removing any incentive for unfair commercial advantage that might be derived from contravening the bus safety requirements under the act or the regulations, and influencing the attitude and behaviour of persons whose actions may have adverse impacts on bus safety.

The fourth principle is transparency and consistency. Bus regulation decision-making processes should be timely, transparent and nationally consistent.

The last principle is participation, consultation and involvement of all affected persons. The operator, bus safety workers, procurers and persons who determine the location of bus stopping points, or who design, construct, install, modify or maintain a bus stopping point or bus stop infrastructure should participate in and be consulted on and involved in the formulation and implementation of measures to manage the risks.

As someone who comes from a cross-border area, naturally I make the point that interstate compatibility is important to all the Murray River communities that border New South Wales and similarly those that border South Australia.

The bill extends the definition of 'bus', defining it as a passenger vehicle with 10 or more seats, including the driver's seat. It refers to buses as built, which means that if a vehicle is built as a bus, subsequent modifications, including a reduction in the number of seats, will not alter its status under the scheme. A bus built with 10 seats remains a bus, even if those seats are removed. This is to ensure that safety regulations are not evaded by making alterations to vehicles.

Some flexibility is provided by allowing for some vehicles to be exempt. For example, a vehicle that would otherwise be a bus but is a licensed taxi is excluded so that the operator does not have to licence the vehicle twice and thus be guided by two sets of laws. I will talk at length about that a little later

The bill is very much based on our community's current culture of promoting safety. The bill aims at promoting the safety of bus services, the effective management of safety risks in bus services, continuous improvement in bus safety management, public confidence in the safe transport of passengers by bus, the involvement of relevant stakeholders in bus safety and a safety culture among persons who participate in the provision of bus services. Bus safety work means an activity that may affect the safety of bus services, including driving a bus or activities associated with driving a bus, and designing, constructing or testing a bus et cetera.

The issue I wish to explore is that of campervans and mobile homes. Campervans and mobile homes are often built out of second-hand buses. There is a market for them, and many families are undertaking this sort of project in country Victoria, as you will see if you look around their backyards. These vehicles range from ex-minibuses to ex-tandem coaches. Families are using their time and skills to build a dream and take an affordable holiday. The vehicles will be used as homes away from home and for a number of other recreational pursuits, particularly by people whose hobbies include motorsports or horses, to name a few.

What does the bill say about this category of vehicle? When is a bus a bus, or not a bus? Clause 3, the definitions clause, which is at pages 3 to 4 of the bill, provides that the category of bus does not include:

- (d) subject to section 23, a vehicle which is a taxi-cab in respect of which a taxi-cab licence is granted under the Transport Act 1983;
- (e) a motor vehicle prescribed not to be a bus;
- (f) a motor vehicle which the Safety Director has declared not to be a bus;
- (g) a vehicle known as a Hummer ...

The bill gives some examples to give guidance on this issue:

1. A passenger car modified to have more than 9 seats (for example, a stretch limousine) is not a bus.
2. A motor vehicle that was built as a bus but has had seats removed so that it seats less than 10 adults is still a bus.
3. A motor vehicle that is built overseas as a bus is a bus unless it is —

a Hummer. The second example makes it quite clear that a bus is always a bus.

We now have a problem, because if you have invested time and effort in the dream of building a campervan or

mobile home out of a bus, you will have to become an accredited or commercial operator to drive your dream vehicle around Australia or take your family on a weekend holiday. Such vehicles must be exempt. If they are not, why not? If they are, where does the bill say this? In her summing up the minister needs to clarify this issue for everyone who is undertaking such a project. I leave this issue in the hope that it will be resolved by the minister.

I return to the issue of safety. The safety principles that are being applied here have their roots in the occupational health and safety culture that is foremost today. It is an example of the extension of a regulatory approach to public safety, integrating greater responsibility for individuals involved in meeting safety principles.

Everyone involved is required to ensure that they eliminate the risks so far as is reasonably practicable. The phrase words 'reasonably practicable' are borrowed from the Rail Safety Act and the phrase 'so far as is reasonably practical' is borrowed from the Occupational Health and Safety Act, and it will no doubt be tested in court.

Similarly the bill requires commercial operators to develop a drug and alcohol policy in consultation with their employees. We have managed to pass by the delicate issue of seatbelts, although I note — and the Royal Automobile Club of Victoria is my source — that seatbelts have been mandatory on new buses since 1994, and with the age of the fleet the seatbelt issue is probably in its second half-life of concern.

I now turn to drivers. This is where the bus industry has done very well, because there is a great deal of discussion amongst road safety authors about what affects safety the most. The example I use comes from some work on road safety done by John William Knott in 1994, some time ago. This work on road safety suggests that driver behaviour is a more influential factor in preventing accidents than is equipment such as seatbelts or other maintenance and industry issues. What we have to look at is driver behaviour.

I think we have a low accident rate with our buses because we have chosen our drivers well and they have had excellent behaviour. But we are putting all our eggs in the one basket here in pursuing merely maintenance and that safety culture to ensure a lowering of the accident rate. No doubt that will work, but we must remember we have a good culture among our drivers and we must maintain and support that culture wherever possible.

AS I said, The Nationals in coalition are not opposing this bill. However, I have grave misgivings for all those families out there who are pursuing a dream and building their mobile homes or campervans who may strike a level of bureaucracy and frustration that will have them all in the offices of members of Parliament demanding a solution. I trust the minister can provide one before that occurs.

**Mr TREZISE** (Geelong) — I am also very pleased to be speaking in support of the Bus Safety Bill 2009. May I take this opportunity, firstly, of congratulating the Minister for Public Transport, who is currently in the house, for promoting safety within the bus industry, with a focus on best practice. In turn, I believe promoting bus safety will create confidence among the travelling public.

I am pleased to speak in support of the bill because this bill once again highlights the Brumby government's commitment to road safety in Victoria, a commitment that has since 1999 established Victoria as the leading state in road safety in Australia. I do not say that lightly. We are the leading state in road safety in Australia. As a matter of fact, we are a leading light internationally. As a proud member since 1999 of the parliamentary Road Safety Committee I have had the pleasure of visiting other states in Australia and other countries, especially in Europe, to discuss road safety. I can assure the house that Victoria is recognised as a leader in road safety initiatives.

Year after year since 1999 this state has had record low road tolls established. They are a direct result of the numerous initiatives this state government has introduced since being elected in 1999. That is recognised not only by this house but by numerous governments, including the federal government, in various publications. We are a leading road safety state because we have introduced numerous initiatives. They are too long to list, but they include tighter drink-driving laws, drug-driving legislation, tighter speeding regulations, tighter speed controls, heavy vehicle initiatives — and the list goes on.

I am pleased to note that the legislation we are debating tonight introduces reasonable safety regimes, practices and procedures into the bus industry in much the same manner as this government has done in the rail industry, as a number of speakers have already noted.

The rail industry is a good lead for bus regulation. As we have heard through parliamentary Road Safety Committee hearings, even though rail travel is relatively safe in Victoria, there is always the potential for a catastrophic accident due to the fact that, by their

nature, trains carry numerous passengers — and we saw the recent tragic rail accident at Kerang. It is the same with bus travel. Although statistics show that travelling by bus is very safe, there is always the chance of and potential for a catastrophic accident due to the nature of buses, which is that they carry numerous passengers, hence the importance of the legislation that is before the house tonight. The legislation is important not only because of the nature of bus travel but also because of the ever-increasing growth of bus patronage.

In regional centres, like my electorate of Geelong and the Greater Geelong area, bus patronage is increasing and will continue to do so in line with population growth. In Geelong and in the Bellarine area, the Surf Coast area and to the north, people are relying more and more on the regional bus system. This government has made a commitment to provide not only an effective and efficient bus system but also, as we have noted in this legislation, a safe one.

Only in recent days the Brumby government has committed to the establishment of a bus interchange in Geelong's central business district, which will eliminate the current need for passengers to walk from one end of town to the other to get a bus. The Minister for Public Transport is in Geelong regularly and is aware of people's concerns about travelling on public transport. She has addressed these issues through the introduction of a bus interchange in Geelong.

Importantly, and as other speakers have noted, the bill follows the Occupational Health and Safety Act 2004 that prescribes that a reasonable person or organisation must provide a healthy and safe workplace so far as is reasonably practicable to eliminate or at least minimise risk. The bill also establishes the role of a bus safety regulator. In establishing that position the bill provides enforcement powers similar to those of the successful rail safety regulator, including powers to issue improvement notices and, where it deems fit, prohibition notices.

This is important road safety legislation as it applies to the bus industry. It is a positive and key step forward in ensuring that risks are minimised for, in this case, bus users. The bill focuses on best practice and continuous improvement. As I said earlier, I congratulate the minister on her initiative in introducing this legislation to the house. It again highlights the Brumby government's commitment to road safety in Victoria, in this instance the bus industry, and as such I wish this bill a speedy passage.

**Mr THOMPSON** (Sandringham) — The purpose of the Bus Safety Bill is to provide for the safe

operation of bus services in Victoria, to make a range of related amendments to a series of Victorian acts and to change the title of the Public Transport Competition Act 1995 to the Bus Services Act 1995.

The Sandringham electorate has seen an increased reliance upon bus travel owing to the cancellation of services on the Sandringham railway line. A remarkable situation arose on 18 February, when a train broke down at Richmond station at 9.00 a.m. and was not removed until around 5.30 p.m., and commuters were told to catch trams and replacement buses. As a consequence a number of commuters who were making their way home from the city tried to catch a bus. Late last year, in October or November when track works were being undertaken, there was a delay in commuter time of over half an hour.

**The DEPUTY SPEAKER** — Order! Under standing orders it is time for me to interrupt the business of the house. The member for Sandringham will have the call when this legislation is next before the chamber.

**Business interrupted pursuant to standing orders.**

## ADJOURNMENT

**The DEPUTY SPEAKER** — Order! The question is:

That the house do now adjourn.

### Legal aid: funding

**Mr CLARK** (Box Hill) — I raise with the Attorney-General the way his lack of support for Victoria Legal Aid (VLA) is adding to continued chronic delays and wasted public funds in the County Court. I ask the Attorney-General to provide better support and assistance to Victoria Legal Aid so it can improve its handling of cases and its communication with the court and other parties.

In one case in December last year the accused, Mr Sini Lealiifanu, was kept in custody for a total of 166 days awaiting trial at a cost to the taxpayer of close to \$25 000. That was in large part due to legal aid refusing to pay legal fees estimated at less than \$2000 for Mr Lealiifanu to appear in court and plead guilty. When the court eventually convened, the case was unable to proceed because funding had still not been arranged, which resulted in a further adjournment at a cost to the taxpayer estimated by the judge to be of the order of \$10 000 to \$15 000, as well as further imprisonment for Mr Lealiifanu.

In another case Victoria Legal Aid refused to pay for a psychiatric examination of the accused, Mr Nicholas Lock, despite numerous requests by his lawyer. When the case reached court, the absence of such an assessment meant the case had to be adjourned until the assessment was done. In the end VLA had to pay for the cost of the assessment anyway, but in the meantime its initial refusal caused extra costs to the taxpayer and four months extra delay in the case.

In a third case the accused, Mr Matthew Verschaeren, appeared before the court on serious firearm and assault charges. He was without legal representation because his contributions to Victoria Legal Aid were \$400 in arrears and VLA had therefore refused to continue with representation. This case was also required to be adjourned even though it had previously come before the court and an adjournment had been granted so VLA could progress matters. To make matters worse, VLA did not contact the court to tell it that representation problems remained, meaning that the court convened for a trial that was unable to proceed.

In each of these cases, the conduct of Victoria Legal Aid, no doubt driven by the severe constraints on its budget and infrastructure under the Attorney-General's funding arrangements, has imposed enormous additional costs on the taxpayer through costs and delays inflicted on the court, the Director of Public Prosecutions and other parties. VLA's conduct is also contributing to Victoria's County Court having the longest waiting list in Australia for criminal court trials according to the Productivity Commission's *Report on Government Services 2008*.

Delays of up to four years from the commission of an alleged offence until trial are now not uncommon. Such delays create massive trauma and distress for victims, their families and witnesses. These problems are likely to get worse as a result of the economic downturn and the government's grab for earlier payments of stamp duty to try to cover up a looming budget deficit, which means less funds will be available for legal aid in future from the Public Purpose Fund.

The solution is not for VLA to automatically pay up whatever is asked of it. However, changes need to be made so that VLA can properly provide the legal assistance needed in those cases that the community requires it to assist, and to enable and require better case management by VLA and better communication between Victoria Legal Aid, the court and other parties.

### **Bushfires: Gembrook electorate**

**Ms LOBATO** (Gembrook) — I raise a matter for the Minister for Tourism and Major Events. The action I seek is for practical support to be given to businesses in bushfire-affected regions. While I would like this support to be provided for all affected areas, in this adjournment I refer specifically to the Gembrook electorate.

I have been contacted by many businesses throughout the Upper Yarra, particularly from Warburton and also the township of Gembrook, that have been severely impacted by the lack of tourism trade over the last four weeks due to the threat of bushfires. Businesses have been impacted in a variety of ways. Visitors have stopped coming, understandably because of the bushfires. Some businesses were impacted upon due to road closures. Many business owners and their staff evacuated the areas, and others chose to close to help the firefighting effort.

Tourism is one of the largest industries in the Upper Yarra and the Dandenong Ranges, with many businesses being retail, accommodation, agriculture or other service providers. Now that the threat is over, we need people to come back. The minister's public appeal for people to get out and about in the regions last weekend was certainly successful. I congratulate the hundreds of motorcyclists, amongst others, who took up the offer to experience our beautiful natural environment and our superb windy roads.

I would like the minister to support the numerous events that are being organised by our communities to attract tourists back, and to develop a marketing strategy to entice people back following the bushfires. Businesses in the Gembrook electorate want visitors to know the tourism experience that they have previously enjoyed or have heard about still exists. The townships fortunately have not been directly impacted upon and our businesses are back and ready to host visitors. This weekend people can drive to Belgrave and hop on the wonderful Puffing Billy and travel up to Gembrook, or come to Warburton on Sunday for our fantastic annual Up and Running event in which they can walk or run around a scenic course.

**Mr Robinson** interjected.

**Ms LOBATO** — I actually have official duties to attend to. After the Up and Running event people can stay around to thank the Upper Yarra's emergency services personnel in a special thankyou celebration. In conclusion, I reiterate my request for the minister to

initiate a marketing campaign to remind people of the beauty and hospitality of our bushfire-affected regions.

### **Rail: Castle Donnington level crossing**

**Mr WALSH** (Swan Hill) — The action I seek tonight is for the Minister for Public Transport and it concerns the Castle Donnington rail crossing between Swan Hill and Lake Boga. The Murray Valley Highway crosses the Swan Hill–Bendigo train line at this point. There is an S-bend in the highway and there is very poor visibility of northbound trains when travelling from Lake Boga towards Swan Hill. This is the same train line and highway where the tragic Kerang train-truck accident occurred nearly two years ago with the loss of 11 lives.

Following that tragic accident there was a flurry of activity to upgrade rail crossing safety right across the state. The crossing where that accident occurred now has rumble strips, activated warning signals and boom gates. Nearly all the crossings across my electorate now have an 80-kilometre speed limit and rumble strips, even the ones on train lines that do not actually run trains any more, including a crossing at Annuello on the now disused Manangatang–Robinvale line where there are rumble strips and an 80-kilometre speed restriction, much to the concern of the locals who keep bouncing over these particular rumble strips even though there is no train. There are no rumble strips at the crossing at Castle Donnington that I have spoken about.

It was my understanding that after the Kerang accident, railway crossings on lines that carry passenger services were a priority for upgrading. Somehow the Castle Donnington crossing has missed its safety upgrade. There is an 80-kilometre speed limit there, but there are no rumble strips and no activated warning signals at that particular crossing.

I recently had a call to my office from a local who had been travelling north and approached that particular crossing. He had a truck right behind him. The truck driver did not see the red flashing signals and in a last-minute panic braked severely and ended up beside the car in a parked jackknife, with both of them very close to the train. There are near misses on that crossing. I ask the minister to get the upgrade done to the Castle Donnington rail crossing to provide rumble strips and activated warning signals so that we do not have another tragic accident on that particular rail line.

### **Bushfires: Whittlesea Secondary College**

**Ms GREEN** (Yan Yean) — I wish to raise a matter for the attention of the Minister for Education. The

action I seek is for the minister to provide additional support to schools like Whittlesea Secondary College in bushfire-affected areas. As the member for Gembrook said, when any of us from bushfire-affected areas speak about our own areas, we are speaking about all affected areas. Whittlesea Secondary College is a magnificent school which continues to provide the best education and pastoral care for its whole community, including students, staff and parents, despite the most devastating of circumstances.

On the Friday prior to Black Saturday 825 students attended school, full of hope for the year ahead. On the following Monday 160 students were in attendance. One can only imagine the fear and terror of the staff in attendance on that day, wondering where the other students were. The majority of students at this great school have been deeply and personally affected. In excess of 50 students lost their homes. Five students lost their lives. One staff member will never again teach these great kids. One teacher is no longer a farmer's wife but now a farmer's widow; she is still a much-loved year 7 coordinator. Five teachers have lost homes. Many students have lost friends, family members, pets and homes, but they still remain what they have always been — part of a wonderful supportive community.

Today, along with Bill Shorten, the federal parliamentary secretary for bushfire recovery, I visited this wonderful, resilient school community which is still strong, defiant and determined to ensure that its kids are supported and successful. I saw the chapel that has been established, which is now necessary for those who are grieving and for the expression of the unspeakable, which the young should never have to countenance. I saw teachers who, despite the handicaps of losing colleagues, friends and loved ones and of living in sheds and in other circumstances, continue to teach and to provide great pastoral care to these students.

I am astounded by the generosity of many in the education community who support Whittlesea Secondary College. These include the staff in the northern region of the department, teachers, retirees and the Australian Education Union. Many counsellors and so many others have shown their support in many different ways. In particular I want to commend the 20 teachers from St Helena Secondary College who volunteered to run a study camp for Victorian certificate of education students in the forthcoming term break. I urge the Minister for Education to continue to support this great education community and to match the love and support that is being provided to the staff and students of Whittlesea Secondary College.

### **Eastern Centre Against Sexual Assault: funding**

**Mrs VICTORIA** (Bayswater) — I rise to ask the Minister for Community Services to immediately recommit to the \$42 000 funding for the Eastern Centre Against Sexual Assault (ECASA), which was previously provided on a non-recurrent basis through the children, youth and families division of the Department of Human Services. ECASA provides services to women, men, and children who are victims of recent or past sexual assaults. It is part of Eastern Health and is based at Maroondah Hospital. ECASA's services are also available to non-offending family members, partners and friends of victims.

The centre is dedicated to providing a timely response regardless of the gender, age, race or culture of those it assists. Aside from the services provided at Maroondah Hospital, ECASA also has day-long outreach locations at Ferntree Gully, Hawthorn, Glen Waverley, Healesville and other places. It looks after seven local government areas, ensuring that all victims across the eastern metropolitan region are able to access these crucial services.

Police statistics show that in 2007–08, 44 per cent of all crimes in the eastern metropolitan region were committed against women, and many more women than men are victims of rape and other sex crimes. ECASA had 892 people aged from under 4 years to over 80 years attend its service during 2007–08. However, these figures do not reflect the extent of sexual assault in the community, because women underreport these crimes and the service capacity is limited by resourcing.

Victims of sexual assault have the right to be heard and believed. They have the right to be treated with dignity, respect, sensitivity and as quickly as possible. However, some of ECASA's services are now under threat. In 2007 non-recurrent funding of \$42 000 was made available for an additional part-time position to address the waiting time for children and young people, reducing it from four to six weeks to just one to two weeks. This funding is due to cease on 30 June this year, not only for ECASA but for all 15 centres against sexual assault. This means that waiting lists will again lengthen because this part-time staff position will be lost.

This funding must not only continue but should be indexed and made recurrent so that ECASA can continue its important work. If this money is not provided, children and young people serviced by ECASA will have longer waiting times, perhaps

causing additional psychological harm. Moreover, the loss of a part-time staff member may mean that some of the outreach programs will need to be cut back. Not having this funding reinstated will be of great detriment to people across the eastern metropolitan region. As we encourage confidence in reporting such crimes, it is vital that the safety net be there to support victims and their families. Again I call on the minister to permanently continue the \$42 000 funding of this position at ECASA to serve the needs of young sexual assault victims in the outer east.

### **Bushfires: recovery**

**Mr HARDMAN** (Seymour) — I wish to raise a matter for the Minister for Community Development. I call on the minister to provide additional assistance to community organisations in bushfire-affected areas. Community organisations are already playing an important role in the bushfire recovery effort, and I urge the Brumby government and the Minister for Community Development to assist.

Since Black Saturday I have visited a number of community organisations in the Seymour electorate. These include many of the organisations I will mention in my contribution to this debate, but I am unable to mention all of them because there are far too many. On Sunday, 8 February, the day immediately following the fires, I visited the Wallan community centre, which is also the home of the Wallan neighbourhood house. There were volunteers from the neighbourhood house who had opened their doors on the afternoon of 7 February for survivors from Wandong, Kilmore, Clonbinane and Upper Plenty who had evacuated during the fires.

These volunteers not only opened their doors immediately on that day but also kept their doors open for some weeks until the recovery centre opened in Wandong itself, and that continues today. As well, many volunteer organisations assisted. The local gymnastics club, Birralee, set the stadium up for people to sleep in and organised an amazing centre for people who had lost everything or who had left everything behind because they had to evacuate. It provided grocery items, clothing and the like. On this day and since, many volunteer organisations like the Red Cross and the churches have been there for people, providing comfort, cooking food and looking to help out in any way possible. The gratitude of the survivors towards these generous people was noticeable, especially given their personal circumstances.

In Flowerdale the neighbourhood house turned its space into a medical station which was staffed by medical and

nursing practitioners from the Seymour District Memorial Hospital. A few days later many survivors came out of their homes; they were scared of being forced to leave the homes they had fought to protect. The local practitioners helped people with injuries and burns. The local hall, which is also the home of the neighbourhood house, is the only place for miles around and is staffed by volunteers and the Salvation Army, who make sure the equipment, clothing and grocery items people require are there as their needs change and as the recovery process goes ahead.

In Kinglake and Kinglake West, locals involved in myriad volunteer bodies, like the community building initiative, the neighbourhood house, the Country Fire Authority, the State Emergency Service, the community emergency response team, the Uniting Church, service clubs and many others have been working tirelessly for the last month providing for the needs of survivors. From organising contractors and tradies to help people get water and power to their homes to putting out fires, they have done a fantastic job, and they need to have — —

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

### **Bushfires: tourism**

**Mrs FYFFE** (Evelyn) — My request for action is to the Minister for Tourism and Major Events. I ask him to support requests from the Yarra Valley Winegrowers Association and the Yarra Valley and Dandenongs Marketing board for financial assistance for marketing. As this house is very much aware, the region has been severely impacted by the bushfires of 7 February and the subsequent need for tourists to stay away from the region. In fact it was only last weekend, the second weekend in March, that people began to feel safe enough to visit, and it was only last week that we could finally see the mountains which for four weeks had been covered in smoke.

On top of an understandable dramatic drop in visitor numbers we also had a dramatic drop in anticipated takings in February due to the need, in response to concerns from emergency services, to postpone the Grape Grazing Festival. This is now going to be held on 18 and 19 April. At the time of cancelling grape grazing, five days before the event, the marketing campaign had been completed and the funds fully spent. Money is urgently needed to promote this festival, which will benefit the whole valley. By its very nature grape grazing encourages visitors to travel to every corner of the valley, to stay two nights and to

visit the numerous shops, cafes and restaurants in each of the townships. This spreading of the tourism dollar is more essential than ever. It is important to show the valley is still beautiful and businesses have not disappeared.

The minister met with operators on Monday, 2 March, and I know he listened intently to their concerns. But just listening and showing he understands is not enough. A press release of 4 March from the minister encouraging visitors back to the Yarra Valley and other bushfire-affected regions is not enough. A marketing campaign for grape grazing needs to be undertaken now. Funding of approximately \$80 000 needs to be provided. The wineries cannot do this on their own.

The regional marketing board also urgently needs action with the provision of resources for the short-term, medium-term and long-term marketing campaigns that will be needed to bring the visitors back to the region. The organisation is dependent on operator buy-in to support marketing programs. This is not expected to be possible in the coming year, and it is expected to take until 2012–13 before 100 per cent contribution by operators is resumed. It is estimated that more than \$9 million will be needed over the next three years to achieve recovery of the lost market.

The Yarra Valley is an important drawcard for Victoria. If the Yarra Valley fails, other areas will also be affected by a downturn in visitor numbers. The economic downturn will be far reaching, and we will lose tourists to the other states. Interstate and international cancellations have been ongoing since Black Saturday. I understand international and interstate media reports gave the impression that the whole region was on fire and had been destroyed. The request for funding does not include the funding that will be needed to market Marysville once it is re-established but does include the non-fire-affected tourism operators from Marysville, Narbethong and Buxton.

### **Housing: Forest Hill electorate**

**Ms MARSHALL** (Forest Hill) — I rise tonight to draw to the attention of the Minister for Housing an issue of great concern to the people of Forest Hill and the wider community: that is, the availability of affordable housing. The action I seek is that the minister ensure that funding is directed to the electorate of Forest Hill to combat the decline in private rental affordability and to reduce waiting lists for public housing.

Throughout the past 12 months the media has continued to report a student housing crisis, with a recent survey of Melbourne University students confirming that more than 400 students were by definition homeless, as they were reliant on ‘hot bedding’, which is not as much fun as it sounds but means relying on relatives or friends because private rental is not affordable. Those students within the Forest Hill electorate who attend the Deakin University Blackburn campus face a similar situation.

While the term ‘crisis’ may misrepresent the current situation, statistics from the Department of Human Services show that there has been a significant increase in rental costs in the inner eastern Melbourne region, of which the electorate of Forest Hill is a part. New lettings for inner eastern Melbourne were down almost 0.5 per cent in the 2008 March quarter, indicating that overall renting availability had decreased when compared with the same period a year ago.

For the 12-month period ending 31 March 2008, the median rent for Forest Hill and the surrounding inner eastern region was \$320 per week, a 14.3 per cent increase from the previous year. This is approximately \$55 more a week than the median rent statewide. For an area where an individual’s average weekly income is only \$450, having to pay \$320 a week in rent places tremendous strain on the household budget. Echoing these concerns is the Real Estate Institute of Victoria, which claims, based on internal statistics, that the current rental market is unbalanced.

This increase in rental costs has had a direct effect on the affordability of housing in Forest Hill, with only 1 per cent of private rental two-bedroom properties deemed affordable for households on Centrelink incomes during the March quarter 2008. This is why public housing is the only option for many of my constituents. Each week constituents approach me about the issue of public housing. As at September 2008, the Ringwood housing office, which services those in my electorate of Forest Hill, had 1773 applicants on the public housing waiting list, with an additional 324 applicants requiring immediate attention. This waiting time needs to be addressed.

The Brumby government’s willingness to address this issue on a state level is evident in its commitment to contribute to the federal government’s national rental affordability scheme, with \$2000 being offered to participating organisations by the state government, in addition to federal incentives, to encourage large-scale investment in and innovative delivery of affordable housing.

This is just a sample of the initiatives being driven by the Brumby government to address the current housing crisis, the victims of which are mostly students, women and low-income families. The older single person or sole parent households within my electorate are highly vulnerable to unaffordable or unsuitable housing. I ask that the minister act immediately.

### **Buses: Ringwood North service**

**Mr R. SMITH** (Warrandyte) — My request is to the Minister for Public Transport, and the action I seek is for bus service 365 to be re-routed, in part, from its current route. As part of its current route, bus service 365 uses the residential streets of Terrigal Close, Goldsmith Avenue and Rosebank Avenue in Ringwood North. In the past local residents have not been critical of this service, as smaller-sized buses, which were of a size appropriate to the width of the streets, were used on the route. Recently, however, these small buses have been replaced with the much larger full-sized buses, which bring with them a range of problems.

I recently met with residents of this area, who highlighted a number of concerns to me. Firstly, residents find the noise and vibration made by these buses are at odds with their usually quiet suburban streets. Residents also observed that buses need to swing widely when cornering through these streets and often oncoming traffic needs to reverse in order to make way for the buses, a situation which has the potential to cause an accident. Added to that, buses often mount the kerbs when cornering, resulting in cracked and broken kerbing.

There have been a number of times when, with cars parked on both sides of these local streets, the bus driver has had to knock on residents' doors to ask for cars to be moved to make enough room for the bus to get through. Finally, and most importantly, residents with small children have raised the safety aspects of having these buses travelling regularly down their streets, fearing a tragic incident is possible under these current circumstances.

Recently Maroondah City Council held a public transport forum in preparation for its own submission to the state government regarding transport issues. The majority of people who attended this forum were there to represent their views about bus service 365. Residents also submitted a petition to council containing 98 names from locals who support a re-routing of this service. Residents had the opportunity to speak with a departmental representative, who was reported as being extremely dismissive of their

concerns, telling them that the alternative route that residents proposed was simply not going to happen.

These Ringwood North residents are not raising their voices simply to complain. They are raising genuine concerns and have offered a considered, workable solution that has the support of their neighbours. These residents were not consulted about the introduction of these large buses into their local streets. Now that problems have arisen the Brumby government seems unwilling to respond to their issues and concerns. I ask the minister to listen to those being affected and to give serious consideration to a route change in this area before an accident occurs.

### **Mobile phones: recycling**

**Dr HARKNESS** (Frankston) — Through the Minister for Public Transport at the table, I wish to raise a matter tonight for the attention of the Minister for Environment and Climate Change in another place. The action I seek is for the minister to establish mobile phone recycling points in government buildings.

Mobile phones have become a necessary part of modern life for many Australians. Without a doubt they bring many benefits. But with the mass production of any new technology comes a new environmental problem — what to do with the waste. This has been our experience with computers and, though less obvious, the problem is also posed by mobile phones. Most mobiles contain a number of dangerous chemicals. A typical handset has concentrations of lead, arsenic, mercury, lithium, copper, zinc and cadmium — a rather disconcerting list of components. If mobiles simply go to landfill their battery cases can corrode, causing them to leak, which can cause long-term environmental damage. In sufficient quantities these can build up in the soil and can potentially enter the food chain.

Considering that there are probably many more mobile phones in Australia than there are people, the size of this problem cannot be underestimated. Fortunately, most mobile phone parts can be recycled. In fact about 90 per cent of their components can be reused to make new steel and plastic products and even jewellery. This is where I believe governments can be doing more to help.

If government buildings such as electorate offices, schools and police stations could be used as drop-off points for old mobile phones, we could substantially reduce the number that end up in landfill. I understand that many Australia Post offices are already doing this very successfully.

My own electorate office in Frankston is also an official collection point for MobileMuster, the mobile recycling program established by the telecommunications industry 10 years ago. Since then it has collected over 500 tonnes of mobile phones, batteries and chargers, amounting to over 3 million items. That is the program, not my office. The response from Frankston residents has certainly been very positive. There has been a steady stream of people stopping by my office every week to drop in old and outdated mobile phones.

MobileMuster is the official recycling program of the industry. The goal of the industry is to treble the annual collection of mobile phone handsets, batteries and accessories from 50 to 150 tonnes per annum and to halve the number of handsets going to landfill. Making sure we can do what we can to recycle is very important to prevent valuable materials going to landfill. A lot of people have an old mobile phone or two stuck in a bottom drawer or in a box in the cupboard. These are phones which are outdated or do not work but they can have a new life. A very efficient recycling process ensures that the metals and plastics of the phones and batteries are extracted for reuse. This is just one simple way of making a difference.

I ask that the minister look into the wider establishment of collection points in government buildings. I also encourage all members of this house to consider doing so in their own offices and communities.

### Responses

**Ms KOSKY** (Minister for Public Transport) — The member for Swan Hill raised a matter in relation to the crossing at Castle Donnington on the Murray Valley Highway. He asked what was happening about the upgrade of the level crossing at that site. There is a design contract that has been let for 12 crossings. There are three along the Murray Valley Highway, as I understand it — Castle Donnington, Swan Hill and Kerang — that are part of those 12 crossings in the contract let.

That was let in December 2008 to United Group Infrastructure. They are being done in risk-priority order. They will be upgraded from the 2009–10 financial year. I understand that the Castle Donnington site will be upgraded later next year from flashing lights to boom barriers and active advance warning signs. That site will not have rumble strips but will have the active advance warning signs and the boom barriers. That is part of the \$33.2 million package that I announced on 25 June 2007. There are 53 locations in the state with advance warning signs.

All crossings on highways have had the speed limit reduced from 100 kilometres per hour to 80 kilometres per hour. This site will be upgraded later this year, and I appreciate the concerns and the interest that the member for Swan Hill has shown in relation to this site. I would, however, just stress — and I know the member is aware of this — that people need to obey the road rules at any level crossing. Saying that you have not seen flashing lights is not a good response.

However, we are upgrading the warning signs at many of the level crossings at significant sites around the state. I would also say that if there are vegetation or line-of-sight issues at that site, the member could let us know, and we will work with the council to remove any of those impediments. But I thank him for raising the issue.

The member for Warrandyte raised a matter in relation to bus route 365 in Ringwood North. He asked about the possibility of re-routing that bus service and having a smaller bus operate. He mentioned a forum that was held, which I imagine was part of the bus reviews that we have been conducting as part of the upgrade of bus services right around the metropolitan area that provide a chance to listen to a whole range of people seek information and advice on existing services that might need to be changed and to look at investing in additional services, either a change or extension of hours or some new routes. Certainly that will be announced as part of the response to that review.

In relation to replacing the larger bus with a smaller bus, I will take that up with the group that is conducting the reviews. We tender out the reviews to different organisations that then conduct those reviews, but there are locations where the streets are smaller and where we have changed larger buses to smaller buses, introduced smaller buses or looked at re-routing where it is upsetting local residents. But obviously we need to balance the needs of the local residents who want to use a bus and the local residents who want their amenity preserved. But I can assure him we will take that on notice, and I am happy to discuss that with him further.

**Mr BATCHELOR** (Minister for Community Development) — I want to thank the member for Seymour. He is a very compassionate man, and he expressed his ongoing concern for community organisations, particularly those that have been affected by the recent horrific bushfires. The Brumby government recognises the important role that community organisations play in the ordinary course of their activities but especially during and following such tragic bushfires as Victoria has experienced in February.

Over the past couple of weeks I have had a number of visits to community organisations in bushfire-affected areas, and I had the opportunity to witness firsthand the role they played in the immediate aftermath of these very tragic fires. It was fantastic to see how flexible and attuned to community they were. Each played a different role depending on what their local communities required.

Like the member for Seymour, I visited the Wallan neighbourhood house. It was terrific to see what can be done in such a short period of time. One of the special things that impressed me was that they had set up a temporary home for hairdressers who volunteered to provide a special pampering to those people who had survived the bushfires but without their homes or access to their homes.

The McIvor neighbourhood house was coordinating repairs to damaged fencing of surrounding farms in their general district and in particular in Redesdale. The Department of Planning and Community Development went a bit further in being able to direct people who were offering their labour as volunteers to contact the McIvor neighbourhood house to see if they could assist with the task of rebuilding the fences that were destroyed in those fires. At the Long Gully neighbourhood house residents were able to access Centrelink, legal aid and health services. This neighbourhood house which provided the accommodation for the services was only streets away from the fires that destroyed the very heart of urban Bendigo.

During these visits I was able to hear the plans the committees of management and the coordinators had for their communities, particularly during the long and difficult recovery process. They are really only now commencing that journey. All the neighbourhood houses, like all well-attuned community organisations, were aware of the expanded role they needed to play to help their communities recover and rebuild.

I am pleased to announce that the neighbourhood houses in the bushfire-affected areas will receive a one-off grant of some \$10 000 to help with emergency relief and recovery activities. Twenty-two of these neighbourhood houses and one neighbourhood house network will be allocated a \$10 000 grant. These grants will go some way to assisting neighbourhood houses to recover from the effects of the bushfires, and many of them already have fantastic and appropriate plans for their communities.

The Heathcote neighbourhood house advised me that it plans to use the \$10 000 grant to hire somebody who

can work with the local children and address the psychological issues that were stemming from the children's experiences and observations during the bushfires. I have also been advised that the Yackandandah neighbourhood house will run a family day to thank the fantastic and wonderful Country Fire Authority and State Emergency Service volunteers, as well as raise funds for local farmers.

These grants were supported by the Victorian Community Support Fund. Given the urgent need to respond to the bushfire situation, these grants and a couple of other initiatives were developed by the Department of Planning and Community Development and were negotiated directly with the organisations that we felt deservedly needed this little bit of extra assistance.

Other volunteer community organisations will also benefit from additional funds. Under the Victorian volunteer small grants program funds were immediately made available to volunteer organisations which were working in the bushfire zones. Volunteers worked around the clock to help these communities, and we just want to give them the extra support they need and to show our appreciation. Volunteer organisations which were affected by the bushfires and which ran up additional costs are also able to apply for additional funding of up to \$50 000. These grants cover a range of costs including training, equipment replacement and out-of-pocket expenses of volunteers. The out-of-pocket expenses can cover things such as the extra cost of travel that occurred at this critical time, accommodation, food and costs that the volunteers bore themselves.

In conclusion, I think the member for Seymour can be assured that the government does realise the need to provide additional assistance to community organisations in the bushfire-affected areas — the sorts of areas he knows only too well as many of those areas are part of his Seymour electorate. The government has acted quickly to provide this support, and it will look to further support community organisations in these areas in the future. I thank the member for Seymour for his ongoing concerns and appreciation of community organisations.

**Mr ROBINSON** (Minister for Gaming) — The member for Box Hill raised an issue for the attention of the Attorney-General in respect of Victoria Legal Aid funding. I think he quoted a County Court case, and I will have that matter passed on.

The member for Gembrook raised an issue for the attention of the Minister for Tourism and Major Events

in respect of support required for bushfire recovery in her electorate, particularly in the tourism sector, and I will pass that matter on.

The member for Yan Yean raised an issue for the attention of the Minister for Education in respect of support for schools in bushfire-affected areas in her electorate, particularly the Whittlesea Secondary College. I had the opportunity of visiting the Whittlesea Secondary College in the aftermath of the fires, and I can attest, as can other members, to the work that was done there, particularly by the principal, Terry, the deputy principal, Russell, and a whole cast of volunteers. It was an outstanding contribution. Fires have hit Whittlesea Secondary College particularly hard and taken a large toll on that school community, so I will certainly pass that matter on.

The member for Bayswater raised an issue for the attention of the Minister for Community Services in respect of funding for the Eastern Centre Against Sexual Assault, which is based at Maroondah Hospital, and I will pass on that matter.

The member for Evelyn raised an issue for the attention of the Minister for Tourism and Major Events in respect of wine growers and the marketing bodies in her electorate seeking support following the fires. She nominated the grape grazing event on 18 April, which is a very popular event. I will pass on that matter.

The member for Forest Hill raised an issue for the attention of the Minister for Housing in respect of the availability of affordable housing in the electorate and funding to ensure reduced waiting lists, particularly for students, and I will pass on that matter.

Finally, the member for Frankston raised an issue for the attention of the Minister for Environment and Climate Change with regard to mobile phone recycling points in government buildings. He advised the house of a very good example that he has set up in his electorate office. It is a very sensible suggestion, and I will gladly pass it on to the minister.

**The DEPUTY SPEAKER** — Order! The house is now adjourned.

**House adjourned 10.41 p.m.**

