PARLIAMENT OF VICTORIA

PARLIAMENTARY DEBATES (HANSARD)

LEGISLATIVE COUNCIL

FIFTY-FOURTH PARLIAMENT

FIRST SESSION

11 June 2002

(extract from Book 9)

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By authority of the Victorian Government Printer

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FIFTY-FOURTH PARLIAMENT — FIRST SESSION

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CONTENTS

TUESDAY, 11 JUNE 2002

Tuesday, 11 June 2002

The PRESIDENT (Hon. B. A. Chamberlain) took the chair at 10.03 a.m. and read the prayer.

ENVIRONMENT PROTECTION (RESOURCE EFFICIENCY) BILL

Introduction and first reading

Received from Assembly.

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

LIQUOR CONTROL REFORM (PACKAGED LIQUOR LICENCES) BILL

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. M. R. THOMSON (Minister for Small Business).

NATIONAL PARKS (MARINE NATIONAL PARKS AND MARINE SANCTUARIES) BILL

Introduction and first reading

Received from Assembly.

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

BUSINESS OF THE HOUSE

Sessional orders

Hon. M. M. GOULD (Minister for Education Services) — By leave, I move:

That so much of the sessional orders be suspended as would prevent new business being taken after 9.00 p.m. during the sitting of the Council this day.

Motion agreed to.

STANDING ORDERS COMMITTEE

Membership

Hon. M. M. GOULD (Minister for Education Services) — By leave, I move:

That the Honourable R. M. Hallam be a member of the select committee on the standing orders of the house.

Motion agreed to.

BUSINESS OF THE HOUSE

Sessional orders

Hon. M. M. GOULD (Minister for Education Services) — By leave, I move:

That so much of the sessional orders be suspended so as to allow general business to take precedence of all other business for 2 hours following questions during the sitting of the Council on Wednesday, 12 June 2002, excluding any suspension of the sitting.

Motion agreed to.

PETITION

Ola Cohn Centre for the Arts

Hon. G. D. ROMANES (Melbourne) — I present a petition from certain citizens of Victoria requesting that the Attorney-General actively represent the interests of the community in the Supreme Court action for the proposed sale of the Ola Cohn Centre for the Arts building, also known as Ola's Home, 41–43 Gipps Street, East Melbourne.

The petition is respectfully worded and in order and bears 1412 signatures. I desire that the petition be read.

Petition read pursuant to standing orders:

To the Honourable the President and members of the Legislative Council assembled in Parliament:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council the Supreme Court of Victoria matter: the board of the centre for adult education (as trustee of certain trusts created by the will of Carola Green deceased) and the Attorney-General for the state of Victoria.

Your petitioners therefore pray-request that the office of the Attorney-General and the Honourable Robert Hulls, MP, actively represent the interests of the community in the Supreme Court action re: the proposed sale of the Ola Cohn Centre for the Arts building, also known as Ola's Home, 41–43 Gipps Street, East Melbourne. The matter is next being heard on 17 May 2002 in the Supreme Court of Victoria.

Your petitioners do not believe the building should be allowed to be sold as:

(i) The Ola Cohn Centre for the Arts is suitable for the uses to which it is being put;

(ii) The Ola Cohn Centre for the Arts is of special heritage significance for Victorian women for the part it has played in the history of women's art in Victoria;

(iii) Ola Cohn bequeathed her property to the CAE so that current, and future, Victorian artists would have access to a place of inspiration, and a place to call their own in perpetuity.

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

Laid on table.

VOLUNTEER PROTECTION BILL

Introduction and first reading

Hon. P. R. HALL (Gippsland), by leave, introduced a bill to protect volunteers from civil liability for damages.

Read first time.

COUNTY COURT JUDGES

Annual report

Hon. J. M. MADDEN (Minister for Sport and Recreation) presented, by command of the Governor, report for 2000–01.

Laid on table.

PAPERS

Laid on table by Clerk:

Ombudsman — Report on an investigation into a complaint about preferential treatment of a student by the University of Melbourne, May 2002.

Veterinary Practitioners Registration Board of Victoria — Minister for Agriculture's report of 6 June 2002 of receipt of the 2001 report.

DOMESTIC BUILDING CONTRACTS (CONCILIATION AND DISPUTE RESOLUTION) BILL

Second reading

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

That this bill be now read a second time.

Following the 11 September disaster in New York, the collapse of HIH and ensuing problems encountered obtaining satisfactory re-insurance and the insurance industry's move to reassess insured risks, insurers informed the government that they could no longer be certain of obtaining adequate re-insurance, and therefore of continuing to underwrite builders warranty insurance, if changes were not made to the statutory product before their re-insurance treaties were due to be renegotiated. The government acted promptly, with the New South Wales government, to negotiate a 10-point plan intended to avoid the prospect of a future decline in underwriting.

The ability of builders to obtain warranty insurance on behalf of consumers is critical to consumer protection. The compulsory insurance is designed to protect consumers where their builder has been unable to address defective or unfinished work.

Part of the 10-point plan involves changing the content of compulsory builders warranty insurance to make it feasible for insurers to remain in the builders warranty insurance market. High-rise residential developments of more than three storeys were made exempt from 10 April and the monetary threshold for building work that must have insurance will be increased from $5000 to $12 000. The changes to the nature of the compulsory builders warranty insurance requirements will be effected by means of a new ministerial order to be made under section 135 of the Building Act.

The 10-point plan includes provision for a catastrophe fund to ensure that purchasers of high-rise dwellings were protected in the event of major structural faults. In Victoria there is compulsory professional indemnity insurance for all building practitioners, which is not the case in New South Wales. Discussions are continuing as to how best to integrate builders warranty catastrophe protection for high-rise in Victoria with professional indemnity insurance.

The other major response of this government to the insurance problem is to introduce a coordinated scheme, a building advisory service, designed to strengthen existing consumer protection measures and promote a better standard of building. This building advisory service builds on existing systems. It will consist of a coordinated inquiries, information, conciliation and dispute resolution system and will promote a one-stop shop approach to the handling of building inquiries, complaints and disputes, combining the resources and expertise of Consumer and Business Affairs Victoria and the Building Commission into one seamless service for consumers. The service will be funded by a new levy on building permits.

Consumers and builders will be able to access the new service by phoning a dedicated line. Consumer Affairs will handle many inquiries by phone and will also

provide a suite of information products. Where the issue cannot be addressed by these means alone, Consumer Affairs will endeavour to resolve disputes by a dedicated conciliation team. If a dispute cannot be resolved and relates to technical issues, Consumer Affairs may refer the dispute to technical experts overseen by the Building Commission to conduct an on-site examination of the disputed domestic building work. Builders who do not rectify work judged by a technical expert to be defective or substandard may face disciplinary action by the Building Practitioners Board.

Some of the features of the new service cannot be satisfactorily delivered under the current legislation. Accordingly, this bill makes a small series of amendments to the Domestic Building Contracts Act 1995, the Building Act 1993 and the Victorian Civil and Administrative Tribunal Act 1998.

Part 2 of the bill introduces amendments to the Domestic Building Contracts Act 1995 to give the Director of Consumer Affairs a new conciliation power; to expand the scope of technical inspections by Building Commission-appointed inspectors; to specify certain requirements for reports prepared by the building practitioner inspectors; and to enable the Director of Consumer Affairs to exchange information with the Building Commission.

Part 3 of the bill introduces amendments to the Building Act 1993. These amendments provide for the ministerial order in relation to required insurance to be amended from time to time; make failure to carry out the recommendations of an inspector's report a ground for disciplinary action against a registered building practitioner; make provision for an increase from 1 July 2002 in the building levy payable in respect of building permits, to provide funds for the new building advisory service; and enable reports prepared under the Domestic Building Contracts Act to be used as evidence in proceedings under the Building Act and regulations.

Part 4 of the bill makes an amendment to the Victorian Civil and Administrative Tribunal Act 1998 to enable the tribunal to request either the Director of Consumer Affairs or the Building Commission to provide the tribunal with information in relation to a domestic building dispute.

The scheme introduced by the bill will facilitate prompt resolution of domestic building disputes.

I commend the bill to the house.

Debate adjourned on motion of
Hon. P. A. KATSAMBANIS (Monash).

Debate adjourned until later this day.

NATIONAL PARKS (MARINE NATIONAL PARKS AND MARINE SANCTUARIES) BILL

Second reading

Hon. C. C. BROAD (Minister for Energy and Resources) — I move:

That this bill be now read a second time.

The National Parks (Marine National Parks and Marine Sanctuaries) Bill will establish a world-class system of marine national parks and marine sanctuaries for Victoria and, in doing so, will implement one of the government's key environmental policy commitments. It will also contribute to the nationally agreed objective of establishing a comprehensive system of protected areas representative of Australia's biological diversity.

Thirteen marine national parks and eleven marine sanctuaries will be created. They will protect representative samples of Victoria's beautiful, distinctive and diverse underwater environments. Rocky reefs and sandy beaches, spectacular limestone canyons and plunging granite slopes, intertidal mudflats and tidal channels, waters exposed to the full force of the Southern Ocean and the more sheltered waters of bays and inlets will all be represented. So, too, will towering kelp forests and seagrass meadows, mangroves and salt marsh, and an extraordinary variety of fish, corals, sponges and other animals of many colours and shapes, from tiny organisms to large sea mammals such as visiting whales, dolphins and seals. Visitors will be encouraged to enjoy, appreciate and learn about this magnificent marine heritage.

The no-take marine national parks and sanctuaries will cover some 54 000 hectares, or 5.3 per cent, of Victoria's marine waters. By way of comparison, it is useful to place this area in a broader national context. For example:

fishing is prohibited in zones covering some 1.7 million hectares (or 4.7 per cent) of the Great Barrier Reef Marine Park;

in Western Australia, there are substantial areas of no-take sanctuary zones in Shark Bay and Ningaloo Reef marine parks, and the whole of the 132 000-hectare Hamelin Pool Marine Nature Reserve is a no-take marine reserve; and

no-take areas have also been established in New South Wales and Tasmania.

Concern for the whole marine environment

The subject of marine national parks has generated much public interest and debate. I acknowledge the divergent views on the matter, often strongly held, which have contributed to that debate, both inside and outside Parliament. However, what is apparent is that, regardless of the position taken on marine national parks, there is a common interest in ensuring better protection and management of our precious marine environment.

The government shares that concern, which is reflected in its commitment to sustainable management of the whole of the marine and coastal environment. The government is committed to tackling the external threats to our marine environment. For example:

it has produced a new Victorian coastal strategy which contains a range of initiatives and commitments relating to protecting and improving the condition of our coastal, marine and estuarine environments and reducing adverse impacts on them;

it is revising the state environment protection policy for the waters of Victoria to ensure that there is a clear framework for the protection and, where necessary, rehabilitation of Victoria's aquatic environments for the next 10 years;

it is increasing the focus on managing the impacts on coastal waters caused by activities in the catchments;

it is implementing a stormwater action program to minimise the impact of stormwater discharges on aquatic environments;

it has recently released the Port Phillip Bay environment management plan, which focuses on the management of nutrients entering the bay and marine pests;

more broadly, the government is implementing a strategy that aims to prevent the introduction of marine pests, which includes improving the management of ship ballast water and ensuring a rapid and effective response in the event that an introduction does occur;

it has produced the state environment protection policy for the waters of Western Port and its catchment, with the aim of protecting and rehabilitating Western Port; and

it is undertaking a major program to improve the condition of the Gippsland Lakes with a focus on reducing nutrient inputs.

The government is also committed to ensuring that our important fisheries are managed on an ecologically sustainable basis. It has shifted the rock lobster industry onto a quota management system, it has recently released an approved management plan for the Victorian abalone fishery, and it is currently initiating management planning processes for the rock lobster, giant crab, and bay and inlet fisheries.

Nonetheless, the government also recognises that Victoria's marine environment is special and that it is entirely appropriate to protect representative samples of this natural legacy in a system of highly protected marine national parks at the same time as implementing measures to ensure the sustainability of the whole of the marine environment.

Development of the bill

The system of marine national parks and sanctuaries included in the bill is the result of more than 10 years of detailed investigation, extensive public consultation and ongoing debate. It has its genesis in the special investigation into marine, estuarine and coastal environments which the former Land Conservation Council (LCC) commenced in 1991 and which the former Environment Conservation Council (ECC) continued, presenting its final report in 2000. During that time, there were six periods of formal public consultation generating 4500 submissions, as well as numerous meetings and discussions with a wide range of community and industry groups. I take this opportunity to thank the former members of the LCC and the ECC and their staff for all the work they carried out so diligently.

Following receipt of the ECC's final report, the government subsequently embarked on a period of extensive consultation with many stakeholder groups before introducing a bill into Parliament in May 2001. Although the bill was subsequently withdrawn when it became obvious that it would not be supported by the Liberal opposition, the government has continued to pursue its goal of establishing a world-class system of marine national parks.

The government has listened to the concerns which were raised in the community regarding the 2001 proposals and has endeavoured to address those concerns in the development of its 2002 proposals.

The government released a proposals paper on 26 March 2002 which broadly flagged the

government's intention to reintroduce a bill to create marine national parks. Following this, the government then released a draft bill on 10 April for a period of public comment. The government has since consulted with key stakeholders and negotiated with the Liberal opposition over the proposals and, in the light of those consultations and negotiations, has further modified the proposals to produce the bill which is now before the house.

Helping the fishing industry to adjust

In deciding to establish a system of no-take marine national parks and sanctuaries, and in developing the bill, the government has been mindful of the potential impacts on the commercial fishing industry and associated communities. It recognises the need to provide measures to assist the industry to adjust to the introduction of the marine national parks. It has also listened to the concerns raised over the 2001 bill.

Consequently, the draft bill released in April 2002:

- retained the 2001 proposal to delay the prohibition on fishing in some of the marine national parks and a marine sanctuary (until 1 April 2004);
- included a compensation scheme in the legislation for eligible rock lobster and other specified fishery licence holders;
- included an independent compensation assessment and appeals process involving a compensation assessment panel and a compensation appeals tribunal;
- extended the compensation scheme to cover specified increased operating costs, as well as reduced catch, that can be reasonably attributed to the fishing prohibition applying to the marine national parks and four (instead of one) marine sanctuaries; and
- excluded any provision to amend section 85 of the Constitution Act 1975 in relation to the jurisdiction of the Supreme Court.

Following the subsequent consultations with key stakeholders and the negotiations with the Liberal opposition, further amendments were made and are reflected in the current bill. Of particular note are the following changes and additions to the draft bill:

- the boundaries of Discovery Bay, Twelve Apostles, Port Phillip Heads, Corner Inlet and Cape Howe Marine National Parks have been amended to reduce the impacts of the parks on the commercial and recreational fishing sectors and fishing charter boat operators, and a boundary to Ricketts Point Marine Sanctuary has been agreed;
- the period for compensation for reduced catch for eligible fin fish and other specified fishery licence holders has been extended from one to three years;
- the basis for calculating the compensation to be paid to eligible fishery licence holders for reduced catch has been clarified;
- provision has been made to compensate eligible fishing charter boat operators for increased operating costs which can be reasonably attributed to the marine national parks;
- there is a provision for interim payments to be made to those eligible fishery licence holders and charter boat operators who can demonstrate financial hardship;
- a provision has been included to enable boats carrying priority species (notably rock lobster and abalone) to stop in Point Hicks Marine National Park; and
- a requirement to prepare reports on the condition of specified fisheries and to table them in Parliament has been included.

The government will provide a once-off rebate of up to $1000 for eligible rock lobster and other specified fishery licence holders and eligible charter boat operators who seek professional advice in relation to the applications which they may wish to make under the compensation scheme.

The government remains firmly committed to significantly increased fisheries enforcement and compliance measures. These will particularly benefit the abalone sector. It therefore reaffirms its commitment in the 2001–02 state budget to providing an additional $14.3 million over four years and $3.4 million each year thereafter. This will enable:

- twenty-one new regional field-based fisheries officers to be appointed to achieve an enhanced level of compliance, particularly in relation to abalone theft;
- three strategically located regional investigations officers to be appointed to plan coordinated major, intelligence-based, joint-agency enforcement operations;

the special investigations group to be expanded to include three additional intelligence analysts and investigators to concentrate on illegal abalone activities;

a permanent fisheries station to be established between Geelong and Warrnambool; and

a new fisheries patrol vessel to be purchased to strengthen the at-sea compliance capacity on the Gippsland coast.

The government will work closely with the seafood industry to ensure that this increased enforcement effort is effective and targets the illegal take of priority species.

The additional fisheries enforcement effort will be complemented by 18 new positions for on-ground management and planning of the marine national parks and sanctuaries. These will be located in centres along the Victorian coast from Portland to Mallacoota. An agreement between the Department of Natural Resources and Environment and Parks Victoria will ensure that there is a complementary enforcement effort across the marine environment.

The government has also initiated discussions with New South Wales over complementary enforcement measures which could be put in place on the state border. These, together with the strong enforcement provision included in the bill in relation to Cape Howe Marine National Park, will help to reduce abalone poaching in that vicinity.

The government also reaffirms its previous budget commitment to provide the abalone industry with scientific and technical support to help identify and survey areas of currently under-utilised resource that can help to replace the existing fishing grounds within the parks and sanctuaries.

Other assistance

The government anticipates that, following the introduction of marine national parks, commercial fishers will be able to adjust their fishing operations to take account of the new circumstances. As previously mentioned, the legislation includes a statutory compensation scheme to assist the holders of specified commercial fishery licences as they adjust their fishing operations to areas outside the marine national parks and marine sanctuaries.

It is important to remember that, quite apart from the statutory compensation scheme established in the legislation, there is a variety of government enterprise improvement, regional assistance and employment programs available through the Department of Innovation, Industry and Regional Development. Should they be required, these programs are available to provide assistance to businesses to help them to adjust to the introduction of the marine national parks, as well as offer support to affected workers in obtaining alternative employment.

Fishing charter boat operators, which are also included in the statutory compensation scheme, are involved in carrying passengers for hire and reward on a vessel for recreational fishing. While those operators will be able to visit alternative areas to fish following the introduction of marine national parks, the government will provide access to programs to facilitate their adjustment to the parks, should it be required.

The regional network of the Department of Innovation, Industry and Regional Development is available to provide information to businesses, communities and individuals and to work in partnership with them to access assistance programs that will help them to adjust to the introduction of marine national parks, if required. These regionally based staff will be able to monitor local circumstances and, if exceptional cases emerge, the government will ensure that they will be considered quickly and a decision will be made on whether a specific assistance program is warranted beyond the scope of standard assistance programs.

Recreational fishing

The government continues to strongly support recreational fishing along the coast and it has demonstrated this commitment in several ways. For example:

in the 2000–01 financial year, over half of the 208 commercial fishing licences in bays and inlets were bought back at a cost of almost $8 million, and commercial fishing has now ceased in Andersons, Shallow and Tamboon inlets;

in January 2002, the government announced funding of $1 million to improve recreational boating facilities to help make Victorian waters safer and more accessible for boat users — many of these projects involved constructing or improving jetties and boat ramps at various coastal localities, including Limeburners Point in Corio Bay, Altona, Werribee South, Patterson River, Safety Beach, Stony Point, Warneet South, Tooradin, Corinella foreshore, Marlo and Cape Conran.

The government has taken into account the potential impacts of the marine national parks on recreational

fishing. As a result of the consultations and negotiations which have occurred since the government's 2002 proposals were released, the following boundary changes in particular will benefit recreational anglers:

Discovery Bay Marine National Park now excludes an extensive length of coastline;

Port Phillip Heads Marine National Park excludes a 300-metre wide passage between the Swan Bay jetty and the entrance to Swan Bay, and part of Lonsdale Bay;

the boundary of the marine sanctuary at Ricketts Point has been drawn to exclude an area near Quiet Corner.

However, it is important to remember that, in the overall context:

nearly 95 per cent of Victoria's marine waters remain available for recreational fishing, including 98 per cent of Port Phillip Bay, 94 per cent of Western Port and most of Corner Inlet; no other inlet and none of the Gippsland Lakes are affected;

not one pier, jetty, wharf or breakwater is included in any marine national park or sanctuary; and

very few popular recreational fishing locations will be affected — of more than 300 coastal fishing locations identified in the 2001 *Victorian Fishing Atlas*, only 15 are located in marine national parks and sanctuaries.

The bill

I now turn to specific aspects of the bill.

Part 1 states that the National Parks (Marine National Parks and Marine Sanctuaries) Act 2002 will come into operation on 16 November 2002. All 13 marine national parks and 11 marine sanctuaries will be established on that day.

Part 2 amends the National Parks Act 1975 to create the marine national parks and marine sanctuaries, provide an appropriate management and enforcement framework, and prohibit certain activities, including fishing. However, fishing will be allowed to continue until 1 April 2004 in Discovery Bay, Twelve Apostles, Corner Inlet and Cape Howe marine national parks and in that part of Point Cooke Marine Sanctuary where fishing is not already prohibited.

The descriptions of the marine national parks and marine sanctuaries are included in schedule 1 and refer, in the standard manner, to plans lodged in the central plan office of the Department of Natural Resources and Environment.

Most of the marine national parks will incorporate parts of national or other parks already established under the National Parks Act. Clause 20 technically excises areas from the existing parks to the extent that there is overlap with the new marine national parks and sanctuaries. This is justified because the land is merely being transferred from one category of park to another under the National Parks Act, and the protection being afforded to the areas is not diminished. The National Parks Advisory Council has advised that it does not oppose such excisions.

An important aspect of the bill is to ensure that fish, as well as other fauna, in marine national parks and sanctuaries are fully protected after the fishing prohibition applies. Clause 16 inserts new sections into the National Parks Act to ensure that there are appropriate offences, penalties and powers to deal with illegal fishing activity and encourage a high level of compliance, particularly in connection with the high-value commercial species abalone and rock lobster that require a significant level of enforcement to prevent their illegal take.

Because of the inherent difficulties in detecting fisheries offences committed underwater, clause 16 inserts section 45A(5) in the National Parks Act to create the offence to possess priority species on a boat in a marine national park or marine sanctuary. However, it will be a defence to be travelling through the park or sanctuary by the shortest practicable route. In addition, no-one would be prosecuted if they were legitimately securing the safety of the vessel in a marine national park or marine sanctuary due to stress of weather. Section 45B enables a boat carrying priority species to stop in Point Hicks Marine National Park, notwithstanding section 45A(5).

The new offence provisions in the National Parks Act are in addition to various offence provisions in the Fisheries Act 1995 that might also apply in marine national parks and marine sanctuaries. The insertion of section 45C in the National Parks Act, which applies various enforcement and evidentiary powers in the Fisheries Act to fisheries offences under the National Parks Act, will also ensure that there is a common enforcement regime applying to fisheries offences across all marine waters, regardless of which act they are committed under.

Part 2 and part 4 (which amends the Extractive Industries Development Act 1995 and the Mineral Resources Development Act 1990) will prohibit

mineral exploration and mining, and the searching for and extraction of stone in the marine national parks and sanctuaries. Part 2 — clauses 11 and 12 — will also prohibit petroleum extraction, and prohibit petroleum exploration and new pipelines and sea-floor cables except in specified circumstances. Petroleum exploration may only be permitted in a marine national park or sanctuary if it does not have a detrimental effect on the sea floor or flora or fauna of the park.

Part 3 of the bill establishes the statutory compensation scheme for rock lobster and other specified fishery licence holders in relation to reduced catch and increased specified fishing operating costs, and for eligible charter boat operators in relation to increased specified operating costs. Part 3 also establishes an assessment and appeals process involving a compensation assessment panel and a compensation appeals tribunal, and includes provision for interim payments to be made to eligible applicants in cases of financial hardship.

Part 5 revokes the fisheries and wildlife reserves specified in schedules 2 and 3 respectively.

Conclusion

The introduction of this bill into Parliament in 2002 reinforces the government's commitment to establishing a world-class system of marine national parks and marine sanctuaries in Victoria. However, the introduction of the bill reflects not only the government's long-held commitment to the creation of marine national parks; it also reflects a groundswell of community support for the establishment of marine national parks. I would therefore like to take this opportunity to thank all those who have supported and encouraged the government's actions, particularly those who have held on to the ideal of establishing marine national parks in Victoria through what has been a very long process.

I also wish to thank all those in the community who have contributed to the lengthy debate, regardless of their particular point of view. As I have previously mentioned, the government has listened and it shares the common concern for the marine environment which runs through the divergent viewpoints.

The government has also listened to the arguments of those who claim that they will be affected by the proposals and, as should be abundantly clear, it has framed its response to take those views into account. In this regard, I thank the representatives of the Liberal opposition who have worked in good faith through the issues with the government in past weeks to arrive at a position which both major parties support.

The creation of this magnificent system of marine national parks and marine sanctuaries will be a major achievement for Victoria and a leading example for marine conservation worldwide. It will be a system in which all Victorians can take pride and will be a splendid legacy for future generations.

I commend the bill to the house.

Debate adjourned on motion of Hon. C. A. FURLETTI (Templestowe).

Debate adjourned until later this day.

CRIMINAL JUSTICE LEGISLATION (MISCELLANEOUS AMENDMENTS) BILL

Second reading

Debate resumed from 6 June; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. P. A. KATSAMBANIS (Monash) — The Liberal Party supports the legislation. Although the bill appears minor and does not make any significant legislative changes, it gives rise to an important generational shift in the conduct of criminal justice in Victoria. The legislation originally arises out of the Pathfinder project which was commenced by the former coalition government and which resulted in the criminal justice enhancement program, known as CJEP. It is as a result of the introduction of those programs that this legislation is before the chamber.

Essentially the legislation brings our court system somewhat closer to the 21st century than the old quill and ink days in which it seems to be trapped. People who are involved in our criminal justice system for the first time comment on how arcane and archaic some of its practices are. It is true that a lot of the practices in the criminal justice system hark back to an era that is long gone. It is not a bad thing to have tradition. It is certainly not bad to have respect for and faith in institutions. A lot of the trappings of the past bring a level of respect and honour to institutions that serve us well, and to none more than the courts, which need to be absolutely above reproach. Unfortunately when respect for the traditions of the past locks us into processes that have little relevance today logjams are created within the criminal justice system that do not need to be there.

Pathfinder and CJEP were designed to challenge the prevailing orthodoxies in our criminal justice system as to how things are done and not to tear them apart or throw out important notions that are central to that system. They examined the processes by which our criminal justice system works to see if they could be done better in a modern age — to see what of the past was still relevant and what had been superseded by progress in technology and by changes in the way we do things and live our lives today. As a result a whole series of recommendations were made, some of which have already been implemented and some of which will be implemented by the legislation. The Liberal Party welcomes this approach to the extent that it will improve the flow of information within our criminal justice system. It is an approach that we started in government and it is commendable that this government continued it when it took over the Treasury benches.

I am not in the habit of handing out unwarranted plaudits, especially to this government, but in this case it is good to see that it has chosen to continue with the Pathfinder project and CJEP initiatives and see them to their logical conclusions — although I hasten to add that this is a step along the way and not an end in itself.

This bill introduces a number of interesting changes. The first change I will mention, which is probably the one that most challenges the thought processes of the criminal justice system, involves the ability to move information through the continuing processes of the system. When people are first arrested information about them is collected and stored by the police. Traditionally when they reach the court system they are again interviewed and information about them is processed and stored within the court system. Eventually, when they reach the corrections system, as do so many people in our criminal justice system, the corrections system again records their name and address, collects information about them and stores it in a separate repository.

For many years this system has been seen as a critical element of our criminal justice system because you must separate the police, the judiciary and the correction system. Yes, you should, but at the same time you should not stop the information from flowing so that a person can be identified. Too many times in the past either errors were being made in the recording of information or wrong information was deliberately being given so that the police held one set of information on a person, the criminal justice system held another set and the corrections system held a completely different set of information on that individual.

Today modern technology has been introduced which allows you to separate the crucial elements that need to be kept private and discrete within the information flow of one organisation but to send to other organisations the other pieces of critical information that do not need to be kept private and the withholding of which would in fact hinder the criminal justice process. That is what driving efficiency and improvements in our court system is all about — that is, recognising what elements of the system are important and need to be preserved but also recognising what elements can be improved on and built upon with modern technology, and also with modern thinking and modern management practices. It is not just the technology that is changing, it is the mind-set as well. Members of this house know that I could rattle on for a long, long time about how information technology can be used to improve our day-to-day lives. I will not do so in this case, except to say that this is one more example of good use of modern technology and modern thought processes to achieve a positive outcome.

This legislation also enables early disclosure of prosecution briefs to defendants. It is important that the legal representatives of a defendant in legal proceedings are able to have access to the prosecution's case against that person early in the process so they can prepare a defence. Using new technology the prosecution brief can be made available electronically and the defendant's representatives can look at the information contained in it and prepare the defence. This process will lead to a significant saving in time in our justice system both for lawyers — especially duty lawyers, who as we know are always hard pressed to present their cases in time — and the courts, and to important cost savings. I believe it will also lead to improvements in the quality of the briefs because essentially it will impose accountability on the police preparing them to get them done on time and in a meaningful manner to enable them to be used by the defence. That whole process will be enhanced by this legislation.

Another change that this legislation introduces is the ability for any police officer to issue a summons. Currently senior police officers are required to issue summonses. In this day and age that seems an archaic requirement as it takes up a lot of time and involves far too much double handling. To allow any police officer to issue a summons at the time he or she signs the charge sheet sounds logical and reasonable in all the circumstances. That change is long overdue. It will save police time and court time and will ensure that arrest and bail application procedures are streamlined.

Another thing this bill does which is not directly related to CJEP or the Pathfinder project is provide legislative

backing for the diversion programs that have been working in the Magistrates Court for quite a while. The introduction of diversion programs at the lower end of our criminal justice system is an important part of moving away from that one-size-fits-all approach to criminal justice which I spoke about in the house last week in relation to the Magistrates' Court (Koori Court) Bill. So far magistrates have been implementing diversion programs in spite of and not because of the legislation in place in this state. Many magistrates have expressed concern that they have not had any protection legislatively for the programs they are introducing.

A bipartisan approach has been taken to the diversion programs. Although the Liberal opposition might argue about the composition of each of the programs and how far they should extend, we certainly accept that diversion programs are an important part of breaking the cycle of criminality for offenders, especially those at the lower end of the criminal justice system, and it is imperative that these programs are given legislative teeth. I imagine it was somewhat of an oversight that the government funded the diversion programs in last year's budget but did not provide the legislative teeth to protect magistrates when these programs were put into place. It is important that this protection be afforded to magistrates, and that is why we support this aspect of the legislation.

The bill also introduces changes which may seem more technical in nature but which will also improve the efficiency of our criminal justice system and, importantly, save time for our courts and police. The issue of dealing with ex parte hearings in the Magistrates Court is an important one. Often people who are charged with an offence — especially a low level offence — simply do not front up to court because they forget or, in many cases, they think, 'I'm going to cop a fine anyway so I won't bother going along'. Unfortunately, at present when those circumstances occur all a magistrate can do is defer the hearing to a future date when the matter will be heard ex parte, which means heard without the defendant being present at the court.

It seems illogical that police prosecutors and witnesses are brought to the court but because the defendant chooses not to appear their time and the time of the court is wasted and they all have to come back again on another date — not so that the person can appear but so that there can be an ex parte hearing! That is a totally illogical process. This bill puts in place a system whereby, in combination with the early disclosure of the police case against the accused person using information technology about which I spoke earlier, the process can be speeded up. The bill provides that if a person chooses not to attend court on a particular date and all the safeguards that have been put into place have been acted upon, the matter can be heard ex parte on that date.

The legislation contains significant safeguards. Clearly those provisions will not apply to offences that are likely to result in a custodial sentence, where the total penalties are likely to be more than $5000 or where single penalties are likely to be more than $2000.

Anyone who has been to a Magistrates Court would have seen the cases regularly coming through where the police prosecutor would be present, often witnesses would be there, the magistrate would be ready to go but the accused person could not be found because they had not fronted up to court. That is a waste of time and resources. The bill provides an opportunity for us to save time and put our police back on the streets where they belong. That is a good thing.

Allowing registrars of courts to exercise all the functions of bail justices is a positive move and is long overdue. It is good to see that will now happen as a result of the bill.

The bill also deals with other technical matters and will make sure appeal costs can be awarded in a more even manner. It deals with a recent decision of the Court of Appeal, and it makes technical corrections to the Drugs, Poisons and Controlled Substance (Amendment) Act.

In total the package is a significant improvement to the way the technical procedures of our criminal justice system operate. It is radical for the purposes of our courts. Courts and the criminal justice system are often seen as being stuck in the past. As I said earlier, for many reasons that can often be important and crucial. Institutions need to have respect in order to deliver justice, but it is identifying what of the past is important and needs to be carried on and what of the past is an impediment that is critical in delivering an effective and efficient criminal justice system.

Project Pathfinder and CJEP started out on the path of identifying what of the past we needed to keep to ensure that our institutions that deliver justice in this state continue to be held in high regard by the Victorian community. Importantly they undertook a process whereby the rest of the procedures — that is, those procedures that were stuck in the past and were used for no good reason other than that was how they had been done for generation upon generation — were critically examined and where it was important and relevant to do so were jettisoned in favour of new, modern

procedures that would deliver better and more efficient justice for the people of Victoria.

The process challenged a lot of prevailing thought, particularly among the judiciary and magistrates, but to their credit the courts embraced this system, however slowly they embraced it. They initially dipped their toes in the water, and as we went through the process under the previous government we saw that more and more people were coming on board because they recognised that modern technology and modern management practices could lead to savings in court time and costs in our criminal justice system. The process that we started in the mid to late 1990s became a long journey, but this is not the end of that journey. The bill deals with the criminal justice system. We certainly need to address similar issues in the civil justice system, and I daresay this is not the end of the reforms on the criminal justice side, either. This is a step along that path — it is the reaching of one destination on the journey we have to travel.

Many of us who have been involved in the justice system have been crying out for reform of its procedures for many years, not to in any way diminish the standing of our legal system or abolish the practices that serve us well but to get rid of those practices and processes that may well have served our forebears in the 19th century but which had in the late 20th century and have now in the 21st century little reason to be there other than simply through tradition itself.

This is an important step along the path to recognising that in order for our institutions to be relevant they must stay relevant. To stay relevant they need to evolve over time and with community expectations and adopt modern management practices and modern technology that will make them as relevant today as they were back in the 19th century. If our courts do not improve and do not modernise their processes; if our courts do not save time and, importantly, continue to reduce costs, they will increasingly become irrelevant.

I put on the record that without Pathfinder and CJEP our courts would have been seen today as irrelevant. It is a credit to the former government and to the former Attorney-General, the Honourable Jan Wade; it is a credit to the honourable member for Berwick in the other place as parliamentary secretary in the past government; and it is a credit to the judiciary that this process was started and has continued. I also put on record my appreciation to the current government for continuing the process. As I said earlier, I do not hand out plaudits to this government too often, but in this case I congratulate it for continuing the process.

The Liberal Party supports the Criminal Justice Legislation (Miscellaneous Amendments) Bill and wishes it a speedy passage, but this is not the end. I hope the government does not see this bill as the end but as one step along the way to making sure that the entirety of our justice system, both criminal and civil, is modernised to deliver better, more efficient and, importantly, timely and cost-effective justice for the people of Victoria.

Hon. JENNY MIKAKOS (Jika Jika) — It gives me great pleasure to support the Criminal Justice Legislation (Miscellaneous Amendments) Bill. It is quite technical in nature and seeks to amend several pieces of legislation.

The bill has two categories of amendments. The first seeks to give legislative basis to reforms proposed under the criminal justice enhancement program (CJEP) that was formed in early 1999 to implement key recommendations arising from Project Pathfinder, which was a Department of Justice inquiry into ways in which the criminal justice process could be improved. Project Pathfinder made its final report in July 1998.

The second category of amendments is technical in nature and did not arise from Project Pathfinder, but the government saw them as needing to be implemented as part of the package of reforms.

I am prepared to acknowledge the work done by the former government in setting about making changes to reform our justice system. This government, as honourable members are aware, has sought to modernise and reform the system at every opportunity. I particularly pay tribute to the present Attorney-General in the other place for being very progressive and being prepared to tackle the difficult issues head on. He has not shied away from difficult issues confronting our justice system but has been prepared to look at innovative solutions that seek to take people out of the cycle of crime through, for example, championing our diversion programs, introducing the groundbreaking drugs court and introducing the legislation the house debated only last week that establishes the Koori court.

I acknowledge the fact that the Attorney-General has been prepared to tackle these difficult issues head on. He has been prepared to look at innovative solutions that fall outside the usual tired cycle of approaches to criminal justice, for example, and has come up with solutions that I hope will have a very real impact on the levels of crime in this state. A little further on in my contribution I will talk about the impact of the diversion

program and why I think it is an initiative that is particularly worthy of support.

As I indicated, a very large part of this bill arises from the recommendations that arose from Project Pathfinder. The changes proposed in the bill that concern the criminal system seek to improve access to justice, to improve care for the accused and to improve the efficiency and quality of business processes in the courts. In his contribution the previous speaker, the Honourable Peter Katsambanis, indicated that he hoped the government would tackle reforms to case management, in the civil area of the courts. I put on the record that we have seen a number of reforms to case management in the County Court. This particular bill seeks to introduce better case-flow management for the Magistrates Court to ensure that delays are minimised as much as possible so that both the courts and the police can get on with their proper roles. The government is always prepared to look at further reform where that is justified in order to ensure that our justice system is operating as efficiently and as effectively as it possibly can.

The reforms arising from the criminal justice enhancement program were developed during the 1999–2000 financial year when project teams were established by the Department of Justice to develop detailed process redesigns in the areas of accused management, electronic brief, progressive disclosure and general case-flow management in the Magistrates Court. The process redesign reports identified substantial opportunities for case-flow improvements across the criminal justice system in Victoria and these improvements were seen to require a number of changes to the current information technology systems in use in this state's courts.

During the 2000–02 budget, the Bracks Labor government funded the development of major new information technology systems in order to implement the recommendations that came out of the criminal justice enhancement program. It is very important that our criminal justice system and our courts have the most modern technology available for them to be able to conduct their work in an efficient manner. I am pleased that our courts are moving away from a solely paper and document-based system to greater utilisation of electronic technology.

I should point out that, although a number of these reforms have come out of the criminal justice enhancement program developed by the Department of Justice, there has been extensive consultation with relevant stakeholders. This occurred after proposals were presented in a consultation paper released in July 2001. Consultation occurred with Victoria Police, public and private organisations in the corrections system, the Office of Public Prosecutions, Victoria Legal Aid, the courts themselves, the Law Institute of Victoria and the Criminal Bar Association. This is consistent with the approach this government has always taken in relation to reform of the justice system — that is, to consult with the affected stakeholders and seek to address their issues and concerns as much as possible.

I turn briefly to discuss the reforms in the bill which come out of the criminal justice enhancement program. A number of these changes relate to the provision of information through electronic means, both to the accused and to their legal practitioners — for example, the bill seeks to enable a defendant's legal representative to be provided automatically with electronic copies of the police brief via the Internet. Currently a defendant must send a form to the police requesting a copy of the police brief and the police only send the information once they have the complete brief. The bill will seek to enable a more timely and systematic release of evidence being provided to the defence. It will improve the opportunity for the defence to prepare its case. This is particularly important in respect of duty lawyers and will also enable greater opportunity for parties to resolve and clarify issues in dispute at an early stage in proceedings.

In my opinion, the key benefit of this reform is that it will diminish the number of adjournments currently experienced in the Magistrates Court where information has not been provided to the defence and requests are being made for adjournments. It is important that we try to minimise delays in the court system as much as possible. These types of reforms will make adjournments less necessary and will enable both the defence, their legal practitioners and the police to get on with the job and have matters heard once information has been provided to both parties. I should note that the bill contains safeguards in respect of the provision of this type of information and particularly the importance of securing the police database. Access to the new disclosure process will only be available to registered legal practitioners who have entered into a contract with the Department of Justice relating to the use of the process.

Other aspects of the bill about a greater use of electronic technology relate to provisions which will permit an informant to file a charge with the court, either in hard copy — which is the current method — or by using an electronic method to be approved in the regulations. The defendant will still be entitled to receive a signed copy of the charge sheet but the bill

will enable criminal proceedings to be commenced in the Magistrates Court through electronic means, so speeding up the processes and reducing delays in the criminal justice system.

Other reforms in this bill which have arisen from the criminal justice enhancement program relate to improvements to the disclosure processes by allowing police to serve an outline of evidence on the defendant at the time he or she is served with a charge sheet. An outline of evidence is a signed statement by the informant which describes the nature, background and consequences of the offence and comments made by the defendant when interviewed by police. It also includes a list of exhibits and witnesses. The benefit of these reforms is that they enable the defence to be provided with relevant information at an early stage in the proceedings in order to properly consider how it wishes to deal with the charges. The changes seek to avert the need for many adjournments and to speed up the criminal justice processes.

The other matter I will touch upon is in relation to the greater use of electronic technology in the area of fingerscans. These are digitally recorded fingerprints which will be utilised to identify accused persons and also persons in custody who are being transferred, for example, from Victoria Police to the corrections system. At the present time, accused persons or people in custody are asked their name, address and date of birth for purposes of identification. It is considered to be more appropriate to utilise fingerscans which will facilitate more positive and reliable identification and reduce the time spent securing and checking identification, to the benefit of all parties.

It is important to note that the bill includes appropriate safeguards associated with this technology. For example, fingerscans will be taken only in places where the law already permits a fingerprint to be taken, the admission of fingerscans as evidence in court proceedings will be prohibited, and fingerscans will be destroyed where a charge is not proceeded with or a person is found not guilty. These are very important safeguards in the legislation, which we would, of course, expect, given the possibly intrusive nature of this type of technology and the privacy issues that could arise.

The other series of proposed changes in the bill relate to allowing an exchange of personal information between the Minister for Corrections and the Chief Commissioner of Police in their respective areas of responsibility where personal information of an accused person in custody is necessary — for example, where a person might be regarded as being a suicide risk. This type of exchange of information is currently not allowed and the bill seeks to provide an exchange of information where the disclosure has been authorised in writing and is required for particular purposes.

The other technical change contained in the bill, which arises from the criminal justice enhancement program, is to do with ex parte hearings. These are hearings in the defendant's absence which arise from time to time when the accused person does not turn up on the day of the hearing. Currently the ex parte process is fraught with difficulties because the proceedings can easily be adjourned when certain technical requirements have not been complied with, and this has a tendency to tie up police resources. The bill seeks to reform the ex parte process by allowing the court to hear and determine the charges and to sentence the defendant in their absence on the basis of an outline of evidence which has previously been served on the defendant.

The bill contains a number of very important safeguards, as you would expect, given the nature of these provisions. For example, the court must be satisfied that the outline of evidence was served on the defendant, and no defendant may be given a custodial sentence or community-based order unless they are in fact present. The bill also seeks to preserve rights to rehearings and appeals processes. For example, a person will have a right to a rehearing within 20 days of being notified of the original outcome. These are important safeguards to ensure that ex parte hearings do not unnecessarily trample on a defendant's right to have their case heard in the court system. However, the reforms will make important changes to ensure that proceedings can be heard efficiently and matters can be disposed of and police time freed up when a party is not interested in appearing before the court.

The final aspect of the criminal justice enhancement program that I want to touch on relates to the diversion program. In the 2001–02 budget the Bracks government allocated funding of $3.2 million over three years to support the establishment of a diversion program in the Magistrates Court. I am familiar with the operation of the program as it relates to my local electorate, having visited the Preston Magistrates Court and spoken to various court officials involved in the operation of that program. It is a key part of our criminal justice system, and I hope that those types of initiatives will be considered in the future in other areas.

For example, I have looked at the family violence court in operation in the Australian Capital Territory, which is an approach that the Honourable Dianne Hadden has looked at as part of her work with the Law Reform Committee. All of those types of approaches are worthy

of further examination. We need to get away from the purely advocacy-based system where all problems are resolved through traditional justice methods.

The diversion program is an innovative approach which seeks to rehabilitate people and get them out of the cycle of crime and give them another chance. The bill puts in place a legislative framework for the diversion program that has been in operation now for some time — in its current form it has been in operation in the Magistrates Court since November 2000. Magistrates have the discretion of taking people out of traditional sentencing approaches and putting them into a diversion program which will provide appropriate rehabilitation, counselling or treatment to an offender to prevent them from reoffending and which also seeks to provide for appropriate reparation to be made to the victim of the crime.

Under the diversion program an offender is required to acknowledge an offence and the police, as well as the court, must support the offender going through the program. The magistrate may adjourn the proceedings to allow an offender to comply with certain conditions — for example, counselling or treatment — which will form a condition of the diversion plan. Such conditions can include apologising to a victim, compensating the victim, receiving counselling or performing community work. The diversion program has a degree of flexibility to ensure that the plan that is developed meets the needs of the particular offender. If the offender satisfactorily complies with the conditions of his or her diversion plan then the Magistrates Court will discharge him or her without conviction. This cannot occur in respect of offences where there is a prescribed sentence — for example, offences relating to the Road Safety Act for which a Magistrates Court must cancel a driving licence. If the offender does not satisfactorily comply with the conditions of their diversion plan the charge will be dealt with in the normal manner.

I cannot emphasise enough the importance of this package of reforms in the bill. I am pleased that the diversion program will be strengthened by the setting up of this legislative framework, and I hope the program will have success in the future. Diversion proceedings have already been shown to work; they help to keep low-level offenders out of the criminal justice system by nipping problems in the bud. I hope the Attorney-General and the government will continue to look at such innovative solutions to dealing with our criminal justice system.

The final areas I want to touch briefly on are reforms contained in the bill which do not come out of the criminal justice enhancement program but are nevertheless important reforms to the criminal justice system. They relate to amendments to the definition of a bail justice in a number of acts to give registrars and other office-holders the appropriate capacity to act as bail justices. I note that there is a section 85 statement contained in the minister's second-reading speech.

Since 1989 prescribed office bail justices have provided an invaluable service, particularly in rural and regional Victoria where magistrates are not always available for bail matters. In 1989 the function of deciding bail applications was removed from justices of the peace and given to the new office of bail justice. However, it has recently emerged that the powers of prescribed office bail justices may not have been as broad as was commonly thought, and the validation provision contained in both clauses 16 and 18 of the bill ensures that acts or decisions made by prescribed office bail justices are not invalid simply because the bail justice had not been appointed under section 120 of the Magistrates' Court Act.

The section 85 statement relates to precluding legal challenges to individuals who have acted as prescribed office bail justices in the past and to acts or decisions made by those prescribed office bail justices. It is an important provision in the bill. The government does not take lightly the inclusion of section 85 statements and limitations to the jurisdiction of the Supreme Court but this is a necessary limitation to that jurisdiction to ensure that we properly protect those persons who have served or are serving as prescribed office bail justices.

The bill also seeks to make some technical changes to bail being granted to corporations committed for trial. Obviously corporations are an artificial legal creature. When a natural person is charged with an indictable offence, he or she is committed for trial and can be remanded into custody or granted bail. It is not possible to do that with corporations given that they are legal fictions. The bill seeks to remedy this gap by allowing a magistrate to order a defendant corporation to appear at its trial and to make it an offence to breach such an order.

The bill also contains a number of technical amendments relating to appeal costs. It will amend the Appeal Costs Act 1998 to restore the earlier practice of enabling the Court of Appeal to make decisions in respect of costs. It also seeks to clarify the fact that deemed adjournments include appeals.

The final technical change contained in this package of reforms relates to the Drugs, Poisons and Controlled Substances (Amendment) Act 2001. The bill will make

technical corrections to that act's consequential amendments to ensure that certain drug offences remain within the scope of regimes such as the confiscation of proceeds of crime and the collection of forensic samples.

I would like to note how well the confiscation of proceeds of crime system is working in this state. A few months ago I had the opportunity, on behalf of the government, to present a grinder that had been confiscated under the Confiscation Act to my local State Emergency Service brigade; I am sure it will make good use of that grinder in its work. It is important to note in this respect that the confiscation of proceeds of crime legislation does not relate only to cash but can include things such as grinders used in the operation or conduct of criminal offences. In some instances the confiscation of that type of equipment can be of benefit to various volunteer community organisations.

In conclusion, the package of reforms contained in this bill is very important in making our criminal justice system operate in a more efficient and effective manner. The bill contains reforms which are balanced between the need for defendants to have their matters properly heard and to have access to information pertaining to their cases and the need to efficiently expedite proceedings through the court system and free up the courts and police resources as much as possible. This package of reforms will go a long way to improving the criminal justice system in this state. I commend the bill to the house.

Hon. R. M. HALLAM (Western) — The National Party resolved to not oppose the Criminal Justice Legislation (Miscellaneous Amendments) Bill currently before the house. It made that decision on an assessment that this was worthwhile legislation. The bill amends 12 separate Victorian acts of Parliament through a package of reforms designed to upgrade and modernise the operation of our criminal justice system. The National Party's conclusion was that while the amendments considered in isolation could hardly be described as major, taken as a whole this package represents a fundamental review of the criminal justice system and, indeed, a brave initiative to harness the advantages of today's information technology and to that extent alleviate some of the quaint customs and traditions which have distinguished our legal system as antiquated and anachronistic.

As we have heard from previous speakers, the bill before us represents another product of the criminal justice enhancement program (CJEP) which was established in 1999 to implement the recommendations of the far-reaching Project Pathfinder earlier commissioned by the then Attorney-General, Jan Wade. I want to acknowledge, as have previous speakers, the role of Jan Wade, her vision and her courage, perhaps even her temerity, in undertaking such a brief. I also want to acknowledge the role of the honourable member for Berwick in another place, the then parliamentary secretary and now shadow Attorney-General.

I am pleased to see that members of the government are prepared to acknowledge that the genesis of the bill we are currently considering can be directly traced to an initiative undertaken by a previous government. I am realistic enough, and maybe experienced enough, to know how blinkered partisan politics can be. There should be more such honesty and acknowledgment as has been exhibited in this bill. While I am in such a generous mood let me also commend the current government for being prepared to take up the continuing initiatives shown in the bill.

I also offer a round of applause for the bill we have before us in respect of its readability and the fulsomeness of the explanatory memorandum attached to it. I reckon that this of itself is an important initiative in the quest to update and demystify our legal system. It is a very welcome improvement and I am prepared to acknowledge that initiative. Any person who for whatever bizarre reason might be reading my contribution at a future date and wants to know what this bill says and does could do no better than to read the background and purposes contained in the bill commencing at page 1.

If one does that one will see that the objectives listed in the bill include the three major headings: improvements in respect of access to justice; improvements in respect to the care of those who are accused under the system; and improvements in the processes themselves. It was on that basis that the National Party was prepared to support the legislation.

The particular reforms are also listed and explained; I will not go through them in great detail because previous speakers have done so. However, I would like to offer the chamber a couple of comments in respect of the reforms outlined on page 1 of the bill. They include specifically the improved disclosure of the prosecution case through progressive electronic disclosure to defence lawyers. That seems to be very simple on the surface and maybe it is simple in its application but it represents a fundamental change in the basis of our criminal justice system. Until now, in my view, the system has been more one of action by ambush rather than action by disclosure. My observation, I am

delighted to say from afar, is that there has been reluctance on both sides to disclose the facts upon which a case is determined or relies and therefore to that extent make the construction of a defence that much more difficult, or at least the timing of that defence. What we see here is, in my view, a major breakthrough. It is saying that whatever the prosecution relies upon in making the charge should be available in the normal course of events as soon as it is available. That should aid the construction of the defence.

The next issue mentioned is improved care of accused persons through the use of fingerscans — that is, electronic fingerprints — for faster and more reliable identification of persons in custody and through the sharing of key information. Up until now we have been inclined to view our criminal justice system as compartmentalised: there is the field of responsibility of the police, the operation of the court system and, quite distinct from both of those, our custodial system. The assumption is that we need to have some sort of Chinese wall between those three compartments.

I understand why that would be the case. One could justify it on the basis of ensuring the protection of the individual, that there is no presumption in respect of an individual charge or an individual defendant. Beyond that, there is real advantage in having some type of system which follows a person through those three compartments and that it can be done in a way which is protective of that individual.

The instance that is provided in the notes is probably the most graphic. It says that where a person is considered, say, to be a suicide risk, then it is of critical importance that the identification of that person is translated through the compartments. There is a powerful argument that says we should be ensuring that identification is facilitated as part of the defence of the person in this case rather than some intrusion on that person's individual rights.

I noted that while Ms Mikakos was speaking she described the taking of these fingerscans as digital recordings, which I thought to be appropriate given that we are talking about fingerscans! I offered the line to Ms Hadden for her contribution, but she did not think it worth while.

Hon. D. G. Hadden — No, I think it is plagiarism.

Hon. R. M. HALLAM — I thought it was appropriate to mention that we were talking about a digital recording of a digit! The explanatory memorandum goes on to talk about improving court and police processes through the application of electronic technology. I am delighted to see the extent to which the court system is being dragged into the modern world. There is a whole range of additional things that could be done in that context, but I am delighted to see the progress represented by the bill.

Then we are told that the bill provides a legislative framework for diversion programs, which I will not go through again because Ms Mikakos has done that — and done it well. The diversion program, while innovative and brave, is also supportable given that it offers the police the opportunity to break the cycle for an individual caught up in the system to the extent that the individual gets a chance to engineer his or her break from that system. On that basis we indicate our support.

Finally, we learn that there is to be an improvement in the efficiency of proceedings for summary offences where the defendant fails to appear in court. There will be a new set of rules that allows a particular case to be heard ex parte — that is, for the court to adjudicate in the absence of the accused. Anybody who has been to a Magistrates Court will understand the process well. The duty officer goes to the front door of the court and calls the name of the next defendant and invariably has to report to the magistrate, 'No appearance, Your Worship'. As a matter of course, the case is deferred to the next sitting on the basis that there might be a good reason for the non-appearance of the accused. I make the point that in most cases the reason is simple — he or she chose not to appear for very good reason.

In any event, the process by which that deferral takes place is a major explanation for the bank-up in the court system. What the bill does is say, with some appropriate protection mechanisms, 'There is a better system that will allow the court to adjudicate in the absence of the accused'. We have looked through those provisions carefully and do not see any real danger in respect of the rights of the individual defendant. We consider that the new system is practical, and we are prepared to support it.

In our view, these are all practical upgrades to our criminal justice system. They will improve the efficiency of that system without eroding the rights of those who are subject to it. It is on that basis that the National Party is prepared to give the bill the thumbs up.

Hon. D. G. HADDEN (Ballarat) — I support the Criminal Justice Legislation (Miscellaneous Amendments) Bill which amends some 12 acts of Parliament — namely, the Crimes Act 1958, the Corrections Act 1986, the Police Regulation Act 1958, the Magistrates' Court Act 1989, the Confiscation Act

1997, the Sentencing Act 1991, the Bail Act 1977, the Children and Young Persons Act 1989, the Interpretation of Legislation Act 1984, the Surveillance Devices Act 1999, the Transport Act 1983, and the Appeal Costs Act 1998.

The purposes of the bill are set out in clause 1. I shall not go through them individually because they have been referred to by previous speakers. Primarily the bill arises out of the criminal justice enhancement program (CJEP),which was formed in early 1999 under the previous Kennett coalition government to implement key recommendations arising from the Project Pathfinder stage 2 report of July 1998.

The changes to the criminal justice system associated with CJEP are improved access to justice, improved care for the accused, and improved efficiency and quality of business processes.

During 1999–2000 CJEP project teams developed detailed process redesigns in the areas of accused management, electronic briefs and progressive disclosure of brief documents, and case flow improvement in the Magistrates Court.

The CJEP reports identified substantial opportunities for business improvements across the criminal justice system in Victoria. These improvements require a range of process changes enabled by the development of major new information technology (IT) systems. The Bracks government decided to fund the introduction of new IT systems in the 2001–02 budget.

The bill embodies these legislative reform proposals, which have been subject to broad consultation with major stakeholders across the criminal justice system. The stakeholders include Victoria Police, corrections, the Office of Public Prosecutions, Victoria Legal Aid, the courts, the Law Institute of Victoria, and the Criminal Bar Association. I commend the Attorney-General, the Honourable Rob Hulls, and the Department of Justice for their ongoing commitment to improving criminal justice processes and systems in the state.

The key changes introduced in the bill concern improving access to justice through progressive electronic disclosure in summary cases of the prosecution case to defence lawyers. This is contained in clause 20 of the bill and will enable parties to discuss cases, resolve narrow issues and clarify matters in dispute as early in the proceedings as possible. That is important in relation to legal aid issues and assistance. The information will be fast-tracked to the defence lawyers electronically, thus enabling any assistance issues that may arise to be acted upon before too much work is done down the track. It is also important to clarify matters so far as legal aid assistance and decision making is concerned.

As I have said, clause 20 creates a new process for the progressive electronic disclosure of the prosecution brief in summary matters. Informants must place the contents of the prosecution brief on a prescribed computer database. If defence lawyers are authorised by the Department of Justice to receive the information a check is made of that authorisation and, if correct, the web site of the Department of Justice may then be accessed and the relevant prosecution brief emailed to them. The importance of security and the responsible use of this prehearing disclosure process requires that it be accessible by only defence lawyers who have received authorisation through the Department of Justice. Early disclosure of the prosecution case will also assist case management and improve access to legal aid.

The next key change in the bill relates to improving the care of accused persons through using what are termed fingerscans for immediate and certain identification. This is contained in clause 3 and works in combination with ensuring that key information is readily available to those responsible for the safety of persons in custody.

The bill will allow Victoria Police and corrections staff to electronically share personal information about persons in custody by the Chief Commissioner of Police and the Minister for Corrections giving written authorisation to police and corrections staff to disclose information to members of the other agency. The bill will allow fingerscans, which are defined in clause 3 as being fingerprints taken by means of a device to obtain a record of the fingerprints. The definition of ‘fingerprints’ is contained in clause 7(1), and reads:

> ‘fingerprints’ includes finger, palm, toe and sole prints, whether taken by impression or by means of a device to obtain a record of the fingerprints;

Hon. R. M. Hallam — Does it have a definition of ‘digit’ as well?

Hon. D. G. HADDEN — Picking up on the comment of Mr Hallam, no, it does not have a definition of ‘digit’. I think we can all go to the dictionary for that one. He is quite taken by the digital recording of digits.

In any event, the bill will also allow fingerscans, which is the digital recording of fingerprints, to be taken from persons in custody by police and corrections. Fingerscans will provide a faster, more efficient and

more accurate mechanism for determining the identity of a person in custody. They will provide an immediate improvement of access to critical information — for example, information that a person is a suicide risk, is a diabetic or has some other life-threatening or serious illness that may require preventive action during the period of custody. The bill does not expand powers to gain information but simply allows for information to be shared electronically between the police and corrections staff. This information exchange and its disclosure will be by way of placing the information on a database that will be able to be accessed by corrections staff or police.

The next key change in the bill is the improvement of court processes by enabling charges to be filed with the court electronically and the improvement of police processes by expanding the capacity of the police to issue summonses, that being a less obtrusive means of charging offenders than arresting and bailing them. It also provides a legislative framework for diversion programs which were funded by the government in the previous budget.

Diversion proceedings are dealt with in clause 17. Low-risk or low-level offenders will be able to avoid a conviction through satisfactorily completing a diversion program. If defendants do not satisfactorily complete a program they will be dealt with in the usual way of a plea and sentencing in the mainstream Magistrates Court. Diversion programs have been available in the Magistrates Court since November 2000. Certainly they are not soft on criminal offenders but are quite onerous — as they should be. Offenders must acknowledge responsibility for their offences, the prosecution must consent to the undertaking of a diversion program and the court must decide that diversion is appropriate in the circumstances.

The main aim of a diversion program is to enable offenders to mend their ways, if I can use that expression, and give them a better chance of breaking the cycle of offending. The program can include such things as an apology, which is not to be given or taken lightly by offenders. Some years ago when I was a practising lawyer in the criminal jurisdiction one of the famous phrases of a defence lawyer was, ‘My client shows great remorse’. He would often be taken to task over that phrase because his client often did not know what ‘remorse’ meant, let alone show any of it.

An apology by an offender is a serious matter. In some instances the victim may not want any contact with an offender let alone an apology whether in oral or written form. Again that is for the diversion coordinator to assess in all the circumstances and for the court to determine.

The diversion program can also include compensation for the victim, attendance for counselling or other treatment, performing community work, not associating with certain persons, or even making a donation to a charity or charitable organisation.

In the diversion program, where the offender acknowledges responsibility for the offence, that acknowledgment does not allow for a soft option. The legal formality of a plea is replaced with the moral substance of the offender facing up to what they have done. That occurs in a public forum within the court, which is much more personally confronting by being tailored to the defendant’s particular circumstances.

Diversion will not be available in relation to offences where there is a fixed sentence — for example, certain offences under the Road Safety Act 1986 for which the court must cancel a driving licence. No diversion is available under that process.

The bill will also improve early disclosure by allowing police to serve an outline of evidence on the defendant at the time he or she is served with a charge and summons. That certainly will have an impact upon defendants by giving them plenty of warning, long in advance of attending court, as to what the case against them is.

The bill will also improve the efficiency of summary proceedings in cases where the defendant fails to appear in court, or what are termed ex parte proceedings, and that is set out in clauses 14 and 21 of the bill. This will allow the Magistrates Court to determine the matter on the basis of an outline of evidence, which will be in writing from the informant and will be used as the basis for an ex parte proceeding. Procedures are already in place for an ex parte hearing of a summary criminal matter but it has proved cumbersome and inefficient. If a key witness is not present at court it will often result in the matter being adjourned by the magistrate. This adds costs to the criminal justice system and does not add anything to the penalty.

The appropriate safeguards in relation to ex parte hearings are being put in place, with a maximum penalty a magistrate can impose upon an offender whether or not they attend court. The rights to a rehearing within 28 days will remain and appeal rights will be preserved.

The other amendments included in the bill that are not part of the criminal justice enhancement program

reforms concern basically criminal justice issues and are therefore appropriate to be included in the bill. These further changes include improving access to bail justices, and they are contained in clauses 16, 18 and 25. They will restore to the Magistrates Court registrars and other holders of prescribed offices the capacity to act as bail justices. By definition, a bail justice is a person appointed under section 120 of the Magistrates' Court Act 1989 or a bail justice holding the same prescribed office under section 121 of the same act. The definition of bail justice means prescribed office bail justices do not have the same powers as bail justices, so the bill will amend the definition of bail justice to give prescribed office bail justices these powers.

Since 1989 prescribed office bail justices have provided a valuable bail justice service, particularly in rural and regional areas where magistrates may not always be available for hearing bail matters when an offender needs to be brought before the bail justice. Bail justices play an important role and, from my experience, they take their office very seriously. As a consequence the validation of the acts and the limitation of the jurisdiction of the Supreme Court are necessary to preserve protection of the office of bail justices.

The other amendments are a technical correction relating to amendments to the Drugs, Poisons and Controlled Substances (Amendment) Act 2001. That is contained in clause 28 of the bill and will bring certain drug offences within the scope of the regime of the confiscation of the proceeds of crime and the collection of forensic samples. As well, clauses 22 and 23 of the bill will see the improvement in committal procedures of the capacity of magistrates to order corporations committed to trial to attend the trial. Other changes will see the improvement in the use of court time by restoring to the Appeal Costs Board the jurisdiction to determine whether costs have been paid, which was its earlier practice before a recent Court of Appeal decision. Clarifying that deemed adjournments include appeals will ensure a more efficient process and use of court time.

The bill is a key part of the Bracks government's commitment to improving the criminal justice system and processes in this state. One aspect which I wish to comment on is the safeguards to privacy. Personal information collected or used in the criminal justice system by police and corrections is governed by the Information Privacy Act 2000. Other acts which contain privacy laws also apply to police and corrections — for example, the Police Regulation Act 1958 and the Corrections Act 1986. The Information Privacy Act 2000 specifically exempts law enforcement agencies from certain information privacy principles where non-compliance is necessary for law enforcement functions.

The criminal justice enhancement program has produced a comprehensive set of guidelines to ensure that the reforms under the program comply with the information privacy principles in the pilot stage. Once the new information technology systems and processes are fully operational, agencies participating in them will need to have signed a memorandum of understanding which will ensure that privacy and security concerns are properly met.

There will be a comprehensive regime for the protection of personal information from misuse, loss and unauthorised access, modification or disclosure. Information technology will make it much easier to track access to and use of electronic information, and audit and security reviews will be conducted.

The bill will amend some 12 acts of Parliament. Its aim is to improve the criminal justice system and processes and I commend the bill to the house.

The DEPUTY PRESIDENT — Order! I am of the opinion that the second reading of this bill requires to be passed by an absolute majority. As there is not an absolute majority of the members of the house present, I ask the Clerk to ring the bells.

Bells rung.

Members having assembled in chamber:

The DEPUTY PRESIDENT — Order! So that I may be satisfied that an absolute majority exists, I ask honourable members supporting the motion to rise in their places.

Required number of members having risen:

Motion agreed to by absolute majority.

Read second time.

Third reading

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

That this bill be now read a third time.

In doing so, I thank the Honourables Jenny Mikakos, Dianne Hadden, Roger Hallam and Peter Katsambanis for their contributions.

The DEPUTY PRESIDENT — Order! I am of the opinion that the third reading of this bill requires to be passed by an absolute majority, so I again ask

honourable members who are in favour of the question to stand where they are.

Required number of members having risen:

Motion agreed to by absolute majority.

Read third time.

Remaining stages

Passed remaining stages.

DISTINGUISHED VISITOR

The DEPUTY PRESIDENT — Order! I have a very pleasing duty today to recognise in the gallery a previous President of the Legislative Council, the Honourable Rod Mackenzie. On behalf of all honourable members, I make him welcome.

GAMING LEGISLATION (AMENDMENT) BILL

Second reading

Debate resumed from 6 June; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. ANDREW BRIDESON (Waverley) — I rise to speak on the Gaming Legislation (Amendment) Bill. This bill is divided into seven parts. Part 1 is the usual preliminary part, which sets out the purposes of the bill and the commencement dates for the various aspects of the bill. I note that the majority of this bill commences the day after the day on which it receives the royal assent or on 1 July 2003, but in relation to the aspects that specify changes to electronic gaming machines (EGMs), the industry has until 2008 to comply with those changes. The opposition does not have anything to say on those aspects of the bill.

Part 2 of the bill amends the Casino Control Act 1991; part 3 amends the Gaming and Betting Act 1994; part 4 amends the Gaming Machine Control Act 1991; part 5 amends the Gaming No. 2 Act 1997; part 6 amends the Interactive Gaming (Player Protection) Act 1999; and the final part of this bill amends the Public Lotteries Act 2000.

Gambling of all forms is a long-held Australian tradition which dates back to the early settlement of our nation. I think I mentioned in regard to the last gaming bill that we debated that the President set out a very good history of gaming in Australia when he made a speech as the shadow minister back in 1991 when the gaming and casino bills were introduced in Victoria.

The traditions of gambling in Australia probably go back to the First Fleet. They certainly can be traced back to our diggers in Gallipoli, who were great at playing two-up.

I am sure Mr Hallam would be able to tell us many stories from the shearing sheds where shearers have been known to bet on anything — for example, two flies going up the wall — and in my early days as a young teacher in rural Victoria I saw shearers betting on roosters racing across a road. Honourable members in this chamber probably regularly participate in chook raffles, church raffles, school raffles, card games and Tattslotto — the list is endless. The point I am making is that gaming is pretty endemic in our society, but by its very nature there are always winners and losers in this activity.

Over the last decade, particularly in Victoria, there has been an extraordinary increase in legalised gambling, and that is particularly so with the advent of EGMs in pubs and clubs and the activities which are participated in down at the casino. Governments of all persuasions saw the potential for a substantial revenue stream, so the building of a casino and the introduction of EGMs was legalised in 1991. Need I say, this was done under a Labor government at the time.

During the Kennett years the gaming and gambling industries developed at an extraordinarily rapid rate. It was perhaps beyond anybody's expectations. Many positives have arisen as a result of this expansion. Elderly people and lonely people visit venues to participate in recreational activity and gain much social benefit.

There has been employment, particularly in the expanding hospitality industry; there has been expansion in the building and construction industry; there have been cash injections into government; and benefits have been paid back to the community through the Community Support Fund, the Victorian Hospital and Charities Fund and many other projects.

It is no secret that the government now relies on taxes from this industry and, as I said, many benefits are ploughed back into the community. Yesterday I spent some time searching the Internet on the issue of gaming and gambling and I noticed a report put out by the Victorian Casino and Gaming Authority research panel which outlines expenditure from the Community Support Fund. It is worth reflecting on these positive aspects of gaming.

As at 31 May 1999 projects announced for funding from the Community Support Fund included almost $84 million being ploughed back into sport and recreation, including the Melbourne Sports and Aquatic Centre and the Royal Park hockey and netball facilities; $38 million into the arts, including the Immigration Museum; and almost $16.5 million into tourism, including Melbourne zoo exhibits, the Royal Botanic Gardens project and even prize money for the Ford Australia Tennis Open. Some $655 000 has been spent on problem gambling initiatives in the metropolitan area; youth affairs received $18 million; problem gambling programs, almost $60 million; families in crisis, $17 million and the list goes on and on. As of the date I had mentioned the total amount that had been ploughed back into the community was almost $488 million.

However, we all know there is a real downside. Many people, although I must say they are a distinct minority — maybe 2 per cent — become addicted to gambling and much harm is caused to them and to their families, workmates and those around them in the community. I do not want to dwell on the misery that gambling causes except to say that there are regular newspaper reports and our hearts go out to those who are affected.

We should not forget the fact that about 98 per cent of people use gambling as a legitimate recreational activity. I believe it is incumbent on governments to look after the weak and vulnerable in our society, and it is in this respect that the government and the opposition are in agreement to develop a responsible gambling and gaming industry which will minimise harm to individuals. We might disagree on policy measures and ways of implementing them but we agree that the problem needs to be addressed.

I welcome the fact that the bill is based on the need for balance. Page 9 of the minister's second-reading speech states:

> The bill is based on the need for balance —
>
> > the need to balance the benefits of this industry with its potential for harm;
> >
> > the need to balance the rights of the individual with the responsibility to assist the vulnerable;
> >
> > the need to balance the industry's drive for profits with its duty of care to its patrons.

Despite the rapid expansion of gambling in the past decade little or no research was available that looked into the adverse effects of gambling. Between 1994 and 1999 the Kennett government embarked on at least 30 research projects. These projects were conducted under the auspices of the Victorian Casino and Gaming Authority research centre. There is no doubt that many of the amendments made along the way would have resulted from that research.

In October 2000 the gaming research panel began operating, and in September 2001 it launched its research plan, which includes nine projects of varying duration. To date I am aware of only one report which has been released and that is to do with the development of a Victorian gaming screen. The research is ongoing, and I trust that it will lead to successful outcomes for those who have gambling problems.

The bill before us introduces a number of measures: harm minimisation measures, probity measures, the need for community benefit statements and industry-specific amendments. I do not propose to go through the entire bill or the second-reading speech in detail. I will skate across the surface and allow other honourable members to add their comments, but I need to put on the record some issues the opposition has as well as the facts that are contained in the bill.

The harm-minimisation measures hopefully will reduce the harm to problem gamblers. The first is about game and gaming machine design and can be found in clauses 8 and 38 of the bill. In passing, I must say how good it is to have comprehensive clause notes. I do not know who was responsible for them but it certainly made the understanding of the bill very easy. I can see the Minister for Sport and Recreation nodding because no doubt he will make reference to the notes as the debate progresses.

The gaming machine design amendments include banning $100-note accepters on machines; prohibiting the reduction of machine spin rates below the current fastest level of 2.14 seconds; and banning autoplay facilities; and clarifying the minister's power to set bet limits on gaming machines in approved venues in the casino that will be used to set the maximum bet limit at $10. Future changes are also mooted in relation to cash accessibility. These can be found in clauses 11 and 40 of the bill.

In relation to the cash accessibility amendments, there will be limited access to automatic teller machine (ATM) and EFTPOS facilities at venues so that people gambling will only be able to withdraw credit to a limit of $200 per transaction. Cash withdrawals from credit accounts through both ATMs and EFTPOS facilities will be prohibited. Winnings or accumulated credits in excess of $2000 will have to be paid by cheque with an

optional payment by cheque of winnings on credits below that amount. Venues will also be prohibited from cashing cheques issued by the venue.

Another group of harm minimisation measures in clauses 26 and 41 are to do with player loyalty schemes. I believe the Honourable Gerald Ashman, who is the next speaker from the Liberal side, will be going into some detail in explaining the whys and wherefores and the technicalities of these loyalty club schemes.

The fourth section of the harm minimisation measures deals with advertising restrictions and can be found at clause 13. Essentially advertisements will not be able to be sent in the mail to excluded persons. Regulation-making powers will also be expanded to restrict advertising and signage at venues which generally associated with gaming. These are all measures designed to minimise harm to problem gamblers.

In relation to probity measures, clauses 10 to 12 explain the casino exclusions. Essentially police commissioners in all of the states and territories will be given the power to effect the exclusion of criminals from casinos. Clause 53 relates to raffle suspensions. I think this has emanated from a problem that surfaced earlier this year in Victoria in relation to a raffle. I will not go into any detail on that because the case is before the courts.

The third major area of the bill deals with community benefit statements. These measures are set out in clause 48. I do not propose to go into any great detail in relation to the statements because I believe that Mr Hallam has quite a few questions he wishes answered in the committee stage later on. I know he has done the right thing and approached the government on this issue. But I do note that amendments proposed while the bill was between here and the other place are essentially to do with concerns that were raised by the clubs.

The minister placed on the record a letter that he had written to Margaret Kearney, who I think is executive officer of Clubs Victoria, which essentially addressed the concerns of the clubs. It clarified the intention that non-financial contributions of clubs will be considered as being part of the community benefit to the effect that non-financial contributions such as hours of volunteer work might be valued at, say, $20. Again we will be seeking a little more information on that in the committee stage. Briefly, the opposition is concerned about what details will be required in a community benefit statement.

The fourth major area of changes, as I said earlier, is industry specific measures. The bill eases Tabcorp shareholder restrictions. The individual shareholder limit for Tabcorp will increase to 10 per cent and the 40 per cent non-residential foreign ownership restriction will be abolished. The opposition does not have any disagreement with that. That is all set out in clause 20 of the bill.

Clauses 62 to 64 allow non-monetary prizes to be offered in public lotteries. Again the opposition does not have any concerns with that.

The main comment the opposition makes in relation to this bill is that it believes that these measures are nothing more than mere window dressing. They are a charade. It thinks they are measures which will fail to satisfy many people, including the Interchurch Gambling Task Force and the Victorian Local Governance Association. When this legislation was first mooted, the association's executive officer, Mike Hill, said of this government:

> This heavy reliance on such a regressive form of taxation is simply not sustainable, yet the government refuses to acknowledge the problem, let alone put in place a strategy for addressing it.

He was talking about the last budget:

> In Tuesday's budget, gambling taxes were predicted to rise by 7.3 per cent in the 2002–03 financial year.

Back in April church leaders were fairly fierce in their opposition to what the government was trying to do. In fact some of the church leaders said that some ministers' wishes for tougher gambling reforms were overruled by senior government figures after Treasury officials said strict gambling controls would affect government revenue. And Tim Costello, whom we all know of and who is a member of the Interchurch Gambling Task Force, urged the government to suspend its gambling reforms and hold an urgent summit to come up with stronger legislation. He said the government's gambling reforms had been weakened since they were first flagged last year.

So while the opposition hopes that the harm minimisation measures in the bill are successful, it really does not believe they are going to the heart of the problem. It really does not think they will be successful.

It is interesting that when the opposition had its briefing from the bureaucrats prior to the bill being presented in the other place members of the opposition asked consistently whether any of the proposed harm minimisation measures were based on research, and the

answer each time was no. There is no research that confirms that these measures will reduce harm.

I refer to a report by the University of Sydney gambling research unit of November last year entitled *The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling*. I should say that the report was produced for the Gaming Industry Operators Group, but needless to say it was evidence-based research.

The industry commissioned the unit to research determinations made by the New South Wales Liquor Administration Board that high-value note acceptors — that is, notes between $50 and $100 — be no longer acceptable in electronic gaming machines (EGMs), that the speed of games should be slowed to add a few extra seconds to the time of individual games, and that the maximum bet size on stand-alone machines should be limited to $1 on a trial basis. The research came up with some interesting conclusions and recommendations, and it is important that Parliament hears what some of these were. The report states, firstly:

> A review of the literature reveals a paucity of empirically derived information describing effective harm-minimisation strategies that may inform and guide policy makers.

Secondly:

> The present study found evidence to support the view that the reduction of maximum bet size from $10 to $1 on electronic gaming machines would be a potentially effective harm minimisation strategy …

But only for a small proportion of players. Thirdly:

> The reconfiguration of machines to accept denomination notes of $20 or less was not found to be an effective harm minimisation strategy.

Fourthly:

> Evidence did not fully support the adoption of slowing reel-spin speed to 5 seconds as an effective strategy.

I must note in passing that in Victoria the spin speeds are 3.14 seconds, much faster than spin speeds — —

Hon. R. M. Hallam — They are 2.14.

Hon. ANDREW BRIDESON — They are 2.14 seconds. In New South Wales they are, obviously, 5 seconds. This research found that the results suggested that the introduction of this modification could potentially result in unintended harmful consequences of gambling to a small group of patrons without intended benefits. The report states further:

> This modification might prolong the duration of gambling sessions.

So here is recent research that does not confirm that the reforms proposed in this bill will have any benefit.

Furthermore, the opposition argues that the government has failed in its pre-election promise of 1999, and it is interesting to reflect on what that promise was. Prior to winning government Labor said it would reduce the state government's reliance on revenue from gambling. It was a commendable promise but perhaps in hindsight Labor may well have liked to have rewritten that.

Budget paper 2 at page 155 of the forward estimates states that gaming revenue in 2002–03 is $1.455 billion. This grows progressively over the next three financial years to $1.536 billion in the next financial year to $1.620 billion in 2004–05, and in 2005–06 the estimate is $1.709 billion. This is an increase of $254 million, or more than 17 per cent, in that time. We all know from the past that forward estimates have always been way under the actual take.

It is also interesting to put on the record that in 1998–99 the Victorian budget figures indicated that gambling tax accounted for only 7 per cent of state revenue. This has gone up drastically in the past few years, and it puts a lie to the fact that Labor said it would reduce the state government's reliance on revenue from gambling.

It also needs to be noted that previous changes debated in this place and implemented by the government have had a negligible impact on the problem gambler. They certainly have not decreased expenditure on gambling. It is not all that long ago that we were in here debating regional caps on machines and that all gaming machines have clocks on them, which was probably a wonderful thing for the clockmakers and people with the task of fitting them but it has certainly done nothing to reduce the impact of gaming on the community or the bad effects. I think we were also debating the fact that there ought to be more light in venues.

The bill raise raises many issues. Members of the opposition do not oppose the bill. We would like to see these harm minimisation measures work. We note that the government will be monitoring the effectiveness of them and researching their impact on problem gambling, but we suspect that this will not be the last piece of gaming legislation presented before this house.

Hon. JENNY MIKAKOS (Jika Jika) — It is with great pleasure that I rise to make a contribution today in support of the Gaming Legislation (Amendment) Bill.

Since coming to office the Bracks Labor government has strived to achieve a balance between the need to provide harm minimisation measures that address the problems experienced by problem gamblers and the need to provide certainty in the gaming industry and an environment in which the gaming industry can provide community benefits, particularly from those gaming venues operated by community organisations and clubs. We have seen in the past a number of measures introduced in Parliament; we have also seen a number of changes introduced through regulations on advertising, lighting and so on. The reforms contained in this bill seek to build upon those previous changes to ensure that Victoria remains at the forefront of gaming reform in this country.

The Honourable Andrew Brideson in his contribution attempted to criticise the government for not going far enough. However, I note that when the Labor Party came to government no harm minimisation measures were contained in Victorian legislation dealing with problem gambling. Even now the Victorian opposition does not have a plan for dealing with problem gambling in this state.

The Productivity Commission's past research seeks to suggest that 2 per cent of all gamblers are what can be referred to as problem gamblers — people who gamble beyond their means, who have an addiction similar to alcohol and drug additions whereby they have no sense of control over their gaming expenditure.

The Productivity Commission came to the conclusion, based on interviews, that 2 per cent of gamblers are problem gamblers. It is very hard to determine the exact number of problem gamblers in our community. Nevertheless, it is important that we try to quantify this figure because it is a very significant social problem that we face in our community.

The electorate that I represent, the seat of Jika Jika, not only has one of the highest numbers of electronic gaming machines but also one of the highest levels of gaming venues in the state. It is not coincidental that as you go up High Street from, say, Northcote all the way up to Epping, you see these gaming venues and also a number of pawnbrokers and other types of institutions that have sprung up over the years very close to these gaming venues.

My local community has been very concerned about problem gambling, and for this reason, with the support of Darebin council — the local council — I lobbied for gaming caps to apply in the local area. I was very pleased at the announcement of those gaming caps, which also include an area called Darebin Plus, which takes in a large part of my electorate and extends into the northern, north-eastern and north-western suburbs of Melbourne.

It is very hard to come up with empirical evidence on the extent of problem gambling. Research has been done by Breakeven problem gambling services — it particularly looked at the issue of the prevalence of problem gambling amongst women — and that type of research has been invaluable in this government not only formulating harm-minimisation measures appropriate to deal with this social problem but also in developing counselling programs, antigambling advertising and other measures this government has undertaken to date.

I commend the Minister for Gaming for tackling a very difficult social problem in a very balanced way. We need to avoid hysteria on this issue. I assure honourable members that many people in my community are extremely concerned about the issue of problem gambling, and while it is very hard to quantify the extent of problem gambling in my local community, the anecdotal evidence — what you hear if you talk to local traders and people involved in, say, the health sector in my local area — seems to suggest it is a quite considerable problem.

This bill builds upon the reforms of the past — things such as the gaming caps and the other restrictions I mentioned earlier — and upon this framework to provide for harm-minimisation measures and other measures which are at the forefront of gaming legislation in this country.

The bill makes a number of amendments to a lot of different pieces of legislation: the Casino Control Act, the Gaming and Betting Act, the Gaming Machine Control Act, the Gaming No. 2 Act, the Interactive Gaming (Player Protection) Act and the Public Lotteries Act.

I do not propose to go through every amendment in great detail: there are a number of speakers on this bill yet to come from the government side. For that reason, it is really not necessary for me to cover the bill in a great degree of detail. However, I do want to cover in my contribution the key measures in the legislation and some of the comments that have been made during the course of the debate so far.

A key part of the bill relates to harm minimisation measures which, as I indicated, seek to build on those measures which have already been introduced. A number of amendments will apply to the design of electronic gaming machines in the future — for

example, banning of $100-note acceptors on machines; prohibiting the reduction of machine spin rates below the current fastest level of 2.14 seconds; banning autoplay facilities; and also clarifying the minister's power to seek bet limits on gaming machines in approved venues and at Crown Casino. This power will be used to set the maximum bet limit at $10. Those are important measures. They do not seek to make it prohibitive for recreational gaming users to gamble in this state but will impose some limitations on problem gamblers frittering away their money at a very rapid rate. These measures seek to impose some restrictions on problem gamblers to ensure they have some time in which they can assess the implications of their conduct.

Some exemptions are contained in the gaming machine design provisions — for example, exempted machines that are not accessible to the general public will not have to comply with all these various measures provided that they are not accessible to the general public and they operate by a card or a PIN — personal identification number — system which must allow players to set a limit on the amount of time and net loss they can incur in any 24-hour period.

I do not wish to suggest for a moment that these gaming machine design measures will eradicate problem gambling overnight. Problem gambling is a social problem that is difficult for any government to tackle head on. However, the government has been prepared to look at various measures that hopefully will have some impact on reducing problem gambling. The Bracks Labor government is also prepared to continue to monitor the implementation of these machine design measures to ensure they have the desired outcome.

Hon. R. M. Hallam — How will you judge that?

Hon. W. I. Smith — How do you benchmark? What are your performance indicators?

Hon. JENNY MIKAKOS — Mr Hallam of all people would be aware of how difficult it is to develop performance measures.

Hon. R. M. Hallam — What are you going to monitor against?

Hon. JENNY MIKAKOS — For Mr Hallam's information, the government will monitor the implementation of these measures to see, for example, if there is a level of compliance with the new requirements. That level of compliance is able to be monitored and quantified. However, in respect of the general issue of performance measures, honourable members would be aware, as I have already indicated in my contribution, of the complexity of problem gambling and how difficult it is to come up with effective performance measures to evaluate the success of any harm minimisation initiatives.

The gambling research panel, which was established last year, has been commissioned to research this complex issue and also to research the government's regional cap measures, which I discussed earlier. I inform Mr Hallam that the government will be relying on the research undertaken by the panel in order to evaluate the effectiveness of these types of harm minimisation changes.

Another harm minimisation measure in the legislation relates to cash accessibility. It is widely agreed among the community that unplanned access to funds is a significant contributor to problem gambling. The bill will place limitations on access to automatic teller machine (ATM) and EFTPOS facilities at gaming venues to $200 per transaction. The bill will also prohibit cash withdrawals from credit accounts from automatic teller machine (ATM) and EFTPOS facilities at a gaming venue to ensure people do not go into the red to feed their problem gambling habits.

The bill also requires that winnings or accumulated credits in excess of $2000 be paid by cheque with optional payment by cheque of winnings or credits below $2000 if that is requested by the gaming player. The bill will prohibit venues from cashing cheques issued by the same venue. Those types of measures will place some practical limitations on problem gamblers being able to access funds, particularly where those funds will put them in the red where they are utilising credit card facilities, for example, and it will encourage successful players to take their winnings home.

Another key harm minimisation measure relates to player loyalty schemes. We have seen an increase in the use of this type of card technology. I understand that at the present Crown Casino utilises these types of card loyalty schemes and that Tattersalls also has such a scheme in operation, although I do not believe Tabcorp currently has a scheme in operation.

However, with the increased usage of these types of cards gamblers' habits are able to be collated on databases, which gives us a better indication of people's gambling habits. This type of information on a non-identifying basis which is collected through loyalty schemes will be provided to the gambling research panel, or other organisation directed by the Minister for Gaming, for research purposes. For the first time that will give true empirical data enabling us to effectively assess these types of harm minimisation initiatives. It is a shame Mr Hallam has left the chamber because I

wanted to draw to his attention that these loyalty cards will enable the gambling research panel for the first time to access that kind of data and will enable this government to properly assess the impact of various measures over time.

The providers of loyalty schemes will be required to provide participants with activity statements at least once a year. Loyalty scheme cards will assist players to control their gaming spending by, for example, enabling them to set limits on their losses and the maximum time they wish to spend playing gaming machines. Self-excluded gamblers will be prevented from using the loyalty scheme cards.

The take-up rates of these types of cards should not be used as an alternative to cash — and that is not my understanding of how they will operate — but will enable gamblers to better impose controls on their own gambling habits and will provide them with an annual statement which will give them an indication of how much money they have expended on gambling over a year. I welcome those types of initiatives because they will assist problem gamblers in particular to identify the extent of their problem gambling.

Debate interrupted pursuant to sessional orders.

Sitting suspended 1.00 p.m. until 2.02 p.m.

QUESTIONS WITHOUT NOTICE

Commonwealth Games: MCG redevelopment

Hon. I. J. COVER (Geelong) — The Minister for Tourism recently told the Public Accounts and Estimates Committee that the Department of Tourism, Sport and the Commonwealth Games, of which the Minister for Tourism is the lead minister, expects to ask for supplementation of the Commonwealth Games budget later this year. I ask the Minister for Commonwealth Games: will the $77 million announced for the Melbourne Cricket Ground redevelopment be part of that supplementation?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — As the honourable member would no doubt be aware and as I have mentioned on a number of occasions in this house, the budget for the Commonwealth Games will be finalised towards the end of this year. Much of the reason for that is the work being done to see how the Manchester Commonwealth Games progress with regard to security, crowd control and associated issues in particular and also to see how issues in relation to tourism are conducted. We look forward to finalising the quantum of the budget for the Commonwealth Games towards the end of this year.

Supplementary question

Hon. I. J. COVER (Geelong) — I have a supplementary question, Mr President.

Hon. Bill Forwood — There's not much point if he didn't answer the first bit!

Hon. I. J. COVER — As the Leader of the Opposition points out, the first question has not been answered so I will have to ask a supplementary question. That will basically revolve around the minister elucidating his answer to my first question, which asked whether the $77 million announced for the Melbourne Cricket Ground redevelopment will be part of the supplementation of the budget for the Commonwealth Games. It is all very well to tell us about security and other issues, but I am asking specifically whether the $77 million will come from that supplementation or if the minister is still intending to make the cuts to the Commonwealth Games infrastructure that he alluded to last week in answer to a question on this same topic.

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I will repeat the issues relating to the Commonwealth Games budget: the quantum of the budget will be determined towards the end of this year, and no doubt issues relating to either tourism or the quantum of the commitment to the Melbourne Cricket Ground will be considered as part of that budget allocation.

Victorian Institute of Teaching

Hon. E. C. CARBINES (Geelong) — I refer my question to the Minister for Education Services, and I ask: following the decimation of the teaching profession by the previous government, what action has the Bracks government taken to turn this situation around?

Hon. M. M. GOULD (Minister for Education Services) — I am sure that members of this house are well aware of the fact that the previous government destroyed the morale of teachers in this state. It sacked 9000 teachers and devastated the teaching profession. In contrast, the Bracks government has worked to restore the morale of the teaching profession, and it has invested in Victoria's future by investing in our schools and teachers.

This has been achieved through a number of ways, some of which fall within my portfolio and some of

which are the responsibility of the Minister for Education and Training in the other place. We have made schools better places to work in as a result of our modernisation of schools program; we have employed thousands of new teachers and staff; and we have cut class sizes and improved the quality of education in our schools.

I am delighted to inform the house that I have just announced the interim council of the Victorian Institute of Teaching. The final council will be elected by members of the profession in November this year. The Victorian Institute of Teaching is a critical part of our vision to revitalise the teaching profession.

This is the first time that any government in Australia has delivered a professional body for teachers. This is an incredible achievement and one that I am very proud to have as my responsibility.

It is also my pleasure to advise the house that the chair of the interim committee is Susan Halliday. Ms Halliday has worked in the school, TAFE and university sectors, and honourable members would be aware that she recently completed her role as Australia's Sex Discrimination Commissioner. She is very excited about taking on this critical new role as the interim chair of the institute. The other 19 members of the interim council come from a wide cross-section of our education community and include teachers from government and non-government schools, principals, parents and school council nominees.

Honourable members interjecting.

Hon. M. M. GOULD — I know the opposition does not care about our teachers, but the government does!

I would like to thank all the stakeholders who have worked with this government to make this vision become a reality. The Bracks government is delivering for teachers in Victoria. I look forward to continuing to inform the house of the fantastic work that will be undertaken by the institute.

Commonwealth Games: budget

Hon. BILL FORWOOD (Templestowe) — My question is also to the Minister for Commonwealth Games. The minister has just admitted to this house that the budget we are currently debating is deficient, particularly in relation to the amounts allocated for the Commonwealth Games. Could he inform the house of whether there are any other things in his portfolio that are not in the budget that should be?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I thank the honourable member for his question. This has been discussed at the Public Accounts and Estimates Committee and in this house previously — that the quantum, or the extent, of the Commonwealth Games budget will not be determined until towards the end of this year, and I have explained and outlined the reasons — full consideration has to be given to the delivery and success of the Commonwealth Games in Manchester this year. After that has been done and considered accordingly, the scope and quantum of the budget for the Commonwealth Games will be determined.

Supplementary question

Hon. BILL FORWOOD (Templestowe) — A supplementary question: that is an absolutely extraordinary answer. We are dealing with and are very keen to know what the bottom line will be for the budget of the state of Victoria, and the minister stands in here and tells us that he does not know. It is a very simple question: where will the money that is not in the budget — he has already admitted it is not in the budget — be coming from to fund the Commonwealth Games?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I have said on a number of occasions that the budget is still to be determined. It will be considered as part of the Commonwealth Games budget to be determined towards the end of this year.

Energy efficiency: commercial buildings

Hon. R. F. SMITH (Chelsea) — I ask the Minister for Energy and Resources to inform the house what action the Bracks government is taking to facilitate improved energy efficiency of commercial buildings here in Victoria.

Hon. C. C. BROAD (Minister for Energy and Resources) — I thank the honourable member for his question and his interest in energy efficiency. The Bracks government is committed to building sustainability into everything it does, as demonstrated by the release last week of the Victorian greenhouse strategy, the first strategy of its kind by a state government in Australia and yet another election commitment delivered by this government.

We often speak of energy use and the savings that can be achieved; however, energy use in commercial buildings accounts for some 12 per cent of Victoria's total greenhouse gas emissions. Since climate change affects all Victorians, not only household consumers

but also the commercial sector must make a contribution to reducing energy use.

There is potential for the commercial sector to save up to 25 per cent in energy costs in existing buildings through good design and efficient operation. Potential savings increase to more than 50 per cent in new buildings. That represents an enormous cost saving to business and a large reduction in greenhouse emissions. Major commercial developments to be constructed over the next decade — —

Hon. R. M. Hallam interjected.

The PRESIDENT — Order! Mr Hallam!

Hon. C. C. BROAD — Major commercial developments are being designed and planned now, and the Bracks government will take action now to ensure that opportunities for energy efficiency in these new planned developments are not lost.

I am pleased to inform the house that as part of the Victorian greenhouse strategy the Bracks government will develop minimum energy performance requirements for commercial buildings. It will introduce provisions into the Victorian building regulations to require energy performance assessments of all new buildings. In order to demonstrate leadership, the Bracks government will also require all major project developments in this state to incorporate high levels of energy efficiency.

The Sustainable Energy Authority, another Bracks government election commitment which it was pleased to deliver, will support the building development and management industries to apply best practice with respect to sustainable energy technologies and management, even if the Honourable Roger Hallam is not interested in them.

The government will also provide funding to support the development of energy management programs in multi-tenanted commercial buildings. That program will target large commercial developments and will be delivered in partnership with the property industry. In developing the new energy efficiency regulations, the government will ensure consultation occurs with stakeholders and that the final form of the regulations will be informed by a thorough assessment of economic impacts. The Bracks government has a vision and a plan for sustainable energy use, which it is delivering on.

Schools: closures

Hon. W. R. BAXTER (North Eastern) — I refer the Minister for Education Services to her repeated assertions in this house that the previous government closed schools. Bearing in mind her answer to question on notice 2920 where she detailed a long list of schools that have closed since her government assumed office, what is the point she is attempting to make?

Hon. M. M. GOULD (Minister for Education Services) — The honourable member is referring to an answer to a question on notice about the number of schools that have closed while we have been in government. That has been a choice of those schools, which is in contrast to what the opposition did when it was in government when it forced schools to close.

Honourable members interjecting.

The PRESIDENT — Order! The minister is answering the question. I ask the house to settle down and allow her to answer it.

Hon. M. M. GOULD — Due to the lack of students to make the schools continue, those schools chose to merge with other schools, whereas when the opposition was were in government, Mr Baxter, it forced over 300 schools to close against their will when the communities did not want that to happen.

Supplementary question

Hon. W. R. BAXTER (North Eastern) — I had some difficulty hearing the minister's answer, but I think I got the gist of it, which was something to do with criteria applied to the closure of schools. That being so, I ask the minister to explain how the criteria her government applies to school closures differs from that employed by the previous government. I want detail, not some wild assertion.

Hon. Kaye Darveniza interjected.

The PRESIDENT — Order! The Honourable Kaye Darveniza is not yet Leader of the Government; I am interested in hearing from the Leader of the Government.

Hon. M. M. GOULD (Minister for Education Services) — If a school, through a lack of numbers and the small numbers attending the school, chooses to amalgamate its students with other schools it can then have a choice of how it closes, whereas the previous government set up a system, identified schools, put them in a network and said, 'There are three schools; one of you shall remain, the other two have to close

down'. There was no choice for the schools under the previous government, but this is self-selection by the schools rather than having closures imposed on them as was the case with the previous government.

Drugs: chroming

Hon. G. D. ROMANES (Melbourne) — Honourable members will be well aware of the difficult issue of the inhalation of solvents. Will the Minister for Education Services advise what resources the Bracks government has provided to schools as part of its whole-of-government approach to tackling this issue?

Hon. M. M. GOULD (Minister for Education Services) — I thank the honourable member for her question. As honourable members will be aware, this is a very complex and concerning issue. The Bracks government is committed to addressing the serious issue of inhalation of solvents, also known as chroming. We are doing so with a whole-of-government approach that contains a number of initiatives. These initiatives span a range of ministerial portfolios and include things such as assisting retailers with information about the responsible sale of solvents, increasing funding for substance abuse workers and providing funds for local government to deal with local drug issues.

In my portfolio of education services an education kit has been developed to help teachers identify and address issues related to chroming. This is an important part of the Bracks government's commitment to providing appropriate drug education resources for our schools.

The kit, called 'Volatile solvents: a resource for schools', has come about as a result of collaboration with school communities and community agencies. The resource was developed and trialled extensively over an 18-month period and is based on the most recent research. It places volatile solvent education in a framework of health and safety regarding hazardous substances.

Importantly, this resource is not a stand-alone document. Schools will be provided with a comprehensive professional development program to train them about the resources. This program will include teachers, student welfare coordinators and school nurses. The resource will be available only to those who have completed the relevant training. The combination of this resource and the professional development program will assist schools to tackle this difficult issue.

This is another way that the Bracks government is helping to build stronger communities and to deliver a brighter future for our young Victorians.

Commonwealth Games: MCG redevelopment

Hon. B. N. ATKINSON (Koonung) — My question is directed to the Minister for Commonwealth Games. I noted the announcement made last week by the Premier that the state government will fund the redevelopment of the Melbourne Cricket Ground to the tune of $77 million after having rejected federal government funding. Therefore, I wonder if the minister would provide details to the house of what site agreements have been struck with what unions to ensure industrial peace on the MCG redevelopment project and to ensure that the project is completed on time and on budget?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — I welcome the honourable member's question. The $77 million committed by the Bracks government to the Melbourne Cricket Ground redevelopment is to ensure the project is delivered on time and on budget and came about because the tender for the project was issued in October 2001. That was some time after agreement was made with the federal government in relation to a $90 million contribution. Almost five months after the tender process was committed, Tony Abbott required implementation guidelines in relation to the national code of practice for the construction industry.

It is well worth noting that under those implementation guidelines there is a strict requirement that those guidelines be made a condition of the tender. Mr Abbott and his department requested that they come — —

Hon. B. N. Atkinson — On a point of order, Mr President, the minister gave us all this information last week. He is repeating information that has already been made available to the house. He has made absolutely no effort to address the question. He is simply reiterating material from last week. I urge you to advise him to get on and answer the question that was posed.

The PRESIDENT — Order! The question was specific but the minister is giving the background, no doubt, in moving towards the answer which we look forward to hearing.

Hon. J. M. MADDEN — Five months after that tender process was put in place Tony Abbott wanted to change it. Part of the implementation guidelines is that those guidelines must be made a condition of the

tender. So Tony Abbott, the minister, breached his own guidelines.

The state government has had to come to the rescue of the project. This project planning has had somewhere in the order of $10 million put in by the Melbourne Cricket Club, and Mr Abbott wanted to scuttle the project for his own political purposes. The government knows what this is about — at the end of the day it is about John Howard validating Tony Abbott's position. This is about Abbott versus Costello, Mr President. It is about the Prime Minister validating, endorsing and anointing Tony Abbott as the heir apparent to his leadership in future years. Regardless of that, we have rescued this project from the hands of Tony Abbott, who was prepared to scuttle it. He was anti-sport and wanted to turn the ground into an industrial battleground.

As I have said on numerous occasions, the MCG means too much to the people of Victoria, let alone the people of Australia, to let Tony Abbott tarnish its fine tradition — its history — to become an industrial battleground for his sake and for the sake of John Howard.

Supplementary question

Hon. B. N. ATKINSON (Koonung) — Mr President, despite my asking a very specific question and putting a point of order, in response to which you, like the house, anticipated an answer to that question, this minister has continued to show his contempt for the house by failing to provide any sort of answer.

The minister told us last week and today that the Bracks government rejected federal funding for the MCG redevelopment because the federal government insisted that this project be completed in line with industrial relations conditions that were set by federal law. Will the minister therefore, in deference to the house rather than in contempt of it, provide details of what industrial agreements the government has made with unions involved in the MCG project to ensure that the commitment of Victorian taxpayers' funds does not exceed the $77 million announced on 6 June?

Hon. J. M. MADDEN (Minister for Commonwealth Games) — As I have said on a number of occasions, we as a government are happy to implement the national laws in relation to building and construction, but what the federal minister required in relation to the implementation of guidelines breached his own guidelines by his trying to — —

Hon. B. N. Atkinson — On a point of order, Mr President, as far as I understand, the minister is not responsible for the federal jurisdiction and is therefore really required to talk about what he is doing in terms of his Victorian government responsibilities. The question was aimed at his responsibilities as a Victorian minister and asked very specifically about site agreements or industrial agreements for this site; not what some other minister might be doing in some other jurisdiction. I ask you to encourage him to answer the question, which has been put to him twice.

The PRESIDENT — Order! The minister still has 27 seconds to complete his answer and supply the information that has been requested.

Hon. J. M. MADDEN — The federal government decided to pull $90 million out of the project, but at the same time that came about because Tony Abbott was prepared to breach his own guidelines. We are confident that the project will be completed on time and on budget, and that it will be a showcase of building in this state.

Robocup Junior World Championships

Hon. D. G. HADDEN (Ballarat) — Will the Minister for Information and Communication Technology inform the house how Victorian students are putting their technology skills to the test against the rest of the world?

Hon. M. R. THOMSON (Minister for Information and Communication Technology) — I thank the honourable member for her question. A lot of honourable members are interested in the World Cup that is now being played in Japan and South Korea, but what many people do not realise is that our own soccer champions are heading off to Japan to compete. However, there is something different about these competitors: they are Victorian schools which are getting ready to kick goals in the Robocup Junior World Championships in Japan.

The competition involves the development of robots by schools to compete in a soccer competition where robots play soccer kicking a ball that emits infra-red rays. St Paul's Anglican Grammar School in Warragul is the current world champion and will be joined by Bellarine Secondary College — which was the world champion in 2000 — Clonard College and Kardinia International College.

Robocup Junior was developed in Victoria by a group of teachers and students after Robocup, the university version, was held in Melbourne in 2000. Robocup Junior is supported by the Bracks government through

Interact Events and has expanded so that every other state is now participating. It attracts over 100 schools from around 20 countries and involves primary and secondary students in an integrated series of innovative educational games designed to engage them in technology and, in particular, robotics.

Besides the technology skills gained by students through competing, it also encourages teamwork, organisational skills and sportsmanship — which is an important part of the process. Most of all it is fun. By ensuring that young Victorians are having fun while using their information and communications technology (ICT) skills we will encourage them to use those skills into the future. It is important to ensure that our young people have an interest in ICT and that they are motivated, creative and innovative. We need those skills in our young people if we are to have a strong and vibrant ICT sector in Victoria. Not only does Victoria produce the highest number of ICT graduates in Australia but its ICT professionals are recognised as the most creative and highly skilled in the world.

It is because of those skills and foundations that we have such an innovative sector, particularly in the computer game industry. We are able to produce champions in Robocup Junior. I wish all the schools competing in Japan the best of luck and hope they will bring home another World Cup.

Youth: proof of age

Hon. W. I. SMITH (Silvan) — I ask the Minister for Small Business if she is aware that the recently introduced Victorian learners permit, which uses the latest hard-card technology, is currently being falsified to enable kids who are under age to have access to pubs and the purchase of alcohol?

Hon. M. R. THOMSON (Minister for Small Business) — It was brought to my attention a little while ago that the learners permit has the same technology involved in its production as a drivers licence. As a response to a request from a parent in relation to the use of a learners permit as a means of identification for proof-of-age purposes, the government changed the requirements to allow a learners permit to be used as proof of age and identity. That was based on the information made available that a learners permit was produced in the same way as a drivers licence and that a drivers licence is one of those items that people can produce by way of identification and proof of age.

The government allowed learners permits — only from Victoria, not from any other state — to be utilised on the basis of the technology used. The falsification of learners permits has not been brought to my attention.

Supplementary question

Hon. W. I. SMITH (Silvan) — The same technology is indeed used in Victorian drivers licences and learners permits, and they are being falsified. A couple of weeks ago Keypass — one of the largest manufacturers of identification cards — which had been trying to get to the minister through her adviser, reached Brian Kearney, the director of liquor licensing, who in fact has one of the cards that has been falsified. The date on the drivers licence has been falsified while the holography has remained the same; the change is unable to be detected. It is impossible to check: no-one can see it. The company itself has had great difficulty in finding out how it is done; it was only because it got one of the cards back from Crown Casino — it is a normal process to get back a range of cards — that it found out. Brian Kearney is aware of the problem, although he does not want to go public on it at this stage. Now the minister is aware of the problem, I ask: will she withdraw the learners permit as a means of identification for kids so they cannot go to pubs?

Hon. M. R. THOMSON (Minister for Small Business) — If in fact learners permits are being manipulated to suggest that the date of birth is not the one specified, that will be investigated. I will seek an investigation from Liquor Licensing Victoria. The government will pursue its legal options in relation to this and the validity of learners permits.

Sport and recreation: funding

Hon. S. M. NGUYEN (Melbourne West) — Will the Minister for Sport and Recreation advise the house how the Bracks government is ensuring that all Victorians have access to quality sporting facilities?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I welcome the honourable member's question. It was my privilege and pleasure on the weekend to attend the opening of the Wangaratta Indoor Sports and Aquatic Centre. What a fantastic occasion it was! It was fantastic because in every sense of the word it was an endorsement of what this government is doing for rural communities. The government was able to deliver $2.5 million to the Rural City of Wangaratta to ensure that the Sportzlink facility, as it is now known, was delivered at the H. P. Barr Reserve in Wangaratta.

It is an outstanding facility. It encompasses an eight-lane, 25-metre pool with disabled access, separate program and leisure pools, a gymnasium, associated

change rooms, creche facilities, kiosk, first-aid room and redeveloped entry and administration facilities complementing the facility that was already there. It was fantastic to see the community there; there was an enormous turnout from the community.

Hon. G. R. Craige interjected.

The PRESIDENT — Order! Mr Craige, keep out of it!

Hon. J. M. MADDEN — There might even have been a couple of National Party members present. In contrast to some of the National Party members here this afternoon, those members were very happy. They were smiling because it was not a Liberal or National Party government but the Bracks Labor government that delivered the pool. The government delivered a pool to regional and rural Victoria, and it will continue to do that.

Why did the project get up after 13 years of hard work by the local community? While I would like to think that it was due to the fine work of some of the local members, fortunately for us the project got up because of the fine work done by this government in changing the funding ratios. That is how the government delivered $2.5 million to this project.

I look forward to seeing more facilities being opened in rural and regional Victoria over the next few months. I know that a facility will soon be opened in Swan Hill, funded by this government. Another facility will be opened in Warrnambool before the end of the year. Why? Because this government is committed to growing the whole of the state. We know that when you were in government you pretended to care for rural and regional Victoria — —

The DEPUTY PRESIDENT — Order! Through the Chair!

Hon. J. M. MADDEN — Members opposite pretend to care but everybody knows that they do not care. While they pretend to care it is pretty hard to prove it in opposition. I will tell members opposite why it is hard to prove it in opposition — they could not prove it when they were in government! The Labor Party is proving while it is in government that it cares. The Bracks government is growing the whole of the state and, as represented at Wangaratta, it is strengthening communities. This will be an outstanding facility because it will strengthen the community and give greater opportunity for recreation and sport, make people healthier and provide more employment opportunities. It even made the Honourable Bill Baxter happy!

MOTIONS TO TAKE NOTE OF ANSWERS

Commonwealth Games: MCG redevelopment

Hon. I. J. COVER (Geelong) — I move:

> That the Council take note of the answers given by the Minister for Commonwealth Games to questions without notice asked by honourable members relating to funding for the MCG redevelopment.

The minister takes great delight in telling us that he and his government cares about sport in Victoria, but once again he shows how much he cares about this issue by leaving the chamber when we move to take note of his answers. In asking questions today along similar lines to those asked last Thursday following the government's announcement to reject $90 million of federal funding for the Melbourne Cricket Ground redevelopment, and to then somehow find $77 million of state taxpayers' money to make up that shortfall because of its rejection of the federal money, we struggled to elicit from where the $77 million would come. Following a series of questions today we are still none the wiser.

We now have three possible scenarios of how the government will find the $77 million: we had the offerings last week from the minister when he was in the chamber answering questions before he left, but when questioned by honourable members on this side the minister said at page 3 of *Daily Hansard* of 6 June of the Council:

> … we will have to look at other aspects of the Commonwealth Games that may be placed in doubt. The funding for other elements of the Commonwealth Games may be placed in doubt.

That was the first indication the government might try to find the $77 million through savings, and those savings would be made by making cuts to the Commonwealth Games budget. Although it is a budget we have not seen yet, we have ascertained through today's questioning that that is perhaps another way of funding the $77 million through supplementation of the budget.

It was first revealed at a Public Accounts and Estimates Committee hearing that the Commonwealth Games budget would be supplemented later this year. That, by extension, brings further questions to mind about the way the government is conducting economic and financial management of the state in that there will be supplementation to the budget later in the year. It raises the question, 'What other areas of government financial administration will be subject to supplementation later in the year?'. As pointed out, we are currently debating

the budget in this place and being asked to support a budget that will have supplementation in at least one area — that is, the Commonwealth Games budget later in the year.

Hon. N. B. Lucas — It is the 'Trust me' theory!

Hon. I. J. COVER — The 'Trust me' theory, as Mr Lucas interjected. We had no further elucidation from the minister on that point or in response to a question from the Honourable Bruce Atkinson about industrial site agreements which may well have been orchestrated by the government to see that this project is delivered, as the government wants to tell us, on time and on budget. That is another 'trust me' from the government — 'On time and on budget' — when we are not getting any indication as to what industrial site agreements have been struck. Indeed, the minister had great difficulty in answering the question and stuck to a prepared script that he has now been sticking to for a couple of weeks.

The third option that appears to be open to where the $77 million will come from was in the other place when the Premier in answer to a question on this same issue said at page 32 of *Daily Hansard* of 6 June of the Assembly:

> … $77 million from the state government … will be applied in future Victorian budgets …

We are now looking at three scenarios from where the $77 million will come — the first will be through savings by making cuts to Commonwealth Games infrastructure, and the words of the minister last week at page 7 were:

> They may need to be considered in terms of other infrastructure works, not key infrastructure works. Other infrastructure works that might have been handy to have for the games will have to be considered very carefully.

He also said at page 5 that there could be a scaling back of elements of the delivery of the Commonwealth Games.

He said:

> I am happy to clarify the comment, which related to considering other areas of the Commonwealth Games budget where we may have to scale back elements of the delivery of the Commonwealth Games.

It is either through savings; it is through a future budget according to the Premier; or as said by the lead minister and now confirmed by the Minister for Sport and Recreation in this house, by supplementation. As I said last week, the government needs to get its act together and tell us just what it is doing with the Commonwealth Games.

Hon. KAYE DARVENIZA (Melbourne West) — I am pleased to have the opportunity of making a contribution to this debate and of stressing to the house how pleased and enthusiastic the government is about the 2006 Commonwealth Games being held in Melbourne. It is committed to those games, and I am pleased to have the opportunity of comparing and contrasting the government's attitude with that of the opposition and its colleagues in the federal government. When the Commonwealth Games are discussed all we hear from the opposition in this chamber is a talking down without any enthusiasm or commitment. All its federal colleagues can do is renege and rat on the arrangements and undertakings they have given to fund the games.

In the recent state budget the Bracks government provided funding for the Melbourne 2006 organising committee and for the Office of the Commonwealth Games Coordination for 2002–03. The total funding for the Commonwealth Games has increased from $13.2 million in 2001–02 to $13.8 million in 2002–03, which clearly demonstrates this government's commitment to ensuring that the funds are there to undertake the work that needs to be done so that the necessary facilities are there to put on the very best games possible.

Some activities that have already commenced in 2002–03 include Melbourne's presentation at the 2002 Manchester closing ceremony as the next host city. The Melbourne 2006 Commonwealth Games committee has also commenced its marketing and sponsorship programs. Construction of the games village has commenced as has the development of the environment and regional access strategies for the games. The government is definitely committed to the finalisation of the games venues, including the village, and to ensuring that all the necessary venues for the various events will be prepared, will be of the best quality and will be finished on time and on budget.

I turn now to the outstanding circumstances that occurred with the federal government reneging on its contribution of $90 million and the fact that the Bracks government has determined it will inject $77 million, with a further $13 million contributed by the Melbourne Cricket Club. The federal government decided to renege on its commitment at a critical time. Tony Abbott inserted additional requirements over and above those required by the federal industrial relations legislation and after contractual agreements had been made on how contracts would be undertaken.

Why has the federal government behaved in this way? Two things have led to this situation: firstly, the federal government is over budget and wants to save money, and this is one way to do it; secondly, Howard wants to anoint — —

Hon. Bill Forwood — The Prime Minister to you.

Hon. KAYE DARVENIZA — The Prime Minister wants to anoint Minister Abbott as his heir apparent and cast Costello aside and have his preferred candidate in the best position to move into the prime ministership when Mr Howard — —

The DEPUTY PRESIDENT — Time!

Hon. B. N. ATKINSON (Koonung) — I join debate on the take-note motion because of the concerns I have about the answers not being provided to this house during question time. Indeed, all ministers continue to show utter contempt for the house in terms of sharing information with the people of Victoria through their representatives in this house and living up to what they claim was their standard of being an open and accountable government. It is anything but during question time, when opposition members ask valid questions on important projects of concern to all Victorians and the answers are nothing short of stonewalling and theatre. They are very short on detail and, in many cases, show an absolute contempt of the processes of this house. We saw that again today from the Minister for Sport and Recreation, who is charged with the responsibility for the Commonwealth Games.

Hon. G. R. Craige — He was a clown on the football field, too.

Hon. B. N. ATKINSON — He was a clown on the football field, but he has surpassed anything he might have ever done on the football field in coming to this place. The minister continually and flagrantly abuses this house by refusing to provide answers to very specific and simple questions.

Today questions were put to the minister — I guess it is a problem when you are good at reading and you frequently have to read matters of detail as part of your answer, but in adopting that approach when questions change you are behind the mark because you have not kept up with the debate. The minister went on ad nauseam today about last week's news and what he had already informed the Parliament of — issues that were part of publicity issues from the government and comments by the Premier.

The opposition is well aware of the circumstances that transpired last week. We understand the government's position and how it differs from that of the federal government. In the context of today's presentation at question time, the opposition sought information on how the state government, having made a particular decision, would deliver on the decision. We asked how it could assure Victorians that the Melbourne Cricket Ground redevelopment project would be delivered on time and on budget. We wanted to be assured that the $77 million allocated from the state budget and the $13 million that the Melbourne Cricket Club has been required to commit will be the end of the bill and that there will not be overruns.

This is the government that is over time on Federation Square. It has gone over budget four times on the Federation Square project. This is the government that is delivering on that project and is squandering other capital works projects in terms of taxpayers' dollars because of demarcation disputes, industrial disruption and budget allocations that have been mismatched to the projects and because it is changing its mind as it did on Federation Square. What the taxpayers of Victoria need to know is what arrangements the government has put in place with its union mates to ensure the project is achieved on time.

It was pointed out by way of interjection during the debate that the site agreement is registered. Perhaps honourable members opposite ought to tell the minister that, because he is not aware of it. He is either not aware of it or he is not prepared to tell the house. He is not prepared to be accountable for the site agreement or to be accountable for anything. The minister stands up like a Shakespearian actor waving his arms around and carrying on without providing any answers to specific questions.

Quite apart from the site agreements, which the minister seems to have no knowledge of or is certainly not prepared to share with the house in contempt of it, he also has no idea where any of the money is coming from.

In response to questions on budget the minister has shown that he has no idea of the budget process and no idea how this project will be funded. Victorian taxpayers watch aghast at the next chapter of the ineptitude — —

The DEPUTY PRESIDENT — Time!

Motion agreed to.

Drugs: chroming

Hon. B. C. BOARDMAN (Chelsea) — I move:

> That the Council take note of the answer given by the Minister for Education Services to a question without notice asked by the Honourable G. D. Romanes relating to the inhalation of volatile substances.

From the outset I state categorically that this issue demonstrates the complete hypocrisy of this government. On Wednesday, 8 May, we debated a private members bill that was moved by the opposition in relation to supply reduction of certain products linked directly to the harm caused by volatile substance inhalation. During the contribution from government members, notably the Honourables Gavin Jennings and Theo Theophanous, it was made quite clear — and it was supported by an amendment moved by Mr Jennings — that the government was not prepared to initiate any policy of sufficient detail or standing that related to controlling or trying to address the tragic situation surrounding volatile substance inhalation until the Drugs and Crime Prevention Committee's report had been tabled.

I issued a media statement on Friday in my capacity as chairman of that committee stating that due to a number of factors, predominantly the size and extensiveness of details contained in that report, that task was unable to be achieved and it was the resolution of the committee that that was difficult — —

Hon. C. C. Broad interjected.

Hon. B. C. BOARDMAN — I take up the interjection by the minister. I am sure that she, like many of her colleagues in government, would like the Drugs and Crime Prevention Committee to do its job thoroughly and properly. I am sure that the government would not want the committee to table a report that was ill-considered, not sufficiently examined to the extent and the detail required and did not make any recommendations that were rash and hastened in their preparation and justification.

For that reason it is very difficult for members of a parliamentary committee to receive a report that has in excess of 650 pages on a Tuesday at lunchtime — a report of the complexity that this one certainly is — and be expected to read, consider and evaluate all the information, evidence and findings ready for adoption on Friday morning of that week. That task was very difficult. Although the committee went down an extensive process to try to achieve that, unfortunately circumstances prevented it from doing so.

But there is an element of coincidence with the announcement from the minister today. We in the opposition have identified a number of issues that are yet to be considered by the committee, particularly in relation to education, and the committee has received an extensive amount of evidence in that regard. I find it extraordinary that this government, which has suggested that it will wait until the report is completed before announcing and implementing any major policy, is today having a question without notice outlining one such policy announcement concerning what the minister describes as a professional development program for drug education in schools.

One thing I need to remind the minister of — and I hope sincerely she has not referred to the committee's report or seen a copy of the draft — is that the committee has had evidence which suggests that drug education of volatile substances is not the way to go because these are not the drugs we are dealing with. We are not dealing with illicit substances. We are dealing with products that are readily available on shelves in supermarkets and other retail outlets, and for that reason it is important to treat them differently because their causes, the types of profiles and the demographics of users are somewhat different from those who would be addicted to and have problems associated with illicit substances.

It is important to place on the record my disappointment after picking up the front page of the *Sunday Herald Sun* last weekend to read that somehow the reporter who wrote the article was able to quote, I believe with some degree of accuracy — and I will not say anything more than that — the potential recommendations that may or may not come out of the committee's report. I find it extraordinarily coincidental that on the very same day the Attorney-General was ready to go with a prepared line to try to shift the debate on this very sensitive and complex issue back to the opposition to try to make some political mileage of it.

Again today that coincidence has been reaffirmed with the Minister for Education Services announcing a policy that may have some bearing on the committee's findings. One point made on 8 May in their contributions to the private members bill by both Mr Jennings and Mr Theophanous was that the government would not move on this serious subject until the report had been completed. The only advice I wish to offer the government is: wait until the report is completed.

Hon. E. C. CARBINES (Geelong) — I am very pleased to contribute to debate on this issue, the inhalation of solvents, which is an extremely serious

issue confronting Victoria and the whole nation. The Bracks government is committed to developing a comprehensive set of strategies to tackle this very serious issue.

This morning I was pleased to accompany the Deputy Premier in launching a number of initiatives that the government is introducing to tackle the very serious issue of solvent inhalation in this state. This morning at Mitre 10 in Clifton Hill we launched our strategy in conjunction with representatives of retailers, industry, the youth sector and the education sector. The Deputy Premier launched a retailers' kit which has been developed in conjunction with key stakeholders such as Mitre 10 and Bunnings Warehouse to inform retailers about the sale of solvents including information about legal rights and responsibilities and solvent abuse.

The kit has been well received by the industry and retailers and many of them spoke highly of it today; they said how much it would assist them in the issues they confront on a daily basis regarding the sale of legal products to minors who may use them for obviously dangerous pursuits.

This morning the government also announced that an additional five drug and alcohol workers would be employed across the state — requiring funding of about $347 000 — specifically to address the issue of chroming in Victoria. I represented the Minister for Education and Training at the announcement, and we also launched our new kit, 'Volatile solvents — a resource for schools', which provides health and safety guidelines. This is a useful education strategy that will be given to all government and non-government schools. It comes out of research that indicates that information and education about solvent abuse must be treated differently from education about drug and alcohol abuse. The government is determined to tackle the issue as a health and safety issue. As I said, the resource will be distributed to all government and non-government primary and secondary schools and will be accompanied by professional development for teachers, welfare teachers and school nurses.

It is an important resource for the education community across Victoria. Having been a secondary school teacher and a parent of primary school students I had a look at the resource this morning and believe it is a very practical guide on solvent abuse. It includes practical activities for primary school students to increase their awareness of the potential danger of common substances that can be found in any home. For secondary school students there are more advanced activities that will be very useful for teachers in secondary schools.

This government is all about developing a whole-of-government approach. The kit was endorsed by Mr Peter Wearne, the manager of the residential unit of the Youth Substance Abuse Service, who came along to the launch and said the kit was fantastic. This is the first time in Victoria's history that we have had a whole-of-government approach to such an issue. He congratulated the Bracks government for its initiative. This contrasts starkly to the opposition, which put before us a few weeks ago a very sloppy and half-baked bill for consideration. Also, we are waiting with bated breath — —

The PRESIDENT — Time!

Motion agreed to.

Schools: closures

Hon. W. R. BAXTER (North Eastern) — I move:

That the Council take note of the answer given by the Minister for Education Services to a question without notice asked by the Honourable W. R. Baxter relating to school closures.

I think the Council should note the answer that the minister gave to my question. I asked the question for a pretty specific reason, because I suspected that once again it would show up the hypocrisy of the Labor government. And that is exactly what my question elicited — another example of gross hypocrisy by this government and its ministers.

I have been growing increasingly concerned as I have sat in this chamber over the last year or so that the Minister for Education Services, almost regardless of the terms of the question she might be asked about schools, goes on with the mantra about what schools the previous government closed as if somehow or other that was some swingeing action by that government and that schools had never closed before and they were not closing under this government.

I knew that to be not the truth, so I put a question on notice. And, yes, I got an answer, and the answer came back fairly quickly. It set out a list of schools which have closed since the Labor government came to office only a short time ago. It includes such schools as Heatherton Primary School, Mandurang South Primary School, Irrewillipe East Primary School, Sunshine West Primary School, which I assume is in the western suburbs of Melbourne, Brim Primary School, Wando Vale Primary School — we have heard a bit about that from Mr Hallam, because this minister was going to install airconditioning in it — Youanmite Primary School, Gerangamete Primary School, Lexton Primary School, Watchem Primary School, James Harrison Secondary College, which I understand is in the

Geelong area, Buffalo Primary School and Gelantipy Primary School.

Hon. E. C. Carbines interjected.

Hon. W. R. BAXTER — It has been confirmed by Mrs Carbines's interjection that James Harrison Secondary College is in the city of Geelong and, yes, it has been closed.

Hon. E. C. Carbines — You know why!

Hon. W. R. BAXTER — I am glad to have that confirmation, and I am glad to have the confirmation that it has been closed by the Labor government.

Schools have been opening and closing in this state ever since 1855. It is a feature of demographics. As enrolments rise and fall, so does the school establishment. Quite clearly there were very many schools built in the 1950s to cater for the baby boom after the war in the suburbs of Melbourne. They were built in some cases for 1000 or 1200 students, and they have dropped away to less than 200. Of course, there was a case to be made for some rationalisation of those schools. I suspect that that is exactly what has happened with James Harrison Secondary College in Geelong.

The former government said to schools, 'Don't be satisfied with the status quo. Don't just accept that what you have been doing for 100 years is necessarily the best. Have a bit of a look at it and consider what is the best for your students'. I well remember attending a meeting at Wooragee, which is roughly midway between Yackandandah and Beechworth — a one-teacher school — where I put the case that perhaps that school should consider amalgamating with Beechworth. An interesting public meeting was held on a very cold night. Towards the end of the night an elderly lady got up and said she had listened to me and that she had gone to that school, her children had gone to the school and her grandchildren were at the school.

I was beginning to think I was going to cop a lot from this lady, and she said, 'But I agree with Mr Baxter'. Unfortunately the meeting did not and took a decision to continue, and Wooragee school continues as a one-teacher primary school. I wish it all the best, but I am sick and tired of all the innuendo coming from the government that somehow or other the closure of schools was a feature of the previous government and that this government does not close schools. The system works just the same: as the demography changes, so does the establishment. I am sick and tired of the hypocrisy of the government, and the minister has been caught out today.

Motion agreed to.

QUESTIONS ON NOTICE

Answers

Hon. M. M. GOULD (Minister for Education Services) — I have answers to questions nos 2819, 2882 and 2919.

Hon. I. J. COVER (Geelong) — I think the first number the minister read was 2819. Is that correct?

Hon. M. M. Gould — Yes.

Hon. I. J. COVER — I thank the minister for giving me that response. I have another question on the notice paper, no 2818. Having written to the Minister for Sport and Recreation, I sought an explanation from the Minister for Small Business on Tuesday last week as to when I might receive an answer to that. On the following day I raised it with the Leader of the Government, who indicated that if the Minister for Small Business said she would chase the matter up with the Minister for Sport and Recreation, she was sure she would do so.

The Minister for Sport and Recreation might be here one day to throw some light on it. I thank the Leader of the Government for the answer to question 2819, which I have received, but I am still seeking an explanation from the Minister for Sport and Recreation for his non-response to question 2818.

Hon. M. M. GOULD (Minister for Education Services) — As the honourable member indicated, the Minister for Sport and Recreation has answered one of the questions raised and obviously, since he has responded to one of them, he will respond to the other. I am waiting for his reply to the honourable member's question.

Hon. I. J. COVER (Geelong) — I thank the minister. I move:

> That the Council take note of the explanation given by the Minister for Education Services in relation to question on notice no. 2818.

As I pointed out, I wrote to the Minister for Sport and Recreation about this and asked twice last week for an explanation, and perhaps it was through those questions last week that the answer to question 2819 was tabled today, but I am still concerned that question 2818 has not been answered, particularly as it was directed to the Minister for Sport and Recreation, and asked which communities and/or local councils have current applications for Better Pools funding and minor facilities grants for 2002–03.

Hon. G. R. Craige — It is not a difficult question to answer.

Hon. I. J. COVER — As Mr Craige said, it is not a difficult question to answer, particularly as members on both sides of this house will be well aware that the issue of Better Pools and minor facilities funding has been the subject of questions in question time and the subject of a take-note motion following some questions on that matter during the session.

It is particularly interesting that the minister has not been able to provide me with an answer to this question, notice of which was submitted on 16 April — almost two months ago now — when in fact in the last week or so the minister in this place has been making announcements about successful applicants for the Better Pools program and for minor facilities grants. For him to be able to make those announcements about who has been successful, one would imagine that the minister and his department would have at their disposal a list of all the applications from communities and local councils around Victoria seeking funding through the Better Pools and minor facilities grants programs.

It cannot be too hard to go through the list, cross off the ones that were successful — I do not need a list of the ones that were not successful; I want a list of all of the applications — so there had to be a master list to be able to go through and work out which applications were successful. As I said, it cannot be too difficult for the minister and his department to furnish me with an answer, seeing as the department had been able to furnish him with enough material to come into this house and respond to dorothy dix questions on the very question — —

An Honourable Member — They might have had a whiteboard!

Hon. I. J. COVER — They might have had a whiteboard. I have been considering in recent days when discussing the $77 million for the Melbourne Cricket Ground redevelopment whether Ros Kelly's old whiteboard has found its way into the Minister for Sport and Recreation's office here in Victoria. It might be difficult to bring the whiteboard in here to help answer question 2818, but I would appreciate something in writing and I am sure that having asked through this process today to take note of the explanation given by the Minister for Education Services that we are certain to see an answer as soon as possible, and certainly before the house rises next week for the winter recess. This week would be even better — —

Honourable members interjecting.

Hon. I. J. COVER — This week, I am sorry It has been a long weekend, and I have been overjoyed by Geelong getting up on the last kick of the day, against the Minister for Sport and Recreation's team. Perhaps that is why I have not received a response to question 2818. The minister may well have been going to bring the answer in today but has got sour grapes about Carlton being beaten and has not given me the answer.

So I am keen to see a response, and certainly do not want to see this house go through the same process that occurred on the last day of the sitting last spring, when the minister brought in an answer to a question on notice about Freeza funding during his time as the Minister for Youth Affairs. He tabled that answer on the last day of the sitting so that there was no opportunity for any further scrutiny of the minister and the government over that Freeza funding cut issue. I would appreciate an answer as soon as possible, as I said, and certainly before the end of this sitting week and this session.

Motion agreed to.

Hon. E. G. STONEY (Central Highlands) — I seek explanations for questions 2842 to 2880 inclusive, which I have not had answers to. I have asked that before; it is on the record which ministers they are directed to.

Hon. M. M. GOULD (Minister for Education Services) — As I have indicated to the honourable member, I have raised the questions with the responsible ministers and sought that they reply to me so that the replies can be tabled in Parliament. I am waiting for the answers from the respective ministers.

Hon. Bill Forwood — On a point of order, Mr President, according to standing order 71AA(a), any honourable member can, as Mr Stoney has done, ask the minister for an explanation. Paragraph (b) states:

> In the event that a minister does not provide an explanation, notice may … be given of a motion regarding —

that. I quote page 505 of the 10th edition of *Odgers' Australian Senate Practice*:

> A statement by a minister that an answer is being prepared, or that a question is under consideration, is not regarded as an explanation of failure to answer the question.

And there are a number of rulings to that effect.

I put it to you, Mr President, that the minister's response is not an adequate explanation, and therefore

my colleague Mr Stoney is quite within his rights to immediately move a motion in relation to that according to standing order 71AA(b).

The PRESIDENT — Order! Does the minister want to speak on the point of order?

Hon. M. M. GOULD — On the point of order, no.

The PRESIDENT — Order! We are moving into an area where there are no precedents in this house for the situation. The standing order which we operate under is 71AA, which this house adopted from the Senate.

In the past when honourable members have called for an explanation and some sort of an explanation has been given, that is as far as the matter has gone. The point of order raised by the Leader of the Opposition relates to whether in fact the explanation given by the minister is an explanation in accordance with standing order 71AA.

Since the house does not have its own experience in this matter, I have looked at the practice of the Senate, which seems to be the obvious place to go since the Senate was the source of the original standing order, which I think firstly came in here as a sessional order.

I refer to the latest edition of *Odgers' Australian Senate Practice*, which has been quoted by the honourable member. I refer in detail to the ruling given by Senator Margaret Reid, the President of the Senate, on 28 May 1998 at page 3377 of *Hansard*:

> Yesterday there was some discussion and points of order relating to my interpretation of standing order 74(5). I confirmed the ruling that I gave at the beginning of the debate but, at the request of Senator Abetz, I said that I would prepare a statement relating to that matter. I incorporate in *Hansard* the statement that I would make confirming that ruling.

The statement made by Senator Reid on 28 May 1998 was as follows:

> Yesterday after question time several points of order were raised about the procedure under standing order 74(5) —

that is the equivalent of ours —

> whereby a senator may ask for an explanation of the failure to answer a question placed on notice and unanswered for more than 30 days.
>
> Under paragraph (b) of this provision, if a minister provides an explanation of the failure to answer a question, the senator may move a motion that the Senate take note of the explanation. Paragraph (c) provides that, if the minister does not provide an explanation, the senator may move a motion with regard to the minister's failure to provide either an answer or an explanation.
>
> It is clear from the wording of paragraph (c), and many precedents, that, in the absence of an explanation, the senator may move any relevant motion. Usually this motion takes the form of an order for production of the answers, but on one occasion a motion of censure was moved.
>
> It is also clear from the precedents that a statement by a minister that an answer is being prepared, or that the matter is under consideration, is not regarded as an explanation for the purposes of the standing order.
>
> When I referred to a particular precedent of such a statement by a minister not being regarded as an explanation, Senator Abetz asked me to consider whether this one instance should constitute a precedent for the interpretation of the standing order.
>
> There have been four previous occasions on which motions of censure or to order the production of the answers have been moved after a minister made a statement of the kind to which I referred: 25 May 1989, 21 February 1991, 14 March 1991, 11 May 1995.
>
> I am advised that on at least the first two of those occasions the Chair was advised that the motion was in order and the Chair accepted that advice by allowing the motion to be moved.
>
> Also the Senate, by passing the motions, accepted that they were in order.
>
> I therefore confirm the rulings that I made.

Based on that precedent, and given that our standing order has been taken from the Senate and the clear precedents spelled out by Senator Margaret Reid, who is still the President of the Senate, I uphold the point of order and say that the answer given by the minister is not an explanation in accordance with standing order 71AA(a)(i). Therefore, as Senator Reid said in relation to the Senate, it is up to Mr Stoney to give notice of a motion in such form as he thinks fit.

Hon. E. G. STONEY (Central Highlands) — Bearing in mind the ruling by the President regarding the Senate, I give notice that on the next day of meeting I will move:

> That there be laid before this house on or before 6.00 p.m. on Wednesday, 12 June 2002, by the Leader of the Government answers to questions on notice 2842 to 2880 from the Minister for Education Services, the Minister for Energy and Resources, the Minister for Sport and Recreation and the Minister for Small Business.

Hon. ANDREA COOTE (Monash) — I, too, seek an explanation from the Minister for Education Services why questions on notice 2431, 2680 and 2921–23 have been unanswered. All the ministers concerned have been written to and asked what is happening. I seek an explanation from the minister.

Hon. M. M. GOULD (Minister for Education Services) — I have raised this matter with all ministers who have outstanding answers to questions on notice and I have asked that the answers be forwarded to my office as soon as possible so they can be tabled in Parliament. The honourable member's letters have also been followed up and I am awaiting replies from the ministers concerned.

Hon. BILL FORWOOD (Templestowe) — I am very reluctant to go down this route, but what I seek from the Leader of the Government is an assurance that we will get the answers to the questions, and if we do then we will not need to go through the processes available to the house under standing order 71AA. Perhaps if the Leader of the Government could give us that assurance it might circumvent the need to adopt those processes.

Hon. M. M. GOULD (Minister for Education Services) — I have asked the respective ministers to respond to the questions on notice and I am awaiting their replies.

Hon. ANDREA COOTE (Monash) — Mr President, given the precedent from the Senate and your earlier ruling relating to the unanswered questions of Mr Stoney, I also give notice that on the next day of meeting I will move:

> That there be laid before this house on or before 6.00 p.m. on Wednesday, 12 June 2002, by the Leader of the Government answers to questions on notice numbers 2431, 2680, 2921, 2922 and 2923 from the Minister for Education Services and the Minister for Ports.

Hon. D. McL. DAVIS (East Yarra) — I raise a similar issue concerning questions on notice 2343–44, 2346 and 2348 to the Minister for Energy and Resources, question 2350 to the Minister for Sport and Recreation, question 2347 to the Minister for Small Business and questions 2345 and 2349 to the Minister for Education Services. These questions concern measures taken to prevent legionella from developing in water cooling towers in public buildings across a number of government departments. They are very specific questions that require information about audits conducted with respect to legionella prevention mechanisms, and I seek some explanation from the minister as to why these important questions concerning public health measures have not been answered.

I hasten to add that these questions were put on notice on 11 October 2001 and under the rules of the house were due for answer on 20 November 2001. My office sent a notice about this matter to the minister on 26 November 2001 and I have made comment in this house about it on other occasions. I have been waiting for more than six months for answers to questions on this important matter of public health, and I ask the minister if she can provide some explanation as to why this is not being treated as a matter of great importance to both the government and the community.

Hon. M. M. GOULD (Minister for Education Services) — Those questions have been raised with the responsible ministers — —

Hon. E. G. Stoney — Open and accountable!

Hon. M. M. GOULD — We will have the debate if that is what you want. I am hopeful the answers to those questions will be tabled in the house before the end of the session.

Hon. C. A. Furletti — On a point of order, Mr President, I take a similar point of order to that taken by the Leader of the Opposition with respect to the explanation given not being a suitable explanation as determined in the Senate.

The PRESIDENT — Order! Without repeating the reasons for my previous ruling, I again rule on the basis of the precedent set in the Senate that an explanation has not been given as provided for in standing order 71AA(a)(i). It is up to the honourable member to move whatever motion he sees fit.

Hon. D. McL. DAVIS (East Yarra) — I give notice that on the next day of sitting I will move:

> That there be laid before this house on or before 6.00 p.m. on Wednesday, 12 June 2002 by the Leader of the Government answers to questions on notice 2343 to 2350 inclusive from the relevant ministers.

The PRESIDENT — Order! I point out to the house that standing order 86 lists matters before the house in order of precedence and that pursuant to that order these matters will be dealt with tomorrow after general business but before government business.

Hon. D. McL. DAVIS — On a point of order, Mr President, the Minister for Sport and Recreation, who is in the chamber now, has responsibility for at least one of these unanswered questions — that is, question 2350 — and he may be able to give some specific explanation.

The PRESIDENT — Order! That question was included in your notice of motion and the matter has been dealt with.

GAMING LEGISLATION (AMENDMENT) BILL

Second reading

Debate resumed.

Hon. JENNY MIKAKOS (Jika Jika) — Before the lunch break I was discussing loyalty card schemes and I will now quote from an article appearing on the Internet site of the *Age* on 27 March of this year. The article states:

> Publishing Broadcasting Ltd's (PBL) Crown Casino is reportedly set to become the world's first casino to let poker machine gamblers set their own daily loss limits — to help identify problem gamblers.
>
> Under the scheme to be tested this year, a flashing message will warn punters when they have reached a self-imposed 24-hour cap …

The article goes on to say:

> The scheme, available to the million-plus members of the Crown Club, would deny the offenders loyalty rewards and could refer third-time offenders to an in-house problem gambling counselling service …

The article then quotes Crown spokesman Gary O'Neill as stating:

> It's a safety net — a player-protection idea to allow people to set their own limits.
>
> It's never been tried at any other casino in the world.

The article goes on to state that welfare agencies have backed the plan.

The government is always prepared to acknowledge gaming operators taking positive steps towards harm minimisation of their own accord and without needing legislative intervention. On this occasion I commend Crown Casino for taking the step of looking at initiating a scheme which would allow players to set their own expenditure and time limits and through which so-called offenders — people who exceed the expenditure or time limits they have imposed on themselves — would be referred to a problem gambling counselling service. I note the media reports that Crown Casino has established its own in-house gambling counselling service, and I also commend it on taking that step.

The legislation before us will enable the loyalty cards to be utilised by gaming operators for such purposes, and I commend Crown Casino for taking the initiative in this case by looking at setting up this type of a scheme for the benefit of players attending its premises. It is always helpful when a gaming industry venue is prepared to impose harm minimisation measures of its own accord, and it is important that its initiative be put on the record and Crown Casino be commended for taking this step.

The final harm minimisation measure I want to discuss relates to the bill's provisions on advertising restrictions. Honourable members would be aware that the government has previously introduced limitations on the advertising of gaming venues. The bill seeks to impose even more stringent advertising restrictions, including requiring more modest signage. It will expand the current regulation-making power to enable regulations to be made to restrict or ban advertising and signage at venues which are generally associated with gaming — for example, Tatts Pokies and Tabaret logos will be able to be used, but the regulations will specify the size and number of those logos at each gaming venue. The regulation might also include some restrictions on using terms such as the Wild Cash room, Fortunes, Easy Winnings, Lucky's, et cetera, on the outside of gaming venues. Obviously these measures are intended to not promote gaming as being a source of easy money, which we know is certainly not the case.

The bill also seeks to place restrictions on gaming-related vouchers or coupons. It contains measures which will prohibit venue vouchers being redeemed for cash or gaming-related purposes. However, the regulations which are intended to be made following the passage of this bill are not intended to restrict sponsorship by gaming venues or operators provided they do not explicitly promote gaming.

Another key component of the reform package contained in this bill is the further probity measures that will be included in Victoria's gaming legislation. In particular, the bill establishes Victoria's participation in a national system of casino exclusions. In December 2000 a New South Wales government inquiry into the conduct of the Sydney casino licence called for a national approach to casino exclusions. The inquiry proposed that police commissioners of all states and territories be given the power to effect the exclusion of criminals from casinos. Following a New South Wales request, Victoria has agreed to participate in the national system of casino exclusions. The bill seeks to establish a system of reciprocity for exclusions by police commissioners across the various jurisdictions.

The other probity measure contained in the legislation relates to raffle suspensions. The bill will give the Victorian Casino and Gaming Authority the power to suspend a raffle in the public interest until it is satisfied that the raffle should continue or that the raffle permit should be revoked.

The other key part of the bill I want to touch on relates to community benefit schemes. Honourable members would be aware that currently hotels with electronic gaming machines pay a higher tax rate than clubs on the expectation that clubs return more of their earnings to the community. However, some doubts have been cast on whether in all instances this is the case. Under the provisions in the bill all clubs and hotels will provide to the Victorian Casino and Gaming Authority on an annual basis a community benefit statement outlining their specific contributions to the community. Each statement will be published annually by the authority and will provide a tangible means for each club and hotel to demonstrate to the community what benefits the electronic gaming machines have provided to the local community.

As part of the community benefit statement clubs will be required to show that they have contributed the equivalent of the hotel tax rate back into the community. If a club contributes less than 8.33 per cent of its gross revenue to the community the club will have to pay the same tax rate on gaming machine revenue as hotels pay. As I indicated, the purpose of the community benefit statement is to provide tangible proof to the community that a club is making a significant contribution to the community and has earned its lower tax rate. The community contributions can be either financial or non-financial. I note that a number of amendments were made in the other house to reflect concerns that have been expressed by some community organisations, particularly the Returned and Services League (RSL). The amendments specifically recognise that contributions can be made either on a financial or a non-financial basis. For the purposes of these provisions the contributions already made by clubs will be recognised by the authority.

I want to outline to the house the types of activities which may satisfy the community contribution criterion. For example, a club may provide facilities to community members and organisations such as the use of meeting rooms, the subsidised use of facilities and subsidised meals. Another non-financial contribution a club could make to the community is through the provision of building construction and materials, furniture and equipment. A club could also make various donations to the community through welfare activities; donations of sports equipment, trophies, badges, gift vouchers; and fundraising activities. Alternatively it could provide sponsorships for community organisations, including, for example, uniforms, sports equipment and fundraising activities.

Through the amendments made in the other house the government has specifically sought to address the concerns raised by the RSL to ensure that it is clear and beyond doubt that such non-financial contributions made by volunteers on an ongoing basis will be recognised for the purposes of determining a community contribution.

I want to emphasise that the community benefit statement is not a new expenditure requirement if a club already contributes to the community. However, community contributions that are for gaming-related purposes will not be claimable. I also want to put on record that some types of expenditure will be taken into account as a community contribution. These include items such as employment expenses of staff engaged in gaming areas, as their employment is regarded as a community benefit. Clubs can make contributions through cash or in-kind; therefore voluntary work performed by club members will be included. Community contributions that the Australian Taxation Office requires clubs to make to maintain their tax status will also be regarded as a community contribution.

I note that members of the opposition, in particular Mr Hallam, may wish to take us into committee to clarify certain issues, but I hope I can shed some light on some of the clauses that have been of concern to those honourable members. I refer particularly to clauses 47 and 48.

Clause 48(1) requires all venues — that is, hotels and clubs — to complete ‘community benefit statements’ outlining their contribution to the community.

Clause 47(2) provides that where a club has not contributed the equivalent of 8.33 per cent of its total net daily cash balance in financial or in-kind contributions to community purposes or has not submitted a community benefit statement the associated gaming operator must pay 8.33 per cent into the consolidated fund in respect of that club for 12 months commencing on 1 January of the following year. Any additional amounts of tax collected from clubs found to be in breach of the community benefit statement provisions will be paid into the consolidated fund and an amount equal to this additional tax will be hypothecated into the Community Support Fund under section 138(2A) of the Gaming Machine Control Act 1991. I want to draw this particular provision to Mr Hallam’s attention because, as I understand it, section 138 is an existing provision of the Gaming Machine Control Act 1991.

I hope this goes some way to allaying Mr Hallam’s concerns but there will be a further opportunity to discuss these clauses in the committee stage.

Another aspect of the bill that I want to discuss briefly relates to industry-specific measures. This bill will increase the individual shareholder limit for Tabcorp from the current 5 per cent to 10 per cent and will remove the 40 per cent non-resident ownership restriction as it currently applies to Tabcorp. This amendment seeks to put the various players in the gaming industry on a similar footing, thereby placing Tabcorp on the same footing as Crown Casino which does not have this type of ownership restriction.

The final aspect I want to touch on relates to the provision that will allow the holder of a public lottery licence to award non-monetary jackpot prizes. This provision is included to avoid potential abuse and will ensure that a lottery supplier is required to offer winners a choice of the monetary equivalent.

In conclusion, I reiterate my support for the package of reforms. The various reforms in the bill, particularly the harm-minimisation measures, seek to strike a balance between putting the onus on the gaming industry to take responsibility for its patrons and meet its duty of care towards them and ensuring that we address problem gambling and the very real difficulties being experienced by those vulnerable members of our community who have a problem with their gaming habits.

The bill achieves that balance on a public policy level. It achieves a balance between the benefits and certainty for the industry, and protection and safeguards for consumers. The package of reforms will go a long way to ensuring that Victoria remains at the forefront of gaming reform. I commend the bill to the house.

Hon. R. M. HALLAM (Western) — The National Party will not oppose the Gaming Legislation (Amendment) Bill, and it has come to that conclusion on two grounds. Firstly, members of the National Party recognise that a number of the initiatives in the bill are accurately described as housekeeping measures. We are prepared to put on record immediately that under that classification we acknowledge the merit of the changes and are prepared to support them. However, beyond those housekeeping measures is a whole package designed to achieve the stated primary objective of better protecting the community against the effects of problem gambling.

We are not convinced that the bill delivers on the benefits claimed. In fact, we are cynical enough to suggest that the bill represents more spin doctoring than it does a genuine effort to assist problem gamblers. Nonetheless it would be churlish of members of the National Party to oppose the stated objective of the bill, and we are adult enough to recognise that not too many in the wider community would thank us for doing so anyway.

The bill contains four categories of measures designed to address the issue of problem gambling. I will go to each in turn and explain to the house what they are designed to do and why we are cynical of their effect.

The first falls under the heading of modification of electronic gaming machine (EGM) design. The bill brings in a whole new range of rules in respect of the design of EGMs. That range will apply to machines that are installed from 1 January next year, but to make sure that we understand the perspective in which the government sees this incredibly important initiative I make the point that the effective introduction of these new changes has a deadline of 2008 — in other words, five years down the track.

Let's make sure we put the changes in a proper perspective. Let's take on board how genuine the government is in respect of the modifications in machine design. Under the new rules there shall be a restriction on machines accepting $100 notes. In addition, the spin rates of machines will be restricted, but let the record show that the restrictions shall be absolutely equivalent to the current fastest machine in operation in Victoria today — that is, a minimum speed of 2.14 seconds.

Then we will see the ban on autoplay. In other words, the machines to be installed from 1 January next shall not be able to be manipulated in the way that is currently commonly applied, with a card bent over to ensure the machine ticks over while the player either takes note of what the machine does or goes to the bar to get a drink. The player will have to be present to make sure his action continues the rate of play.

New regulations will allow the government of the day to set limits in respect of maximum bets. We are told that the new power shall be applied, in this case, to suit a maximum bet of $10 per spin. Before we get carried away with these magnificent new restrictions I point out to the house that exemptions shall be granted where appropriate, and those exemptions shall apply where the machine is not accessible to the public but is only available for play by members who comply with a particular protection regime. In other words, a new set of rules will apply.

Those rules will go to issues such as loss rates and time limits. The thesis is that we will get the same sort of protection we are looking for through this new player protection structure, and that the player cannot come in

off the street and play on a machine that does not include the modifications I have outlined.

The concept that underpins all this is that if we slow the rate of play down it follows that the problem gambler will speculate less — or at least that is the theory upon which the bill is constructed — and that therefore there will be a reduced impact in respect of the poor old problem gambler.

I am not the first one to make the point that the bill has been introduced much more in hope than in conviction. It is much more of a public relations exercise than it is a remedial strategy. The most recent research — and respected research, I add, as produced by Professor Alex Blaszczynski of Sydney University — suggests that if we slow down the rate of play we may have the perverse effect of having the problem player spending more time at the machine. There is no logic upon which this strategy is brought to the chamber.

A number of government members, as recently as Ms Mikakos, have acknowledged that we have no research upon which this structure is based, and that we will have to wait until the research begins to become available after the passage of the bill before we can do anything that looks remotely like an assessment of the appropriateness and effectiveness of the changes.

That is the first change designed to protect problem gamblers: slow down the machines and require that a gambler spend more time getting through a particular stake or ante; I shall leave it to others to judge whether that will be effective or whether it will simply frustrate the acknowledged recreational player who, we suggest, is not the target of the amendments.

The next category is the restriction of access to cash. We learn that under the bill automatic teller machines (ATMs) at venues shall be limited in a way that prevents a player gaining access to more than $200 per transaction. This rule is to apply only to machines located within 50 metres of the entrance to a gaming venue. I wonder what sort of impact that has on the contracts that were, in my view, legitimately written between the bank and the customer in the past. Nonetheless, now we have legislation which to that extent at least overrides the contracts that were written. In any event, the notion is that we will make the players go back to the machines several times if they want more than $200 to be used as a stake.

Then we are told there will be no cash from a credit ATM or an EFTPOS machine in that location. I do not know that that is a massive breakthrough. I understand that rule already applies and the bill simply verifies what already applies in the marketplace.

Then comes the next gem. We are going to say that where a player is fortunate enough to win more than $2000, he or she must be paid by cheque by the venue operator, and that cheque cannot be cashed by the venue operator. Again I make the point that these rules should only apply to gaming venues themselves as distinct from a shopping centre or a complex which happens to include gaming. That is the next bank of protection measures for the problem gambler, whomever he or she might be, and I will come back to it later.

The third category relates to the regulation of loyalty schemes. Here I have to be a bit more magnanimous, because there are some worthwhile initiatives in this category. New rules will apply to loyalty schemes and those rules will provide players with appropriate warnings which will require them to set loss and time limits and which will identify and bar self-excluded gamblers. At the outset I make the point that I see the promotion of loyalty schemes by this government, and in this context, as something of a contradiction in terms. I acknowledge a redeeming feature in this bill, which is that the schemes will be able to be programmed to assist patrons in controlling their spending and to provide an appropriate reminder of their real experience — in other words, what they have actually speculated and what they have actually lost as opposed to what they might like to think they have lost.

Here there is some real discipline going into the issue of personal responsibility, and on that basis, in the eyes of the National Party it is supportable. To that degree I acknowledge that there is some help for the problem gambler in this initiative. It will monitor the losses of individual players and to that degree it will be a bit harder for those players to claim that they have been seduced by opportunity, at least to the extent that they must nominate the time and loss limits before they speculate in the first instance. I acknowledge that there is at least some support for the notion that we are addressing the lot of the problem gambler. In my view the problem gambler is one who bets beyond his or her ability to pay.

In the fourth category of initiatives to assist the problem gambler we learn about the toughened restrictions in respect of advertising and venue signage. The changes in the bill give the government the opportunity to regulate standards more effectively and to get at both ends of the spectrum — that is, on the one hand the gaudy, brash and impulsive type of get-rich-quick advertising, and on the other the more subliminal

industry-wide and generic advertising. Both are covered at least in the potential offered by the bill. The National Party has no argument at all with that initiative, but we make the point that these particular initiatives highlight very clearly indeed the inherent difficulties for any government in its attempts to regulate a community standard where it is not prepared to ban the activity itself. In that context I acknowledge that we are always going to have a difficult charter.

In general terms the National Party has no argument in respect of these specific initiatives. After all, we acknowledge they are designed to assist the problem gambler. We acknowledge, and always have, that there are some in our community who cannot handle the new gaming opportunities and that they, or more particularly their families, may pay an enormous price for their personal failing, so we are prepared to support the bill on that basis. Beyond that we place great store in the fact that, by and large, these changes are accepted by the industry.

I do not think that anybody out there in the industry, or for that matter the wider community, would argue for total laissez faire in respect of gaming opportunities. Even the most ardent supporter of individual freedom would acknowledge the need for some restriction on access to gaming products, thus we are faced with the very tough challenge of determining where to draw the line. My view is that it needs to be practical, while I know it to be a very difficult balancing act given that we must on the one hand satisfy the civil libertarians who would have no restrictions whatsoever, and on the other satisfy the Puritans who think we are already well on the road to Sodom and Gomorrah.

I happen to believe we have a responsible gaming industry. I also happen to believe we should be harnessing that responsibility to ensure that as far possible we minimise the harmful side effects of gambling, and that we do so without denying recreational punters their quiet enjoyment. It is on those grounds, which I think are pertinent, that the National Party is prepared to support the initiatives. We take heart from the clear evidence that the industry itself is relatively relaxed. However, we also want to make some points in the same debate on that precise issue, because we remember that here is a government which gave quite specific commitments from the comfort of opposition in respect of a whole range of issues relating to the gaming sector.

The first of those was that it would reduce its reliance on the gambling dollar. I am not going to quote chapter and verse that which appeared in Labor's policy pronouncements prior to the last election. I would love to be challenged. They were absolutely clinical and absolutely graphic. There were no ifs, no buts and no extenuations — the government said it would simply reduce the reliance of the Victorian government on the gaming dollar. In two and a half years of government and after a string of such responsible gaming legislation, what has happened? Let me answer that rhetorical question: not too much at all!

The first indication of how little has happened is the trend in gaming revenue. Like someone who spoke before me, I cite note 2 at page 155 of budget paper 2, which shows absolutely clearly that the government expects substantial year-on-year growth in respect of gambling taxation. It is in the vicinity of 5 to 6 per cent per year. I also want it on the record that we should not be reliant on page 155, note 2 of budget paper 2 because it is quite misleading. It does not give a true indication of gaming revenue. The real rate of increase is actually not disclosed in the budget documents. Why is that, particularly given that this government gave such clear and concise commitments in advance of coming into government? This is the government that says, 'We shall reduce government's reliance on the gaming dollar'. Leaving aside the question of whether the government has been successful, wouldn't one be entitled to think that in the face of such a clear commitment we would have some evidence, when the budget is up for consideration, that that commitment has been honoured? Wouldn't we be entitled to presume that somewhere in the documents there would be a basis upon which we could assess that commitment?

I make the point that there is no such chart, and I am more than suspicious as to why there is no such chart. I think I know why there is no such chart — because it would be greatly embarrassing for the government. I begin by offering some of the evidence we have. The Bracks government has been particularly unsuccessful in its prediction of revenue from gambling taxes. It has got it wrong every time. Why is that, particularly when it got it wrong on the appropriate side of the line? How come revenue from gambling is always underestimated in the budget documents? Doesn't that strike you as a bit strange or convenient? Let me tell you, it is not too good in predicting the entirety of the tax revenue: when the Treasurer set the budget for the year about to finish — that is less than 12 months ago — he thought that we would get just under $8000 million in tax revenue.

We are not at the end of the year yet but the Treasurer has had to revise the estimates of that tax revenue and he has now had to admit that he was not within 10 per cent of the target. Let me be generous here: he was just

a tad under 10 per cent. He is not really good at projections anyway, but he is even worse when it comes to gaming. When he is challenged, guess what he does? He resorts to trickery, and I expect better of him. When he is challenged, as he has been by the Public Accounts and Estimates Committee on the matter of the government's reliance on the gambling dollar, guess what he does? He produces a chart which claims to show that he is doing his job and the Bracks government is meeting its commitment because the rate of growth is declining year on year.

Last year the Treasurer produced a glossy chart before the Public Accounts and Estimates Committee to demonstrate just how the rate of growth was declining. He talked about it this year at the Public Accounts and Estimates Committee, but he did not table it. I think I know why: last time when he gave it to us I brought it into this chamber and tore strips off it, because it is an absolute joke. Here is a minister of the Crown, in the face of the commitment given in words of one syllable that this government would reduce its reliance on the gambling dollar, reduced to an argument that says, 'Hang on, the rate of growth is declining'.

Hon. C. A. Furletti — Another example of hypocrisy.

Hon. R. M. HALLAM — Absolute hypocrisy! I would respect the Treasurer much more if he had the good sense to say, 'This is the real position', instead of trying to dress it up. He wins no points from me by trying to camouflage the real position. I have asked him, as a matter of record when he came before the Public Accounts and Estimates Committee, whether he would produce the same chart as he had last year and provide it to honourable members, and he said he would. I have not got it yet and I am not going to hold my breath and shake in anticipation because we are only talking about a side effect.

The problem I have with the chart which appears on page 155 of budget paper 2, commonly cited as the projection of gaming revenue, is that it does not include the entire story. Again, the Treasurer was constrained to admit that that chart does not admit the component of gaming revenue that comes to us in the form of GST. Remember that we did a magnificent side deal here, when the GST was introduced, that allowed our colleagues in Canberra to say that they had not given the gaming industry an exemption from the GST — because that would have been unsaleable in their circle — but the records show that the exemption was tokenistic because all that happened was that a percentage of the revenue we were receiving up to that point in direct taxation is now coming to us in another form of taxation guaranteed under the GST formula.

If you turn to page 278 of budget paper 2 you see that the effect of that will be $438 million in the year about to commence. That is what is expected. So you have to add another $438 million to the chart we are being offered to indicate whether we are more or less reliant on the gaming dollar. Added to that, there is no mention of the health benefits levy, a new initiative undertaken by this government since it came to power. That was a penalty of $1533 per machine — imposed from left field, with no advice to anyone. Never mind about the contracts written in advance, imposed notwithstanding — which is the equivalent of $46 million, year on year, and I am not sure where that is shown. I hope the Treasurer will give me some advice on that. I will then add a few other things like the new licence levels and the $18 million that has just been conveniently negotiated in respect of the lyric theatre.

In any event we should not run away with the notion that page 155 is anything other than part of the story. This is a very murky circumstance, and I have asked the Treasurer to provide a chart which would give us a basis on which to assess his success in respect to his commitment to reduce Victoria's reliance on the gaming dollar — and I intend to persist in that request. He said he would give me that chart when he appeared before the Public Accounts and Estimates Committee, and I respect him for that. It is more than I got from the Minister for Gaming. When I challenged him on how he would test the commitment about the reliance on the gaming dollar he said he was only interested in regulation and that if the committee wanted to talk about dollars it should talk to the Treasurer.

Hon. W. R. Baxter — He's a minister!

Hon. R. M. HALLAM — He did say that revenue was not a good indication of the level of problem gambling, Mr Baxter, and I pause to give people an opportunity to take that in.

Hon. W. R. Baxter — To reflect upon it.

Hon. R. M. HALLAM — Yes. I was interested that the Minister for Gaming was not prepared to respond about levels of tax revenue, because he was among those who parroted the commitments in respect of that reliance from the comfort of opposition. In any event, he says you cannot rely on the gaming dollar as an indication of how Victoria is doing with problem gambling. The only problem I have is that the same minister could not provide the committee with a better

criterion upon which to assess the progress on that fundamental commitment in advance of government.

I will go further on that point. Last year when the Minister for Gaming appeared before the Public Accounts and Estimates Committee it was recommended by that all-party parliamentary committee that performance indicators be developed to identify and measure the government's success in minimising problem gambling. It was a clear and precise recommendation. Not surprisingly, when the minister turned up before the committee this year I asked him what had happened to last year's recommendation. I do not think he remembered, but in any event I asked him what had been done. He scratched the gravels back a bit, but his eventual answer was that he had not done anything. He had to admit that no performance indicator had been developed. When I asked him why, he offered this gem: he said, 'It is because we will need the legislation before the chamber in order to start collecting the data upon which to develop a performance indicator'.

In effect the minister not only said that the government does not have a performance indicator but that it does not yet have any data on which to base a performance indicator. It was all too hard, and I thought my question of him at that point was pertinent. I asked, 'If it is so difficult to establish performance measures now, how come it was so easy to give commitments in advance of government about problem gambling?'. But that question was a bit too hard. He kicked a few more clods but did not offer an answer.

In the face of that, I thought I should go back to basics, so I invited the minister to look at an even more fundamental issue which had been canvassed with him before the Public Accounts and Estimates Committee 12 months ago. I asked him straight up, 'Have you actually established what constitutes problem gambling? We have heard so much about it and had legislation designed to address it and you have given commitments to minimise it. What is it?'. He did not have an answer for that either, but the effective answer was that he did not know. The conclusion we are invited to draw is that this government has no performance indicator on which to assess anything it does in the gaming sector. it has no data at this stage on which to even contemplate a performance indicator and it has no idea what a problem gambler is in the first place. I was entitled to ask the minister where he had been for two and a half years, and forgive me if I am not too convinced or enthused by the same minister's assurance about the other undertakings and concepts contained in the bill.

It should come as no surprise that National Party members are not prepared to take this government on face value or faith. Given that no-one in government is prepared to acknowledge anything in respect of the specific undertakings given about problem gambling from the comfort of opposition, it is pertinent that we should just about rest our case at this point. We can only conclude that this government does not care. It huffs and puffs but does not care. All the promises heard from the safety of opposition were just that — promises given to win the election. To that extent it was intended that they be biodegradable, and I do not hear a protest from the government benches.

I am happy the Minister for Sport and Recreation is here because he is the one who goes on ad nauseam about the question of who cares. If the minister is really genuine, why doesn't he begin by acknowledging that the government has not delivered in respect of its reliance on the gambling dollar? Then maybe, just maybe, the government would claw back some credibility. Simply offering lamebrain excuses and manipulation of the facts to demonstrate that it is making ground against problem gambling when all the evidence is running exactly the other way just makes the government look stupid. More than that, it denigrates the worth of the original objective. I resent the inference that the community is too stupid to see the real situation here — and that is the inference. This is make-believe legislation.

Let me go to the question of the housekeeping measures I mentioned earlier. They include a national system of casino exclusions through jurisdictional reciprocity. The background to this is that in New South Wales Sir Laurence Street held an inquiry into the conduct of the Sydney casino licence. That inquiry called for a national approach. One of its recommendations was that police commissioners be given the power to ban criminals from all casinos and it suggested that this could be achieved by template legislation being enacted by all jurisdictions. We in the National Party are happy to support that initiative.

We then learn in the housekeeping classification that the Victorian Casino and Gaming Authority is to be given a new power, that of suspension of a particular raffle. Like one of the previous speakers I think I know what prompted this change. At the moment the authority has the power to revoke a raffle permit and it will now have a new power to suspend that permit. That will give it greater flexibility and in my view thus provide better protection to both the public and the promoter of a raffle. That is a good initiative and I am prepared to acknowledge it.

Then in that housekeeping classification we come to the amendments in respect of Tabcorp. We note that individual shareholder limits for Tabcorp will be increased to 10 per cent and the existing 40 per cent foreign ownership rule will be abolished. We should note that the limit on individual shareholders was originally 2.5 per cent when Tabcorp was floated and that has been increased to 5 per cent in the interim.

When Tabcorp was privatised the government of the day imposed restrictions on individual shareholdings to ensure that the mums and dads across the community got a go at the new investment and were not swamped by the big players at the top end of town. As I said, the original maximum holding was 2.5 per cent and it then went to 5 per cent. The National Party has no qualms whatsoever about agreeing to it going to 10 per cent. Indeed, in our view there is some room to argue that the mums-and-dads clause should have applied only at launch point if at all. In any event, the small investor is now commonly accommodated through the major corporates, particularly the superannuation funds.

At the same time the then government placed a 40 per cent cap on foreign ownership. Much has happened since then and, as we know, capital is much more mobile now. To the extent that it can be effectively restricted anyway, the major companies are more likely to be actively seeking foreign investment than restricting it. If we want to be a player in the big pond we need to acknowledge the rules that apply there. The notion that we can somehow prevent an insidious takeover of an Australian icon — which used to be the pet notion of the conspiracy theorist — has now lost favour. I see no reason to hang on to the existing cap, particularly when it so clearly disadvantages a successful Victorian-based player in the big corporate stakes. I suggest that every member of this chamber should be proud of Tabcorp and the success it has been since it was floated. I firmly support that initiative, as do my colleagues in the National Party and we make no apology whatsoever for doing so.

That brings me to the last housekeeping initiative. We note that the new rules shall require the publication of annual community benefit statements and that an additional tax shall be imposed on clubs whose community contributions do not meet the statutory 'hotel tax rate'. I want to come back to that because it requires clarification.

I left this particular issue until last because I reckon it deserves to be last. My assessment is it is ill-conceived, nonsensical and dopey. I am not surprised that it has caused so much wailing and gnashing of teeth across the licensed clubs industry. Nor am I surprised at the decision by government to hastily construct some basic amendments. It is very clear that government members too now understand that this was a dopey idea and that they got it wrong.

In its crudest form the application of the changes in the tax rate represents potential devastation for many country clubs. It may be the same for others but I speak particularly for country clubs. If they fail to reach the new high jump bar by the slightest margin — if they miss by that much — they will still have imposed on them the full weight of the law and the total penalty envisaged in the bill. It is a nonsense and should be seen as such. I have to wonder who came up with this brainwave. I know where it was pinched from — it was picked up from New South Wales. However, before anybody gets too enthusiastic, let me tell the house that it does not work all that well in New South Wales, either. Why would we want to import another disaster unless it is that the government wants another flag to wave to show that it is somehow concerned about problem gambling and the status of the industry?

The only group in our community that stands to benefit from these new statements is the accounting profession — the accountants are out in the wings salivating at the prospect of a whole new field of professional endeavour! Each of these clubs and pubs will have to go through this process of producing a community benefit statement each year. The statement must be audited and the formula is in the keeping of the minister. We have not got to that yet and I want to say some more about it as well. I am not surprised that the accounting profession is keen — it needs something to take up the slack now that it is on top of the goods and services tax. This will keep it going for a while, but for what net benefit? What is it we are going achieve as a result of these community benefit statements? They will allow the government to claim another tokenistic strategy in its much-trumpeted responsible gambling initiatives. I want to come back to that.

I want to give some background because it is important that we take on board the genesis of these new statements. When electronic gaming machines were introduced into this state some years ago — incidentally, under a Labor administration, we should be reminded — the rule was that 50 per cent of the venues would be hotels and 50 per cent would be clubs and the rate of tax applied to each was to be different. The reason for that difference was the underlying assumption that clubs do more for their community than do pubs. Therefore, in respect of clubs, the drop — that is, the gaming revenue — was to be shared one-third, one-third, one-third: one-third to the operator, one-third to the venue operator and one-third to

government. Pubs were quite different: one-third would go to the operator and the government still got one-third — let's make sure of that — but the publican got only 25 per cent and the difference of 8.33 per cent of the drop was dedicated to the Community Support Fund.

I was never persuaded by that rationale. As I said, the thesis was that clubs would put more back into the community than would the pubs but in many cases the reverse might well be true. All of us would know a very good country publican who does enormous things for his or her community. I can give the house name after name and there are one or two in every country and provincial centre who do great things for their community. Harry Andrew in Hamilton is a classic example — he was the greatest benefactor that town had seen up until that point. There are some great publicans, but on the other hand there are some club operations that do not do much at all. I can give instance after instance where the club revenue was spent almost totally on the import of players and nothing went back to the community. I would love an interjection from the minister because that happened again and again.

Hon. K. M. Smith — Name one.

Hon. R. M. HALLAM — I can give you plenty, Mr Smith. In some cases from a club there was arguably no contribution going back to the community. I was never impressed with the rationale of the different profit-sharing assumptions and rules. Here are the facts as demonstrated by the way the industry evolved: there happen to be more pubs than there are clubs, and the pubs are more commercially orientated and, in many cases, more professionally operated.

It followed that there was great competition for the machines across the pub sector — remembering always that the cap of 27 500 produced an even greater market distortion than did the 50:50 rule — and less competition in the club sector. Some of the smarties got together and worked out that instead of trying to win machines in the pub sector what they should do is set up a pub and operate it like a club so it qualifies under the club rule.

The minister described the clubs as quasi-clubs — Clayton's clubs — which were highly commercial and operated like a pub with little or no profit for distribution, primarily because the profit was creamed off by management and other fees imposed by the promoters. It is effectively a pub by another name and by another profit distribution process through sophisticated management fee arrangements. In the midst of all that along bumbles the gaming minister who says he is going to fix it and says also, 'This has to stop, we can't have the rules being so flagrantly flouted by a new breed of entrepreneurs'.

What does the minister come up with? He comes up with this classic logic: 'We shall apply the community benefit test, and those who don't meet the distribution criteria shall be required to pay a higher tax take'. In other words, 'We will actually slip off another 8.33 per cent to the government share and that will make it all right'. How is that for logic: 'We'll fix the whole thing by slipping off another 8.33 per cent and use that as a penalty. If the clubs don't or can't demonstrate that they are distributing at least the prescribed percentage of their drop to the community we will charge them the equivalent of the hotel tax rate the following year.'? In other words, a further 8.33 per cent of gaming revenue will go into government coffers.

That sounds simple on the surface, but it is a dog in its application primarily because the clubs are not driven by the bottom line. Their objectives relate more to service levels than to profit levels. They do not have a proprietor as such so they are inclined to dissipate their revenue in other forms — or that revenue which would otherwise be profit — in the hands of a traditional operator. The crucial question arises as to whether local employment costs will qualify as community benefit.

I am delighted to have the Honourable Jenny Mikakos make the comment she did a few moments ago because it is at least some clarification. When I asked the Minister for Gaming in the other place when he presented before the Public Accounts and Estimates Committee whether he knew, he said he did not know.

Hon. Bill Forwood — You're joking!

Hon. R. M. HALLAM — I am not joking. This is the same minister who has accepted responsibility to write the definition. In fact, he admitted before the committee that he had no idea what constituted community benefit, even though the legislation requires him to determine that. You will forgive us for our cynicism. He said that he had not got around to determining what it was that constituted community benefit. I note that he has been prodded into action a little since in the form of house amendments introduced in the other place and, in particular, his letter to Clubs Victoria.

It is no wonder the clubs were perturbed. The bottom line is that if they cannot demonstrate they have made the benchmark community contribution, even by the slightest margin, they face the prospect of paying an

additional 8.33 per cent of the drop — that is, total gaming revenue — to the government the following year. That is the equivalent of 25 per cent of their total income from gaming. We are not talking about a small waddy; this is a big penalty indeed — 25 per cent of the clubs' gaming revenue before any expenses come out will be the penalty that may be invoked if they fail by $1 to reach this magical contribution level. That is what the government has invoked on the clubs of Victoria. What makes it worse is that I do not think anybody in government has worked out what it means. No wonder it was such a shock to the clubs and that they are so unhappy.

The minister who presides over this disaster does not yet know what will qualify as a community benefit. He has not got around to that. Doesn't that fill you with confidence? Indeed, the Minister for Gaming justified his inability to even attempt a definition of 'community benefit' when I invited him to do so before the committee on the basis that he had not commenced consultation with the clubs. He had not commenced consultation!

I agree with that bit — he certainly got that right — he had not commenced consultation. Certainly there had been no consultation in respect of this particular bombshell. It is no wonder the clubs were horrified. There had been discussion in general terms in respect of the bill, and the clubs had heard about the community benefit statement, but they were given no hint — I am absolutely assured that the clubs were given no hint — that the community benefit statement was to be applied as a distribution test and that a substantial penalty was to be invoked in respect of that test. It came as a shock, and I heard the word 'duplicitous' bandied around in that context.

Then came the breakthrough explanation. We heard from the minister in the other place that this was enabling legislation and, as with all enabling legislation, he must wait for it to be passed by the Parliament and then consult with the shareholders. Why didn't I think of that? I must be losing my grip! I say to the minister, 'Come off the grass'. I might accept that version if the stakeholders were to be advantaged by the undisclosed addendum, but in this case they are to be penalised in one of two forms: venue operators will be saddled with the new administrative task of an annual community benefit statement — as I pointed out earlier, that will be costly indeed — then beyond that those clubs which cannot prove they had distributed to the community to a particular level according to the formula, which remains within the keeping of the minister, will be penalised a quarter of their gross gaming revenue. That was not disclosed.

I am invited to accept the explanation that this is okay because it is enabling legislation. The minister expects me to be forgiving of his ineptitude on the basis that this is somehow a standard procedure for enabling legislation! I am even more insulted that he would offer me such a ridiculous explanation.

I also make the point — and it is important that we remember this — that this whole strategy is designed to get at the pubs masquerading as the clubs — the quasi-clubs. The Minister for Gaming said, 'This is what we are trying to do'. My basic question against that is: who was it that presided over the system while these operations were commenced? Was it the same minister? Who was it who granted machines to these particular venues? Could it have been the same minister? He has been asleep at the wheel. If this is such a problem, why didn't he fix it at the time?

Remember, too, that the 8.5 per cent variation in the share of the drop — that is, the gaming revenue enjoyed by hotels and clubs — was to go back into the community via the Community Support Fund. That was the entire basis of that fund. But guess what? The funds imposed as a penalty under this new arrangement in the bill do not go into the Community Support Fund but go directly to government coffers. Isn't that a surprise! The government is taking not only a bigger share of the action but it is sneaky about the way that has been effected. I ask of the minister or anyone in the government ranks whether they forgot to mention that in the second-reading speech or the notes attached to the bill?

Hon. Jenny Mikakos interjected.

Hon. R. M. HALLAM — I would be delighted to receive your explanation if it is that the funds are to go to the Community Support Fund, but let me tell you that is different to what your minister said. All this comes from a government which is open and accountable and committed to reducing its reliance on the gambling dollar!

Not surprisingly a whole range of questions is raised with respect to community benefit statements in particular. I have already put the minister on inquiry, and I shall be seeking some specific answers in the committee stage. I will be looking for some commitments and undertakings in respect of definitions and procedures relating to those statements in particular.

I acknowledge that the Minister for Gaming has gone some way towards addressing the concerns being

expressed by Clubs Victoria, and particularly the Returned and Services League.

Hon. E. J. Powell — After you brought it to his attention.

Hon. R. M. HALLAM — That is a very good point; thank you, colleague. The minister has written to Clubs Victoria making some nice placating background noises about caring for clubs and their role and outlining the types of activities that will qualify as community benefits. He has listed them as the subsidised use of facilities, assets, donations and sponsorships. He proposed a house amendment confirming that volunteer work could be included. He has then made a statement to the Parliament that the RSL clubs will be excluded from the penalty.

So far so good, but my point is that this came only after the issue had been raised at the Public Accounts and Estimates Committee. It certainly was not volunteered. It goes only halfway and in my view raises even more questions than it answers. It certainly does not commit this government to further consultation with the club industry. The letter to Margaret Kearney was silent on the question of consultation. I would love someone from government to make a commitment in that context. The government can expect that I will be seeking some further clarification during the committee stage.

For all that, the National Party does not oppose the bill. The government's claimed motives are supportable. I again make that point, even though the acknowledgment that gaming revenue is expected to continue to grow puts all the effusive rhetoric into perspective. The National Party will allow the bill to pass, but it wonders how long it will be before the anti-gambling crusaders tumble to the fact that they have been sold a pup. While government makes all the right noises it remains busily picking up the tax revenue from the same people it claims to be protecting. It is not the problem gambler protection measures that I resent. Quite the reverse — I support, even applaud, them. It is the rotten double standards of the government that I do not like. It professes concern for the problem gambler while at the same time it gleefully accepts the increased tax revenue.

It is in that light that I reckon the legislation becomes tokenistic and even opportunistic. We in the National Party call on the Bracks government to at least be honest. It should try a bit of honesty with respect to problem gambling. Something more should be done to identify the pathological gambler at an individual level and to tailor assistance at that level rather than running this make-believe option of imposing easily avoided barriers for all players in the faint hope that it will alleviate compulsion.

The question remains: is the Bracks government really committed to the welfare of the compulsive gambler or simply to the abatement of public criticism? We keep hearing that the Bracks government cares. I am just not convinced of what it actually cares about. Beyond that, Mr Acting President, I throw myself at the mercy of the chamber and seek forgiveness for my cynicism.

Hon. G. B. ASHMAN (Koonung) — This bill should deliver the ALP's policy on gaming. It should deliver on the rhetoric it has engaged in for the last 10 years, but it does not. If the ALP's statements prior to the last election are any guide it should revolutionise the gaming industry, but it does not. It should abolish all the evil of gaming, but it does not; it does not even leave us with a warm inner glow. It does progress gaming legislation to a minor extent. I think the Honourable Roger Hallam has given us a very good summary of what this legislation should have achieved and how little it does achieve. It falls a long way short of the community's expectations of this government.

As we debate this bill it is interesting that the opponents of gaming are silent as the government continues to put its hand out for the additional revenue which is flowing through from increased gambling in this state. In drafting the legislation the government has clearly discovered that there is no quick fix for the compulsive gambler. It is a complex issue and legislation alone will not address the difficulties faced by many in our community who have a gambling addiction.

The legislation clearly maintains the growing government revenue stream flowing from gaming machines in this state. It is fine for the government to accuse the Kennett government of relying on gambling revenue. A quick perusal of the budget that has come before this house shows that the Kennett government's reliance on gambling revenue was far less than this government's. In 1999, the last year of the Kennett government, $1.44 billion was received as gambling revenue by the state. This year the Bracks government will receive $1.89 billion in gambling revenue — an increase of about $450 million, or roughly a 30 per cent increase in gambling revenue flowing to the government. So much for the promise to reduce its reliance on gambling revenue. This government is addicted to gambling revenue!

The legislation before us today will not reduce the government's reliance on gambling revenue, nor does it demonstrate that it has a commitment to reducing the

level of problem gambling in this state. The government has put before us a number of measures that dabble at the edges. It is not a reform of the industry, nor does it offer great hope for those people who have a gambling addiction. In its 1999 policy statement the Labor Party states:

> Labor will reduce the state government's reliance on revenue from gambling.

I have clearly demonstrated that it has not reduced its reliance on gambling revenue. Indeed, it is becoming more reliant on gambling revenue. As we know, gambling constitutes well in excess of 50 per cent of this year's surplus or the increase revenue that has come in.

The bill is a catch-all measure. It has a number of provisions that I will briefly address. They will alter some of the practices within the industry and may be of assistance to some problem gamblers, but I have doubts as to the benefits that will flow through. The bill bans note acceptors on machines accepting $100 bills. It does not mean that you cannot put in two $50 notes or five $20 notes. I am not sure that this measure will have any real impact on the problem gambler. If gamblers know that the machine will only take smaller notes they will arrive at the venue with smaller notes. I am fairly certain that the cashiers at the venues will be happy to change a few notes if you want to put $100, $500 or $1000 through a machine. I would not have thought changing the note acceptor would have a great impact on the number of dollars that are put through the machine.

The opposition asked during its briefing how the government arrived at the ban on $100 notes and why not $50, $20, $10 or $5 notes. What did the research say? We were not able to find any research conducted on this issue. Some research has been conducted in New South Wales but it is not definitive in any shape or form. The government has gone ahead and said it will ban $100 notes and that is it. It is window-dressing, as is so much of the bill. The measure will come into effect on 1 January next year. I do not expect it will cause the gaming industry much concern. They will alter a few machines and proceed as normal.

The legislation also limits the withdrawals from ATM and EFTPOS machines within a gaming venue, but it does not limit the number of times a person can use to EFTPOS facilities or ATMs. The bill states that a person is not able to take more than $200 out of the ATM on any one occasion. As we know, many people may draw anything up to $1000 from an ATM in a given day, so why would they not go back to the machine five times or, indeed, just stand there and make five transactions in 60 seconds? The only restriction would be the speed of the machine. If a gaming venue is within a shopping centre and the person cannot get the money out of the ATM within the gaming venue, why would they not step next door and take it out of the machine at the bank or retail store? Once again, this measure is window-dressing and does not achieve any real outcome.

The government will restrict the spin rates on machines. Initially I did not understand spin rates, but after the briefing I understood that a gambler can push the electronic button and the cards fly around and 2.14 seconds later you have either won or lost. I suspect in the majority of cases you have lost your money. The provision will mean that 2.14 seconds will be the maximum speed the machine can spin at. We were told at the briefing that is the highest spin rate on any machine at the moment, so the government has adopted the fastest possible spin rate as the maximum standard. If the government were trying to limit the number of games people could play surely it could have set 3.35 seconds as the maximum speed for the machine and then something may have been achieved. The gambler may have kept his money for a further 10 minutes — I do not know how these things work. Indeed, why would you not set it at the highest spin rate, which we were told is 6 seconds, which would mean potentially that you would play one game instead of three games? There will also be a limitation on the number of autoplays in a facility. That is probably sensible, but I would have thought it a relatively minor change.

These changes will be introduced progressively. We are told that 20 per cent of machines in a gaming venue are changed each year, so it may take some time for this to filter through on all machines. Obviously, with the change of machines, games will change. We do not know, given these changes, what the operators will do with the games. As new games come online and are more attractive and the operator has to change the spin rates on the machines, the machines that are less popular in the venue will be the first removed and the highest spin rate of 2.14 seconds will be introduced on the replacement machines.

Fascinatingly, this legislation also says that some winnings will be made available in the form of a cheque. While there is probably some advantage in that, especially in terms of security — a person certainly would not stand the risk of being mugged for a cheque in the same way as he or she would for cash — —

An honourable member interjected.

Hon. G. B. ASHMAN — Yes, the offender would have to be an absolute mug to mug someone for a cheque!

Crown Casino advised us that if the cash limit were set at $1000 it would be required to write 80 400 cheques a year, which is a significant amount of work to be placed on any organisation. Indeed, $1000 is not a great deal of money. Even at a $2000 limit Crown estimates that that will involve its writing 22 800 cheques a year. Across the state, with all other operators, Crown suggests that on winnings of $1000 about 150 000 cheques a year will be written. These estimates emerge from research conducted by the University of Sydney and the Centre for International Economics, so one can reasonably rely on this information from Crown. It demonstrates how little thought has been given to a great deal of this legislation.

There are some advertising restrictions which we would not oppose. The stated objective is, again, to limit the number of impulsive gamblers. It has been suggested that signage has been a major attraction for people entering a gaming venue. However, there has been no research to support that contention. Indeed, I am not sure that signage on a venue is going to say anything more than that it is a gaming venue; and if you have four signs or one the message is going to be fairly similar. The legislation also places some restrictions on some of the names that can be used. I guess that once you have a Tabcorp or a Tatts pokies sign there will not be too many people around Victoria who will not know what that sign means and what is on offer when they walk into the venue.

The legislation also addresses the issue of loyalty schemes. These are curious and I am not convinced about the way they work. I do not fully understand the way they operate. Apparently if you collect enough frequent flyer points you can get a cup of coffee, a piece of cake or something of equal value from the venue. I am sure that this would be a significant incentive for some people. However, I suspect the schemes have about as much value now as my redundant Ansett frequent flyer points! Nevertheless, the issue is addressed in some detail in the legislation, which puts some additional checks and balances on the use of the schemes, the way they can be promoted and how information from them can be used by the operators.

One issue that we believe the government should look at seriously is the research that might be drawn from the loyalty schemes. If an operator has regular players these schemes must provide an opportunity through desensitising the data collected to get some idea of the way those regular gamblers gamble, the games they play, the amount of money they spend and the frequency of their activities. I am certain that the venues have this information and use it to set up the games within a venue. This would be one way that they would see what games the regulars are playing. It would certainly provide them with the information that would enable them to put in the most popular machines and remove those that are less popular.

The loyalty scheme cards will have some advantages. Players will be able to set time limits and dollar limits on what they do in a particular 24-hour period and they will receive an activity statement which will also be of assistance. I look at an activity statement from a gaming machine and wonder what we ought to be doing with the provision of information with that loyalty statement. Should we be providing some information on gambling addiction and sources of support for those who believe they may need support?

It is difficult for a gaming venue to determine who is a problem gambler. For some people losing $100 a week could be a serious problem — that may be a large proportion of their weekly budget. By contrast, someone else could spend $10 000 and it is small change. I do not know many people in that category, but they are obviously out there. Gaming venues tell us people come in every few months, lose several thousand dollars, win a few times and it is not an issue to fund the gambling — it is their entertainment. So it can be difficult to separate some of the issues.

There is provision in the bill for participants to opt out of the scheme. I note that if they have been inactive in the scheme they are deemed at some stage to no longer be part of it. That is also quite useful.

The legislation amends the loyalty scheme to the extent that if somebody is suspended from gaming venues they are not to receive advertising material, so there are some pluses, but there are more minuses. Interestingly, we are told by Crown that some 75 per cent of its players are in a loyalty scheme, that it has issued in excess of 1 million cards and that it believes 300 000 of those cards to be active. That is a significant number of regular players.

Other welcome amendments relate to raffles. Before the introduction of this legislation a period of 28 days was required before the minister could act against those conducting a raffle that did not operate within the guidelines. There was no way that the minister could intervene within a shorter period. In recent times we have heard of a number of raffles where both the promoters and the consumers have been significantly at

risk because of the way the raffle was conducted. The new legislation provides the minister with the power to intervene almost immediately, and that protects both consumers and the promoters of the raffle. As we all know, frequently the promoter is not the person conducting the raffle. A large number of organisations lend their names to raffles for a percentage and they need to be protected.

The other issue which was dealt with by the Honourable Roger Hallam was that of community benefit statements. It is worth noting that we need to know what constitutes a community benefit as the issue appears to be quite complex. A number of clubs have indicated to me that they do not understand the issue. When Margaret Kearney of Clubs Victoria wrote she was unclear of what it would mean. In her letter she states:

> The types of activities which will satisfy the community contribution criteria are:
>
> (a) facilities — including use of meeting rooms, subsidised use of facilities and subsidised meals;
>
> (b) assets — including building materials and construction, furniture and equipment;
>
> (c) donations — including welfare activities and items, sports equipment/trophies/badges, gift vouchers, fundraising activities; and
>
> (d) sponsorships — including uniforms, sports equipment and fundraising activities.
>
> Community contributions that are for gaming-related purposes will not be claimable. However, voluntary work performed by club members and employment expenses of staff who are engaged in the gaming and non-gaming areas will be taken into consideration for venues. They will be regarded as a community benefit.

That strikes me as something of a contradiction. Again, the minister might like to clarify this.

The purpose of the split between hotels and clubs is almost redundant. Mr Hallam went into some detail about the percentages that come to the government from hotels and clubs. In my own area a number of hotels lost gaming machines as the operators looked at their turnovers and determined they were not reaching their targets. It is interesting to note that a number of these pubs have now become clubs and in that process have reinstalled gaming machines. It is difficult to tell what is the difference in layout and level of activity occurring in a new club compared to the level of activity occurring when it was a pub. They are to all intents and purposes to the casual observer the same business, just having converted from being a pub to a club to gain or retain the gaming machines.

The government could have looked at the split of machines between pubs and clubs in this legislation if it had been serious about addressing the problems within the industry. Certainly I think it needs to revisit the definition of a club and the definition of a hotel. It may be that what we require is one set of rules right across the industry regardless of whether it is a pub or a club. That might also assist the operators in the allocation of their machines.

I will briefly comment on clause 20, which alters the shareholding requirements for Tabcorp. The original legislation provided for no more than 10 per cent foreign ownership of Tabcorp. That was introduced to protect mum and dad investors and give them an opportunity to get shares in it. There has been a progressive movement from 2.5 per cent to 5 per cent, and now to 10 per cent, in the maximum shareholding for any individual or corporation.

People will recall that Tabcorp was first floated at about the time that Telstra and the Commonwealth Bank were floated, and mum and dad investors were very keen to grab hold of these government instrumentalities that were being privatised. They were at the time all very good investments, and I think mums and dads in most cases did very well out of these initial floats. The reason for the restrictions was very valid, but today the need to provide for the mum and dad investors is no longer there. These more recent changes recognise the change in international markets and the increased use of fund managers and other investment vehicles.

As I said at the outset, this bill does not deliver the Australian Labor Party's commitments made prior to the last election. It does not revolutionise the gaming industry. It does not address to any great extent the problems of problem gamblers. It makes some minor changes which may progress the gaming industry. On balance, the Liberal Party is not opposing this. It is not embracing it with enormous enthusiasm, but it will not be opposing the progress of this legislation.

Hon. S. M. NGUYEN (Melbourne West) — I have been looking forward to making my contribution on the Gaming Legislation (Amendment) Bill 2002. The Labor Party has a very strong commitment to improving the situation of gamblers who play every day around Victoria.

The bill is in response to the concern of the public, especially community leaders, who have seen many people lose their money as a result of getting stuck in the gambling habit. Some of these people are going to gaming venues every day. A lot of people have lost

their houses, their families and their jobs because of bad or out-of-control gambling.

We have to do something about it. We have to do something without taxing the gaming venues or operators. We have to make the situation better because the government has a responsibility to assist the Victorian community to control its life better. The gaming venues only do what the government tells them to do, or what the legislation forces them to do.

People have been playing for a number of years now. Gaming only started in Victoria with the introduction of poker machines and the opening of Crown Casino. We are talking about a 10-year period. Before that, problem gambling was not of much concern to our community because it was a hidden problem. People would bet or buy Tatts tickets only a few times a week, but since the opening of the casino and the introduction of poker machines many people who cannot control themselves have lost money and become addicts. As we do with other types of addicts, we have to help these people.

Thousands of people sit at poker machines and play every day at Crown Casino and in the many hotels and clubs in Victoria. The numbers are not small; we are talking about thousands and thousands of people. Many venues are open not 8 hours a day from 9 to 5 but 24 hours a day, and they are always full. These places attract people who cannot control themselves.

Many people in Victoria feel lonely and isolated and need somewhere to go at any time it suits them. Only one type of place in Victoria can be open 24 hours and attract a lot of people to have a meal, watch television, meet friends and play the pokies — that is, gaming venues. But those people lose money. Not everyone is a winner — maybe a few — and the rest lose their money. I see that every day, and we all know through newspaper articles, from hearing friends' stories and from people telling us this and that, that it is a huge problem.

It is a problem for people of all ages and genders — the elderly, the young, men and women — and that is of grave concern. Many people do not have a future because they have lost control and become among the poorest in our society. Many have owned houses, had families, good businesses or jobs and good reputations, but have lost everything, become homeless and become useless to our society. We have to help them to control themselves better and to regain their confidence.

Gaming venues are easy places for people to get stuck in. The government has to take responsibility. I am not criticising every single gambler; many people who go to casinos or pokie clubs for social functions and to meet friends have a good time and control themselves. They are responsible people and they set a limit on how much they will spend per day, but not everyone can do that. Some lose money very easily. They can put $1000 into poker machines by using $100 notes without worrying about how much they can win back; they just put the money in and hope they will be lucky, but we know it is not that easy. Luck is for the few, not for every single person who stays at a venue. The government has to reduce that problem and banning $100-note acceptors on machines is a good way to do it.

Last week we introduced a bill to stop people smoking in gaming venues, and that could be another good way to stop people from playing. They might have a break of 5 or 10 minutes outside the gaming room to have a smoke and then come back, but some might change their minds and not come back. Banning smoking could be a way to give them a break so they can think about whether they should go back to play or go home or do something else. If we do not take that sort of action people will keep playing and playing.

As things stand, if there is no clock they do not know what time they started or what time they have to go home — they just keep playing. The money is easy to get from the automatic teller machine so they can put as much money as they want into the machine and many lose control. They do not know what length of time they have been playing, and they can smoke, drink and get their money from the same place — they do not even have to go for a break. We are trying to give people a break so they can think twice before they start playing again after a break. The banning of the $100-note acceptors will mean that people will have to limit how much they spend. It will give them a break to see whether they should continue to play or not.

The bill will be very helpful to many people who cannot control themselves. I and many others know that many people who play become addicts and keep playing and playing. A few years ago we heard many stories of parents leaving babies in cars. People intended to play for 10 or 15 minutes but spent hours without remembering that their child was in the car. They did not mean to do it, but when you play and lose money you start to put more in, hoping that your luck will come. You keep trying and trying and time goes past; you spend half an hour or an hour and it becomes a few hours. That is very common.

The government had to do something to stop that. We cannot stop people playing but we can be sure they have a break so they can think twice before they restart. The rules are very basic and very workable. People

cannot put a $100 note into a machine; the maximum bet they can make is $10 per time. That will help them a lot. It is a small thing but it is very helpful.

We would like to go a little bit further. I spoke earlier about ATMs, or automatic teller machines. People can access ATMs and can get as much money as they want: it is their money and no-one can stop them. But some people who lose their money keep taking and taking. By limiting the amount of money that can be taken from an ATM to $200 per time we will be helping them. They will know that is how much they have to spend and that they cannot spend more, so they will have to be responsible with the money they have. People who borrow money with credit cards have to pay it back at interest rates of 17 or 20 per cent, which is a great deal of money. Prohibiting cash withdrawals from credit accounts will help them and their families.

The bill also prohibits venues from cashing winning cheques issued by the venue. People who win less than $2000 have the option of receiving payment by cheque. Some people might criticise that, but I think this should be optional. Winnings of more than $2000 must be paid by cheque. In that way everyone knows that the person who won more than $2000 received the cheque, and when the person cashes the cheque the next day the bank knows where the money has come from. That is easy. We want to stop criminals putting cash in and getting cash out. The money will be paid by cheque, so we should know where the money comes from, and that will stop some criminal elements getting money.

Another important issue I want to talk about is loyalty club schemes. We have seen many people become members of clubs where the more you spend and the longer you stay the more points you get. The operator tries to encourage people to come more often. Using the points to buy drinks or food helps gamblers to stay longer, but it does not help them to be responsible players. We should help problem gamblers. We should provide them with more information. I have noticed that people who stay there are good members, but how much have they lost? Who knows? Can they afford to play again if they keep losing?

We have to do something. We have to ask the operator who is responsible to help the gambler to improve their situation and to control their money better. The people who go to gaming venues will then think twice. They will have someone to help them to think, ‘Can I afford to play again? Should I stop?’.

These questions have to be repeated all the time, not through advertising on a billboard or on radio, because some people do not turn on the radio, but inside the gaming venue. Some people do not listen to what is said on television or radio, and they might not read the newspaper. They are stuck in the gaming venue — it could be their second home. The information has to be provided at the gaming venue so they can think, ‘I should stop it, and come back next time’, rather than continuing for hours or days. They have to feel someone is there to remind them about their responsibility — what they can and cannot afford to do. It is easy for people to lose control — we know that. A lot of people cannot control themselves, even though they are adults. They are mature, but they cannot control themselves in many cases. So we have to help them at the gaming venue. We need to know how much money they spend and how we can help them improve and meet their responsibilities.

With In regard to advertising restrictions, I have to say the situation is much better than a few years ago when the casino had just opened, when we saw many signs in Melbourne, especially in the central business district, directing people to the casino. We have to stop that practice, so the people who want to go to the casino will have to find their own way, rather than encouraging people to go there.

If a tourist wants to go to the casino from their hotel they can look through *Melway* or ask the hotel staff, but we should not encourage other people to go there. If they go there, that is fine, but we do not have to encourage people to go there to play.

Advertising should be limited. With advertising we have to make sure that people are not reminded that they have to go to play. We will especially stop advertising through public events such as those held on New Year’s Day or a show or festival.

I will refer to a few other things in the bill, such as the raffle suspension. We have to keep an eye on people who use the community to organise raffles for fundraising. Many community organisations do good. Just in case some people do not the right thing, we have the power to stop them as soon as we find out. Community organisations will have more responsibility to run raffles more carefully.

I refer to the community benefit statements. The community has to know what the local clubs or pubs have done for the community — they have the right to know. We hear that money will go to the community but not many people know who receives the benefit of grants from pubs or clubs. The bill will mean members of the community will be more aware and they will know how gaming machines help them. They have the right to know that. Clubs and pubs have to take

responsibility in reporting to their communities. There will be annual reporting detailing what they have done — otherwise the community will think they gain nothing. It is their right to know that. If clubs do not do that they will pay more tax for the following year.

In conclusion, in response to the concerns of the community about problem gamblers the government has done many things to make them more responsible and to prevent them being harmed. To do that it has introduced this legislation. The bill strongly balances the benefits of this industry with its potential for harm. It also balances the rights of the individual with the responsibility to assist the vulnerable. It is based on the need to balance the industry's drive for profits with its duty of care to its patrons.

These are things about which the government is very keen. We take it seriously. We want our Victorian gamblers to take more responsibility when they play, especially so that there is an opportunity for them to have a break and think twice before they continue. I commend the bill to the house.

Hon. E. J. POWELL (North Eastern) — I am pleased to speak on the Gaming Legislation (Amendment) Bill. The Honourable Roger Hallam succinctly put the National Party's position on this bill, which is that it does not oppose the bill but is concerned that no evidence has been brought forward that these measures will reduce problem gambling.

The government has stated that the purpose of the bill is to secure a more balanced approach to gambling and to better protect the community against the effects of problem gambling on gaming machines, and that it will introduce some industry housekeeping measures. Again, there is no evidence that any of the measures it has put forward will work or that they have even been put to anybody to determine if they will work.

The first amendment deals with the harm-minimisation measures. The government says it aims to reduce problem gambling without unduly affecting recreational gamblers. I am not sure how it will be able to do that, given that we have heard that 98 per cent of gamblers are recreational or social gamblers and 2 per cent have a problem with gambling.

The government intends requiring modifications to gaming machines so that they will not accept $100 notes, will restrict the spin rates; will ban autoplay, and will set bet limits to $10. As the Honourable Roger Hallam said, exemptions can be granted, but I understand that will be only if those machines are not accessible to the general public. They also must meet some strict guidelines.

In an effort to restrict cash accessibility, the government will limit access to automatic teller machine (ATM) and EFTPOS facilities at venues to $200 per transaction. Winnings or accumulated credits in excess of $2000 are now to be paid by cheque with the added option for people who win under $2000 to receive their winnings by cheque. The bill also prohibits venues from cashing cheques issued by the venue. I am led to believe from Tabcorp that this measure is already in place — that in fact venues do not cash cheques so that people can use their winnings on the poker machines.

The bill provides for the regulation of loyalty schemes. Many honourable members have spoken about loyalty schemes. Players will be provided with appropriate warnings. Settings of loss and time limits will be allowed so that players know how much they are losing and they can assess whether they want to continue playing or perhaps leave the venue. In some cases that can be done if the person is not a compulsive gambler, but obviously those who are compulsive gamblers find it difficult to assess those situations in a clear and rational manner. Some of these measures will bring to their attention the fact that they are losing a certain amount of money or that they have been at a venue for a certain length of time so that they can reassess or evaluate whether they need to stay on or should leave.

Another measure will identify and bar self-excluded gamblers. That does not always work. I have spoken to people at some gaming venues and have been told that while some people exclude themselves when they are reminded that they have reached their limit they move on to another gaming venue and continue their gambling there.

Tougher restrictions on advertising and venue signage will now apply, including restrictions on gaming incentives — for example, gaming-related vouchers or coupons that can be redeemed for gaming purposes. A hotel might give out vouchers redeemable at its poker machines or gaming facilities as an incentive for people to go there, and while there they may have some social drinks, eat a meal and then continue gambling.

Other industry measures include the casino exclusions and raffle suspensions, but as many honourable members before me have spoken at length about those measures I will not go into them in any detail.

One of the issues the Honourable Roger Hallam spoke about at great length was community benefit statements. This issue may have snuck by the

government because it may not have realised they would have such a big effect on some of our country venues. I received a phone call from Mr Barry West, licensed club manager of the Mooroopna Golf Club, who spoke to me of his concerns about this part of the bill. I asked him to put his concerns in a letter so I could raise the matter with the National Party, and in particular bring them to the attention of the Honourable Roger Hallam, who is the National Party spokesperson on gaming. The letter was sent to me on Monday, 27 May, and I believe a letter was also sent to the honourable member for Shepparton in another place. The letter I received talks about the effects that this portion of the bill will have on country venues in particular, and how it could have dire consequences for many of those clubs.

Mr West states in the letter:

> The area that concerns me deeply is the proposed community benefit statement and the required community benefit contribution. It is my belief from information received from Clubs Victoria that all gaming venues (both clubs and hotels) will be required to show that they have contributed the equivalent of the hotel tax, i.e. 8.33 per cent of the gaming revenue. If they are unable to meet this criterion, then they will be required to make a contribution to the Community Support Fund.
>
> This has the potential to seriously affect the financial viability of all clubs. A very brief assessment of Mooroopna Golf Club's situation by using figures in last year's annual report reveals that we had a gross profit from gaming last year of $684 595.34; this was our 33.33 per cent share of the overall gross profit. The requirement to contribute 8.33 per cent of gross net machine revenue to the community benefit fund equates to 25 per cent of our gaming revenue or $171 148.83. When we deduct this amount from our operating profit last year of $60 342.98, it reveals that last year alone this club would have a net loss of $110 805.85.

Mr West goes on to say in the letter that that requirement would make the club unviable and that it would have to look at reducing its employment levels, the services it provides and the viability of continuing to provide services to the community such as the free use of club facilities and other assistance with fundraising. I spoke to the Honourable Roger Hallam about those concerns, who then raised with the Minister for Gaming at the Public Accounts and Estimates Committee estimates hearing the effect that putting 8.33 per cent of gross net machine revenue back into the government's coffers will have not just on the Mooroopna club and other clubs in country Victoria but on all clubs.

The letter to the honourable member for Shepparton talks about ways that Mr West and other club managers thought they could meet the requirements of the bill, and some of those suggestions have been picked up by the minister, because I understand the Honourable Roger Hallam recommended them to the minister. Following discussions with Clubs Victoria and discussions at a Victorian zone meeting of the Club Managers Association of Australia, club managers from right across the north-east of Victoria looked at issues such as sporting clubs holding an Australian Taxation Office sporting exemption being exempted from the requirements of the community contribution provision; all wages and on-costs being considered as community contributions, including wages paid to gaming room staff; and the cost of implementing changes in the legislative requirements for the responsible service of gaming — be it building alterations, lighting requirements, business practices or staff training — being considered as a community contribution.

This makes sense, because these requirements of the gaming industry were introduced by the government in an effort to curb problem gambling, and they are perhaps of no value to clubs other than in their being seen to honour their community obligation to deter people who have a problem with gambling. The club managers also suggested that surplus amounts spent on implementing legislative requirements in any one year be carried over into the following year when assessing the community contribution levels. Another suggestion was that the time spent by volunteers and committee people on club matters could also be considered as community contributions.

As I said, the Honourable Roger Hallam raised a number of these issues with the minister, because the minister was probably not aware of the implications of community contribution statements for some of the smaller clubs and pubs in country Victoria, and, more importantly, for some that are trying to meet their obligations in ways that do not have a monetary value.

Ms Margaret Kearney, who is the executive director of Clubs Victoria, received a letter from the Minister for Gaming stating:

> I am writing in response to concerns raised by clubs in relation to community benefit statements, and to assure clubs that their importance in the community is recognised.

The minister goes on in the letter to talk about some of the issues the Honourable Roger Hallam raised in his contribution, such as not being sure of exactly what the community contributions are. He states:

> While precise details of what constitutes a community contribution are being developed, —

the government is still developing those guidelines, so it is very hard for the clubs to know what they can write down as a community contribution —

> the intention of the community benefit statement is clear. The intention is to provide the public with information on community contributions made by venues and to ensure that clubs are contributing to the community at least the equivalent of the hotel contribution to the Community Support Fund.
>
> The community benefit statement will highlight the strong community focus of clubs. We are developing a workable system that does not create onerous paperwork requirements for clubs.
>
> The community benefit statement is not a new expenditure requirement if a club already contributes to the community …

The minister also includes in the letter some of the options that may be looked at and the types of activities that will satisfy the community contribution criteria, including:

(a) facilities — including the use of meeting rooms, subsidised use of facilities and subsidised meals;

(b) assets — including building materials and construction, furniture and equipment;

(c) donations — including welfare activities and items, sports equipment/trophies/badges, gift vouchers, fundraising activities; and

(d) sponsorships — including uniforms, sports equipment and fundraising activities.

It is good to see that the minister has picked up on those suggestions. I congratulate the Honourable Roger Hallam for raising awareness about that aspect of the bill, which could have had dire consequences for some sporting and gaming venues in country Victoria that already give a great deal to the community and are very highly respected. The minister said in his letter that the government understands the importance of gaming venues in clubs around country Victoria.

As the Honourable Roger Hallam also said, this amendment does not address all of the concerns held by some of the smaller clubs in country Victoria. Some of those other issues will be teased out during the committee stage, and we will see if we can get some answers to questions raised by gaming venues.

Hotels in country Victoria are some of the larger employers of local people. They allow people to work in casual, part-time or full-time work, and so they are of great benefit to some of our communities. We should be working with the hotels to find measures that will reduce problem gambling but not inflict too much pain on them because they are doing a community service by providing entertainment, some social aspects and employment for some of those country towns.

They also contribute a large part to community fundraising and give back a lot of the money they receive from the community. As good corporate citizens they ensure that a lot of the money they receive when they make a profit goes back into the community to benefit some of the welfare organisations, hospitals and sporting venues. For example, in the past couple of years Tabcorp barbecues have been held to raise funds for emergency services. I, along with a number of my other colleagues in the National Party, attended the barbecues in the Goulburn Valley area to work at the sausage sizzle and hand out cans of coke and fruit. I attended the barbecues at the Mooroopna Golf Club and the Sherbourne Hotel. Between them they raised quite a large amount of money. This year the hotels in the north-east region raised about $60 000 for emergency services. So while sometimes the government might see the hotels as needing to put on restrictions, they do a lot of good work in rural communities and have a high degree of respect.

While the effect of this bill is supposedly to stop problem gambling, I do not know if the measures proposed in the legislation will produce that outcome. I have spoken to many gaming venues since February — since the draft bill proposed by the honourable member for Gippsland West in the other place, Susan Davies, was circulated around Victoria — after which a number of gaming operators got together to start lobbying their members of Parliament to let us know what would happen if the Susan Davies bill came in.

I was pleased to see that this bill is quite different and that it does not contain many of the measures that were to be introduced with the Susan Davies bill. I commend the government for that, because some of those measures were quite onerous and some of the gaming venues were concerned.

The Honourable Bill Baxter and I met with representatives of about six gaming venues at Elgins Hotel in Wodonga, where we were shown through the gaming venue and saw the effects that some of the former legislation had on gaming venues and the effects that this legislation when enacted will have on those operators. I also met with gaming venue operators from right across the Goulburn Valley at the Goulburn Valley Hotel in Shepparton. They all spoke of a lack of research into what makes a person become a gambler and what can help that person overcome their addiction. They all said they are keen to be part of the solution to help problem gamblers. They do not want problem gamblers in their venues; it is not good for business. People see other people who have been there for a long time — they know the people and the depressed state they are in and the types of problems they are going through in their lives. These gaming venues want people to come in, have a good time, spend some

money through the poker machines, have a few drinks or a cup of coffee, have a meal and enjoy the social aspect of being there. They do not want problem gamblers in their venues.

The gaming venue operators also said that problem gamblers cannot be helped unless they firstly acknowledge that they have a problem. Nothing in this bill will fix that. The operators said that it is very important for a problem gambler to firstly understand that they have a problem and then to be able to access help for that gambling problem. It is an addiction, and unless they understand they have an addiction and seek help themselves, no measures will help these people. That is important, and it is not addressed in the bill. We should take on board the question of how to ensure that these problem gamblers understand they have a gambling problem and move to address that issue.

We asked some of the operators, 'Do some of your staff go to these people and say, "Look, you have been here for a couple of hours; perhaps you should leave"?'. But it is not up to them to do that, because the people will become very aggressive and will leave that gaming venue only to go to another gaming venue. So the issue of problem gambling can sometimes be hidden. Some venues think they do not have a problem gambler on their premises because the person stays for an amount of time and then moves on to another venue. The problem keeps moving around the district, because in some country areas there are quite a few venues within driving distance.

The industry is also working together to try to solve the problem. It is not the industry versus the government. The industry is very well aware that there is a problem out there and is working hard to solve the problem. In fact, the gaming venues we met with said they meet quarterly with Breakeven, a service provider for problem gamblers. This is how they know that people with gambling problems must first of all admit that they have a problem and then agree to go and seek help. The operators are meeting with Breakeven to find out how they can take their part in working with the problem.

They also told us about the cost of complying with legislation. Under some earlier legislation they were told to black out all their windows. It was felt that if there was no light and all the windows were blacked out it would help the problem gambler. So they did as they were told and, at their own cost, blacked out all the windows, only to now find that, no, that does not help the problem gambler, and that they must let in more light. So now they have had to increase their lighting and unblacken all their windows — without being told whether that will work either. They are getting a little tired of people saying, 'Try this, we're sure it will work' and doing it at their own cost, only to find out it does not work.

The operators showed us the clocks they must have on every machine and told us that if those clocks are 5 minutes out they will be fined $2000. They need to change the batteries if they are run down. But they cannot change them themselves — Tabcorp must change the batteries — so they just put new stick-on clocks onto the gaming machines and throw the old clocks into a bin or box, and when Tabcorp comes it replaces all those batteries. It is much quicker and easier for them to replace the clock rather than the battery. This is just a silly thing brought in with legislation that provides that if the clocks are 5 minutes out the operator can be fined $2000.

The operators are making changes for a minority of customers. As I said, they do not mind doing that, as long as they are assured that the changes will work. Most people go to the gaming venues for recreation and for the social aspect. They also go there in the evening because it may be the only place they can hear live music and have a dance. Many older people go there just for the social aspect of going dancing and being part of the community.

We were told that a number of older people go into the clubs during the day so they do not have the feeling of isolation. They know the staff at the gaming venues and the staff ask after them and make sure they are okay. In fact, if a regular does not come in the staff get quite concerned. By 'regular' I mean someone who spends some time on the poker machines and then goes into the restaurant to have a cup of coffee and wait for somebody else to come in. It is a way of keeping tabs on some of the older and most isolated members of our community during the day. Many of them will not go out at night, so they come in during the day for the reassurance that somebody cares about them and also to avoid the sense of isolation they feel if they have nobody else in their homes.

The operators also told us that people use the automatic teller machines for many reasons. The government likes to think that the ATMs are used only to get money out to put into poker machines. But we were told that people use the ATMs there for many reasons — to pay for their meals, to pay for their club memberships and to take out money to take home with them. One of the most important aspects of ATMs being in gaming venues was the sense of security they provide because of the cameras and other people being around. An ATM being in a gaming venue or hotel gives someone wanting to use it a sense of security because they feel

they are not in the street. In fact, in some small towns the ATM at the hotel is the only one there!

As to the removal of bank note acceptors (BNAs), the University of Sydney research found that it did not assist problem gamblers. There was also no evidence that BNAs affect the prevalence of problem gamblers. For example, we were told that South Australia has the same proportion of problem gamblers as Victoria, but it does not have note BNAs — it has coin-only machines. Work needs to be done to determine whether removing bank note acceptors will have any beneficial effect on problem gamblers.

We understand that gambling has a devastating affect on the gambler and his or her family. We hear about family breakdowns because the person who has the addiction goes through all of the household weekly earnings. We also know that it can make people homeless because they lose their money and other assets and are unable to pay their rent on time, resulting in eviction. We also know that some people have tried to hide their addiction because they are very embarrassed and concerned, and in some cases they have eventually committed suicide. That is the worst face of problem gambling.

Gambling affects the whole community. We must get serious about protecting problem gamblers, while allowing the majority of people to enjoy gaming recreationally. The government should be doing more with problem gamblers, not only inside gaming venues but also outside venues. More money is needed for counselling. We need to know why people gamble and how they can be supported while they are trying to rid themselves of their addiction.

I raised in the house in October last year the issue of financial counselling. The government was removing its support for some counselling services; they were to be funded only until June 2002. The Shepparton and Benalla Debt Counselling Service had a waiting list of up to four weeks. It told me that if somebody has a problem — an addiction or any reason to go to financial counselling — a wait of four weeks exacerbates that problem. If the government were fair dinkum about looking after problem gamblers it would address the issue before people got into the gaming venues and not expect the venues themselves to place restrictions on gamblers.

I raised the issue of funding for the Shepparton and Benalla Debt Counselling Service and received a letter of reply from the Premier. It states:

> The government will be mindful of the demand for financial counselling services in the annual budget process and in making decisions about the future priorities of the (Community Support Fund) CSF.

There was no commitment to fund the Shepparton and Benalla Debt Counselling Service or to reduce its waiting list. The government needs to look at all avenues for helping problem gamblers, rather than expecting the gaming venues to lead the way.

As I said earlier, there has been no research in Victoria about the effects of problem gambling or remedies to the problem. I will read from the University of Sydney final report which has already been mentioned by the Honourable Roger Hallam. The report was prepared by Alex Blaszczynski, Louise Sharpe and Michael Walker of the University of Sydney gambling research unit and is dated November 2001. The report is entitled *The Assessment of the Impact of the Reconfiguration on Electronic Gaming Machines as Harm Minimisation Strategies for Problem Gambling*. It outlines some of the changes the unit looked at, including three specific changes to the design of gaming machines. These are some of the changes that we are talking about in this bill, including the impact of the removal of high-value-note acceptors.

That lengthy report talks about the slowing of the spin speeds to add a few extra seconds to the time of individual games. It also talks about limiting on a trial basis the maximum bet size on stand-alone machines to $1.

As I said, the study's authors reported on the lowering of the wheel spin speed. They did a number of case studies with people who were considered to be problem and recreational gamblers. The study states:

> In summary, the consensus was that most problem gamblers would adjust to any reduction in reel spin and would simply lead to similar levels of expenditure but over longer sessions with the possible prospect of increasing behaviours such as smoking and drinking. Given the motivation was to gamble for as long as possible it was suggested that the reduction of reel spins would not affect the majority of problem gamblers although a proportion may become irritated and select alternative machines if available. If all machines were similarly modified, gamblers would not notice the difference and therefore have marginal impact on levels of enjoyment.

On the issue of bill acceptors, on which the authors did case studies with problem gamblers and recreational gamblers, the study concludes:

> The impact of removing bill acceptors was not considered likely to have a major effect on recreational gamblers. It was estimated that most recreational gamblers would either prefer the use of coins (sound or slow play) or rarely use large denomination bills. Rather than perceiving themselves as risking large amounts, it was suggested that recreational gamblers would be hesitant in investing large amounts and

> would limit their expenditure by repeatedly inserting $5 or $10 notes rather than single large denomination bills.

It was also found that this would not have any effect on problem gamblers. Many of the clubs told us that most of the problem gamblers use coin machines in many gaming venues; they do not use the high-value note acceptors.

After considering all the evidence, the study concludes:

> The bulk of evidence presented in this review falls far short of the gold standard. There is some evidence that suggests possible changes that may be effective in minimising harm. However, in all cases the evidence remains inconclusive. While there is undoubtedly a need for effective harm minimisation strategies, it is imperative that these are evidence based. If strategies are introduced on the basis of face validity, they may be ineffective at targeting problem gamblers, or worse may have unforeseen negative consequences. The recommendation of this review is that a strategic plan is developed to assess the efficacy of harm minimisation strategies.

The National Party places on record its concern about the lack of research on harm minimisation in gaming venues, and also that the responsibility of the operators of some of the gaming venues is to make sure they do not have problem gamblers in their venues. As the Honourable Bill Baxter and I found out, the venues are proactive in trying to ensure that some of the problem gamblers are identified and in some way supported in an effort to try to remove them from the venues.

The government has said it will monitor the outcomes of the bill, and Ms Mikakos said the government would monitor the compliance. That is not what the National Party means when it asks for monitoring — it means to monitor the results so there are fewer problem gamblers. If the legislation needs to be modified the government must ensure that whatever is not then working is working in the future. We do not mean that gaming venues should be made compliant with some of the legislation.

The National Party urges the government to do its research into the effects on problem gamblers. It does not oppose the bill.

Hon. GAVIN JENNINGS (Melbourne) — A number of challenges have been laid down in the Victorian community and echoed again in Parliament today about the way in which it is appropriate to regulate the gaming industry. Straight off the bat I recognise that a degree of difficulty is confronted by any government that wishes to intervene in the gaming area, particularly as we are dealing with the crossover between human emotions and commercial interests — the financial interests of organisations that make profits and losses or organisations that may derive revenue, such as governments and government administrations. In this regard, in policy terms, governments need to get through the eye of the needle about those expectations. I volunteer on behalf of this government that we recognise we need be vigilant in the proper administration of gaming in Victoria.

What we have seen since the introduction of particularly gaming machines over approximately the last 10 years has been much concern in the Victorian community about the adverse effects that has on the community as a whole and particularly on the individuals who may be subject to impulsive gaming behaviour or even gaming addiction. In public policy terms a number of measures have been designed to try to encourage people to walk away if their gambling behaviour has gone beyond fun. The previous administration tried that very method by using an advertising campaign designed to address gambling problems in the community and to try to make an impact on addictive behaviour.

By its very nature obsessive behaviour goes beyond fun, and perhaps the very genesis of addictive behaviour as it is demonstrated in gambling may be the result of an obsessive interest. In my personal experience I certainly have been aware of any number of punters who have spent an inordinate amount of their time studying the form guide, analysing results, trying to make projections and developing systems for the way in which they could be successful gamblers, but always with this obsessive behaviour they were mindful of their financial exposure and kept tight controls on their personal financial expenditure. Such obsessive behaviour does not necessarily lead to financial dismay or disadvantage for any gambler.

The government and the community should be alive to the pursuit of gambling derived from desperation, where there is a crossover from what was previously fun or an activity that was an obsessive or particular interest to erring on the side of its being perpetuated out of desperation. Time and time again we see that misery being perpetuated by members of the community. I would be surprised, if we are all being honest with ourselves, that at times of desperation and feeling a bit down in the dumps all of us may not have seen a Tattslotto ticket as the solution to a number of our problems. A number of us who may lead successful or balanced lives from time to time may feel sufficiently motivated to engage in gambling behaviour out of desperation. In terms of public policy it is important for us to try to ward against that.

It is important for us to understand my use of the term 'ward against', because when the government, or in this case Parliament, intervenes in the name of protecting those who may be vulnerable we must be alive to personal freedoms, civil liberties and unfortunately the opportunity at some time for people to behave in a way that may adversely affect their lives or the lives of their families. In finding an appropriate balance of public interests and community responsibility we have to ensure that in providing protection we do not err on the side of patronising or being paternalistic towards members of our community, and that we are alive to their individual expression of their rights.

In public policy terms, we also have to be sure to find the appropriate mechanisms to provide accountability for those people who run gaming operations and that in the regulations that we apply to that industry there is rigorous accountability which does not come at the cost of making those companies inoperative by overly prescribing a degree of regulation to an industry that, as a community, we have determined has an ongoing role in our society.

In relation to the view of the government on these matters, we have to be alive to the fact that government is the beneficiary of sums of revenue which are derived from the profits that may be accumulated by operators of gaming venues. We have to make sure that there cannot be a concern of either the public or the Parliament that governments may develop a degree of dependency on those revenues and may become blinded to justice and to an appropriate level of control that applies to the gaming industry. These are issues that are often commented on in our vibrant community in Victoria, and quite rightly so. As has been outlined in the debate earlier today, there are many legitimate concerns about the level of support services that government provides to those who may find themselves in dire circumstances as a result of gambling, and concern about the level of prevention, in terms of advertising, education, advocacy and knowledge of consumer rights that government provides to its citizens.

There has been an ongoing concern in the Victorian community for a number of years, within both this and the previous administration, about the level of gambling addiction that applies in our community, and whether there are acceptable levels of addiction to gaming. That applies to individuals, families and the costs that may be borne by families. Addictive behaviour is not necessarily confined to gambling. Clearly our government and Parliament are concerned about addiction and how it is manifested through gambling, alcohol abuse, use of tobacco and other illicit drugs, and the impacts they may have on the lives of individuals.

This government is alive to expressions of concern in the Victorian community. Because it derives substantial revenue from the gaming industry, allegations are levelled that we have become addicted to revenues that derive from gaming in this state. I believe that is clearly not the case, and I believe the measures adopted by this government indicate that that is not the case and clearly is not its intention for it to be the case. I repeat, as far as I am concerned as a member of this government, we are prepared to be accountable on those issues and to be vigilant in the preparation of legislation that we bring before this Parliament and the administrative practices that regulate the gaming industry in Victoria.

During the last two and half years there have been a number of pieces of legislation introduced by this government to regulate the gaming industry in Victoria. I would like to outline to the house what the previous pieces of legislation have provided in terms of regulation and then I will describe the regulatory system that will be enhanced through the enactment of this bill.

Sitting suspended 6.29 p.m. until 8.02 p.m.

Hon. GAVIN JENNINGS — In 2001 the government introduced a number of pieces of legislation to reform the gaming industry in Victoria. They included the Gambling Legislation (Miscellaneous Amendments) Act but more importantly the Gambling Legislation (Responsible Gambling) Act, which had the cumulative effect of doing a number of things. They were: to freeze the number of gaming machines that operated in Victoria and to establish regional caps on gaming machines; to give local councils the opportunity to have a say in the placement of gaming machines in their areas; and to compel gaming and casino operators to give players meaningful information on payout rates. The legislation set limits on the availability of 24-hour gaming venues with bans that applied in certain regions of Victoria, gave additional powers in the statutes to impose limits on advertising, provided for the establishment of an independent panel to oversee research into gambling in Victoria, and very importantly it strengthened the independence of the Victorian Casino and Gaming Authority (VCGA) and the way it will operate into the future. The legislation not only enhanced the independence of the authority but places a requirement upon it to be mindful of community views and values surrounding the important work it undertakes in monitoring the industry on behalf of the Victorian people. The authority is required to hold public

consultations on gaming licensing matters, an important initiative in the Gambling Legislation (Miscellaneous Amendments) Bill which was dealt with by the Parliament last year.

These initiatives were supported by a concerted effort by the government to increase the level of counselling, referral services and advice that was available to those in the community who are vulnerable due to gambling addiction or compulsive gambling behaviour which may lead to financial and personal distress. The government launched a major advertising campaign to promote the availability of counselling services and to ward against the cost that may be faced by families of the unfortunate incidence of gambling abuse in our community.

In this legislation the government has tried to add to the regulatory requirements that come through Victorian law. The bill outlines a number of initiatives and gives heads of power for further regulation of the gaming industry. Again I remind the house of the difficult balance that the government must find in regulating what is a legal — as distinct from an illegal — activity in Victoria and providing the appropriate scrutiny and mechanisms to militate against addictive gambling behaviour without operating in a way that precludes the capacity of our citizens to engage in their gaming recreation.

A range of measures in the bill fall into the category of harm minimisation and relate to additional regulations applying to gaming machine venues. The bill will introduce a ban on gaming machines accepting $100 notes and a ban on autoplay facilities. The minister will have the power, as set by regulation, to determine bet limits in gaming machines in approved venues and the casino. As indicated in the second-reading speech, this power will be exercised to set the maximum bet limit at $10.

An additional feature of the bill is to prohibit the reduction of machine spin rates below the current fastest level of 2.14 seconds. This measure has drawn some comment in the community because ensuring spin rates do not decrease below the guaranteed minimum of 2.14 seconds will play a positive role in making sure that punters are not ripped off at a greater rate than they may otherwise be. That becomes a vexed question given that I am aware of research that indicates that the higher the spin rates, particularly if people can see their money disappearing instantaneously, they may even be less likely to see the value of putting money in the slots. The research available to the community is not totally indicative of the connection between spin rates and the rate at which punters would put their money in the machine, or in fact at what stage they may feel they should walk away from those machines. It is an area worthy of further research.

Gaming venues will be able to apply for an exemption from the harm minimisation measures for machines used by players who are part of a loyalty scheme and who have access to machines through the use of a card or a user PIN number. So while those machines may provide greater access, they are supposed to come at the cost of the additional control that the player must exercise over their access to the machines. There would be an expectation that players would set limits on the amount of time and the net loss that may occur within a 24-hour period as a condition of the use of those particular machines.

The additional set of measures outlined in the bill relate to the availability of cash within those venues. An important reform is to limit access to automatic teller machines and EFTPOS facilities at venues to $200 per transaction. It will also prohibit cash withdrawals from credit accounts from automatic teller machines and EFTPOS facilities at gaming venues. The bill will require venue operators to pay winnings and accumulated credits in excess of $2000 by cheque and prohibit the cashing of those cheques being undertaken at that venue.

The set of measures outlined in the bill that fall into the category of player loyalty schemes is again an area where the government has considered whether it is a benefit to punters at risk. The government has erred on the side of saying that, because of the benefit to punters being part of loyalty schemes which may at first glance appear to provide for unfettered and greater access to gaming facilities and gaming venues, there is an opportunity for further gambling problems to occur.

The government has erred on that side by applying the assumption that with that access and membership of a gaming venue comes the opportunity for the venue itself to play a greater role in educating and providing support programs to consumers whose gambling is out of control and, in particular, to provide consumers with extra power to set limits on the amount of time and money they would spend in that gaming venue.

The government has decided to support the establishment and the maintenance of those loyalty schemes to achieve greater consumer control in the long run, being mindful that in theory there is a potential to increase the access that may come at a cost to consumers. The government will monitor, through the Victorian Casino and Gaming Authority, the

effectiveness of the measures. The privacy provisions in the bill will ensure that any data collected through these loyalty schemes and the monitoring of the behaviour of consumers will enable us to better understand the nature of their gambling activity and document, if not for the benefit of the individual then for the benefit of the community, where gaming is out of control.

The bill allows for further restrictions on advertising and enhances the control of the minister to regulate advertising in the gaming industry, in particular, banning advertising relating to gaming vouchers or coupons or inducements for people to come in the door to have their first bet on the cheap and then unfortunately pay dearly for subsequent occasions.

The bill also allows for a number of probity measures to bring Victoria into line with and allow for a national system of casino exclusions. The bill ensures that our policing regime falls into line with what has been developed in New South Wales — that is, there is a national exclusions scheme under the direction and control of the police minister in each state, including our own.

The bill has a number of miscellaneous further amendments, such as trying to place further restrictions on unscrupulous raffle organisers, and is consistent with legislation that was adopted by the government last year to address unscrupulous behaviour in the fundraising appeal sector. This measure complements what was achieved in that bill.

The legislation reinforces the requirement for venues, clubs, pubs and gaming venues to carry out an annual assessment of their community benefit statement. This looks at the role of the venue in the local community and ensures some social return to the community where gaming revenues have been supplied. It is consistent with the method adopted on the establishment and maintenance of the Community Support Fund, something which provides non-recurrent funding for worthwhile works in the community. The fund provides a level of support for communities and builds on that tradition to ensure that venues that benefit from the patronage of local citizens give something back to the community.

The cumulative effect of these measures, together with the legislation introduced by the government last year, will add to its capacity to regulate the industry. On behalf of the government I respond to a number of the challenges laid out in the Parliament about the government's vigilance in these matters. Not for a second should we sit back in a comfort zone about any community activity, particularly addictive behaviour, where clearly some of our citizens are suffering and hurting. We will respond appropriately to that by both regulation for the industry and the provision of support services and advocacy to ensure that that diminishes rather than increases in the future. On that basis I support the bill before the house.

Hon. K. M. SMITH (South Eastern) — I rise to speak on the Gaming Legislation (Amendment) Bill and to say that this bill is a bit of a joke and a charade that is conning the people of Victoria into believing that the Bracks ALP government cares about gaming. The government does not care about Victoria's problem gamblers.

The bill is nothing more than a political exercise. After two and a half years in government and seven and a half years in opposition the government has had more than enough opportunities to come up with something reasonable and decent yet, as I said, it has come up with this joke, this charade that says we care about Victoria's problem gamblers. The government has not done a very good job in putting this legislation together. The measures contained in the bill will not help one problem gambler; not one problem gambler will be saved by this legislation.

You need only reflect on some of the things the government has done to date and have a good laugh on the basis that this bill was going to cure the issue of problem gamblers. Clocks were put on the machines. Remember those little clocks? They were so small you could not read them properly. Then the government got everyone to paint their places and put in new lights. This cost the people running the clubs many thousands of dollars. On checking with clubs in my electorate — and I have a number of them — I was told that it cost them thousands of dollars to put in the lighting.

Smoking regulations were brought in because the government had the information that smokers were gamblers. If people could not smoke they would stop gambling which would make everything okay. The truth of the matter is that it did not work; nothing worked. Government members must understand that the way to cure problem gamblers is for the gamblers themselves to understand that they have a problem which they must do something about. The government puts this fallacy into place that it can solve the problems of the world, but it is not that easy.

The former Kennett government provided tens of millions of dollars to try to address the issues of problem gambling — G-line, Breakeven, talking to people and educating them about their problems and the

fact that they must realise they have a problem and start thinking about doing something about looking after themselves and their families. It is up to the 2 per cent or 3 per cent of Victorians who have a gambling problem to do something about it themselves.

It is awful that people have that problem. It is the same problem people have who spend thousands of dollars a week trying to win Tattslotto or who go to the races most of their lives betting money that they cannot afford. They are also problem gamblers. It is not just the people sticking their money into poker machines who are a problem. It is the people playing baccarat, blackjack or roulette who also have problems. Who are we to judge that they have problems? Who are we to sit back and say, 'Hey, you have a gambling problem, do something about it'. If I spent $100 gambling on a poker machine it would be so far out of character that it would not be funny. My secretary reckons I am the meanest man in the world.

I would not put $100 in to a poker machine, although I may be able to afford it, yet there are people who cannot afford to put $5 into a poker machine but are addicted to that form of gambling. We do have to do something to help but this legislation will not solve the problem for those people. Many clubs and people who are members of clubs are trying to do something to help problem gamblers — some clubs are spending a lot of money to assist them — but unless they help themselves it is very difficult for us to put legislation in place that will solve this problem.

The government's gaming legislation dealing with clocks, lighting and making regulations regarding smoking have made a farce of Parliament. The opposition will allow this legislation to pass because on all the right grounds we are here in this place to help problem gamblers, but they must learn to help themselves. They must recognise that they have a problem before anyone else can help them — whether their family recognises it or they do themselves, someone must do it.

Honourable members on the other side of the house are hypocrites. The Labor Bracks government said in its 1999 policy statement on gaming:

> Labor will reduce the state government's reliance on revenue from gambling.

What a joke! In the last year of the Kennett government gaming revenue was $1.44 billion. Labor said, 'We will do something about the state government's reliance on gambling revenue!'. This year the Labor government received $1.88 billion, or $450 million more than the Kennett government got in 1999 — that is, an increase of approximately 31 per cent over the last year of the Kennett government. The Labor Party lied to the people of Victoria, and the way it lied has been shown time and again in this place when its members have said a Labor government would reduce its reliance on gambling revenue. They lied and people believed them; people voted for them on the basis that they may have done something to help problem gamblers.

Clause 47 refers to the need for clubs to submit a community benefit statement. On what basis will you be able to judge what is enough money for a community benefit contribution? I can tell you that will be a problem. Community and other clubs around Victoria are probably the best touch anyone has in any community. If you are genuine you can go along and ask them for a few bucks. I have done it for some of my constituents. When I could not get any money out of the government to help people in need the clubs were the ones I went to. I have been to the Wonthaggi Workmen's Club, and it was of great assistance. It was Susan Davies's club — the club she and her sons were members of and the club that she has just about killed off.

I have been to that club and asked for assistance and it has been fantastic. I was involved with a group called Youth Alight that used to run the Wonthaggi Coal Miners Festival. Which club came out and assisted us year after year? The Wonthaggi Workmen's Club! It used to give us $5000 a year to run the country music festival. That was our profit — that was what the club was able to do for us out of its poker machines.

You lot, along with the honourable member in the other place, Susan Davies — —

Hon. R. M. Hallam — Are you pointing at me?

Hon. K. M. SMITH — Not at you, Mr Hallam, but the hypocrites on the other side were the ones who would not assist us to run the country music festival. They would not help us, but the Wonthaggi Workmen's Club did. It is a great club and it gave great assistance. When we needed help for our kids or for our youth projects, that was the club we were able to talk to. The Wonthaggi Club, which is next door to my office, has also helped. What a great organisation that is! The money it has contributed to the Wonthaggi area has been fantastic.

The Returned and Services League (RSL) on Phillip Island is a club that the government nearly killed off because it put caps on the number of machines in an area and was so stupid that it could not work out what the people who were on Phillip Island at Christmas,

Easter and every weekend did. The government said, 'Oh, they aren't part of the permanent population that use poker machines'. So the government knocked off a large number of machines in the area. What did that do? It took money away from our community because they were the clubs that contributed.

Over the next couple of years when the government takes the next eight machines out of the Wonthaggi Workmen's Club, how many jobs will be lost to our community? How much money will be taken out of the community because the clubs will not be able to give donations? The machines probably take $25 000 to $30 000 each for the community — to pay staff wages and to pay people who might be able to get a few extra dollars out of the club by way of contributions. You really have to wonder a bit about what the government is on about.

What about the RSL clubs? The government asks for a community benefit statement from the RSL clubs. What was a shame was that this government, this pack of hypocrites on the other side and in the other house, did not have enough brains to sit down and talk to the clubs or the pubs or the associations and organisations that are the peak bodies. It just ignored them, saying, 'Let's not talk to them; they wouldn't know about it'. They are only dealing with it seven days a week! But the government said, 'Let's not talk to them. Let's just work out our own legislation without having any input from those people'. What a hopeless lot government members are — absolutely hopeless! They do not deserve to be in government!

The government is asking RSL clubs to put additional funds into preparing a community benefit statement. What about the additional money they put in by employing people? What about the volunteer staff at the RSLs who make those clubs tick over? What about the old and infirm soldiers, sailors and airmen they look after? Who else will look after them? It will fall back on the government, the hypocrites, to look after them — not on anybody else. The minister, his colleagues and the other hypocrites really have to understand — that they cannot just continue to do this to people in this community and put up a joke like this bit of legislation.

The government talks about a limit of $200 per withdrawal from automatic teller machines (ATMs) that are not in the gaming rooms. Everybody knows that ATMs are not in the gaming rooms but are put just outside the door. With a limit of $200 a time, a gambler can have somebody put in his card and take out his $200. He can put the card in again and take out another $200, and put it in again and take out another $200. So what is the government doing? Absolutely nothing for what may be a problem gambler!

The government makes a big deal of this. It says, 'We are going to restrict these. We won't allow them in any of the gaming rooms that they are not in now and they can't take more than 200 bucks at a time'. What a joke! Winnings of up to $2000 can be in cash. Above that they must take a cheque that has been signed. That is much the same as what happens now. Not too many gamblers want to walk out of the place with a pocketful of money and be knocked on the head outside.

There have been some stupid ideas put forward. The honourable member for Gippsland West in the other place initially wanted it to be a maximum of $250 — that means every time there was going to be a bit of a jackpot there had to be at least two people who were going to sign those documents. Who was it going to be — a committee man and the treasurer, or was it going to be office staff? I understand from what I read in *Hansard* from the other house that the honourable member for Gippsland West said she knows clubs where they actually pre-sign the cheques. I tell you what: I would not think that would be the very best of business practices.

As to the $100 notes, I do not know that I have ever sat in front of the poker machines and seen them sticking $100 notes into the machines. But $50 notes were going to be okay. Of course, two $50 notes are $100. It is not so hard when they go to the automatic teller machine and get their $50 notes out because it will not issue $100 notes. Minister, are you keeping up with all this, or is this high finance sort of rattling you a bit? I think it may be. The setting of a maximum of $50 is going to be a real shock to these people because that is all they can get out of the ATMs now. What more do you want?

The government is going to slow the spin rates down to 2.14 seconds. That will be a great difference because that is the fastest speed that the current gaming machines can do in Victoria! And the government is going to fix that as the maximum. What is the government on about? What are government members on about? I really have to question whether there is any intelligence at all in the Labor Party with what stupid things it wants to con the people of Victoria to believe in, because they do not. The government is not doing anything to help the poor people who are battling.

The second-reading speech states that the biggest bet people are going to be able to have at a time is $10. There are not too many people who would put in more than 10 bucks, but if they do that is a decision they

make at the time. If they have to push the button twice to make it $20, that is exactly what they are going to do.

What is the government limiting? It is limiting its exposure to its own stupidity by doing these things. It is not even being fair dinkum about it. As I said before, we really have to look at the people themselves who have a gambling problem and through education be able to make them understand that they have a problem.

Not one additional cent has been put into this piece of legislation on what we are already trying to put in to help these people as far as their gaming problems are concerned. Yet the minister is part of a government that has put in some of this stupid legislation that is not going to do anything — not anything at all.

How are we going to check on all this? How are we going to be able to measure the performance of this legislation? How are we going to do that, Minister? There is nothing in the legislation that says how the government will measure the performance. The government knows the only way it is going to happen. It will not happen as a result of anything done by the minister, by the Treasurer or by the Minister for Finance. It is going to be done by having a look at how much extra money is coming in as far as the gaming tax is concerned each year. If the government judges by what it got the last time, a 31 per cent increase in the amount of money that this government has been pulling out of poker machines over what the Kennett government was, it is really looking forward to a bonanza year.

The only people in this state who have a problem with gambling, apart from the real problem gamblers, is the government of Victoria — the minister's government!

Members opposite are the ones with the gambling problem because they have become reliant on the funds they are getting from those poor souls who are spending their money and cannot afford to; as well as from those who can afford to, and many can. There are those who like to go along to their local club and put a few bucks in the poker machines. Many people enjoy that; they get a bit of social life out of it. Pensioners can go along, put their couple of dollars in and spread it out over a day while having free tea and coffee and subsidised meals. Before poker machines those people were probably sitting at home in front of the television waiting to die, and now they can at least they have some sort of social life. It might not be the sort of thing that you and I would like but it is certainly better than sitting at home and watching *Days of Our Lives* and *The Bold and the Beautiful* or something like that. They certainly could not afford to look at the cricket or the wrestling on Foxtel.

How do we know we will be able to judge the government and its accountability to the people of Victoria? It lied to the people of Victoria at the last election, and we know it has promised more than enough things that it has not lived up to. When we start to talk in the election campaign about the tax that the government is happy to rip out of the pockets of gamblers here in Victoria and about all these dud bits of legislation the government is putting to Parliament it will start to sound like a sick joke.

The government says it will try to help the problem gamblers here in Victoria. Government members are hypocrites! They don't want to stop gambling; they thrive on the money that gamblers are putting into this state. Government members are the ones who are the big problem gamblers here. They are the ones with the problem, the ones who are using other people's money and abusing other people's emotions, the ones who will not do anything for the people of Victoria — and that has been proven often enough. The government has to start thinking outside the square if it is going to do something about gambling.

It was the former Cain–Kirner government that introduced gambling to Victoria. I can remember going down to the Rialto for the launching of the Tabaret. That is going back a long time. I know Mr Hallam remembers it.

Hon. R. M. Hallam — I do!

Hon. K. M. SMITH — Steve Crabb would not let them stand up at the machines, he said they had to sit down in darkened rooms — and the machines were there with flashing lights. This was going to be great for Victoria!

Hon. R. M. Hallam — No cash, just cards. It was fantastic. What a disaster!

Hon. K. M. SMITH — Yes. What they should have done was say, 'Put your credit cards in there and we will take your money from you'. The then government was happy to do it. What a shock that was. There were Joan Kirner and Steve Crabb — what a combination those two were!

When in opposition this government tried to blame the Kennett government for the introduction of poker machines. It was these hypocrites on the other side of this chamber and those who sit in the other chamber — Labor Party people — who lied to the people of Victoria. They are not going to get away it with it for

much longer because we will fix them up at the next election. Part of their downfall will be that they will not be able to handle gambling in Victoria.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1 agreed to.

Clause 2

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am happy to make some comments in relation to clause 2 which may well assist inquiries that Mr Hallam may have into this bill. Recognising that I may not address all the issues Mr Hallam may seek information on, if I do not cover the respective areas I am happy to answer inquiries in relation to those clauses.

I am advised that clause 2 is the commencement provision. Many provisions commence on the day after royal assent. Certain other provisions commence on other dates.

Subclause (2) provides that section 52(2), which corrects a reference to the various kinds of licences for taxation purposes, is deemed to have come into operation on 1 March 2001. This is necessary to avoid any unintended taxation consequences.

Subclause (3) provides for the following matters to come into operation on 1 January 2003: banning large denomination note acceptors and autoplay facilities; limiting withdrawals and advances from cash facilities; payment of winnings and cashing of cheques; prohibiting spin rates of less than 2.14 seconds.

Subclause (4) provides for the following matters to come into operation on 1 July 2003: requirements of loyalty scheme providers including player activity statements; suspensions of persons who fail to collect their player activity statement; opting out; no advertising to persons suspended or removed from loyalty schemes and loyalty scheme participant information; requirements for each operator to keep accounting records in the form required by the authority for community benefit statements; exemption from the secrecy of gaming information provisions for the supply of information from loyalty scheme providers to the gambling research panel or any other person as directed by the minister.

Subclause (5) provides for the following matters to come into operation on a day or days to be proclaimed: approval of games and gaming equipment; permitting use of foreign currency in the casino; repealing the definition of 'restricted area' and 'unrestricted area' and inserting a definition of 'gaming machine area'; permitting gaming in gaming machine areas only; enabling the minister to give a direction in writing to the authority as to the maximum permissible number of gaming machines available for gaming in the state and the bet limits applied to gaming machines in an approved venue; nominating a licensee for a venue; contracts between gaming operators and venue operators; prohibiting minors in gaming machine areas; expenses of entry in a trade promotion lottery; and provision of non-monetary prizes in a public lottery and requiring a monetary prize equivalent to be offered.

Subclause (6) provides for the permission of the use of foreign currency in the casino, commencing on 1 July 2002, if it has not come into operation before that date.

Subclause (7) provides for the following matters to come into operation on 1 September 2002, if they have not come into operation before that date: permitting gaming in gaming machine areas only; enabling the minister to give a direction in writing to the authority as to the maximum permissible number of gaming machines available for gaming in the state, and the bet limits to apply to gaming machines in an approved venue; and prohibiting minors in gaming machine areas.

Subclause (8) provides for the following matters to come into operation on 1 July 2003, if they have not come into operation before this date: approval of games and gaming equipment; nominating a licensee for a venue; contracts between gaming operators and venue operators; expenses of entry into a trade promotion lottery; enabling the provision of non-monetary prizes in a public lottery and requiring a monetary prize equivalent to be offered.

So generally I have given further information in relation to the overall view of the bill. Much of it has been covered in the second-reading speech. I am happy to address any specific issues in relation to specific clauses which I believe Mr Hallam is interested in.

Hon. R. M. HALLAM (Western) — I should let this go through to the keeper. But the tradition is that in the committee stage the minister is invited on clause 2 to respond to issues raised in the course of the second-reading speech.

I thought that on this occasion the minister would offer the committee something more than just parroting the provisions of the bill. I am happy to have what the minister offered on the record, but it was already on the record. I thought we might have had something in keeping with the traditions of the place in that the minister might just talk through some of the issues raised in the currency of the second-reading debate. If that is not to be the case then I look forward to raising specific issues in the course of discussing this bill clause by clause.

Clause agreed to; clauses 3 to 27 agreed to.

Clause 28

Hon. R. M. HALLAM (Western) — I seek the assistance of the minister in respect of clause 28, particularly clause 28(2) which reads:

> In section 12(1)(d) of the Gaming Machine Control Act 1991, after sub-paragraph (ii) insert —
>
> "or
>
> (iii) a licence under Part I of the Racing Act 1958 is in force;".

Can the minister explain to the committee what that in fact means?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I will seek to clarify that issue for Mr Hallam and I am happy to take any further questions about the issue.

I understand clause 28(2) provides that racing clubs may have gaming machines. This amendment is technical and will not affect the distribution of gaming machines under ministerial directions. Historically this has been irrelevant as the authority has always treated racing clubs as clubs for the purpose of ensuring compliance with ministerial directions. When new ministerial directions are made, which the minister has advised me is currently being undertaken, the minister will clarify that 50 per cent of the machines are for premises with a club licence under section 10 of the Liquor Control Reform Act and premises with a licence under part I of the Racing Act.

I understand the clause also amends section 12(1) to allow the minister to direct the authority as to the criteria that the authority must apply in determining whether to specify an area in which the prohibitions relating to note acceptors, autoplay facilities and spin rates will be applied. I am happy to give the honourable member further detail on that criteria if he should wish.

Hon. R. M. HALLAM (Western) — I thank the minister for his response, but it raises my antenna even further. Is he saying that the existing ministerial direction that establishes the 50:50 split between hotels and clubs has been subverted or circumvented in some way and that it has to be fixed by clause 28(2)?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I understand that this really rectifies what has already been in place and is considered a given. In a sense it is technically bringing this within the legislation so that it is, I suppose, codified.

Hon. R. M. HALLAM (Western) — I again thank the minister for his response, but if it is in fact a given, I ask the minister why we actually need a new ministerial direction.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that it is a matter of clarification and formalisation.

Hon. R. M. HALLAM (Western) — So what is really being said is that the amendment is belts and braces, that this clarification does not need to be put on the statute book but that we are making sure the legislation is clear beyond any future challenge. I ask the minister if that is the case.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that that is the case.

Hon. R. M. HALLAM (Western) — I thank the minister for that, and ask him what the new ministerial direction will say.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the ministerial direction will again define racing clubs and clubs as being one and the same.

Hon. R. M. HALLAM (Western) — Can the minister put beyond doubt that this need for a replacement ministerial order is not made to accommodate an anomaly and that before this bill takes effect those machines currently located in racing clubs will be regarded as illegally located?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I ask the honourable member to clarify the question by restating it.

Hon. R. M. HALLAM (Western) — As I understand it, what the minister has said is that we shall need a new ministerial statement to confirm that what was really meant from day one was that there would be 50 per cent of machines in clubs and 50 per cent in

hotels. I thought we all understood those rules, but the minister is now telling the committee that we need a new ministerial statement, and I am interested to know why we need that ministerial statement. I note that according to the bill it is to do with when 'the Racing Act 1958 is in force', and I seek confirmation that the machines located in racing clubs will not be deemed to be illegally placed pending the passage of the bill before the chamber.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that for all intents and purposes they will not be considered illegal because the Victorian Casino and Gaming Authority will consider them as part of the club situation or alike until the passage of this bill.

Hon. R. M. HALLAM (Western) — I am not sure I am comforted by what the minister just told me. He pre-empted his reassurance by saying 'for all intents and purposes', and I am not sure where that takes us. Can the minister assure me that the passage of this bill will faithfully reinforce the effect of the ministerial statement issued, as it happens, under my name, which says that 50 per cent of the machines out in the marketplace shall be in hotels and 50 per cent shall be in clubs?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that is the case.

Hon. R. M. HALLAM (Western) — Then I thank the minister for the progress we have made thus far.

Mr Chairman, I am in a bit of a bind here because I know I am unable to quote directly the content of the debate on this bill in another place, but the Minister for Gaming is on record as saying when the bill was discussed in the Legislative Assembly that it was his intention to change the mix of 50 per cent in clubs and 50 per cent in pubs. I hope that that is a mistake in the recording of the debate in another place. Can I get some reassurance that what is purported to be the minister's statement in respect of that is in fact an error?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I understand that while Mr Hallam has an interpretation of it, that was not the meaning. If that was his interpretation of the minister's remarks in the other chamber, in fact that was not the meaning. Without saying that Mr Hallam's words are wrong, I think the interpretation of the minister's words in the other chamber are not quite correct.

Hon. R. M. HALLAM (Western) — Chairman, I am sorry for this, but I seek your ruling because the minister made a statement in the other place which in my view is quite profound. I know about the rules on quotations from the other place in the current session of Parliament, but in the course of answering a specific question from the honourable member for Hawthorn, the minister responsible made it clear that it was the government's intention to change the mix that occurs between 50 per cent clubs and 50 per cent pubs. I am not sure where else I go with this, because there is a very clear statement on the record. I know about the rules and protocols, but I need some clarification. I hope the minister got it wrong when the debate was taking place in the other house, but I am not sure how to fix it.

Hon. Jenny Mikakos — It could be that Hansard got it wrong.

Hon. R. M. HALLAM — I beg your pardon?

Hon. Jenny Mikakos — It could be that Hansard got it wrong.

Hon. R. M. HALLAM — I seek your ruling. Mr Chairman, as to where we go with this because if I were able to quote directly from the other place, I am looking askance at what the minister is asking the Parliament and the Victorian community to believe. It puts at grave risk the entire assumption that the 50:50 rule shall apply into the future.

I am not sure how we go with this, but I certainly seek some clarification from the minister. It might help if I quoted at least the page number of the *Hansard* from another place. It appears two-thirds of the way down the Assembly proof — —

The CHAIRMAN — Order! Mr Hallam, you will have to paraphrase it, because they are the rules of this place.

Hon. R. M. HALLAM — I know, Mr Chairman; that is my difficulty. It appears two-thirds of the way down the Assembly proof of 4 June. It says that it is certainly the intention to change the mix that occurs between 50 per cent clubs and 50 per cent pubs. That is what the record actually shows, and I invite the minister to address that issue.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that there is no intention to change that at all.

Hon. R. M. HALLAM (Western) — So let's get this absolutely clear, Minister. What we are talking about is a retention of the 50:50 rule for clubs and pubs. We are not going to finish up with a 49:51 or a 48:52; it is to be 50:50 all the way through?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that that is the case.

Hon. R. M. HALLAM (Western) — Oh this is great progress, Chairman. Thank you.

Hon. ANDREW BRIDESON (Waverley) — I will try to assist by seeking some clarification from the minister. At the end of the day, will there be any material change in the number of machines at racing clubs?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised the answer is no.

Hon. ANDREW BRIDESON (Waverley) — I thank the minister for that response.

Clause agreed to; clauses 29 to 46 agreed to.

Clause 47

Hon. R. M. HALLAM (Western) — I take the minister to his second-reading speech — I am not sure where it appears in *Hansard* but it is on page 7 of the circulated copy — under the heading of 'Community benefits statements', where it states:

> Clubs will be required to show that they have contributed the equivalent of the hotel tax rate back into their community.

Is the minister able to explain precisely what is the hotel tax rate he referred to?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that they have to contribute at least 8.33 per cent.

Hon. R. M. HALLAM (Western) — Can I take it that the minister is somehow construing the hotel tax rate to be 8.33 per cent of gaming revenue?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that they do pay more than that.

Hon. R. M. HALLAM (Western) — I know they pay more, that is why I raised the question in the first place. The complication I have is that the penalty is described in three quite different categories in the currency of the minister's second-reading speech. He says first of all that the criterion shall be the equivalent of the hotel rate, but on the next page he says that the equivalent of 8.33 per cent of gaming revenue is required to be applied for community purposes. Then, if we are not sufficiently confused to that point, he goes on to say that the clubs shall be required to ensure that they are contributing to the community at least the equivalent of the hotel contribution to the Community Support Fund.

What I am trying to get is some real clarity as to what is required of the clubs. Let's get it clear once and for all as to what is meant when the minister uses three quite different specifications.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that it is the equivalent of the hotel contribution to the Community Support Fund, which is 8.33 per cent.

Hon. R. M. HALLAM (Western) — That is precisely what I was hoping the minister would say. I leave aside the question as to why the minister described it in other terms and why he insists on confusing the issue. However, I am pleased to have that clarification.

What we are talking about is the contribution required of the hotels to the Community Support Fund. I am delighted to have that clarification, but we need to go a little further. To take it one step further given that we have that clarification, the clubs, as I understand it, have to demonstrate that they have distributed at least 8.33 per cent of gaming revenue — that is, a third of their gross share of that revenue — to the community's benefit as defined, and the minister will then give them a clear definition of the classification of that expenditure. Am I right so far?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the minister will set out in the ministerial direction clearly what community benefit is.

Hon. R. M. HALLAM (Western) — The minister is jumping ahead of me; I know all that and I will come to that. I am trying to establish the game rules. Let me take it one step at a time because there is great confusion in the marketplace.

Are we saying that the clubs have to demonstrate they have actually and physically distributed the equivalent of 8.33 per cent of gaming revenue, and that down the track we will actually get a definition of that which is classified as qualifying expenditure?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the clubs will be given a clear indication as to the guidelines of what constitutes community benefit before the implementation of this legislation.

Hon. R. M. HALLAM (Western) — I thank the minister for that, but again he runs ahead of me. We are

talking about the distribution of at least 8.33 per cent of gaming revenue. Is that the test?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the answer is yes.

Hon. R. M. HALLAM (Western) — I am pleased to get that far; I take it a further step. If the club does not meet that criterion, do we understand that on the next calendar year a penalty will be imposed and the club will be required to pay the tax rate applicable to hotels — that is, 41.66 per cent of gaming revenue — in respect of the next calendar year's gaming revenue? Are we right to that point?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised the answer is yes, the next financial year.

Hon. R. M. HALLAM (Western) — The clause says that the authority 'may' declare that a penalty becomes payable. Is that a fact? If it is, what circumstances would apply under which the authority did not declare the penalty payable?

I am interested in the situation of the small club; I want to know about the remote club and those types of clubs. I want to know about the Returned and Services League, and about those that hold an Australian Taxation Office sporting exemption.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that that is at the discretion of the authority, but I qualify that by saying there will be clear criteria for that.

Hon. R. M. HALLAM (Western) — The minister says it is to be decided by the authority and that there will be clear criteria. I take it one step further. Who will determine the criteria? Who shall decide what the criteria are? What grounds will they be decided on? How will they be established and by whom? If we need to, I will take it one question at a time.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Which one would Mr Hallam like me to answer first?

Hon. R. M. HALLAM (Western) — I start from the top. The minister says that it shall be the decision of the authority but on criteria determined by the minister. Who shall decide the criteria?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that they will be defined by the minister.

Hon. R. M. HALLAM (Western) — What grounds shall the minister apply in determining those criteria?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — We are now jumping to information contained in clause 47 — —

Hon. R. M. Hallam — We are on clause 47, Minister!

Hon. J. M. MADDEN — Thanks very much for that!

I am happy to give Mr Hallam a bit more information on the encompassing issues and some background. Clause 47 inserts a new subsection (2) in section 136A of the Gaming Machine Control Act 1991 to enable the authority to declare that a gaming operator must pay the amounts payable under section 136 — that is, 8.33 per cent of total daily net cash balances — in respect of a club for 12 months commencing on 1 January the following year if the club has not met the required community benefit contribution or has not submitted a community benefit statement, as we have previously discussed. This amount is paid by the operator on behalf of the venue to the consolidated fund, and an equal amount is then paid into the Community Support Fund under section 138 of the act.

Subsection (3) requires the authority to notify the club and the gaming operator associated with that club when such a declaration is made on or before 1 December of that year. Subsection (4) provides that in determining whether the club has met the community benefit contribution, any goods and services tax payable by the club for supplies for community purposes will be taken into account.

Subsection (5) requires a gaming operator to inform a club of any amounts paid by the gaming operator in accordance with a declaration under subsection (2) in respect of that club. Subsection (6) sets out the meaning of 'community purposes', 'gaming revenue' and 'required community benefit contribution' for the purposes of this section.

If any further information is required I will be happy to answer specifically.

Hon. R. M. HALLAM (Western) — I thank the minister for reading the clause notes to us, but my question went beyond that. The minister acknowledged that the question of a penalty may be declared by the authority. I was trying to establish what ground rules will be used by the authority. I want to know who has got hold of the process. I want to know whether the authority shall be acting in isolation or whether it is

going to be by edict of the minister. All I am asking is for some clarification of the process. I want to know who shall decide the circumstances as to whether the authority may determine the penalty, what the grounds are and who shall determine the grounds. I want to know whether it is going to be ministerial direction or whether the authority is left to its own devices. I think the clubs of Victoria should be able to ask those questions. Who is going to have control of this process? That is what I am asking you. I want to look behind what you have just read to the committee. I want something better than that.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that clubs are required to produce a community benefit statement that shows that the club is contributing the equivalent of at least 8.33 per cent of its gross revenue to the community. If it contributes less than the 8.33 per cent the club must pay the same tax rate on gaming machine revenue as hotels. The purpose of the community benefit statement is to provide the public with information on the community contributions made by the venues and to ensure that the clubs are contributing at least the equivalent of hotels for community purposes.

Community contributions can be financial or non-financial. Contributions already made by clubs will be recognised. The types of activities that may satisfy the community contribution criteria are: facilities, including the use of meeting rooms and subsidised use of facilities and subsidised meals; assets, including building materials and construction, furniture and equipment; donations, including welfare activities and items, sports equipment, trophies, badges, gift vouchers, fundraising activities; and sponsorships, including uniforms, sports equipment and fundraising activities.

The community benefit statement is not a new expenditure required if that club already contributes to the community. Community contributions that are for gaming-related purposes will not be claimable.

However, employment expenses of staff engaged in gaming and non-gaming areas will be taken into consideration for venues as employment will be regarded as a community benefit. Clubs can make contributions through cash or in kind so voluntary work performed by club members is included and so are community contributions which the Australian Taxation Office requires clubs to make to maintain their tax status.

Hon. R. M. HALLAM (Western) — I do not want to be difficult but I think the minister said then that the authority must apply the penalty. Is that the case? Is that what he read to the committee a moment ago?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I will re-read that last paragraph if Mr Hallam would like

Hon. R. M. HALLAM (Western) — It was not in the last paragraph. It was when the minister was talking about the role of the authority.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am happy to clarify any specific issue for Mr Hallam but I am not exactly sure which specific issue it is that he is after.

Hon. R. M. HALLAM (Western) — I thought the minister said that the authority must apply the penalty. Is that not what he said?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I can re-read some of those clause notes if Mr Hallam likes and that might clarify some of those issues for him. Clubs are required to produce a community benefit statement that shows the club is contributing the equivalent of at least 8.33 per cent of its gross revenue to the community.

Hon. R. M. HALLAM (Western) — No, it is not that. My point is far more basic than that, Mr Chairman, and I am sorry that the minister insists on confusing it. If I read the clause to the committee it says, under clause 47(2)(b):

> the Authority may declare that the amounts payable by the gaming operator …

The word used is ‘may’. That is not too hard to understand. We have the authority, with some discretion. What I want to know is how that discretion shall be exercised. I want to know whether the authority is going to be acting in isolation or whether by direction of the minister behind the scenes. I do not think that is too hard to ask. I want to know what this game plan is all about.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Can I ask Mr Hallam to clarify the question again? Is he seeking an answer in relation to the discretion of the minister as to what is a community benefit from time to time as published, or in fact — —

Hon. R. M. HALLAM (Western) — I am sorry. I will do this very carefully. I am actually reading from the bill brought to the committee by the minister. Clause 47 is headed ‘Declaration of different rate of return’ so we are talking about a penalty that shall be imposed on clubs that do not meet the specified

distribution under community benefit. Right so far. Then it says those that do not meet the criteria may be subject to a penalty. 'May' — that is the word I am trying to get to. The authority has discretion as to whether to impose the penalty, and what I am trying to do is to find out how that special discretion shall be applied. I want to know whose hand is on the whip, whether it is the authority that determines whether a non-conforming club is to be penalised or whether it is the minister behind the scenes. I am not sure how much clearer I can make it.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am happy to clarify that for Mr Hallam. I am advised that the minister sets the criteria but the discretion is with the authority.

Hon. R. M. HALLAM (Western) — Right. We have the minister setting the criteria. Will those criteria reflect the difference in club dimension, location and type?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the minister sets the criteria and I am also advised that the minister has sent letters out to the respective operators to indicate what those criteria will be.

Hon. R. M. HALLAM (Western) — That is halfway, and I thank the minister for the progress thus far, but I really need to know whether my clubs are going to be disadvantaged by the ministerial edict. I need to know whether the minister's colleague is going to make some allowances for remote clubs, small clubs, Returned and Services League clubs or for those clubs which happen to hold the Australian Taxation Office sporting exemption. I do not think it is too much to ask.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I just want to correct something I remarked on previously to Mr Hallam so that it clarifies the issue. The minister did not send the notice of the criteria to the operators but to the clubs and pubs. While the minister has sent out a letter setting out the criteria, they are still to be finalised so there is the opportunity for those respective clubs and pubs to make comment to the minister on whether they believe the criteria are appropriate or on other matters they feel the minister should consider in relation to the respective criteria. Those specific venues in Mr Hallam's locale that might have location-specific or individual issues worth consideration will have the opportunity to comment on the criteria as indicated by the minister, and have input into how that criteria will be determined and finalised.

Hon. R. M. HALLAM (Western) — Now at least we have confirmation that there is to be a difference in the criteria and allowances are to be made on some bases at least. Can I get an undertaking that the decision taken by the minister that will directly affect the clubs which are the centre of my concern will be appealable? Will it be tabled in the Parliament? Will it be sent by carrier pigeon or how is it going to happen? Can I get some idea of what the clubs face in terms of the minister's determination.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the criteria will be published in the *Government Gazette*, but I am also advised that there will not be a right of appeal as such.

Hon. R. M. HALLAM (Western) — So there is no right of appeal — that is very important — but the criteria will be published in the *Government Gazette*. We are getting very close to what I am looking for. I need to know whether the publication will be before or after the determination in respect of individual clubs. Are they going to get notice of it before, or will they find out when they read it in the *Government Gazette*?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that it will be published in the *Government Gazette*, and around that time, almost concurrently but not before, they will be advised by letter.

Hon. R. M. HALLAM (Western) — I note the terminology 'almost concurrently'. It is a bit Irish, Minister — it is either concurrent or not concurrent. At any event we are talking about imposing criteria on clubs that will be affected by this ministerial edict. Do I take it to understand that the clubs shall read about it in the *Government Gazette* about the time it is imposed on them? Who shall determine the grounds of these new criteria? Is the minister going to take advice from anyone? Will he seek the opinion of anybody involved in the trade or is this by edict from above?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the minister will not only consult with industry in relation to the criteria but also take advice from his respective department.

Hon. R. M. HALLAM (Western) — I genuinely thank the minister for the commitment he has just given the committee that the industry is to be consulted on the new criteria. On that basis I will take the minister on face value. I am prepared to accept the commitment the minister has just given to the committee that the industry will be consulted before his colleague actually determines the criteria on which clubs might be

differentiated by the authority in the exercise of a penalty that is included in the bill. Is that a fair summation of what the minister has told the committee?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I believe that is correct.

Hon. R. M. HALLAM (Western) — How was it that the minister's colleague was able to assure the Returned and Services League that it would be exempt from the penalty under this clause?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the RSL is about to be granted income tax exempt charity status, and as part of the negotiations with the Australian Taxation Office there is a requirement that the RSL sub-branches contribute 50 per cent of their surplus back to their community in fulfilment of the objectives. I am advised that the RSL has in place a system of quality assurance to ensure that all sub-branches carry out these activities, which is part of the negotiated settlement with the Australian Taxation Office.

Hon. R. M. HALLAM (Western) — I thank the minister for his assurance. I make it painfully obvious that I do not begrudge the RSL the exemption that has just been granted by the minister, apparently in a throwaway line. What I am looking for is whether other clubs which qualify under the same criteria will be given the same automatic exemption from the penalty?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that at this time the RSL is considered to be a special case. I am also advised that at this point in time it is not considered that consideration would necessarily be given to other organisations.

Hon. R. M. HALLAM (Western) — Why am I not surprised by that little gem? Who decided that the RSL should be a special case?

Hon. N. B. Lucas — Bruce Ruxton.

Hon. R. M. HALLAM — Hang on, I have not got to that yet.

Was it the Minister for Gaming who decided that the RSL should be a special case, and why cannot other clubs which qualify under the same criteria be entitled to expect the same absolution under this piece of legislation before the committee?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Again I am advised that because the criteria have not been finalised and there is still to be some consultation, that could possibly be part of the consideration within that consultation.

Hon. R. M. HALLAM (Western) — What the minister is saying is that his colleague did a sweetheart deal with the RSL. That is effectively what he is telling us. I want to know, yes or no, whether clubs which meet the same criteria will be given exactly the same opportunity as the RSL — up the middle.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that that would be a consideration in relation to the consultation across the industry.

Hon. R. M. HALLAM (Western) — The minister's response reconfirms my concern that his colleague did a sweetheart deal with the RSL. We now have a separate class of club, a class of club that happens to have the RSL emblem over the front door, which will be given specific accommodation under the bill before the committee. If that is the case why doesn't the minister say it? Why doesn't he admit that he has done a deal with the RSL? This has nothing to do with criteria; it is some smelly little deal done behind the door.

Why doesn't the minister actually say that if clubs meet the criteria used to waive the penalty under this clause that they should also be given the same entitlement? I reckon that is a fair question. It does not mean that I have anything but enormous respect for the RSL, but the minister has done a deal behind the door and I think that should be on the record. If it is not the case, will the minister please tell the committee.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I again highlight the fact that the RSL has been granted the status of an income tax-exempt charity. Its position has been considered accordingly and it has been given an opportunity to have unique circumstances appreciated. As part of that consultation with the industry in relation to the criteria the minister will establish, no doubt other organisations will have their opportunity to present their cases to be considered along the same lines as the respective RSL sub-branches.

Hon. R. M. HALLAM (Western) — Bruce is going to kill me for this, but I do not like the deal I have just heard about. What you have said is that the RSL will be given pride of place in terms of the classification under this bill. Because it is by ministerial edict I feel the hair rising on the back of my neck. This is not about a rule of law determined by the Parliament; it is about

ministerial discretion. You have decided that the RSL shall be a classification of its own, and I hate that.

I hate that because it means we are making fish of one and fowl of another. I do not enjoy being party to that. Minister, I will do you a deal if you are prepared to tell me that other clubs will be entitled to a decent appeal hearing when the determination is made — will you give me that much?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Mr Hallam, will you clarify what you mean by a decent appeal hearing in that light?

Hon. R. M. HALLAM (Western) — Minister, you have said that the RSL clubs shall be beyond reproach; that they will in fact be entitled to enjoy a preferential position. What I want to know is whether other clubs that qualify under the same criteria but which do not fall within the RSL emblem will be entitled to have their case heard as to why they should be included under the same heading of RSL. At least give me that much rather than cut it off at the pass.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised it is appropriate to give that guarantee.

Hon. R. M. HALLAM (Western) — What happens when a pub is deemed to be a club? What rules will be applied then? What ministerial edict will emerge in those circumstances? How should we advise those operators who may fall within the classification that your ministerial colleague used of quasi-clubs?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Could Mr Hallam give more clarification as to the circumstances under which he believes that may arise?

Hon. R. M. HALLAM (Western) — That is a very difficult ask because I did not use the title 'quasi-clubs' in the first instance; that was the minister's ministerial colleague, the Minister for Gaming in another place. Maybe the advisers in the box have more idea than the minister and the questioner as to what constitutes a quasi-club. I want to know what will happen when the minister decides that it is a club in sheep's clothing? Will different or new rules be applied because it is deemed to be a quasi-club?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that they would be required to pay 8.33 per cent in the next financial year.

Hon. R. M. HALLAM (Western) — So what we read into that is that the penalty shall be applied as a matter of course if the minister decides that the club is a quasi-club. I notice the adviser shaking his head.

Hon. J. M. Madden — A club or a pub?

Hon. R. M. HALLAM — I am ambivalent about it. I was not the person who used the term in the first place. However, we now have organisations that apparently fall between the division of clubs or pubs. We now have a classification that your ministerial colleague describes as quasi-clubs — pubs dressed up as clubs. What rules shall be applied to those particular licence-holders?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that if the clubs do not make their community commitment they may — and I reinforce 'may' — be required to contribute the 8.33 per cent to the consolidated funds of the Community Support Fund.

Hon. R. M. HALLAM (Western) — I wish the minister had not said that because we have gone right back to square one. He offers us comfort in that the organisations, the venues, may be required to pay the 8.33 per cent. I hesitate to ask what criteria will be employed to determine whether they will be asked to pay the penalty.

I am not sure how else to get it. I am looking for some comfort for the club operators, the ones who the minister now says have to be brought into line and penalised under this brand-new provision of a community support statement.

Will special criteria be applied in the case of quasi-clubs or pubs?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — It might sound as if we are talking in circles, but again can I say that I am advised that the respective criteria will be developed in relation to the issues we discussed earlier — consultation across the industry and organisations that believe they have specific or significant issues to which the minister should give full and due consideration in the development of those criteria. Those opportunities will exist, as mentioned previously, and they will be considered accordingly. The clubs will be given a fair hearing, as requested.

In the case of an organisation that lies close to the demarcation line, either a pub which is close to a club or a club which is close to a pub, no doubt the stakeholders and organisations within the industry with concerns in relation to the appropriate criteria which should be considered would have those issues

considered before the establishment of the criteria. Hence, while I do not have definitive answers today I am advised that full consideration will be given to those concerns and issues of respective complexity prior to the determination of the criteria that the minister will indicate to the authority, which will then have the discretion in relation to the interpretation of that criteria.

Hon. R. M. HALLAM (Western) — I am prepared to settle for that. In what he has just given us the minister included the words 'fair hearing'. I take him at face value. What he effectively said was that all of those who will be caught up in the process and the prospect of a penalty under the bill will be given a fair hearing in the determination of the criteria. Is that a fair summation of what the minister just gave us?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that is correct, Mr Hallam.

Hon. R. M. HALLAM (Western) — I am sorry? You are advised that is correct?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — It is correct, Mr Hallam.

Hon. R. M. HALLAM (Western) — Thank you. That is better. I thank the minister for his undertakings in respect of clause 47. I am prepared to take my seat until we get to clause 48.

Hon. ANDREW BRIDESON (Waverley) — About half an hour or 45 minutes ago, Mr Hallam asked the minister whether he would table the letter the minister sent to the clubs which specified the criteria. I do not believe the minister answered that question, but I ask the minister could he table that letter now for the Parliament to see? I think it is very important that the Parliament see that.

The CHAIRMAN — Order! The minister can only make the letter available, Mr Brideson.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am happy to seek to have that letter made available. I hope that alleviates Mr Brideson's concerns.

Hon. ANDREW BRIDESON (Waverley) — I would like to ask a more specific answer of the minister, given that response. Is the minister prepared to make that letter available? I do not want him to go and ask whether he might be able to make it available. I want to ask the specific question.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Yes.

Hon. ANDREW BRIDESON (Waverley) — Thank you, Minister. We have heard that the RSL is exempt.

Hon. R. M. Hallam — We are not sure how.

Hon. ANDREW BRIDESON — No, we are not quite sure how, but we will accept what the minister has said.

If a football club or a racing club has exactly the same criteria as the RSL, will it, too, have claims to be exempt?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I will refer back to my answer in relation to the RSL sub-branches. The critical issue there is that those organisations are deemed by the Australian Taxation Office to have income tax exempt charity status, so I would expect that should organisations be able to achieve an income tax exempt charity status, fair consideration would be given to those organisations accordingly.

Hon. ANDREW BRIDESON (Waverley) — I thank the minister for that answer, but I am not sure that we are any the wiser. I also imagine that both football clubs and racing clubs will have a right to appeal if they are knocked back.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Again, Mr Brideson, I think we could split hairs over definitions of appeal mechanisms. That is why I asked Mr Hallam earlier on to define what he believed to be an appeal. In this instance my definition of that is a fair hearing in relation to those specific issues presented for the concern or consideration of the minister.

Hon. ANDREW BRIDESON (Waverley) — Minister, I would put it to you, then: if these organisations did not have a right to appeal, would that not be a denial of natural justice?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — The issues, as I mentioned earlier on, were that consultation would be conducted with the industry stakeholders, notification of a broad framework of the respective criteria would be indicated to the respective stakeholders, and that fair consideration would be given to the respective organisations in relation to their specific arrangements or issues.

Hon. ANDREW BRIDESON (Waverley) — I thank the minister for that response. I have one final question of the minister. If we can go back to

quasi-clubs, will a quasi-club declared to not satisfy the club criteria be thereafter classified as a club or a pub in terms of the proportion of machines that are available?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that they would still be considered a club, but the only penalty would be the contribution of the 8.33 per cent.

Hon. ANDREW BRIDESON (Waverley) — I thank the minister for that response.

Hon. E. J. POWELL (North Eastern) — I would like to ask a question about the required community benefit contribution. When any club makes a community contribution over that 8.33 per cent, in particular with their volunteer work and so forth, will that amount be carried over to the next year?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the answer is no.

Hon. K. M. SMITH (South Eastern) — The minister said that the criteria for the community benefit for the clubs would be printed in the *Government Gazette*. We have already established that the Returned and Services League will be looked after in a different way. We found that racing clubs and football clubs would probably be looked after differently again. Will separate criteria for each club be written up in the *Government Gazette* or will there be just one set of criteria for all of the clubs; and if so, how will they establish what the minister is actually after?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I thank the honourable member for his inquiry. The kinds of activities or purposes that constitute community benefit purposes will include monetary or non-monetary contributions received by another entity for charitable, sporting, recreational or community purposes or initiatives, or moneys invested directly in the club for the purpose of furthering its charter — that is, except for the gaming area. There is a range of issues.

While no doubt there will be some circumstances which may be unique, as the honourable member has highlighted, which relate to RSLs, and then different circumstances again for racing clubs which are articulated in the legislation, the expectation is that those criteria would be generic. Should it come to light through the consultation process that there are other circumstances which are more specific — while I do not want to give examples, they might relate not to generic issues but to thematic issues across a range of areas — then no doubt those issues will be part of the orders published in the *Government Gazette*. However, because at this stage the criteria are still relatively broad and the more specific elements will no doubt be considered through the respective consultation with and the input of the relative stakeholders, at this stage it is not easy to answer on the details of that, nor am I able specifically to do so, hence I have related issues where there may be a consideration of some of those more specific and less generic type of issues in relation to those pubs or clubs.

Clause agreed to.

Clause 48

Hon. R. M. HALLAM (Western) — I take the minister to proposed section 136AB, which is headed 'Community benefit statements', subsection (1) of which states:

> In respect of each financial year commencing on or after 1 July 2003, each venue operator must prepare and lodge a community benefit statement …

Let's start from the start and work through this. Are there to be any exemptions at all in respect of hotel or club operators?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that all hotel and club operators will be required to submit a statement.

Hon. R. M. HALLAM (Western) — There are no exemptions under the first part. Then I see that the community benefit statement:

> … must be in a form approved by the minister …

Is there to be any consideration given to small or remote clubs, or to the types of clubs — for example, Returned and Services League clubs or other clubs — holding Australian Taxation Office sporting exemptions under that form approved by the minister?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I think I understand the question but the honourable member might want to elaborate a little bit more.

Hon. R. M. HALLAM (Western) — I am actually reading from the bill, which says that a community benefit statement:

> … must be in a form approved by the minister …

Now we have the minister in charge of the form of the statement, I want to know whether any of my small clubs, my remote clubs, my RSL clubs or my clubs that hold an Australian Taxation Office exemption, shall be

given exemption under the form approved by the minister.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the answer is no, because it is a form set out by the minister — not determined by the minister at the end of the sequence but at the beginning of the sequence.

Hon. R. M. HALLAM (Western) — Let's get it locked away. So we are talking about a single form approved by the minister that shall fit all comers?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that is the case.

Hon. R. M. HALLAM (Western) — We are making very good progress. When will the first community benefit statement fall due for lodgment?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that it would be in relation to the year ending 1 July 2004, so it would require lodgment after that date.

Hon. R. M. HALLAM (Western) — I am sorry, can the minister be more specific as to when the actual statement has to be lodged?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — Again can I say that as the process is in respect of that financial year it would be at the end of that financial year.

Hon. R. M. HALLAM (Western) — I thank the minister for his explanation. My problem is that it does not fit with the bill before the committee. Would the minister like to take some advice as to when the first community benefit statement shall be required under the date that he has just provided the committee?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that that would be 30 September 2004.

Hon. R. M. HALLAM (Western) — Okay. Again we are making really good progress. Let's take it one step at a time. Can I have the minister's commitment that the industry will be given the specifics of what constitutes a community purpose in time to meet the deadline that he has just advised the committee of?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised I can give that assurance.

Hon. R. M. HALLAM (Western) — In the same spirit of cooperation, can the minister then give the committee an undertaking that the clubs and the gaming industry will be truly consulted in the development of that which constitutes a community purpose definition?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised I can give that undertaking.

Hon. R. M. HALLAM (Western) — We are screaming ahead here; we are doing very well. Can I just get on the record — and I know it has been asked of the minister and I am not suggesting he was being flippant but I want him to think this through very carefully because it is of profound importance to my clubs — that if a club makes a distribution which is way beyond the benchmark in one year, is there to be any consideration at all if, for whatever reason, the distribution does not quite reach the benchmark in the following year?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised the answer is no.

Hon. R. M. HALLAM (Western) — I wish the minister had not said that. That will send a distress signal to the club industry, and I know the minister understands that. I take the minister to the letter his colleague sent to Clubs Victoria and ask for some clarification of the terms of that letter. Does the minister have access to the letter?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised in relation to my previous answer that Mr Hallam's concerns were noted. In order to clarify that remark I am advised that the authority will have some degree of discretion. Hence that may be of some benefit to either Mr Hallam or his respective clubs in relation to some of those issues.

Hon. R. M. HALLAM (Western) — I take back all those nasty things I said earlier. I take the minister to the letter his colleague sent to Clubs Victoria and ask some important questions in respect of what is contained in that letter. I commence by asking who it is that shall determine the value of the subsidised use of club facilities. I will give the minister some clues. I want to know whether it is the club in a unilateral sense, whether it is the club in agreement with the community tenant, whether it is the auditor who has that say, whether it is to be the Victorian Casino and Gaming Authority, or whether it is the minister. Can the minister give the committee some idea of who will determine the value of the subsidised use of the club facilities?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that it is the club but it must also supply with that an audited community

benefit statement. Part of that will be, I suppose, the auditor ensuring that the value is according to what is appropriate.

Hon. R. M. HALLAM (Western) — So if the club comes up with a valuation of the subsidised use of the facilities and it has the endorsement of the auditor, that shall not be challenged by either the authority or the minister?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that should there be concern about an issue of that nature the authority can always ensure that the appropriate checks are made.

Hon. R. M. HALLAM (Western) — We have gone backwards a bit. So the authority — the big 'A' authority — will have the final say in this. I am concerned about that. I ask the minister whether the same rules shall apply in respect of the values ascribed to the question of building costs in the letter that the minister's colleague sent to Clubs Victoria. Will that be determined by the club in isolation, by the club with the architect, by the auditor, by the authority or by the minister?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that appropriate mechanisms are in place for determining that, hence an appropriate person within the building industry — a quantity surveyor or somebody of that discipline — would give an independent determination of what those assets might be worth.

Hon. R. M. HALLAM (Western) — That is at least some comfort. I thank the minister. I ask the minister who will determine the valuations of donations in respect of sponsorship and particularly volunteer work?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that what is prescribed as the worth in normal taxation processes would be the measure.

Hon. R. M. HALLAM (Western) — I thank the minister for that good clarification. Is the value of employment to be included as a community benefit, and is there any criterion as to where that employment should take place?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that employment would be taken into account, but Mr Hallam might wish to elaborate on the second part of his question about where the employment takes place. I ask him to clarify that.

Hon. R. M. HALLAM (Western) — I was really concerned to ensure that local employment will be counted as a community contribution. I remind the minister that he wrote these new rules and that he said a new test will be applied to clubs to determine whether there has been a contribution to the community. I want to know whether the employment will qualify as a contribution to the community if it takes place outside the community.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that the employment would be considered in that light. I will elaborate a bit further on that to clarify some of the issues raised by Mr Hallam. I presume Mr Hallam is inquiring about external contract work that might be part of the facility.

Hon. R. M. Hallam — It might be a professional accountant located in Melbourne.

Hon. J. M. MADDEN — It may well be, or it may well be cleaning services associated with a facility that are not done in-house but are provided externally. I am advised that those would be considered to be employment but they would also have to be considered à la pro rata basis on which the hours relate to employment.

Hon. J. M. McQUILTEN (Ballarat) — I ask the minister whether there is a possibility of advertising a venue as a golf club or racetrack or whatever and that being categorised as a community benefit in relation to this clause. Would advertising be part of the community benefit equation?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I am advised that that could be considered as part of the community benefit.

Hon. R. M. HALLAM (Western) — Chairman, I hope you are delighted to learn I have but two questions remaining. The first goes to the issue of the quasi-clubs. If it is that this entire piece of legislation was brought in to penalise the quasi-clubs, why did the minister actually give them machines in the first place?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I appreciate that when one qualifies a comment by nominating that there are only two questions left it does not necessarily guarantee that the respective answer may satisfy. But can I say that these organisations have the machines, and it really is about ensuring that they fall within the respective definitions and hence are not trying to get the best of both worlds. This legislation seeks to bring about a mechanism by which those organisations are required to fit within the respective categories and hence do not derive the

benefit by crossing the line relating to their respective status when that necessarily suits them.

Hon. R. M. HALLAM (Western) — Chairman, I am almost sorry I asked the question. But it strikes me as being rather ironic that the minister now brings before the chamber a piece of legislation to fix an issue which was at his discretion in the first place. Anyway, I leave that to one side. While I am on a roll I ask the minister when we can expect to see a performance indicator on problem gambling?

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I thank Mr Hallam very much for the question. I appreciate that even a man of his considerable experience in this place understands the great irony of this chamber as evident throughout the course of questioning in the committee stage. In relation to initiatives on problem gambling — —

Hon. R. M. Hallam — Performance indicators, Minister.

Hon. J. M. MADDEN — I am answering Mr Hallam's question in relation to performance indicators, and although it may not be as direct as he might like I will try to answer it in a comprehensive manner.

I am advised that the complexities of problem gambling make it unworkable to develop effective performance measures for the success of the harm minimisation initiatives in the bill. There are still questions about how to effectively measure problem gambling, and the gambling research panel established last year has commissioned research to examine this complex issue. I am advised that this panel has also commissioned research on the government's regional cap measures and the government will rely on the results of this research to judge their effectiveness.

Hon. R. M. HALLAM (Western) — I am not asking a question; I am simply saying I have been convinced by the minister.

Hon. J. M. MADDEN (Minister for Sport and Recreation) — I thank Mr Hallam for his comments, and whilst I am not as experienced as he is, I too appreciate the irony of the chamber.

Clause agreed to; clauses 49 to 64 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

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

That this bill be now read a third time.

In doing so, I thank honourable members for their contributions throughout the course of the debate and the committee stage. I also thank the respective departmental officers for their contributions in terms of advice and assistance.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

OMBUDSMAN

Melbourne University student

Hon. M. M. GOULD (Minister for Education Services) — By leave, I move:

That the Ombudsman's report on an investigation into a complaint about preferential treatment of a student by the University of Melbourne, May 2002, tabled this day be printed.

Motion agreed to.

DOMESTIC BUILDING CONTRACTS (CONCILIATION AND DISPUTE RESOLUTION) BILL

Second reading

Debate resumed from earlier this day; motion of Hon. J. M. MADDEN (Minister for Sport and Recreation).

Hon. P. A. KATSAMBANIS (Monash) — The Liberal Party will not oppose the passage of this bill. In many ways it should be noted that the Liberal Party would have liked to support a bill such as this. The Domestic Building Contracts (Conciliation and Dispute Resolution) Bill gives effect to an agreement between the Victorian and New South Wales governments, which was a direct response to the current crisis in insurance in the building industry resulting from the recent upheaval in the insurance industry generally in Australia.

The Liberal Party would have liked to have supported the bill. The reason it is not opposing the bill but does not fully support it is that it is concerned that although the government comes to this issue with the best of intentions, it has again only gone part of the way. In many ways, at the risk of being sacrilegious, this bill is a Hail Mary bill because there is absolutely no alternative or plan B so far as the bill is concerned.

This bill puts all the government's eggs into one basket in relation to domestic building, and ensures that the Victorian taxpayer takes on enormous risks when it comes to the insurance and reinsurance of domestic building in Victoria. Unfortunately, this bill also imposes a new Bracks Labor government tax upon Victorians — a tax specifically upon Victorians who are undertaking building work in relation to their own homes.

The bill results from an agreement between the New South Wales and Victorian governments. Nobody will criticise those governments for attempting to solve the problems that have arisen in more than the past 18 months since the collapse of HIH Insurance and the subsequent re-evaluation and re-alignment of risk and the pricing of risk within the insurance industry.

I have spoken about the insurance industry in this place on a number of occasions recently, and I will not repeat my comments. However, it is clear that at present the results of the re-alignment within that industry and the reassessment of risk particularly by major international reinsurers has created a real problem for the Victorian building industry. The problem needed to be addressed 12 to 18 months ago and is one that the Liberal Party — and, to its credit, the National Party — identified very early on.

It is a problem about which the government has sat on its hands and done little to address. When it has come to address it, it comes to the house with a bill such as this which, although as I said earlier comes with the best of intentions, is very much a half-hearted attempt with no back stop. That is why I described it as a Hail Mary bill — you throw it into the air, cross your fingers and hope to God it works, but it is not good enough.

Hon. K. M. Smith interjected.

Hon. P. A. KATSAMBANIS — You can cross your heart too, Mr Smith, and hope it works. If it does not work, the people who will suffer and pay for it are the taxpayers of Victoria, the Victorians who are undertaking building work, and the legitimate and respectable builders who are involved in the building trade in Victoria. I do not wish this bill ill. I hope it works, but I am concerned it may not. If it does not, I am concerned that the government has no plan B whatsoever!

There is no doubt that Victorian builders and most consumers involved in building, through either renovating or building their own homes, have been crying out for assistance since the recent insurance crisis. Through this bill the government has taken a series of steps to provide some sort of assistance. The government has assumed significant risk and is stepping into the building contract between consumer and builder. The government is introducing a series of intermediary steps where disputes arise between builders and property owners. I guess that is why the title of this bill contains in brackets the words 'conciliation and dispute resolution'.

The bill introduces a method of conciliation and dispute resolution, and it is meant to be the first step where there is a dispute between a builder and an owner of a property. That first step identifies, or attempts to identify, a clear path where a complaint is lodged to Consumer and Business Affairs Victoria. If it determines there is a case to answer, the matter is referred to the Building Commission and the Building Commission appoints an inspector. The inspector will visit the site of the complaint and make a ruling and could order the builder to rectify the problem or face deregistration. It all sounds good in theory, but may not work in practice. That is the major concern of the opposition; that in practice this will create more problems than it solves.

The first issue is: who can initiate a complaint under these provisions? The bill is silent on that question. This is a dispute-resolution process between builders and owners. You would imagine that both builders and owners could have access to the dispute resolution system, such as a court, a tribunal or any other system. Two parties to a contract may have a problem and then one of them can run off and institute proceedings in the dispute resolution process. The bill is very clear. The second-reading speech seemed to intimate that both builders and consumers could access the process. In her response to issues raised during the second-reading debate the Minister for Planning in the other place left that equivocal. Last week on 7 June the government issued a press release headed 'Bracks government delivers new building dispute system'. I will not labour the point that the minister was prejudging the decision of this house in passing the legislation; we will leave that for another time and another place.

Reading between the lines of the press release, I think the minister seemed to suggest that only consumers

would have access to initiate proceedings under this bill. I understand ministers might get up in this place and say, 'Both builders and consumers will have access to this process, but who has the right to initiate proceedings?'. Consumers certainly do, but the question that remains unanswered is, 'Do builders have access to initiate proceedings?'. If they do, then it is equitable. If they do not have access to initiate proceedings, then it is inequitable. You can understand the frustrations and concerns of 99 per cent of legitimate builders who are plying their trade honestly and to the best of their abilities.

That is the start of the concerns. There was a series of 13 or 14 concerns that the honourable member for Hawthorn, the shadow Minister for Planning in the other place, enunciated in his contribution. At this late hour I do not intend to go through each of those issues; however I point out to members in this place and to the public of Victoria generally that, as someone who has practised in this industry extensively, the honourable member for Hawthorn is well qualified to speak on this issue, and Ms Hadden should not dismiss his concerns with a scoff. They should be taken seriously because he expresses the concerns of ordinary Victorians that this bill, although well-intentioned, may not work and may cause more problems than it attempts to solve.

A number of issues need to be addressed. Specifically I note that clause 6 substitutes a new section 48(3) in the Domestic Building Contracts Act 1995, which reads

> If the inspector believes that the building work is defective, he or she must include in the report recommendations as to what should be done to rectify the defective work.

How clear is that, 'If the inspector believes …'? How do we define belief at law? Reasonable belief? Is that reasonable belief a subjective or objective test, and under whose criteria? — How do you define 'defective'? I will give a practical example as to how you may come a cropper according to how you define defective: a builder is charged to build a particular building, and builds a wall that for all intents and purposes from the aspects of engineering and structural quality is perfectly well built. It will not fall down and it meets all the standards. But based on planning requirements the wall is 2 feet out of step — it is 2 feet closer to the boundary than it should have been, based on the planning permits, the survey of the land and all the legal requirements. Clearly, a wall that is built adequately and perfectly will never collapse.

If you look at it as a wall in isolation it is perfectly well built. If it is built 2 feet on the wrong side of the boundary, is that defective work? It is exactly the same if you put the power connections in the wrong spot, or what if the builder has built the most impressive roof structure? Mr Smith, as a plumber, will understand the most impressive roof structure of all time. However, if it is 2 feet above the approved plan and contravenes the planning regulations, is that defective work?

It is something that the minister in the other place did not address. It is a legitimate concern. I have examples. You can come to my electorate of Monash Province and I will drive you around and show you the examples of perfectly built buildings just not built to the planning regulations and the planning permit that was approved for the site. Will that be covered by this dispute resolution process? It is a legitimate concern that remains unanswered.

There are some other real concerns. In domestic contracts at the moment all domestic building above the value of $5000 is covered by compulsory warranties, or compulsory insurance. This bill is couched in consumer protection terms. The minister's press release of last Friday, 7 June, that I referred to earlier, is couched in consumer protection terms. What does this bill do? It increases the minimum amount from $5000 to $12 000 so that for building works valued at less than $12 000 the builder will not need to take out compulsory insurance. Is that consumer protection? It leaves in the lurch more consumers undertaking what may be small to us but to them quite valuable renovations to their properties.

I highlight that because it is clear that this government is trying to reduce the risk parameters it is undertaking as the effective re-insurer of first resort. It is increasing the value of building works before they are covered by compulsory warranty. It is something that this government has not adequately addressed.

Another issue that the government has not addressed is: why has it exempted from this legislation high-rise residential properties above three storeys in height? It may well be that this is not a problem in outlying suburbs, but if you come to my electorate of Monash Province you see that most of the building development work is taking place in refill reclamation work; in the conversion of office buildings to residential properties and in the building of new residential towers in an inner urban locality — something that has been encouraged over the past decades by governments of all persuasions. The people who are now buying those properties are left without protection at the whim of this government. Why? The government has not addressed that.

This bill takes away domestic building contract protection from a significant number of people in my

electorate who are making a lifestyle choice to live in high-rise residential properties in the inner city. It is about time the government acknowledged that there is little difference between living in high-rise and low-rise residential properties. They are all residential properties, so why are the people in high-rise properties being treated as second-class citizens by this government when it comes to building insurance? It is not good enough.

I turn to the taxation aspects. The conciliation and dispute resolution regime is being funded by a levy on owners who are undertaking building work. This is one more tax introduced by the government because it chose, late in the piece, to intercede in the contract between a builder and a property owner. Eighteen months ago the government could have acted when the writing was on the wall for all but the blind in the government, and it was quite clear that something needed to be done to shore up domestic building insurance. The government did not act; it needed to take small steps then but it is taking big steps now. It is reducing the cover for people undertaking small renovation works and removing cover from people, particularly residents in the inner city areas that I represent, who are buying high-rise residential properties as a lifestyle choice, encouraged by this government and other governments. It is taxing property owners for undertaking building works in order to introduce a dispute resolution system to cover for its failings 18 months ago.

I hope this conciliation and dispute resolution process works in practice: there are many impediments. The honourable member for Hawthorn in the other place highlighted 13 or 14 of them, and I know my colleague the Honourable Jeanette Powell has also done a lot of work in this area and will highlight other issues that she and members of the National Party are concerned about. I do not wish this bill ill at all. I do not wish to see the building industry in Victoria decimated by the failure of home building warranty insurance. But the risk we face with the government's late, half-hearted, one-size-fits-all, no-plan-B approach is that if this process fails there may unfortunately be no insurance available in Victoria. That will not help consumers, builders, the building industry or the Victorian economy. Like everyone else, I will now cross my fingers and hope to goodness that this bill works, but I will not be holding my breath!

Hon. G. D. ROMANES (Melbourne) — I rise to speak on the Domestic Building Contracts (Conciliation and Dispute Resolution) Bill and remind honourable members that this state and the whole of Australia has in recent times been living in an uncertain world, particularly as far as insurance is concerned. We have seen a number of triggers for change in the past year or so, particularly the events of 11 September in New York, with huge insurance payouts throughout the globe, and the collapse of HIH Insurance, with the rescue package that was put in place by the federal government.

Following these and other events the insurance industry signalled that it was reconsidering its level of involvement in the building industry because of the difficulties of getting reinsurance. This reassessment of risk by the insurance industry is a backdrop to the environment for domestic building in the state. That environment has changed fundamentally. The bulk of the insurance industry expressed its uncertainty about continuing to underwrite builders warranty insurance so there was a need for governments to respond.

In Victoria and New South Wales, where the bulk of building activity happens in this country, the state governments negotiated a joint approach and under a 10-point plan acted to make changes which enabled the insurance industry to switch from being an insurer of first resort to an insurer of last resort in the building industry. That area of last resort, the non-completion of work, is the greatest threat to owners and those who are carrying out domestic building and renovations, and insurance is still available in cases of death, disability and insolvency where non-completion of a building project is threatened.

To head off a major crisis in the building industry in regard to multistorey dwellings a major change was achieved by ministerial order in April when changes to the regulations were made so that builders warranty insurance was no longer compulsory for residential buildings of over three storeys. This and other changes, such as the increase in the threshold for building work that was required to have insurance from $5000 to $12 000, constitute a major change in the insurance regime for approximately 90 000 domestic building projects per annum in Victoria.

Private insurers have shifted liability of risk to government and consumers, but in a situation where insurers were walking away from the building and construction industry it was incumbent on the government to act to protect what is one of the key industries in this state. The Victorian government has taken action through the provisions of the bill to counter this fall in protection for consumers by making amendments to the Domestic Building Contracts Act 1995 and the Building Act 1993 to put in place a new building disputes conciliation process underpinned by strengthened regulation and enforcement in respect of

domestic builders, and by providing resources and coordination strategies to achieve a better operation of the building marketplace and higher building standards, which in turn should lead to a reduction in the incidence of disputes in the building and construction industry.

The provisions in the bill aim to maintain confidence in the industry among building consumers and building practitioners and retain the high level of building activity that has been occurring in the state over the past few years, an area which is a mainstay of the economy for a large part of the state. It is an opportunity to put in place a regime where instead of moving to insurance claims and full-blown disputes the practitioners are encouraged to go back and fix defects and poor work. It is also an opportunity to again consider ways to maximise the effort of improving industry standards and reducing the level of complaints and disputes.

The new building conciliation service put in place by the bill formalises and expands something that to some degree is already there — that is, the information and dispute conciliation provided by Consumer and Business Affairs of Victoria. The bill takes this further by expanding and formalising dispute conciliation and enforcement. The process will be jointly managed by Consumer and Business Affairs of Victoria and the Building Commission backed up by the Victorian Civil and Administrative Tribunal (VCAT) which is still there in its current role to assist in the resolution of building disputes.

Consumer and Business Affairs of Victoria is at the front end of the proposed scheme with a dedicated call centre and a 1300 number to provide advice on building issues and preliminary conciliation. The proposal embodied in the bill anticipates that 85 per cent of the 35 000 building-related calls per annum will be clarified or resolved by front-line inquiries and advisory staff, which leaves a little over 5000 disputes that will require further intervention.

It is anticipated that half of those disputes will be resolved by Consumer and Business Affairs of Victoria's office space conciliation services. The remainder will be reviewed, information gathered, and if the matter cannot be resolved at that level it will be referred to the Building Commission or VCAT. Beyond this conciliation role will be an education function — a one-stop shop for building inquiries and filling an information gap.

Clause 3 inserts a new part 3A into the Domestic Building Contracts Act 1995 to provide the right to lodge a written complaint with the option of a technical investigation and conciliation. The Building Commission will assist with this early intervention and dispute resolution via on-site inspection and conciliation by independent building experts with the technical expertise to assist in the conciliation of a dispute.

The proposal aims to provide on-site inspection within seven days and to provide timely intervention, expertise and resolution. If a registered practitioner is judged to be at fault but takes no steps to rectify a defect or shoddy workmanship a matter can be referred to the Building Practitioners Board for an inquiry into the right for ongoing registration of that building practitioner. The stick is there to encourage registered practitioners to do the right thing and to respond to recommendations by the independent building experts.

The role of the Building Commission to assist in the speedy and effective resolution of disputes is consistent with the commission's desire and mandate to provide strong leadership in the improvement of standards and change in the building industry in Victoria.

I direct the attention of the house to the corporate plan of the Building Commission called 'Building the future 2001–06'. The plan sets out key strategies for achieving changes such as continuous practitioner improvement. At page 12 of the plan details the desire of the commission to have greater involvement with registered practitioners and to have greater influence over them and their workmanship and standards, and sets out some of the initiatives the commission will take to achieve that. For example, it lists the introduction of continuing professional development, tightening of standards for ongoing registration, support to improve complaints handling by industry participants and contribution to greater national cooperation among building regulators.

The Building Commission, in conjunction with Consumer and Business Affairs Victoria, will be responsible for the new conciliation service that is provided. It is clear from part 4 of the bill that both the builder and consumer can initiate proceedings at the Victorian Civil and Administrative Tribunal, if that is the way they choose to go, rather than using the services of Consumer and Business Affairs Victoria and the Building Commission. Consumers and others in the building industry can still go direct to CBAV, contrary to what Mr Katsambanis said, to resolve speedily and effectively disputes that arise in the carrying out of building projects.

A critical aspect to the success of the program is additional staffing and resources. The process of complaints handling and dispute resolution and

conciliation is time consuming and requires resources. I know that from my own involvement in complaints handling when I was previously employed in the Commonwealth Ombudsman's office. There will be a need for the establishment of a seamless process between the different agencies and effective management reporting. There will be a requirement for an information system that will provide for information to be exchanged between Consumer and Business Affairs Victoria, VCAT and the Building Commission. There will also be the need for industry training and promotion.

A steering committee representing all three bodies will oversee the establishment and implementation of performance measures in this conciliation scheme. The steering committee will report to ministers and monitor the flow of disputes and the cost of administration. It will ensure the impartiality and the quality of the expert advice of the independent investigators and technical experts through an accreditation process that will put in place strict criteria for the appointment of those independent technical experts.

Of course, such additional resources in terms of people, equipment and materials will need extra funding. Part 3 proposes amendments to the Building Act to put in place an extra levy of 0.064 per cent on building permits. This is equivalent to the estimated cost of providing the service. It will be paid by consumers — those who make most of the complaints — but there is a benefit for them because the service provided through the conciliation scheme is free and will benefit all those who engage in it, the builders and the industry overall.

Over the past 12 months or so the insurance industry has been in turmoil and a difficult situation has arisen in the building and construction industry and cast uncertainty over the industry for some time. The Bracks Labor government has turned this into an opportunity to introduce a more efficient and effective early dispute resolution scheme which can handle building complaints in a coordinated and cohesive manner.

I contrast that to the current situation, which is a complex one in which those who have a problem in the building area may seek some remedy, whether through Consumer and Business Affairs Victoria, the Building Commission, the Housing Industry Association, the Master Builders Association, the Victorian Civil and Administrative Tribunal, lawyers, insurers or banks. Searching for the right agency, the right information, the right service for their needs can be frustrating and can lead to great angst.

In the bill before the house the government has put forward a single entry point — a one-stop shop and building advisory service — for consumers and builders to handle the difficulties, problems and complaints that arise in the building and construction industry and to reduce the level of complaints and risks and improve standards in the industry.

The other underlying aim is to boost the confidence of everyone involved and to support one of Victoria's key industries. Today the Minister for Planning in the other place made announcements about building approvals for the month of April. The building sector yet again posted a record for the month of April of $1.1 billion of work approved for April 2002. That represents a 45 per cent increase on building approvals compared with last year — that is, April 2001.

It represents 70 per cent growth in building work in the domestic sector and 70 per cent growth in total approvals in regional Victoria. It reflects the sound management of the Victorian economy by the Bracks Labor government and clear, consistent planning legislation which has provided a solid base for building activity to continue and to grow. That planning can be seen in the security of payment legislation which had passage through this house during the past couple of weeks and in the bill before the house this evening. The bills represent the quick action of the Bracks Labor government in responding to the builders warranty insurance crisis.

The building industry has not been decimated, as Mr Katsambanis claimed, but continues to do well and to respond to the solid management and the changes that have been introduced by the Bracks Labor government. With those words, I have much pleasure in commending to the house this bill and the new way of working in the building industry.

Hon. E. J. POWELL (North Eastern) — This bill deals with two very important areas for the domestic building industry — the home warranty insurance area and the dispute resolution area. The National Party hopes this legislation will have the outcomes that the government believes it will have, and therefore it does not oppose the bill.

Since the 11 September disaster in New York and the collapse of HIH, insurance companies, not just in Australia but right around the world, have been tightening up their insurance cover and allowing those who are at risk to perhaps not be insured. Insurance companies are now saying who they will insure and who they will not insure, which has caused a crisis in the insurance industry. There has been a major cutback

in consumer protection with many organisations unable to find insurance; strong conditions being put on their insurance cover; or people not being able to find an insurance company that will insure them because of the high risk.

This bill is in response to the insurance industry's concern that it could no longer underwrite builders warranty insurance if changes were not made to the statutory product before reinsurance was negotiated. In that case the Victorian and New South Wales governments have negotiated a 10-point plan which they hope will support the industry until the market, as they say, rights itself, or the insurance companies have confidence in the building industry to continue their reinsurance and stay in the market.

Many builders have had trouble getting home warranty insurance over many months. Many of the people who have had that problem have said to me that they have never had a claim; in all the time that they have been insured they have not had a claim, so it is not for the reason that they have had a claim that makes insurers not want to insure them.

The 10-point plan that the Victorian and New South Wales governments have negotiated has been implemented by ministerial order under section 135 of the Building Act. It is an effort to minimise risk and put together a package of insurance measures. I will read through some of those measures — not all 10 of them. The threshold for compulsory home warranty insurance will be raised to $12 000. That is an increase from $5000. The minimum period of cover for structural defects will be six years. The minimum period of cover for non-structural defects will be two years. The mandatory requirement for builders of high-rise residential buildings to provide builders warranty insurance will be removed. Owners of high-rise dwellings will have access to a last resort catastrophe fund to be funded by builders and insurers.

We heard earlier that high-rise developments are those above three storeys. The maximum — that is, excluding legal costs — for non-completion claims will be 20 per cent of the original building contract amount. A home owner will be able to claim under a home warranty insurance policy when their builder is dead, has disappeared or is insolvent. That means that the home owner will still be protected against shoddy work by the builder. Another measure is that insurer's liability in respect of claims above $10 million arising from the death, disappearance or insolvency of any single builder will be capped. The catastrophe fund will also be available to meet claims liabilities in excess of $10 million. They are the sorts of measures that the 10-point plan puts in place, and we hope that meets the criteria in some way to protect consumers.

In another effort to protect consumers, builders are required to have home warranty insurance cover. If they do not have insurance, they cannot operate and they can be deregistered. The Minister for Planning in the other place put forward an amendment that the Building Practitioners Board is not required to suspend the registration of a person for a failure to comply with section 10(2)(b) if the board is satisfied that the person has applied for the required insurance and that the only reason for the person not being covered by the required insurance is that the insurer has not yet made a decision on the application. But the board will still be required to suspend the registration of a building practitioner who ceases to be covered by the required insurance and who is not waiting on the decision of an insurer, so those builders who are trying to get out of being insured or who have such a high risk that an insurer will not reinsure will not be registered. Those covered under this provision are those who are waiting on the insurer to make a decision on their application.

The main purpose of the amendments in the bill is to relieve the Building Practitioners Board, from 1 July to 30 September 2002 — except in the case of section 10(4), which comes into operation on 31 May 2003 — from the obligation to suspend the registration of builders who are temporarily unable to obtain the proof of insurance needed or the insurance required for registration.

The background of this bill comes from the Building Commission being told of concerns by the Masters Builders Association of Victoria and the Housing Industry Association that on the withdrawal of Dexta Corporation from the builders warranty insurance market on 30 June 2002, which is just about two weeks away, the Building Practitioners Board would be obliged to suspend the registration of a number of building practitioners who are unable to renew their insurance cover due to no fault of their own. That is because their insurer has left the industry, and these people are now left out in the cold and are looking for another insurance company to cover their insurance.

The second part of the government's package for the builders warranty insurance is a new dispute resolution process, which is what the bill deals with in the main. This will come into force in Victoria in July 2002 and it will be jointly operated by the Building Commission and Consumer and Business Affairs Victoria.

It is expected that this new process will resolve or clarify more than 90 per cent of the 35 000 disputes between owners and builders each year. This one-stop

shop for disputes will be between owners and builders. Consumer and Business Affairs Victoria will provide a dedicated consumer building advisory service so that anybody with a complaint or needing advice or information on preliminary conciliation can phone 1300 557 559.

If the dispute cannot be resolved, Consumer and Business Affairs Victoria will pass the matter on to a dedicated conciliation team. If the dispute relates to a technical issue Consumer and Business Affairs may refer it to technical experts who can conduct an on-site examination of the disputed domestic building work. Builders must then either rectify the work judged by the technical expert to be defective or substandard or face disciplinary action by the Building Practitioners Board, so the board has some teeth to make sure that if the builders are found guilty of having substandard work they must either comply and fix that work or else face disciplinary action. I guess at the end of it if they still do not comply then they could even be deregistered.

This service does not restrict anyone from taking the dispute to the Victorian Civil and Administration Tribunal (VCAT), so builders or home owners can have their day in court if that is what they desire. But the reason for this one-stop shop is to make the process of dispute resolution much quicker and less costly because a fee is not involved.

One of the concerns I raised at the briefing was the effect that the new privacy laws will have on any information gathered by Consumer and Business Affairs Victoria and what it will be able to do with it. Does the builder have access to information to amend the information if it is not correct? If a statement is made by a home owner about certain work, is the builder allowed to look at that statement and perhaps say, 'That is not quite true' and to clarify it? I believe Consumer and Business Affairs Victoria will have to abide by the Privacy Act, and it needs to be careful with the information it has received to ensure that it does not breach the Privacy Act when passing on the information to the Building Commission or indeed to VCAT, because some of those statements will be made by those people and they will need to comply with the Privacy Act. It is hoped that this is addressed by the amendments in part 2 of the bill.

Another concern was that the Victorian taxpayers are exposed to major risk if the insurers do not stay with the building industry and no other insurers enter the market, so for a brief time the Victorian taxpayers will be susceptible if insurers do not stay in the industry or if indeed we cannot encourage other insurers into the market. So I hope the government keeps an eye on this issue.

I also hope the government keeps an eye on the cost of running this dispute resolution process so that the costs do not blow out. There is no fee for making a complaint; it is paid for by an increase in the building permit levy — an application fee of about $128 per $100 000 home. The funds are needed for issues like training staff, employing more inspectors, advertising the service and for a panel of appointed inspectors to look at regional areas. Country members of Parliament are very happy to see there will be this panel of inspectors who are able to go out to regional areas, go on site and inspect work that has been complained about and take a decision to the tribunal.

The National Party thanks the ministerial adviser, Rebecca Falkingham, for organising the briefing on the bill, and also the Building Commission representatives, Hayden Wood and Steven Harkin, for their clarification of a number of issues. We did not have the bill in front of us at that stage because the second reading had not taken place, but they were able to go into some detail on what the bill would include. We thank them for that briefing.

I wrote to a number of builders and planners in my electorate trying to find out what their expectation was of the bill and whether they felt it will do what the government thinks it will. I have not yet received a response from them, which I would hope means that they do not have a problem with the bill. If they had a problem I hope they would have let me know so I could raise the issues with the government.

The National Party hopes this legislation helps with the disputes in the building industry. Home owners need protection if their homes are not built to standard, and I hope this bill will provide that protection. I wish the bill a speedy passage through the house.

Motion agreed to.

Read second time.

Third reading

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

That this bill be now read a third time.

In doing so, I thank honourable members for their contributions.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

LIQUOR CONTROL REFORM (PACKAGED LIQUOR LICENCES) BILL

Second reading

Hon. M. R. THOMSON (Minister for Small Business) — I move:

That this bill be now read a second time.

The purpose of the bill is to amend the Liquor Control Reform Act 1998 ('the act') to ensure that Victoria's liquor licensing framework promotes the responsible retailing of liquor and a diverse industry with a strong and vibrant small business presence.

Before detailing the key provisions of the bill, I wish to briefly outline the broader context within which the amendments are being proposed.

As a result of a national competition policy (NCP) legislative review in 1998, the previous government abolished the 8 per cent limit on general licences, which restricted a person or corporation from holding more than 8 per cent of the total number of licences on issue. It also removed the needs-based criteria in relation to packaged liquor licences. This has resulted in a significant increase in the number of packaged liquor licences being approved. Today there are more than 1370 packaged liquor licences in Victoria, with over 80 per cent operated by independents.

In response to a National Competition Council report in July 1999 that Victoria was in breach of NCP commitments, the government in 2000 undertook a further review of the act's 8 per cent limit on packaged liquor licence holdings. The review was highly consultative, involving two rounds of public consultation and a series of public forums across Victoria.

The key finding of the review was that the 8 per cent rule was becoming ineffective over time in promoting industry diversity, due to the growth in the overall number of licences arising from the 1998 reforms and the changing nature of liquor retailing. As a result, the review found that new strategies were required to ensure that small businesses continued to have a strong presence in the liquor market.

In January 2001 the government announced that the 8 per cent rule would be phased out from the end of 2003 or earlier if an industry and government agreement was reached. As promised, the government introduced legislation to close the known loopholes that were being used to circumvent the 8 per cent rule. The government made a commitment at the time that it would work closely with the industry to develop future arrangements that ensured Victorians continued to enjoy a genuinely competitive, diverse and vibrant packaged liquor market.

Since then, the Liquor Stores Association of Victoria, Master Grocers Association of Victoria, Coles Myer and Woolworths have been working towards an agreement for the future of the packaged liquor industry. Combined, they represent two-thirds of the packaged liquor licence holders. The discussions, while challenging, were motivated by a recognition by all the industry parties that the current arrangements were not sustainable. In March 2002 the industry parties reached an in-principle understanding on the core elements of an agreement. The government is pleased that the industry has now been able to reach a final agreement, which will deliver benefits to small liquor retailers.

The bill implements the legislative aspects of the industry agreement. A major non-legislative initiative under the agreement is the creation of a $3 million packaged liquor industry development trust fund, which will see the two majors, Coles Myer and Woolworths, contribute $1.5 million each. This fund will enable small liquor retailers to have access to the right advice and support to help them become more competitive.

I now turn to the details of the bill. It essentially seeks to achieve three outcomes:

genuine community involvement in the licence application process;

the responsible sale of packaged liquor; and

a diverse and vibrant industry.

The community is entitled to have a genuine opportunity to scrutinise packaged liquor licence applications. While the act currently permits a person to object to an application on the grounds of amenity, it does not define the concept. Clause 5 of the bill provides a comprehensive but non-exhaustive definition of amenity. The bill defines the amenity of an area as the quality that the area has of being pleasant and agreeable and lists the factors that may be taken into account when determining applications, such as parking, traffic and noise. The definition does not exclude other factors from being considered. The inclusion of this definition gives the community greater guidance when considering the impact of an application on the amenity of an area.

The bill promotes the responsible sale of liquor. A key objective of the act is to contribute to minimising harm arising from the abuse and misuse of alcohol. While the director of liquor licensing can refuse an application on this ground, there is currently no provision under the act for the public to object on such grounds. Clause 11 of the bill provides that a person or a municipal council may object to an application for the grant, variation or relocation of a licence on the grounds that it would be conducive to or encourage the misuse and abuse of alcohol.

The bill also ensures that the community is better informed of an application for the grant, variation or relocation of a packaged liquor licence, which enables it to exercise its rights under the act. Whereas the act currently provides that the applicant may need to place an advertisement in a newspaper circulating in the area, clause 10 of the bill makes this a normal requirement. While this provision will apply to packaged liquor licences, the bill also includes a power to prescribe other classes of licences.

Licensees or managers of liquor stores should also have the skills to sell liquor in a responsible manner. While many people in the industry undertake responsible service-of-alcohol training, it is currently not a requirement of the act. Clause 6 of the bill makes it a condition of a packaged liquor licence that has been granted or transferred that within three months the licensee complete a responsible service-of-alcohol program approved by the director. In the case of existing licensees or managers, they would need to have completed an approved program in the previous financial year, effective from 1 July 2003.

The bill provides that the minister, in consultation with the industry, may determine a code of conduct, consistent with the objects of the act, for packaged liquor licensees. The initiative enables the government and the industry to work together to deal with practices that are inconsistent with the act's objectives of harm minimisation, diversity and the responsible development of the industry. The code of conduct will be developed shortly, in consultation with the industry, including individual packaged liquor licensees, general pub licensees, the Liquor Stores Association of Victoria, Master Grocers Association of Victoria, the Australian Hotels and Hospitality Association and the major supermarket chains.

The third outcome promoted by the bill is a diverse and vibrant industry. The bill provides for a gradual and orderly phase out of the 8 per cent limit on packaged liquor licence holdings over the next three and a half years, to enable small liquor retailers the time to adjust and plan ahead. The percentage cap will be adjusted to 10 per cent upon assent, then to 11 per cent from 1 July 2003 and 12 per cent from 1 July 2004. The cap will be removed from 1 January 2006.

To ensure that the percentage limits are complied with, the bill strengthens the current related entity and controlling interest tests. The related entity definition will now be extended beyond that contained in the Corporations Act to include a person or body corporate who has an interest of more than 1 per cent in another body corporate or has an option to acquire an interest. The definition also applies in cases where another body corporate has such an interest in the subject body corporate. The holding of a directorship is also caught by the related entity definition. This provision will be effective from the date of the government's announcement (14 May 2002) and only affects the major chains.

Clause 9 of the bill ensures that the most affected small liquor retailers are protected during the phase-out period by generally requiring a major chain that wishes to obtain a licence to make a fair offer to the nearest independent within a specified designated area, to be determined by the minister. The bill contains a procedure that ensures small liquor retailers have sufficient time to consider an offer and specifies a formula to determine a minimum offer price. A major chain will only be granted a new licence if all the independents within the designated area reject a fair offer or if there are no independents in the area. The director of liquor licensing will need to be satisfied that the major chains have followed the correct procedure before the grant, transfer or relocation of a licence can occur.

To ensure that these interim arrangements are not compromised by recent entrants to the industry, a licensee granted, or who has transferred or relocated into the designated area, a licence after the government's announcement that the 8 per cent rule would be phased out (23 January 2001) is not entitled to a buy-out offer. Nor would a major chain be entitled to a buy-out offer.

Clause 9 does not apply to the transfer, before 1 September 2002, of a packaged liquor licence between related entities. Buy-out arrangements are not relevant for such a transfer, as it simply represents a corporate consolidation, rather than an increase in holdings or a relocation of the licence. This provision is particularly relevant to Woolworths, which is currently undertaking a corporate consolidation, effective from 1 July 2002. The sunsetting of this provision ensures

that it cannot be used in the future as a means of circumventing the buy-out arrangements.

Section 85 statement

I wish to make a statement of the reasons why it is the intention of the bill to alter or vary section 85 of the Constitution Act 1975.

Section 179A of the act already states that it is the intention of section 26K to alter or vary section 85 of the Constitution Act 1975. Section 26K provides that no compensation is payable by the state or the director to any person for any loss or damage as a result of the enactment of division 3A.

The bill makes certain amendments to division 3A, such as replacing the controlling interest provision with a substantial interest provision, redefining 'relevant day' and repealing the director's power to extend the relevant day by 90 days. These amendments are necessary to enable the practical operation of division 3A, given that the permitted percentage will vary in accordance with the bill.

The government has a clear commitment to ensure that the percentage limits are complied with during the course of the phase-out. The public has been well informed of this position. The only bodies corporate affected by this division are those that, notwithstanding the government's policy commitment and the intent of the legislation, seek to increase their holdings of packaged liquor licences above the permitted percentage. The proposed amendments ensure compliance with the limits without exposing the state or director to the risk of compensation claims.

In conclusion, the bill provides for greater community involvement and scrutiny in liquor licence applications and minimises the potential for abuse and misuse of alcohol within the community. The new arrangements deliver significant benefits to small liquor retailers and ensure that Victorians continue to enjoy a competitive, but fair, liquor industry.

I commend the bill to the house.

Debate adjourned for Hon. W. I. SMITH (Silvan) on motion of Hon. Bill Forwood.

Debate adjourned until next day.

APPROPRIATION (2002/2003) BILL

Second reading

Hon. C. C. BROAD (Minister for Energy and Resources) — I move:

That this bill be now read a second time.

Introduction

This budget invests in our future — in the future of our people and our state.

It invests in more jobs and stronger communities.

It delivers record investment in education and innovation — driving new opportunities for all Victorians.

And it reinforces this government's determination to make sure that all Victorians — wherever they live and whatever they do — can step into the future with confidence as part of a strong and thriving Victoria.

The first two budgets of the Bracks Labor government began the task of undoing years of damage in education, health and community safety. We took up the challenge of rebuilding our regions. And we committed ourselves to getting the conditions right for jobs and economic growth across Victoria.

The results are there for all Victorians to see:

strong economic growth above the national average;

jobs growth, consumer spending, business investment — all well above the national average;

strong economic and employment growth in regional Victoria;

and Victoria's AAA credit rating confirmed.

Education is back in its rightful place — as the government's top priority. Our health system is turning around. Our vital community services are being restored and repaired.

And Victorian businesses can now invest with confidence, with lower and fewer taxes, in a competitive, innovative and connected environment.

Growing Victoria Together

Last year, the government released our framework for Victoria's future, Growing Victoria Together, which balances economic, social and environmental goals in growing the whole state.

This budget puts that plan to work.

This budget continues to invest in Victoria's greatest asset: our people — in their education and health, and in the communities where they live.

We continue to invest in country Victoria.

We invest in our expanding suburbs and growth corridors.

We invest in our great city of Melbourne.

And we deliver services and infrastructure to link our communities together — and connect all of us to the world and to a future of high quality jobs, strong economic growth and a better standard of living.

With this budget — the third budget of the Bracks Labor government — Victoria steps with confidence into a stronger, brighter future.

Responsible and sound financial management

Responsible financial management is crucial to Victoria's future.

This budget continues to meet the Bracks government's commitment to maintain a substantial operating surplus of at least $100 million.

An operating surplus of $522 million is projected for 2002–03, with expected surpluses averaging around $600 million in the following three years.

General government net financial liabilities, excluding the Growing Victoria infrastructure reserve assets, are forecast to fall from 10.8 per cent of GSP at June 1999 to 7.1 per cent by June 2006.

And general government net debt falls even further, from $4.9 billion in 1999 to $2.3 billion by June 2006 — just 1 per cent of GSP.

Mr Acting President, the Bracks government has provided — and will continue to provide — responsible financial management and leadership to ensure that Victoria's financial position remains strong, sound and secure.

A growing economy — Victoria leads the way

The Victorian economy is also leading the way — proving to be robust and resilient in the face of global economic uncertainties.

There is a new climate of confidence in Victoria — a confidence that, for the first time in many years, extends beyond central Melbourne and reaches out across the state.

It is a confidence reflected in private business investment and consumer spending growing faster than the national average.

And it is reflected, too, in the record numbers of Australians choosing to call Victoria home. We are now attracting more and more people from other states. It is just one factor in Victoria's strong economic performance over the past two years.

And in this budget, we put the proceeds of that strong performance to work — reinvesting in the assets and services that are attracting people to Victoria, and benefiting all Victorians.

Investing for our future — stronger communities

As in previous budgets, the government is directing substantial investment towards growing and linking the whole state.

The Bracks government has already taken investment in public infrastructure to an all-time high and the 2002–03 budget boosts asset investment by a further $3 billion for major capital works across Victoria.

This year, we focus on linking and strengthening our country and regional areas, our expanding suburbs and our growth corridors — investing in the infrastructure they need to step into the future with confidence.

Stronger suburbs

Mr Acting President, a major focus of this budget is the expanding suburbs and growth corridors of Melbourne.

These are the places where Victorian families are increasingly choosing to live — and where much of Victoria's future population growth will be concentrated.

In this budget, the government has committed $704 million to a major Linking the Suburbs transport strategy. Major projects include the extension of the electrified suburban rail network to Craigieburn, and tram services to Vermont South, the upgrade of major suburban roads in Narre Warren, Langwarrin, Sunbury, Laverton and Epping and a $36 million boost for 25 suburban bus routes across Melbourne.

The budget also provides $445 million for Victoria's contribution to the Scoresby freeway. This $1 billion, 34-kilometre project will provide a seamless link from the south-east to the city and to Victoria's ports, airports and major freight routes.

It will bring significant economic and employment benefits to Melbourne's eastern and south-eastern suburbs and the regions beyond those suburbs, and it will cement Victoria's reputation as the transport capital of Australia.

Stronger regions

The 2002–03 budget continues the government's unwavering commitment to country Victoria.

When we came to office, country Victoria had been left behind. The Bracks government has worked hard to turn that around — and worked closely with country and regional communities to give them the services and infrastructure they need to compete for investment and jobs.

The 2002–03 budget builds on the government's current major infrastructure commitments in regional areas and focuses on improving transport links, supporting regional industry and investing in schools and health services.

We are investing $102 million to create better regional transport links and undertaking a major $101 million upgrade of the Melbourne showgrounds. In a major economic and environmental initiative, the budget allocates $77 million towards the construction of the Wimmera–Mallee pipeline — one of the most significant water infrastructure projects ever undertaken in Victoria.

The budget also includes a major package to upgrade regional public hospitals, health centres and aged care facilities, and we are undertaking upgrades of more than 40 schools in country and regional Victoria, and replacing 12 police stations in small rural communities.

We are investing $26 million to boost our food and fibre industries and $5 million to upgrade rail access for regional exporters to the port of Geelong.

And we are securing the long-term future of Victoria's water and forest resources and the regional industries and communities that rely on them.

A thriving and innovative Victorian economy

Innovation is the 21st century's main driver of economic growth, quality jobs and high living standards. Innovation not only transforms existing industries, such as manufacturing and agriculture — it creates jobs in new industries, such as design and biotechnology.

Since 1999, the government has invested heavily in science and technology, and in education, innovation and research.

We have done so because we are determined to position Victoria as a global player in fields such as biotechnology, advanced manufacturing, design, aerospace, ICT and environmental technologies.

As well as leading the way on innovation, the government is also investing in Victoria's future as a creative state — building on our long-held reputation as Australia's arts capital.

Alongside the government's commitment to innovation, these projects deliver a strong program to drive Victoria's future as an innovative economy and a smart, creative and enterprising state.

Building Tomorrow's Businesses Today

The government's commitment to innovation also includes the Building Tomorrow's Businesses Today package, recently announced by the Premier.

The budget gives effect to that package, allocating $364 million to create a more competitive business environment, encourage more innovative businesses and give Victorian business and industry a stronger international focus.

The package brings forward payroll tax cuts and the abolition of stamp duty on unquoted marketable securities.

It provides further cuts to payroll and land tax — bringing total business tax relief announced since October 1999 to more than $1 billion.

The government will also provide $102 million in initiatives aimed at improving the way Victoria does business, including support for innovation and international expansion.

The Building Tomorrow's Businesses Today package is a great step forward for Victorian business — and it will help all businesses, big or small, city or country, to become more competitive, more innovative and better connected to global markets.

Valuing and investing in lifelong education

Building a successful innovative economy is simply not possible without a world-class education system. Education is crucial to Victoria's long-term economic success, and to building strong, caring and tolerant communities.

We are investing to improve access and drive excellence in Victoria's education system, from preschool to post-compulsory level.

The 2002–03 budget invests a further $550 million in education over four years — on top of the substantial commitment in our previous two budgets, including an extra $334 million over four years for primary and secondary schools.

In total, more than 900 additional teachers will be employed across the state to ensure the successful delivery of these programs.

Ensuring high quality and accessible health services

The government also continues to turn around Victoria's public health system.

The 2002–03 budget builds on the successful hospital demand management strategy introduced last year that has more than halved ambulance bypass and reduced waiting lists for the first time in many years.

The budget provides additional funding of $464 million over four years, enabling Victoria's public hospitals to treat 30 000 more patients and employ 700 more nurses and health workers.

The government is upgrading medical equipment and hospital facilities, expanding and improving the delivery of ambulance services, improving community mental health services, supporting older Victorians to live independently at home and extending a range of vital health services, including dental health, women's health and breast screening services.

Mr Acting President, the Bracks government is restoring our health services after years of chronic underfunding — and we will continue to work with our nurses, doctors and health workers to rebuild Victoria's great public health system.

Community safety

Strong communities are also safe communities, and the Bracks government is proud of its achievement in providing additional front-line police. Victorian police numbers are now well over the 10 000 mark, and Victoria has more than 800 extra police on the front line than we did two and a half years ago.

In addition to increasing police numbers, the government is building 20 new police stations across Victoria, replacing a further 31 country stations and upgrading police equipment.

This year, the budget focuses on delivering major improvements to Victoria's police and emergency services communications network.

Road safety is also a priority for the Bracks government, which has set a goal of reducing death and serious injury by road accidents by 20 per cent over five years.

Promoting sustainable development and protecting the environment for future generations

Mr Acting President, valuing and protecting our environment is one of the most important legacies we can leave our children and grandchildren. We have an obligation to use our natural resources wisely and responsibly.

Victorians want leadership on protecting the environment and promoting sustainable development — and the government is showing that leadership.

We have already committed more than $300 million to tackle salinity, restore the Snowy River, and improve flows in the Murray River. In this budget, we take further action to protect our waterways, our forests and our land — including construction of the new Wimmera–Mallee pipeline, a rescue package for the Gippsland Lakes, and protection for the fragile box-ironbark areas.

The 2002–03 budget also gives effect to the government's *Our Forests, Our Future* statement.

Mr Acting President, this budget, and our actions to date, confirm that the Bracks government will lead the way in protecting our most valuable natural resources.

Building strong and caring communities

Mr Acting President, many of the investments in this budget are directed towards the government's goal of building strong and caring communities.

Across Victoria, most people and places are doing very well, with prosperity rising on the back of strong economic growth and a significant increase in asset values, especially housing.

But others are not doing so well, and the government recognises that inequality and disadvantage unfairly undermine the hopes and opportunities of these Victorians and these communities.

This budget takes the proceeds of prosperity and growth, and reinvests some of those proceeds in assisting families and communities in need of support.

Funding is provided for child protection services, including 60 new child protection workers on the frontline, for redevelopment of Kew Residential Services, and for improved safety of railway pedestrian crossings and wheelchair access to railway stations.

In addition, we are providing funding to support indigenous communities, to extend services for homeless people, and improve access to legal aid, victim support and dispute resolution services.

Appropriation bill

Mr Acting President, the Appropriation (2002/2003) Bill provides authority to enable government departments to meet their agreed service delivery responsibilities in 2002–03.

The bill supports a financial management system that recognises the full cost of service delivery in Victoria and is thus based on an accrual framework.

Schedule 1 of the bill contains estimates for 2002–03 and provides a comparison with the 2001–02 figures.

In line with established practices, the estimates included in Schedule 1 of the bill are provided on a net appropriation basis.

These estimates do not include certain receipts that are credited to departments pursuant to section 29 of the Financial Management Act 1994.

This budget has again been examined by the Auditor-General as required by the new standards of financial reporting and transparency established by the government in 2000.

Conclusion

Mr Acting President, Victoria in the year 2002 is a great place to live — a great place to be. We are leading Australia in so many ways — with our strong economic and jobs growth set to continue over the years ahead.

Some of the most exciting and important projects in this state's history have already started — or are about to begin:

the redevelopment of the Austin hospital;

the new National Neuroscience Facility;

the redevelopment of Australia's greatest sporting ground, the MCG;

new regional fast rail links to Bendigo, Ballarat, Geelong and Traralgon;

the Scoresby freeway;

the Wimmera–Mallee pipeline;

new state-of-the-art sports facilities across Victoria as we prepare for the 2006 Commonwealth Games.

Our education system is driving forward into a new era of excellence.

Literacy and numeracy standards are up. Completion rates are up. Class sizes are down. New schools are being built.

Our health system is turning around, treating more Victorians and delivering better quality care right across the state.

Our business and industry are becoming more competitive, more innovative and more connected to the world.

And new opportunities are being created in our regions and our suburbs, and in the industries of the future.

The 2002–03 budget puts the proceeds of Victoria's strong economic performance over the past two years to work — renewing and rebuilding our suburbs and regions, and driving new opportunities in education and innovation.

This budget reinvests in the foundations we need for an even stronger, brighter future — for our children and for all Victorians.

Mr Acting President, I commend the bill to the house.

Debate adjourned on motion of Hon. M. T. LUCKINS (Waverley).

Debate adjourned until later this day.

APPROPRIATION (2002/2003) BILL and BUDGET PAPERS, 2002–03

Concurrent debate

Hon. C. C. BROAD (Minister for Energy and Resources) — By leave, I move:

> That this house authorises and requires the Honourable the President to permit the second-reading debate on the Appropriation (2002/2003) Bill to be taken concurrently with further debate on the motion to take note of the budget papers, 2002–03.

Motion agreed to.

ENVIRONMENT PROTECTION (RESOURCE EFFICIENCY) BILL

Second reading

Hon. C. C. BROAD (Minister for Energy and Resources) — I move:

That this bill be now read a second time.

This bill is an integrated legislative package that will deliver on commitments made by the Bracks government to work in partnership with the Victorian community to achieve greater efficiency in our resource use and to reduce waste.

Our landmark document, *Growing Victoria Together*, outlines the government's vision for Victoria and identifies a range of strategic issues and priority actions to help us achieve this vision. Not surprisingly, a number of these strategic issues and priority actions are fundamental to ensuring the sustainability of Victoria's environment, and include increasing recycling and effective waste management, as well as creating and promoting new ideas and technologies to stimulate investment and employment in Victoria.

This legislative package addresses these issues by enhancing the government's demonstrated commitment to reducing waste and strengthening our relationships and partnerships with industry, local government and the community to achieve this vision. This is achieved through four key elements.

First, it introduces sustainability covenants to enable industries and companies to identify resource efficiency gains and reduce their ecological impact.

Second, it clarifies the respective roles of key statutory bodies involved in waste planning and management.

Third, it provides additional funding and increased incentives for Victoria's environmental priorities through changes to landfill levies.

Finally, the bill integrates and improves the operation of legislation governing the prevention of litter.

International trends show that societies which can develop successful strategies for increasing resource efficiency and reducing waste will reap environmental, social and economic benefits. They will be best placed to develop new products and services across a range of industry sectors. These will be the products and services that 21st century markets demand.

This bill provides the statutory basis for Victoria to remain at the forefront of these developments. This is achieved by providing a framework for recognising progressive companies that are seeking to operate sustainably; clarifying the roles of bodies responsible for waste management and planning; providing sufficient funding to ensure that waste programs and initiatives are successful; and enhancing our framework for preventing litter.

This bill provides the means for companies, industry associations and other organisations to develop voluntary sustainability covenants with the Environment Protection Authority. These voluntary covenants will identify the means by which the provision of their goods and services will have a reduced environmental impact. These means will also deliver increased profitability and ensure long-term sustainability.

The voluntary covenants are innovative and unique. They give statutory backing to industry leaders willing to grasp the opportunities the sustainability agenda presents. These industry leaders will derive certainty and credibility from entering into a covenant. The legislative status of the voluntary covenants provides a strong signal to industry that the Bracks government is willing to foster leadership through partnership approaches.

Since the Premier announced our intention to introduce sustainability covenants in early April, many industry leaders have expressed their keen interest in developing voluntary covenants. The enthusiasm with which industry leaders have embraced the voluntary covenant model is proof of the visionary nature of the covenant system.

The Bracks government is determined to support industry innovation. Innovation will deliver sustainable outcomes. The voluntary sustainability covenants will empower progressive industries to choose their own pathways to a sustainable future.

To ensure that progressive companies suffer no short-term disadvantage from entering into a voluntary sustainability covenant, the bill provides a regulatory underpinning. The Governor in Council may declare an industry as having the potential for significant environmental impact.

The bill builds in strong consultation mechanisms prior to a declaration proceeding. Companies within the industry and other interested stakeholders will be able to comment on the proposed declaration. This will ensure community and industry experience and knowledge will be factored into the decision-making process.

Once an industry has been declared, companies that are not already members of a voluntary sustainability covenant may be required by notice from EPA to publish a statement of ecological impact assessing their impact on the environment. If this statement demonstrates that the impact is significant, the company may then be required by EPA to examine alternatives to reduce those impacts and other key actions. This two-step notice process enables EPA to only require actions from companies with a demonstrated significant impact on the environment.

While regulatory underpinning is essential, this component of the bill is designed to encourage voluntary approaches through sustainability covenants. This will enable industries to set the pace and the nature of their own environmental management agenda without the need for extensive regulatory action.

The combination of a voluntary covenant with regulatory underpinning is modelled on the accepted national packaging covenant, which currently has around 500 signatories.

The second component of this bill will modernise and strengthen Victoria's institutional arrangements for waste management planning.

This bill recognises that our waste management practices and needs have become increasingly sophisticated and that disposal is now clearly identified as the least desirable option. It implements government commitments to strengthen regional waste management and will enhance current programs which emphasise waste avoidance and minimisation, reuse and recycling in preference to disposal.

The changes this bill introduces are the product of extensive consultation. In October 2000, the government convened a panel chaired by Ms Cheryl Batagol to review and report on the adequacy of legislative and administrative arrangements of regional waste management groups, in regard to their direction and management, planning, operations, resourcing and accountability. In reaching its recommendations, the panel consulted widely with interested stakeholders. Following release of the panel's report, the government directed that a round of further targeted consultation be undertaken.

This bill responds to both the panel's report and the outcomes of this further consultation with key stakeholders, particularly local government. It provides the legislative basis for the government's vision for waste planning and management in Victoria.

This bill clarifies the roles and responsibilities of the various players in waste management planning, specifically, regional waste management groups, Ecorecycle Victoria and the EPA.

Regional waste management groups and their member councils have produced significant results in reducing municipal waste over the past few years. The government has recognised that these groups, together with their member councils, should remain the key agencies for planning and managing municipal waste.

One of the key thrusts of the panel's report was that we need to accelerate programs for the reduction in commercial and industrial waste, and establish clearer mechanisms to better engage the community, including generators of this waste, in the planning process. Ecorecycle Victoria has the appropriate skills and expertise to take the lead in planning for commercial and industrial waste streams. This bill provides Ecorecycle Victoria with the statutory responsibility for commercial and industrial waste planning.

The bill also provides EPA with the ability to recommend to the Governor in Council waste management policy. This complements existing arrangements and ensures a comprehensive framework of statutory policy can be maintained and strengthened, from which Ecorecycle Victoria's solid industrial waste management planning and the groups' municipal waste management planning will flow.

In addition to clarifying roles and responsibilities, this bill will strengthen governance and accountability mechanisms for waste management bodies. The potential for conflict between the groups' primary planning role and commercial waste management activities will be removed. Requirements around financial management and employment of staff by groups will be clarified. The failure to disclose a direct pecuniary interest will be a ground for removal of office for members of Ecorecycle Victoria. Business planning requirements for groups and Ecorecycle Victoria will be enhanced.

In making its recommendations to government, the panel also addressed the planning process, identifying a need for all sectors of the community to be engaged in the development, amendment and review of statutory waste management plans. Engagement of the community is something that this government values highly, and this bill will introduce statutory consultation requirements for plans produced by Ecorecycle Victoria and regional waste management groups. The bill also tightens compliance with plans by ensuring that both public — —

Hon. P. R. Hall — On a point of order, Mr Acting President, I wish to inquire of the minister whether this is a second-reading speech applying to the bill that was first introduced into the Legislative Assembly. Those who followed the debate would realise significant amendments were made to the bill in that chamber. We are now on page 9 of the second-reading speech and not one word has been changed of the speech delivered in the Legislative Assembly when the bill was introduced.

I have not checked the rest of the pages, but I seek an assurance from the minister, in trying to assist her and perhaps save the house some time, that the second-reading speech she is reading has been revised to reflect the significant amendments made to the bill when it was introduced in the Legislative Assembly.

Hon. C. C. BROAD — In response I am advised that that is the case. We are on page 9 and the speech continues to page 15.

Hon. P. R. Hall — The speech first introduced in the Legislative Assembly has exactly 15 pages. So far to page 9 there is not one word of difference. A major area of sustainability covenants, which is a major section of the bill, has just been covered. Significant amendments were moved by both the government and the opposition, yet those amendments are not reflected in the second-reading speech. I am far from satisfied that this second-reading speech reflects the contents of the bill before the chamber at the moment.

Hon. C. C. BROAD — I have already responded that my advice is that it does.

The ACTING PRESIDENT (Hon. G. B. Ashman) — Order! Continue with the second-reading speech.

Hon. C. C. BROAD — The bill also tightens compliance with plans by ensuring that both public and private sectors are bound by plans — —

Hon. K. M. Smith — On a point of order, Mr Acting President, a certain degree of concern is being expressed by the Leader of the National Party that this may well be the wrong second-reading speech. It would not be the first time that has occurred, and if the minister now continues it may well be a waste of time. It may be that the minister could reflect tonight on whether the second-reading speech she is reading is the correct one and in the morning she would be able to assure the chamber that it is and finish reading it. If it is the incorrect speech the minister could bring the new one into the house. That would probably be a good way to address the problem.

Hon. C. C. BROAD — I am not sure whether that is a point of order or what it is. As I have already indicated, the advice provided to me is that this is the correct speech and I intend to continue.

The ACTING PRESIDENT (Hon. G. B. Ashman) — Order! There is no point of order. What is being raised at the moment is possibly a matter for debate during the second-reading debate. The minister, to continue.

Hon. C. C. BROAD — The bill also tightens compliance with plans by ensuring that both public and private sectors are bound by plans and enables EPA to refuse applications for works approval that are not provided for, or are inconsistent with, approved plans.

As I have made clear, this bill implements the government's vision for reducing waste and making Victoria a centre for the sustainable industries of the future. Innovation needs direct support. This government will make sure that funds are available to those with key roles in the search for better ways of reducing our waste and delivering sustainable outcomes. Local government and industry will be the major beneficiaries.

This bill will achieve this by progressively increasing Victoria's landfill levies over a five-year period. This is a move which is fully in line with the conclusions of the Batagol panel and with the case put forward by a number of key bodies, including the Victorian Local Governance Association.

Landfill levies serve two purposes. Firstly, they provide sufficient funding to enable the establishment of education programs and waste management infrastructure (such as recycling facilities and transfer stations), they provide funding of regional waste management groups, and assist in funding EPA's enforcement program on waste and its cleaner production programs. Secondly, having a levy on disposal to landfill provides a signal that encourages waste minimisation and the promotion of alternatives to landfill.

The increases this bill will introduce will generate additional moneys to sufficiently fund activities undertaken by regional waste management groups, support Ecorecycle Victoria's expanded role and accelerate programs to assist all sectors of the community, especially industry and local government, to reduce waste and improve resource use efficiency.

These increases will also assist in preventing low landfill disposal costs from sending the wrong signals. Low landfill disposal costs undermine efforts to

improve standards of landfill operation, encourage poor practices and consequent loss of local amenity, fail to meet the community's expectations for reducing reliance on landfills and stifle industry innovation. The progressive increases for all landfill levies in Victoria over a five-year period will send a clear signal to industry, focusing waste generators' attention on the need to plan for and implement cost-saving measures to minimise their waste. By staggering the increases over this period, we give generators the opportunity to implement desired changes in a planned and orderly manner. Very importantly, the levy increases also send a signal to the environmental technology industry that the state's pricing regime will now provide appropriate incentives for waste reduction alternatives to compete on their economic, environmental and social merits.

To support changes to landfill levies, administrative arrangements will be enhanced and distribution of levy moneys altered.

The use of landfill levy funds for supporting waste management bodies, particularly local councils, has been fundamental to the major improvements which have been made to waste management infrastructure in Victoria over the past 10 years. However, despite these considerable gains, Victoria still faces major challenges in waste management. Using the levy money to fund the strengthened institutional arrangements outlined earlier and to expand programs to assist industry to apply innovative approaches to waste reduction is critical, as is the expansion of assistance to regional groups and councils to improve infrastructure and promote waste avoidance, reuse and recycling. Levy moneys raised will continue to be channelled to Ecorecycle Victoria, regional waste management groups and EPA to achieve these ends.

Regulations will therefore be developed which will distribute municipal and industrial landfill levies back to regional waste management groups, Ecorecycle Victoria and the EPA. It has been agreed that the proposed distribution will provide sufficient funding to ensure that these bodies are able to undertake their statutory functions under the Environment Protection Act 1970. Hazardous waste levies will continue to flow to EPA Victoria to assist industry with cleaner production programs.

The bill also establishes a sustainability fund to ensure that a portion of levy moneys is made available for projects and initiatives that will foster the environmentally sustainable use of our resources and best practices in waste management, thereby advancing the social and economic development of Victoria. Establishing this fund is essential to build the capacity of small business, local government and the broader community to pursue environmental improvement and resource use efficiency through the development and implementation of innovative environmental initiatives.

The government is committed to ensuring that the broader community is engaged in the distribution of fund moneys. The public will be able to make submissions regarding the environmental issues they consider to be priorities for Victoria to an advisory committee, which will be established following passage of the bill. The advisory committee will consist of representatives from industry, the environment movement and local and state governments. The advisory committee will assist the government in identifying the environmental priorities for allocations of fund moneys on an annual basis.

This bill will also integrate the Litter Act into the Environment Protection Act**.** Litter is one of the most visible and frequently encountered signs of pollution in the community. In addition to its visual effect on the environment, litter also poses potential threats to wildlife and human health. Victorians have made it abundantly clear they will no longer tolerate litter.

Integrating litter provisions into Victoria's primary overall environment protection legislation is an important step to ensure that litter is not perceived as a trivial or minor environmental problem. In addition, the bill ensures that important principles such as product stewardship are explicitly applied in the context of litter. It establishes a new offence which will ensure that those who commission the production of documents take reasonable steps to ensure those documents do not become litter.

This bill responds to stakeholder views, in particular, the views of local government. A review conducted by EPA last year found that legislative amendments would improve the ability of councils to enforce litter offences. The bill provides these necessary amendments. Other new offences which respond to recommendations arising from the litter review include a specific offence prohibiting bill posting without consent and the delivery of unwanted advertising material.

The bill increases penalties for litter offences to ensure that there is adequate funding for litter enforcement programs. The new penalties better reflect the seriousness with which the community views the nature of littering and bring Victoria into line with other Australian jurisdictions.

Finally, the bill provides for a couple of housekeeping amendments to remove minor inconsistencies and anomalies to improve the operation of the act.

This bill demonstrates the Bracks government's genuine commitment to protecting our precious environment.

The bill is also an excellent example of how this government is practically implementing its triple-bottom-line agenda.

Economically, it will foster industry innovation.

Socially, it will create new job opportunities and support local communities.

Environmentally, it will reduce waste and generate greater resource-use efficiency.

This bill truly grows Victoria together.

I commend this bill to the house.

Debate adjourned on motion of Hon. ANDREA COOTE (Monash).

Debate adjourned until later this day.

UPPER YARRA VALLEY AND DANDENONG RANGES REGIONAL STRATEGY PLAN

Amendment no. 114

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

> That pursuant to section 46D(1)(c) of the Planning and Environment Act 1987, amendment no. 114 to the Upper Yarra Valley and Dandenong Ranges Regional Strategy Plan be approved.

Amendment 114 was exhibited by notice being given to adjoining and nearby landowners, a notice in the local newspaper and in the *Government Gazette*. The exhibition was concurrent with the exhibition of amendment C20 to the Yarra Ranges Planning Scheme. No objecting submissions were received.

The site is in an area that is used primarily for residential purposes, with most lots being of a similar size to or smaller than the lots proposed to be created through this amendment.

The land contains a number of mature trees and a lower storey garden. As the amendment does not propose any development, there will be no impact on the vegetation of the site or on the environment in general.

The amendment will not have any adverse impact on the environmental qualities that the regional strategy plan is seeking to protect, as the site is in an area that is primarily residential in nature, with lots of a similar size as those to be created.

The amendment recognises the existing level of development on the land and will not lead to destruction of native vegetation or additional development.

Hon. G. R. CRAIGE (Central Highlands) — At the outset let me indicate that the opposition supports amendment 114 to the Upper Yarra Valley and Dandenong Ranges regional strategy plan. I also inform the chamber that in 1996 the Kennett government introduced legislation to protect and support this significant area of Victoria — both the Dandenong Ranges and the Upper Yarra Valley.

The Yarra Valley and Dandenong Ranges are clearly in the minds of all Victorians and Australians significant areas of Victoria, whether they be areas which we wish to live in, to farm or merely to visit. They are significant in respect of land use management and planning. It is vital simply to preserve the agriculturally sensitive areas of the valley and importantly to ensure that we preserve the ongoing livelihood of tourism within the valley and the Dandenong Ranges. It is a diverse land-use area, whether it be for dwellings, cattle, vineyards, restaurants, accommodation, national parks or old growth forests.

I have had the pleasure to represent this area of the Yarra Valley since 1988 and also the Dandenong Ranges in my early time before I lost that area in a redistribution. I believe we should recognise and record the importance of the late Honourable Bill Borthwick's contribution to the preservation of the Dandenong Ranges, and history will certainly indicate that it was the Honourable Jeff Kennett who has preserved the Yarra Valley in its current position for future generations in Victoria.

Today a process is in place in which these amendments come before both houses. They do so in a clear and open process — one which has been criticised in previous times by the Labor Party when it was in opposition in the other place.

This is a good process. It is an open process. It is a process we should all be proud of. It is with pleasure on behalf of the people in the Yarra Valley and

Dandenong Ranges that we in the Liberal Party support amendment 114.

Hon. E. J. POWELL (North Eastern) — The National Party does not oppose amendment 114 to the Upper Yarra Valley and Dandenong Ranges regional strategy plan.

The Minister for Planning wrote to me on 6 May advising me as the National Party spokesperson for planning that she had approved this amendment in accordance with section 46D of the Planning and Environment Act 1987. This amendment has now been put before this house for approval. As the Honourable Geoff Craige said, that is the appropriate process.

The minister stated that the amendment is necessary to allow for amendment to the Yarra Ranges planning scheme. The amendment is to allow for land at 52 Bartley Road, Belgrave South, to be subdivided into two allotments. The former use of the land was as a church convention centre and school camp. There are has three dwellings on the land. It was formerly owned by the Sherbrooke Christian Centre.

This submission recognises the existing three dwellings and will not result in any additional development or impact in any way on the environment. If any development is to go on the allotments, then the appropriate permits will be required.

The Shire of Yarra Ranges has prepared and exhibited amendment C20 to the Yarra Ranges planning scheme to facilitate this subdivision. There were no objections received when the amendment was exhibited, which was at the same time as amendment 114 was exhibited and also received no objections. The amendment applies to 9000 square metres of land located on the southern side of Bartley Road on the corner of Lockwood Road, Belgrave South.

The amendment was requested by the owner of the land, Mr A. Van der Linden, to recognise the established residential development and the use of the site. The subdivision would remove any possibility that the land might revert to its previous more intensive use as a church convention centre and school camp.

The site falls within the Landscape Living 1 Policy area under the Dandenong Ranges regional strategy plan, which allows for a maximum density of one lot per 2 hectares to maintain and enhance the special landscape characteristics and low density residential provision that the Honourable Geoff Craige spoke about.

This amendment is required to allow for an exemption to the subdivision provisions of this policy area with a site-specific provision that a two-lot subdivision will be permitted. The National Party believes the appropriate process has been followed, and it does not oppose the motion.

Motion agreed to.

ADJOURNMENT

Hon. C. C. BROAD (Minister for Energy and Resources) — I move:

That the house do now adjourn.

Fishing: purse seine licence

Hon. P. R. HALL (Gippsland) — I raise a matter for the Minister for Energy and Resources concerning a purse seine ocean fishery access licence on behalf of my constituents, Mrs Carol Hobson and Mr Win Hobson. I also raised this matter in correspondence with the minister on 11 February and received a response on 25 March, for which I thank the minister. However, the outcome of those inquiries was not that desired by Mr and Mrs Hobson.

The minister indicated in her response to me that an opinion was sought from the Victorian Government Solicitor on this matter. A similar response was forwarded by the minister recently to Mr and Mrs Hobson, who have come back to me. They would like to know, firstly, what information was provided to the Victorian Government Solicitor on their particular case; and secondly, what was the advice received by the Victorian Government Solicitor as indicated in the minister's response.

I would be grateful if the Minister for Energy and Resources would provide me with copies of both the brief provided to the Victorian Government Solicitor and the response, so that in turn I can pass that back on to my constituents.

Beaconsfield: community centre

Hon. G. K. RICH-PHILLIPS (Eumemmerring) — I raise for the attention of the Premier a matter that relates to the Beaconsfield community centre. Beaconsfield is one of the townships in the Shire of Cardinia, which for the last 25 years has been waiting for the construction of a community facility such as a town hall or meeting venue, and the current iteration of that is the Beaconsfield community centre. The Beaconsfield community has wanted this project for a

very long time. The Beaconsfield Progress Association lobbied very hard for it under its previous president, Joy Bishop, and under its current president, Angela McPhee, and finally it appears that Cardinia shire is coming to the party with a plan for a Beaconsfield community centre.

It is very important that this facility be provided, because although Beaconsfield currently has a population of around 1200 people it is expected in the next six to eight years to grow to around 6500 people. It will be a major centre within Cardinia shire and it is appropriate that it have suitable community facilities. The council is now putting together a plan to develop a Beaconsfield community centre. In order to complete this it will require funding from the Community Support Fund. I take this opportunity to seek the Premier's support for community support funding for the Beaconsfield community centre when that application is made by Cardinia shire.

Seniors: travel concessions

Hon. E. J. POWELL (North Eastern) — I raise an issue with the minister responsible for aged care in another place, the Minister for Senior Victorians, concerning travel concession grants for Seniors Card holders.

I have received a letter from Mr Keith Wall of Shepparton about the lack of information provided by the Victorian government and the media regarding any action taken on the grant of approximately $25.5 million which was provided in the last federal budget to the states for Seniors Card holders travel concessions. Mr Wall states that he understands that the grant was made to overcome the discrepancies in concessions available to seniors as they travel from state to state and right across this state. Now they are saying that this is a very generous grant and that it would apply to all seniors who travel.

Many seniors have raised with me the issue of the discrepancies between different states: some concessions that are allowed in Victoria are not allowed in New South Wales and so forth. It is very confusing for seniors who travel — and many seniors travel right across Australia — that they do not have the same travel concessions. Their concern is that the federal government has made available the $25.5 million, and that perhaps Victoria has not taken up that assistance yet.

Mr Wall is just saying that it is disappointing not having any reports about the action proposed to be taken to implement this great scheme to assist hundreds of thousands of Australian seniors, especially those in Victoria. Mr Wall is also a member of the Goulburn Valley Association of Independent Retirees, which assisted me very successfully in lobbying the government to get two extra days a week of concessions for country Victorians. So I ask the minister: when will those reciprocal rights for seniors travelling across Australia be implemented?

Freeza program

Hon. KAYE DARVENIZA (Melbourne West) — I raise an issue with the Minister for Youth Affairs, but firstly I would like to congratulate the government on delivering for young people in the last budget. I was particularly pleased to see that the Freeza program budget was doubled compared to what it received under the previous government. For the first time Freeza has been given funding on a recurrent basis.

There are currently three Freeza programs within Melbourne West, my electorate, and they operate through the City of Hobsons Bay, the City of Maribyrnong and the City of Wyndham. These providers have successfully staged 22 events for young people last year. Given that the current Freeza grants expire at the end of this month, I seek assurance from the minister that the new round of grants will be announced in time for events to be planned for early in the next financial year.

As the Freeza providers in Melbourne West have been very successful in the organising and staging of events, I also ask the minister what steps have been put in place to ensure that Freeza providers such as the three councils in Melbourne West will be able to continue to provide successful and high-quality events for young people in my electorate.

Housing: outer east

Hon. W. I. SMITH (Silvan) — I raise a matter for the Minister for Housing in another place. It is in regard to public housing — or the lack of public housing — in the outer east.

The public housing waiting list has increased dramatically in the last two years since the Labor government has been in — in fact there has been a 15.5 per cent increase in the number of people waiting for housing in less than two years. Nothing is more poignant or pertinent than the case of the family who came to my electorate office last Friday. They had been on a waiting list for four years and are on the emergency zone 3, which means they will wait another two years. The mother died recently, and the daughter

is in hospital. She just had emergency surgery and the hospital was actually feeding and housing the father — a bed was put up in the hospital. There was a crisis going on.

There is no doubt in the outer east there is a significant problem. Wesley Crisis Centre is having an enormous problem finding emergency housing, or any type of housing, and it is putting people up in motels and caravan parks at the moment. Part of the reason for this is the high cost of housing and the lack of investment properties and, therefore, the lack of rental properties. A very worrying trend is starting in public housing — in Wesley in particular, in the outer east — where young parents with young children are now having problems with public housing.

Labor has obviously walked away from its commitment to look after the people it says it cares about and is supposed to be there to look after, but with the massive public housing waiting list blow-out, I call upon the government to urgently start providing public housing in the outer east to families who need it.

An Honourable Member — What did you do about it?

Hon. W. I. SMITH — Well, we did not have the waiting list you've got!

Mildura West Primary School

Hon. B. W. BISHOP (North Western) — I raise a matter for the attention of the Minister for Education and Training in the other place. Last Friday I had the pleasure of presenting Student Representative Council badges at the Mildura West Primary School. It is a wonderful school with a proud history, and this weekend it will celebrate 80 years of operation. There were a large number of parents at the student representative council presentation, which typifies the parental support in a school which has also been a real leader in issues such as the environment — an excellent example being the schools project on Lock Island, where in cooperation with the Mallee catchment management authority there is now an informative, signed nature walk, which is a credit to all concerned.

Mildura West Primary School has 510 students with many more wanting to enrol but they cannot due to conditions which I will now explain. The Mildura West Primary School has the second smallest site in Sunraysia with an area of 1.107 hectares. The Schools of the Future reference guide recommends that schools of 400 students or more should have a minimum of 3.5 hectares, so this school is a long way off the mark. While some of the buildings are relatively modern — that is, the administration area, the library and some classrooms — 10 out of the school's 21 classrooms are relocatables. Some of the teaching facilities are in quite unsatisfactory converted shelter sheds. The toilets are an absolute disgrace and should have been replaced some time ago.

The school community is rightly concerned about the poor provision of both facilities and the available area at the school. In an effort to assist with the overcrowding of the playground space the school runs staggered recess and lunch times which, while helping with one problem, immediately creates another of staff losing contact with one another and there being no interaction between older and younger students. The school believes it will have an ongoing enrolment requirement which is estimated to increase from 510 this year to 536 students next year. That increase would entitle the school to another classroom for which it has no space.

The school council has put forward a seven-point possible solutions plan that includes building a new school, building an additional school, or making an immediate reduction in their catchment area. Can the minister advise when work will begin to alleviate the difficulties being experienced by the Mildura West Primary School?

Clyde Road, Berwick: traffic control

Hon. N. B. LUCAS (Eumemmerring) — I refer the Minister for Transport in the other place to an issue I referred to him in April this year about Clyde Road where it crosses the Gippsland railway line at Berwick. This road is one of the two or three major north–south routes in the fastest growing area in Victoria. It services the Berwick township and heads into a very fast-growing residential area.

In April I asked the minister to advise me when an appropriate crossing would be made where Clyde Road crosses the Gippsland railway. I now have a response from him which suggests that:

> … this section of Clyde Road is not identified for improvement in the time frame of the study.

The suggested works are up to the year 2011, which seems to be just too far into the future for this important infrastructure. As each day passes more residents move into this area. Every week 80 new residences are occupied by families, each of whom end up with one or two cars. So the traffic is growing exponentially on this road and it is time for an underpass.

Will the minister give further consideration to the obvious need for a railway underpass at the Clyde Road crossing of the Gippsland railway at Berwick with a view to constructing this important piece of infrastructure well prior to the year 2011?

Fitzsimons Lane, Templestowe: safety

Hon. C. A. FURLETTI (Templestowe) — I refer the Minister for Transport in the other place to a request on behalf of a number of constituents of the Templestowe Retirement Village, which is located at 29 Fitzsimons Lane in Templestowe. The residents of course are elderly, it being a retirement village. Honourable members who know the area would appreciate that at the intersection of Fitzsimons Lane and Porter Street there is a substantial roundabout which is really the hub that takes traffic from the major part of my electorate to Templestowe in the east, Doncaster in the south, Bulleen in the west, and Eltham in the north.

It is a very, very busy intersection. The concern of the elderly people who live in the Templestowe Retirement Village is their inability to cross Fitzsimons Lane to access Westerfolds Park, which is one of the most magnificent parks in Melbourne.

The residents have presented a petition with 200 signatures to my colleague the honourable member for Bulleen in the other place, who has made representations on their behalf. They have also written a lot of correspondence and made representations to the council and to Vicroads, and having been unsuccessful in their efforts thus far they have now requested that I raise the matter directly with the minister.

I would be grateful if the Minister for Energy and Resources could make it known to the Minister for Transport in the other place that if the traffic lights that are currently near the roundabout at the intersection of Fitzsimons Lane and Porter Street were moved further north and closer to the Templestowe Retirement Village it would be of great benefit to the residents.

BHP Steel: industrial dispute

Hon. B. C. BOARDMAN (Chelsea) — The Minister for Industrial Relations in the other place would no doubt be aware of and be closely monitoring the issues surrounding 280 maintenance workers who have been on strike at BHP Steel Ltd's Western Port plant since 21 May. Although I base the matter I raise on that statement, it is quite disturbing to me, to other members of the opposition and to members of the greater Victorian community that the Minister for Industrial Relations, the Minister for Manufacturing Industry and the Premier have been totally and utterly silent on this particular crisis.

This strike action, which has been ruled illegal by the Australian Industrial Relations Commission, has the potential to totally and utterly cripple the Victorian car industry. It has resulted in BHP Steel taking the dramatic action — which is costing it tens of thousands of dollars a day — of using helicopters to airlift goods in and out of the steel works at Hastings to try to keep Victoria's automotive industry afloat. What is devastating about this situation is that BHP Steel is now looking at other alternatives that may result in a confrontation occurring at the Hastings site which is totally and utterly avoidable. The state government should take action and intervene.

Given that neither the Minister for Industrial Relations nor any other representative of the government has made any public comment on this subject, the time has come for the government to take decisive action and outline which side of the dispute it supports. Does the government support its union friends in the Electrical Trades Union and also the Australian Manufacturing Workers Union who persist in illegal strike activity at the Hastings site or does it take the side of the fair, committed and dedicated workers in the Victorian automotive industry and consumers of the Victorian automotive industries who deserve intervention and protection from the state government over this illegal strike activity?

The time has come for the government to show which side it is on and to outline to the people of Victoria whom it will support in this devastating strike action.

Maffra Secondary College

Hon. PHILIP DAVIS (Gippsland) — I raise for the attention of the Minister for Education Services an issue relating to the Maffra Secondary College. It appears that the Gippsland regional facilities manager has reneged on a commitment made for the redevelopment of the school campus. As part of a five-stage redevelopment program, the building of several new buildings was to be followed by the current technology wing being refurbished and used as an arts facility and general purpose classrooms, which would have displaced currently used relocatable classrooms.

On the basis of recent verbal advice it appears that the funding that was committed to achieve successive stages of development over a period of time will not be forthcoming and that as a result the project will now be incomplete with the technology wing left as a shell,

causing safety concerns. The completion of the program would have made a lot of economic sense, and its failure will restrict the ability of the school to function properly.

Because the school is quite prepared to be flexible about arrangements for the redevelopment program, including changing the use of some funds that would have been allocated to providing staff parking facilities, the school requires early advice from the regional facilities manager about changing the allocation of resources so that the program, including the new technology wing, can be proceeded with forthwith. However there is some problem within the department about giving the school that appropriate advice.

I therefore seek the minister's intervention to direct the regional office to give the Maffra Secondary College council a clear direction as to the reallocation of resources for that refurbishment program.

Land tax: non-income-producing assets

Hon. R. H. BOWDEN (South Eastern) — I seek the assistance of the Treasurer through the minister this evening, the Minister for Energy and Resources. I wish to bring to his attention an anomaly in the impost of land tax on what is clearly non-income-producing property. This is a concern of several constituents of mine and many constituents in other parts of Victoria, particularly the South Eastern Province.

Many of the non-income-producing properties that are subject to heavy land tax have been in the ownership portfolio of families for many generations. With the recent rapid rise in income from and sales of these properties the values as recorded have caused very rapid increases in the land tax payable because of market changes over the past two or three years. As a matter of fact the imposition of present land tax scales are almost at confiscation levels.

I seek leave to incorporate into *Hansard* table A, which is a schedule provided by seven constituents showing the changes in land tax charges between the years 2000 and 2002.

Leave granted: see table A page 1823.

Hon. R. H. BOWDEN — It is often not possible for owners of the properties to simply sell the principal private residence which is exempt from land tax because it may be owned in complicated ways through legal reasons or corporate or company reasons. It is often simply not possible to sell the principal private residence to obtain relief in this situation. Many of these properties are affected by National Trust and heritage listing restrictions and there are no financial tax considerations or relief available when that is so.

I also seek leave to incorporate table B, showing the current scale of tax rates.

Leave granted: see table B page 1823.

Hon. R. H. BOWDEN — These scales are an imposition on the owners of these properties and they are causing great hardship in some instances. The question is: will the state government, through the Treasurer, promptly review this anomaly in the interests of governing fairly for all Victorians, especially since this issue is directly related to the protection of personal property and non-income-producing assets?

Traralgon Racing Club

Hon. I. J. COVER (Geelong) — I have a matter I wish conveyed to the Minister for Racing in the other place concerning the Traralgon Racing Club. Last week, following a recommendation from Country Racing Victoria, the Racing Victoria Ltd board resolved under the rules of racing to revoke the registration of the Traralgon Racing Club. That will result in the cancellation of the club's racing licence.

This goes to the very heart of a matter often espoused by the Minister for Racing and by the government of its support not only for country racing but for rural and regional Victoria. A quick glance at the minister's web site shows among a range of press releases issued over the last couple of years such things as a press release of Saturday, 21 October 2000, when the minister talked about his commitment to supporting country race meetings:

> These events allow for the kind of grassroots community involvement that the big city events just can't match.

On 16 November last year the minister talked about visiting Traralgon for the cup meeting held on that day. Whilst he was there the minister opened a new safe playground area which was funded in part by the Bracks government. it contributed more than $15 000 to that playground at the Traralgon Racing Club which is now under threat of discontinuation.

In his press release the minister said that besides boosting regional economies country racing also:

> … adds wonderful vibrancy and identity to many rural communities …
>
> Up until now, these invaluable community enterprises haven't been adequately supported. But the Bracks government is turning that around —

It was doing this last year —

> … we want to secure the long-term viability of country racing.

To ensure the long-term viability of the Traralgon Racing Club and racing at that particular venue, it is important to call on the minister to show his commitment to racing at Traralgon.

The minister has issued a press release calling on the Traralgon community to back thoroughbred racing at Glenview Park in the forthcoming racing season.

It is important that the minister does not just call on it but also actually supports the community to back racing at Traralgon. He should be taking a leadership role. In his press release of 30 May the minister states that the government:

> … is committed to the success of country racing and is determined that racing should continue wherever there is a willing local community.

Some 700 of a 'willing local community' turned out last week to a public meeting chaired by Cr Peter Tyler. That is a clear indication of a willing local community. I understand the minister was not in attendance, nor was the local member, the Minister for Agriculture in the other place, but then again Parliament was sitting, although they could have organised to be represented at that meeting. I note that the Leader of the National Party, the Honourable Peter Hall, was in attendance.

What assistance will the minister provide to see that racing continues at Traralgon in line with the previous experience? I seek an assurance that the minister will not close that racetrack or, for that matter, any other racing club in country Victoria.

Government: advertising

Hon. D. McL. DAVIS (East Yarra) — The matter I ask the Minister for Energy and Resources to refer to the Premier in the other place concerns the report on public sector agencies that the Auditor-General released recently and that was tabled in this house. It concerns in particular the political advertising to which the Auditor-General drew close attention. There have been a number of references to the Auditor-General by members of the opposition about concerns regarding particular publications.

It is fair to say that the Auditor-General was clear. He talked about, for example, the *Peoplefocus* magazine. I quote from page 309 of his report, where he states:

> We considered that the quotes in the referred articles, examples of which appeared earlier in this report, were party political and, therefore, an inappropriate use of public moneys.

The Auditor-General refers to the use of other publications where is found the use of the term 'the Bracks government is'.

The issue of concern relates to the periodicals *Multicultural Victoria*, on which $22 227 was spent in 2000–01, and to the *Peoplefocus* magazine, on which $145 750 was spent in publications for 2000–01. Also, the cost of *Parent Link* was $189 842 for only six months; had it been published over a year that amount would have been doubled.

Words used included 'Bracks Labor government', 'the Bracks budget' and 'the Bracks government'; the Auditor-General dubbed those phrases or words as party political and believed they were undesirable.

The publication *Education Times* had an expenditure of $767 000 over the year, of which the words used in only two publications were regarded as party political. The Auditor-General also examined the publication *Seniors Festival Booklets* and discovered they were party political, with the use of phrases such as 'the Bracks government'. The expenditure on that publication for 2001–02 was $114 972.

That totals over $660 000 in periodical publications by the Bracks government that the Auditor-General has tagged as being clearly party political. If the cost of the *Education Times* were added to that, the total would be $1.6 million of annual expenditure on magazines and periodicals that have been dubbed party political.

In the Labor Party's *Integrity in Life* document published before the last election the then Leader of the Opposition, Mr Bracks, said:

> Labor will end the current government's practice of using taxpayers' money for disguised political advertising.

In fact, the government has done the opposite. It has spent more than $1.6 million or over $660 000 in a year on periodical publications.

Minister for Energy and Resources: chief of staff

Hon. BILL FORWOOD (Templestowe) — I wish to raise an issue with the Minister for Energy and Resources. Will the minister advise the house whether her chief of staff, Robyn McLeod, is employed directly by her or by the Premier?

Responses

Hon. C. C. BROAD (Minister for Energy and Resources) — The Honourable Peter Hall raised for my attention a matter concerning a constituent of his and sought access to certain legal advice. I propose to take that request on notice and seek advice about the matter of the release of legal advice and respond to him as quickly as possible.

The Honourable Gordon Rich-Phillips requested that the Premier give support to a forthcoming application to the Community Support Fund from the Beaconsfield Community Centre. I will refer that request to the Premier.

The Honourable Jeanette Powell requested advice from the Minister for Transport about reciprocal concessions to be provided across Australia for seniors in relation to travel concessions. I will refer that request to the minister.

The Honourable Kaye Darveniza requested information from the Minister for Youth Affairs in relation to the Freeza program. I will refer that request to the minister.

The Honourable Wendy Smith requested the Minister for Housing to increase the availability of emergency housing, particularly in the outer east of Melbourne. I will refer that request to the minister.

The Honourable Barry Bishop requested the Minister for Education and Training to advise when works will begin in relation to the Mildura West Primary School. I will refer that request to the minister.

The Honourable Neil Lucas requested the Minister for Transport to consider the provision of an underpass at the crossing of the Gippsland railway in Berwick at Clyde Road. I will refer that request to the minister.

The Honourable Carlo Furletti requested the Minister for Transport to consider moving traffic lights further north in relation to the concerns of the residents of the Templestowe Retirement Village about crossing Fitzsimons Lane. I will refer that request to the minister.

The Honourable Cameron Boardman made a statement about the BHP dispute at Hastings.

The Honourable Philip Davis requested — —

Hon. B. C. Boardman interjected.

Hon. C. C. BROAD — Refer what? It was a statement. There was no question.

Hon. B. C. Boardman — I asked you a question. Are you going to refer it?

Hon. C. C. BROAD — You did not ask for anything.

Hon. B. C. Boardman — Yes, I did. I asked you a question and I asked for a response from — —

Hon. C. C. BROAD — The Honourable Philip Davis requested the Minister for Education Services to provide advice re changed allocation in relation to funding of the Maffra Secondary College. I will refer that request to the minister.

Honourable members interjecting.

Hon. C. C. BROAD — There is another one yet!

Mr Philip Davis requested that the minister ensure that regional offices provide advice in relation to that matter. I will refer that request to the minister.

The Honourable Ron Bowden requested the Treasurer to review certain tax assessments relating to heritage properties. I will refer that request to the Treasurer.

The Honourable Ian Cover requested the Minister for Racing to provide assistance to the Traralgon Racing Club to secure its future. I will refer that request to the minister.

The Honourable David Davis also made a statement about the recent Auditor-General's report.

The Honourable Bill Forwood inquired into the employment of my chief of staff. Chiefs of staff and advisers are employed by the Premier.

Motion agreed to.

House adjourned 12.49 a.m. (Wednesday).

TABLE A

TABLE OF LAND TAX ANNUAL CHARGES
CERTAIN RESIDENTS SORRENTO/PORTSEA

Name	2000	2001	2002	% Increase 2000 to 2002
W	13146	23776	43000	227%
S	17970	29650	41380	130%
R	19000	22000	32000	69%
L	11810	21160	23305	97%
B	7960	16271	21930	175%
C	11810	21187	33880	187%
M	4410	9390	21930	397%

SOURCE: List of constituents obtained at meeting 9/6/2002 attended by member

TABLE B

Scale of tax rates

The following eight-point tax rate scale applies to the 2002 assessment year.

Total unimproved value	Tax rates in 2002		
0–$124,999	Nil		
$125,000–$199,999	$125	**plus**	0.1 cents for every $1 of the value that exceeds $125,000
$200,000–$539,999	$200	**plus**	0.2 cents for every $1 of the value that exceeds $200,000
$540,000–$674,999	$880	**plus**	0.5 cents for every $1 of the value that exceeds $540,000
$675,000–$809,999	$1,555	**plus**	1.0 cents for every $1 of the value that exceeds $675,000
$810,000–$1,079,999	$2,905	**plus**	1.75 cents for every $1 of the value that exceeds $810,000
$1,080,000–$1,619,999	$7,630	**plus**	2.75 cents for every $1 of the value that exceeds $1,080,000
$1,620,000–$2,699,999	$22,480	**plus**	3.0 cents for every $1 of the value that exceeds $1,620,000
$2,700,000 and over	$54,880	**plus**	5.0 cents for every $1 of the value that exceeds $2,700,000

SOURCE: State Revenue Office

http://www.sro.vic.gov.au/