

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

**LEGISLATIVE COUNCIL
FIFTY-SIXTH PARLIAMENT
FIRST SESSION**

Wednesday, 23 May 2007

(Extract from book 7)

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Minister for Health	The Hon. B. J. Pike, MP
Minister for Industry and State Development, Minister for Major Projects and Minister for Small Business	The Hon. T. C. Theophanous, MLC
Minister for Housing and Minister for Local Government	The Hon. R. W. Wynne, MP
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FIFTY-SIXTH PARLIAMENT — FIRST SESSION

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Leane, Mr Shaun Leo	Eastern Metropolitan	ALP	Vogels, Mr John Adrian	Western Victoria	LP

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Wednesday, 23 May 2007

The PRESIDENT (Hon. R. F. Smith) took the chair at 9:33 a.m. and read the prayer.

**APPROPRIATION (PARLIAMENT
2007/2008) BILL**

Introduction and first reading

Received from Assembly.

**Read first time on motion of Mr LENDERS
(Minister for Education).**

PAPERS

Laid on table by Clerk:

Auditor-General —

Report on Maintaining Victoria's Rail Infrastructure Assets, May 2007.

Report on State Investment in Major Events, May 2007.

MEMBERS STATEMENTS

Gippsland Lakes: entrance

Mr P. DAVIS (Eastern Victoria) — I again raise for the attention of the house the urgent and critical nature of the challenge facing the port of Lakes Entrance as a result of the east and west littoral drift which has caused significant accretion of sand both inside and outside the entrance to the Gippsland Lakes.

The consequence of this is depriving the fishing fleet of Lakes Entrance proper access to the port and is putting the economic future of Lakes Entrance in serious doubt because of the impact not just on the Lakes Entrance fishermen and the fishing cooperative but also on the navigation inside the lakes as a result of significant accretion of sand in both Reeves Channel and the Hopetoun Channel, which is seriously and adversely impacting the tourism navigation of the region.

I am concerned that today Barry Martin, a former chief executive officer of the Gippsland Port Authority, has come out publicly, having restrained himself for some months, to castigate the Gippsland Port Authority for its failure to implement the plans which have been in place for a number of years to ensure that this accretion was dealt with before it became a crisis for navigation.

Aboriginals: referendum anniversary

Mr BARBER (Northern Metropolitan) — I rise to briefly recognise and commemorate the 1967 referendum on Aborigines. Australian people voted overwhelmingly to rewrite the race power to the constitution so that Aboriginal people be treated in a fair, just and honourable way in this country. At least that has been the assumption for the last 40 years.

The race power was originally inserted into the Constitution to give the commonwealth the power to enable Parliament to discriminate against certain groups. At the time it was intended to be used to discriminate against China's people and South Sea Islanders in Australia in favour of the majority of white Australians.

Ironically, the Australian constitution did not allow the commonwealth to make federal laws about Aboriginal people. In 1967 it was put to the Australian people that the commonwealth should have the capacity to make and administer laws to address and advance the interests of Aboriginal people — that is, laws for their benefit.

As Mr Patrick Dodson noted 10 years ago on an earlier anniversary of this event, Aboriginal people's relationship to land is central to their culture. He said:

We are different. We do have a distinct and unique culture. Many Australians enjoy and appreciate the expression of our culture in art, dance and song. We simply want Australian political and legal institutions to accept and respect the rights of indigenous people to be the people that we are. But difference does not mean that we cannot coexist.

Aboriginals: referendum anniversary

Mr SCHEFFER (Eastern Victoria) — I would also like to acknowledge the 40th anniversary, next Sunday, 27 May, of the 1967 referendum, which empowered the commonwealth Parliament to legislate with respect to Aboriginal people throughout Australia. I pay tribute to the many men and women whose long campaign made this achievement possible.

Shamefully, it took white Australia 169 years after occupation and 67 years after federation to legally recognise Aboriginal people as citizens. The descendants of European occupiers did not volunteer this recognition; it was won through a long struggle and the leadership of great figures such as Faith Bandler, Charles Perkins, Kath Walker, Doug Nicholls, Pearl Gibbs, Jessie Street, Gordon Bryant and many others. Finally, over 90 per cent of Australian voters supported changing section 51 of the commonwealth constitution so that Aboriginal people could be counted in the

census and the commonwealth jurisdiction would be extended to them. In effect these changes gave Aboriginal people Australian citizenship rights.

The referendum had nothing to do with the right of Aboriginal people to vote — this had been legislated for commonwealth elections in 1962, and by 1965 Aboriginal people could vote in all Australian states. The referendum provided Aboriginal Australians with the protection of rights under the commonwealth constitution and access to commonwealth resources that were desperately needed to improve Aboriginal health, housing, education and land rights.

As Faith Bandler said, prior to the 1967 referendum an Aboriginal person could be relatively free in Victoria, have contact with their families restricted by the welfare board in New South Wales and be arbitrarily arrested in Queensland. The 1967 referendum — —

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

Murray–Darling Basin: federal plan

Mr DALLA-RIVA (Eastern Metropolitan) — I rise to make a plea to all governments and parties to come to a solution in terms of the national water plan. There is currently a lot of debate in the media about the federal government's \$10 billion water plan for the Murray–Darling Basin — and we see some of the replies coming back from the Premier today. From my perspective this raises concerns about the politics that surround the issue of water. Those who wish to have a look will see that every state and every capital city except Hobart has some form of water restrictions in place.

As we continue on a political process, the people of Australia are looking for leadership from both the Prime Minister and the premiers around the country to come to a solution. I call on the relevant water ministers, the premiers and the Prime Minister to move forward on this, because it is a crucial issue that we cannot continue to play politics with. It is an issue I wholly believe should be dealt with in a bipartisan manner rather than through the use of political point-scoring, which appears to be what is being done at the moment.

Health: Bendigo dialysis services

Mr DRUM (Northern Victoria) — I would like to raise an issue for the attention of the Minister for Health in the other place. There is a real crisis looming in Bendigo in relation to the availability of dialysis machines. There are now nine dialysis machines

available in Bendigo, all of which are operating at maximum capacity and have been since 2002, when the demand on them was from 32 patients. There has been a steady rise in the number of patients seeking these services, and the Bendigo and region kidney support group estimates that with between 10 and 12 patients waiting on the sidelines, there should be at least 13 dialysis machines in Bendigo — 4 more than the current number.

This lack of access is forcing patients to go on the 300 kilometre round trip to Melbourne to seek this service. It is five years since the last additional machine was brought into Bendigo, and the number of people needing dialysis has steadily increased by more than 56 per cent.

Research indicates that within five years there will be demand for 18 dialysis machines — that is, twice the number there now. It is an issue that needs to be addressed. Anybody who knows someone who has gone through regular dialysis knows it is a draining and taxing treatment, and care is needed. We need to have the facilities in our region; Bendigo should get additional dialysis machines.

Hamilton community house: extension

Ms TIERNEY (Western Victoria) — On 10 May I represented the Minister for Housing, who is also the Minister for Local Government and minister responsible for neighbourhood houses in the other place, in opening the extension of the Hamilton community house. It was a joyous event, attended by Mr Koch, a member for Western Victoria Region, Mr Delahunty, the member for Lowan in the other place, and many locals.

Many of us know the importance of neighbourhood houses in embedding a sense of community and translating that into something tangible and meaningful into a local community. In May last year the Department for Victorian Communities conducted a survey which highlighted a number of key factors within the electorate that I represent. In just one year the combined 27 neighbourhood houses in the Barwon South region supported 23 800 volunteer shifts, they were used by 236 200 participants and 30 560 people dropped in to them.

The neighbourhood houses are highly utilised places where people feel comfortable to be able to learn skills, volunteer their services, receive help, and gain referrals; and they provide a venue for regular and ad hoc social gatherings. None of us can underestimate of the worth of neighbourhood houses and the layers of positive and

social economic empowerment they provide each and every community. I wish Debra King, Beverly McCallum and all volunteers in Hamilton well in utilising their new space.

Children: leaving care mentoring program

Mrs PEULICH (South Eastern Metropolitan) — I would like to draw the attention of the house to correspondence that a number of members of Parliament representing the South Eastern Metropolitan Region and the corresponding lower house electorates received from the mentors involved in the XLR8 mentoring program run by Jesuit Social Services based in Dandenong. The program targets young offenders in parts of the eastern and southern metropolitan regions and attracts some recurrent funding from the department's child protection section for a small leaving care mentoring component.

The program will cease on 30 June 2007; that will be the end of a three-year pilot program. It has been reviewed, but unfortunately it appears that no further referrals have been taken since February, under instructions from the department, and the program is preparing to be wound up.

That seems regrettable. Having spoken to one of a number of the signatories, 50 per cent of whom are from the South Eastern Metropolitan Region, they have not been informed of the future of the program, nor how the need is going to be taken up by other services should they be in place if the program is discontinued. It would be most unfortunate if no such services were in place for young offenders as it targets 16 to 21-year-olds. I ask the Minister for Community Services to take up this matter, to see whether the review has been positive — and I understand it has been — and to investigate whether anything can be done to continue the funding, unless there are absolutely strong grounds not to do so.

Wangaratta performing arts centre: funding

Ms BROAD (Northern Victoria) — Today I wish to draw attention to the refusal of the federal government to contribute \$500 000 towards construction of the proposed new Wangaratta performing arts centre and to the lack of support for the proposed centre from the Victorian Liberal opposition and the local federal Liberal member of Parliament.

This is despite the efforts of the local community and the Wangaratta Rural City Council, as well as a commitment of \$4.5 million towards the project from the Bracks government. The Wangaratta community

has been working hard for many years for a much-needed new arts centre, and it is about time the Liberal Party supported the government's efforts and made a contribution.

Australian Broadcasting Corporation: funding

Mr FINN (Western Metropolitan) — I wish to raise a matter for the attention of the house this morning. It is a matter that I have long regarded as an obscene waste of Australian taxpayers money — that is, the Australian Broadcasting Corporation (ABC). For the benefit of Ms Lovell and some of my friends from the country, I will exclude regional services, because I think ABC regional services provide a very valuable service. But as for the rest of the ABC: I think we can well do without it.

The ABC has long ago outlived its usefulness. We saw last week the airing of the program *Bastard Boys*, which was blatant electioneering for the federal Labor Party in an election year. This costs billions of taxpayer dollars to support the Labor Party on an ongoing basis. The ABC has become nothing but a refuge for ALP candidates in waiting. I would name them all, but I have only got 90 seconds.

Honourable members interjecting.

Mr FINN — We do need more money for schools! It is interesting to hear members opposite getting very excited about this. We know the ABC is an icon of the Left; we know the ABC is a political tool of the Left, and it is not surprising that members opposite would jump to its defence. I can only say that we need more money for schools, hospitals, police and so many other services. We can do without the ABC; we could do with the money we could get from it.

Interchange Outer East: funding

Mr LEANE (Eastern Metropolitan) — With it recently having been National Volunteers Week I would like to commend the work of Interchange Outer East, which is a community based, not-for-profit organisation that provides support for families who have a child or a young person with a disability living in the outer eastern suburbs of Melbourne.

It was established in 1982 as a single respite care service for 15 families, and it now cares for over 700 families in the area. Some of the things it does include organising outings and camps and also working with children and young people who have disabilities. This gives important respite for their families and a break for their sole carers.

Interchange Outer East was happy to receive a grant from the Bracks government to set up another volunteer administration station at its office. I would also like to thank people in the electrical industry, who I asked to chip in a bit to this end. The Industry Training Board donated a defunct computer, and the Electrical Trades Union was happy to chip in a couple of thousand dollars to that end. Good on 'em!

Water: eastern suburbs

Mr TEE (Eastern Metropolitan) — I want to congratulate the eastern suburbs for leading Melbourne in delivering water savings. The eastern suburbs in my electorate make up 5 of the top 10 water savers in Melbourne. Households in the eastern suburbs have embraced the Bracks government initiatives and have saved the equivalent of 62 Olympic-sized swimming pools in water each year since 2003. This is a truly commendable effort and something that the communities in these areas should be very proud of.

This is a concrete example of what can happen when the government and the community work together. This success is a ringing endorsement of the government's Water Smart Gardens and Home Rebate Scheme, which has given households across Victoria the chance to make significant improvements in their household water use. The initiative allows Victorians to claim rebates on water-saving products like rainwater tanks and systems that re-use water.

While it is important to acknowledge their success, we all realise that more needs to be done, and I would urge all, particularly the critics, naysayers and climate sceptics opposite, to get on board with the community and the government to help make a difference.

Palliative care: initiative

Ms DARVENIZA (Northern Victoria) — I am very pleased to let members of this chamber know — and I am sure many of them do — that this is National Palliative Care Week. The aim of this week is to increase awareness of terminal illness and palliative care. The theme that has been chosen by Palliative Care Australia, not only for this week but also for a national initiative, is 'Make a difference ... to someone living with terminal illness'.

It is estimated that some 77 000 Australians will die this year from a terminal illness. Recent research shows that less than 20 per cent of Australians understand that palliative care involves support for families, carers and patients who are living with and preparing to die from a terminal illness.

The national initiative starts this week and will run through to World Hospice and Palliative Care Day, which is on 6 October this year. Terminal illness and death are a natural part of life's journey, and they touch us all in some way or another and at some time or another, and they are often taboo subjects for many people. It is terrific that Palliative Care Australia is looking at using this week and this initiative to make a difference to people's lives through science, through early identification of disease and through assessment and management of complex symptoms, loss, grief and bereavement.

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

OFFICE OF HOUSING: CONTRACTS

Ms LOVELL (Northern Victoria) — I move:

That this house expresses its concern at —

1. the continued failure of the Office of Housing to correctly follow the Victorian Government Purchasing Board's guidelines on procurement;
2. reports that improper political pressure was brought to bear on the Minister for Housing to award contracts for maintenance work to companies that have made substantial donations to the Australian Labor Party; and
3. the Office of Housing's reluctance to release data and information in a timely, open and transparent manner.

Why is it important that this motion be debated by the house today? This motion reflects concerns that have been growing for a number of years now about how the Office of Housing manages its maintenance contracts. These concerns go back to 2004 when the Auditor-General produced a report on maintaining public housing stock — I have here a copy of the report — which highlighted problems the Office of Housing has in meeting the rules laid out by the Victorian Government Purchasing Board.

Over the past week we have seen a number of further allegations being made about the letting of tenders by the Office of Housing; they have been of great concern to the Victorian community. Last week the *Age* newspaper made a number of serious allegations about the letting of several tenders by the Office of Housing. These contracts are for cleaning and garden maintenance on the high-rise towers in the inner city area of Melbourne. These contracts, which will expire in 2015, are worth over \$52 million.

The *Age* made many allegations that there was political interference in the letting of these tenders. According to

the *Age*, the Minister for Major Projects persistently lobbied the then Minister for Housing, Candy Broad, on behalf of GJK Facility Services, a company that is owned by Mr George Stamas.

Former Minister Broad of course has not denied these allegations that she was lobbied on behalf of Mr Stamas by Minister Theophanous, and indeed Ms Broad confirmed to the *Age* that Mr Stamas had lobbied her directly on these contracts.

I would like to refer to some of the allegations that were made in that *Age* article. The article says:

Several Labor sources have confirmed that Mr Theophanous persistently lobbied then housing minister Candy Broad for cleaning company GJK Facility Services to win a tender for lucrative government contracts to clean high-rise public housing towers.

Hon. T. C. Theophanous — Do you know who they are?

Ms LOVELL — Mr Theophanous asks do I know who they are. No, I do not know who they are, but Mr Theophanous should know who his mates in the Labor Party are who are speaking to the *Age*, because the article does say 'Labor sources'. The article goes on to say:

Ms Broad confirmed she had been lobbied directly by GJK Facility Services chief George Stamas. Asked if Mr Theophanous had intervened, Ms Broad said only, 'I wouldn't want to respond to that question'.

She did not clear his name. In fact, the inference from that response is that perhaps she may have been lobbied directly by Mr Theophanous.

The article goes on to say that:

George Stamas is a close friend and regular drinking partner of Mr Theophanous.

The article also stated that Mr Stamas's company 'sponsored a \$1000-per-head Greek night fundraiser for Mr Theophanous last May'. In fact, I believe from this article that the invitation for the fundraiser touted Theo Theophanous as special guest speaker, as well as saying the night would include 'plate breaking, food and ouzo worthy of the gods', and noting it was proudly sponsored by GJK Facility Services.

Hon. T. C. Theophanous — On a point of order, Acting President, I am reluctant to put you in the position of having to make a ruling on this matter, but I want to draw your attention to the practice of using quotations from newspapers, because so far all that the member has done is essentially read an article out of the newspapers and add nothing to the debate herself. I

point out that in relation to the practice of the house, on page 17 the chamber guide says members are only allowed to use limited quotations. It says:

Limited quotations are permitted to support a point, but they must be authoritative and the authority and reference must be given.

Acting President, all that the member is doing is reading an article which is a matter of record. She is supposed to give her own speech and provide her own information and her own evidence, and all she has done is simply read something which is a matter of public record. It is not authoritative — it has been contested — and she is not working within the spirit of limited quotations being permitted in this house.

Mr Finn — On the point of order, Acting President, Ms Lovell has been speaking for a little over 3 minutes. For Mr Theophanous to make a judgement in the way that he has seems way out of bounds. I would suggest to you that you give the member a chance to expand on her remarks and allow her to get beyond the initial quotes she is delivering at the moment.

Mr P. Davis — On the point of order, Acting President, I take it that the frivolous point of order raised by the minister was an opportunity for the minister to rebut at the outset the contribution on a substantive motion being introduced by the member, Ms Lovell, who is setting out, as is appropriate, a basis for an argument in relation to her substantive motion. She is entitled to refer to matters that are, if you like, in the public domain. The minister has acknowledged that these matters have been reported in the public domain, so there is no point of order with respect to her entitlement to refer to matters raised in the media and other places. The member has indeed given references for where those quotes have come from and of course she has as much time as she likes to set out her case. For the minister to be taking such a point of order a few minutes into the contribution is indeed frivolous.

The ACTING PRESIDENT (Ms Pennicuik) — Order! I thank all members for their contributions on the point of order. The member speaking, Ms Lovell, is lead speaker on this motion and should be given some leeway to establish her argument. But I will refer to the standing orders which say that members may read extracts from documents but such extracts and quotations should be reasonably short. I remind members of that quotation from the standing orders.

Ms LOVELL — Thank you, Acting President. Just before I was interrupted I was about to say that because of my Greek heritage I felt that a night of plate breaking, food and ouzo worthy of the gods would have

been quite a fun evening to attend. It actually did appeal to me, but the reality is that it was a Labor fundraiser, it was sponsored by GJK Facility Services and it did put money back into the coffers for the re-election of Mr Theophanous.

Indeed the electoral returns for 2004–05 show that GJK Facility Services donated \$5000 to the Labor Party through the Progressive Business association, but no declaration was made after that Greek night, so we wonder how the funds from that particular function were siphoned back into the Labor Party. As I said, the flier said that it was a fundraiser for the Labor Party.

We also know that Minister Theophanous opened the new Collingwood offices of GJK Facility Services on 12 October last year. At that opening he made a declaration that he was proud to be associated with GJK.

Hon. T. C. Theophanous — You are still reading from the *Age*; when are you going to put something of your own in?

Ms LOVELL — No, I am not reading from the *Age*.

Hon. T. C. Theophanous — You are!

Ms LOVELL — But I am going to quote the *Age* article now and say that the *Age* article referred to GJK Facility Services having actually said that it tendered for government work in the normal way. That raises the question: what is the normal way of tendering for government work with this government?

This morning we have an opportunity for the government to clear up what has happened in this tender process. Candy Broad could come forward and state whether Minister Theophanous did or did not lobby her on behalf of GJK Facility Services to have these tenders awarded to GJK. I think this is an opportunity for Candy Broad to stand up this morning and clear this up. I look forward to the contributions of both Ms Broad and Mr Theophanous. I wonder whether Candy will stand up and whether she will defend the activities of the minister. If Candy Broad does stay silent this morning, it will speak a lot louder than Minister Theophanous's denial.

The ACTING PRESIDENT (Ms Pennicuik) — Order! I remind Ms Lovell that she cannot refer to members by their Christian names.

Ms LOVELL — Thank you, Acting President. As I have already said, this problem is part of long-term problems with Office of Housing contracts. In 2004 the

Auditor-General found in his report on maintaining public housing stock that the Office of Housing's selection of maintenance contractors did not meet the Victorian Government Purchasing Board's requirement for procurement. He also found that despite the failure of most contractors to meet their contractual requirements only two contractors had been terminated before their expiration dates in the last 10 years and that although the Office of Housing met most of the Victorian Government Purchasing Board requirements when engaging contractors, it did not assess the risks in the tendering process or develop a formal contract management plan. The Office of Housing did not develop a formal risk management plan for managing contracts. There were adequate termination provisions in the current contracts for underperforming contractors, but the Office of Housing failed to use them.

The practice of the Office of Housing was to not renew contracts of underperforming contractors. Rather than their contracts being terminated, contractors in breach of their contracts still worked until their contracts expired. Also some of the underperforming contractors, even though they did not fulfil their contractual requirements, were still awarded new contracts. This resulted in poor service to tenants, poor value for money for the Office of Housing and, more importantly, poor value for money for Victorian communities, because it was public money that the Office of Housing was using to fund the contracts. It also led to a disrespect for a broader range of contractual obligations by the contractors.

Despite compliance audits being essential to making contractors accountable, the Office of Housing audited only 5 per cent of the total number of scheduled contract orders for audit. This small number of audits recovered considerable sums of money by identifying non-compliance with contracts. But if there was such a significant contribution from that small number — only 5 per cent of the contracts being audited — and if audits were applied to all of the scheduled contract orders, then the levels of overcharging, works not rectified and large amounts of money not being recovered undoubtedly would have been much higher, better service would have been given to public housing tenants, the Victorian community would have had better value for money and contractors would have been held accountable because they would have been fined.

There is a growing problem with overcharging and unrectified works in Office of Housing contracts. It is certainly an area of great concern that contractors are overcharging the Office of Housing and that works are

going unrectified. As the shadow Minister for Housing, I know that my phone runs hot every day with complaints from public housing tenants about work that is not being undertaken. There is a great level of frustration amongst Office of Housing workers in the regions because works are not being completed on time and their work is going unrewarded.

The benchmark for performance of Office of Housing contracts is 97.5 per cent, which is ineffective as most contractors do not meet that benchmark, but the Office of Housing does nothing about fining contractors or ensuring that they lift their standard of work to ensure that they meet their contractual requirements.

Thanks to Minister Theophanous there is now a greater concern about Office of Housing contracts than ever before. Minister Theophanous has sought to hide behind the fact that there is a probity report on the tendering process. The opposition actually asked the Office of Housing for a copy of the probity auditor's report, but we were denied access to it. Certainly the Office of Housing has shown reluctance to release not only that report but also other data in a timely, open and transparent manner.

As an example I refer to the quarterly figures for waiting lists for public housing. Today is 23 May, yet we have not received the quarterly figures for the period to March. It probably speaks quite loudly that those figures must reflect badly on the government if it is reluctant to release them. Perhaps the probity auditor's report also reflects badly on the government if the Office of Housing is reluctant to release the figures. The opposition has requested a copy of that report through freedom of information (FOI) channels; if the government had nothing to hide, it would release the figures without opposition members having to make a request through the freedom of information process. The report could be released to us today, and our FOI request and the cheque that accompanied it could be returned to us.

Minister Theophanous has been around for a very long time.

Mr Finn — Far too long, some might suggest.

Ms LOVELL — He has been around since the 1980s. He was actually a minister in the Kirner government, so he understands the rules when it comes to lobbying on behalf of his political mates. He also knows how to get things done in the Bracks government. I question whether he would have lobbied the former Minister for Housing if he had not expected

that lobbying to have produced a positive result for the political mate on whose behalf he did that lobbying.

Unfortunately Minister Theophanous has form when it comes to telling the truth. We only have to look back to 1997 to see that this house passed a motion condemning him for consistently and recklessly failing to tell the truth. Now, through his actions, he has placed a cloud over the entire Bracks government regarding the awarding of contracts and his support for Labor's political mates.

This debate does provide an opportunity for the government to clear the air. The whole tendering process of the Office of Housing is under a cloud. Minister Theophanous's claims are worthless because unfortunately for Minister Theophanous his history and reputation make it difficult for him to defend himself.

Hon. T. C. Theophanous interjected.

Ms LOVELL — His colleague Ms Broad can stand up; she can tell us exactly what happened. She can stand up and defend the activities of the minister or she can stand up and tell us the truth about the awarding of these contracts. As I said before, I look forward to the contributions of both Mr Theophanous and Ms Broad this morning.

During the election campaign the government did commit itself to creating a register of political lobbyists, but unfortunately this has not happened. I refer to a second *Age* article, which is entitled 'Bring political lobbyists out of the corridors into the public eye'. It says:

The state government, at last year's election, committed itself to a register of lobbyists, which remains to be set up.

In other words, it has not done it.

But this would tackle the issue from only one side. A more effective method to monitor and control political lobbyists would be to establish an enforceable code of conduct for the public officials they deal with.

We made inquiries as to whether there were any publicly available documents that outlined the processes for Victorian ministers, such as a code of conduct. Unfortunately we were told there is nothing available publicly that outlines the conduct of Victorian ministers, and that has led to this debate in the house today. Not only should the government fulfil its election promise and set up its register of lobbyists — and of course if it does perhaps Mr Theophanous should place himself on it — but it should also establish a code of conduct for the ministers in the Bracks government.

The government does have a code of conduct for the Victorian public sector. We see that in the code of conduct for the Victorian public sector, under the heading of 'How can I prevent patronage or favouritism?', no. 58 is:

You must not use your position to obtain a private benefit for someone else. Family or other personal relationships must not improperly influence your decisions.

I ask the question: why is it good enough to have a code of conduct for public servants? Why should public servants be bound by this provision in their code of conduct when ministers of the Bracks government are not? I suggest that the Premier set up a code of conduct and tighten the rules to prevent further lobbying by Bracks government ministers on behalf of their political mates.

The last thing that I raise is of course the company GJK Facility Services. If we go back to — —

Hon. T. C. Theophanous interjected.

Ms LOVELL — I will just wait while the minister has his conversation across the place.

Mrs Peulich — On a point of order, Acting President, I am finding it difficult to follow the contributions of Ms Lovell because of the level of interjections coming from government benches. I ask that you ensure that the rest of us, who will be required to vote on this, are given the opportunity of following the argument closely.

Honourable members interjecting.

The ACTING PRESIDENT (Ms Pennicuik) — Order! I remind members that interjections across the house are disorderly, especially if they are not to do with the motion.

Ms LOVELL — Thank you, Acting President. I would just like to make an observation about GJK Facility Services. We have seen press reports on this company, but we have also seen a partner in this company brought before the courts. In 2002 a partner of Mr Stamas, Mr George Kourounis, was charged with and convicted of receiving stolen goods and handling stolen goods from the Governor-General's Melbourne office in 1994. The subject of that was a \$200 000 painting that was found in possession of Mr Stamas's business partner, yet Minister Theophanous has said that he is proud to be associated with GJK Facility Services.

Hon. T. C. Theophanous — You are hopeless. You just read that from the *Age*.

Ms LOVELL — It is not that it is from the *Age*; it is the history. You only have to go through the history of the convictions in this state to find that, Mr Theophanous. I urge the house to support this motion.

Mr VINEY (Eastern Victoria) — I thought I would have a bit more time to go through some of the enormous number of documents that I have available to use in responding to this motion. I am a little surprised that the lead speaker for the opposition has been able to manage 20 minutes — —

An honourable member — Was it that long?

Mr VINEY — It was 20 minutes including various time-outs for points of order, which probably meant she had less than 15 minutes to speak on what I thought was going to be a savaging by the opposition of the government on questions of probity, on questions about this government not abiding by its own guidelines in relation to the Victorian Government Purchasing Board and on the policies we have introduced for transparency and openness in government.

Ms Lovell — That you are not adhering to. The Auditor-General — —

Mr VINEY — We will get to the Auditor-General, Ms Lovell. But this government is the one that has been introducing the probity processes for the proper conduct of purchasing and tenders in this state.

Mr P. Davis — Why isn't the minister leading — —

Mr VINEY — Mr Davis knows perfectly well that — —

The ACTING PRESIDENT (Ms Pennicuik) — Order! I remind members that interjections across the chamber are disorderly. If we are to know what is going on in the debate, we need to be able to hear the speaker.

Mr VINEY — If Mr Davis wants to get in on this debate perhaps he can participate by making a contribution rather than leaving it to the third-stringer on the opposition frontbench to deal with what was supposed to be a savaging of this government.

Let us put on the record absolutely and right up front the situation in relation to the heart of the allegations that Ms Lovell has purported to bring to the house today. Ms Lovell has asserted in a motion that is tantamount to a condemnation of a minister that some improper process took place. That is the essence of what Ms Lovell has tried to put this house. If you take

away the role of the Victorian Government Purchasing Board and other extraneous issues — we will get to some of the other criticisms of the way we manage public housing in this state a little later in the debate — that is heart of what she is doing.

I want to put before the house a letter that was not published by the *Age*. It is letter from Dr Owen Donald, the director of housing in the Department of Human Services. The letter deals absolutely and directly with the issues before the house today. Members have to understand that in making the allegations against the minister that she has just made in her contribution, Ms Lovell has also made allegations that people in the public service have acted improperly.

It is absolutely on the public record that the public servants — the bureaucrats — manage the tendering and purchasing processes of this government independently and without any interference from any minister or ministerial staff. That is the policy and the practice of this government. If the opposition is going to suggest that improper practice has taken place in regard to this or any other contract, that suggestion includes an assertion that independent public servants in this state have participated in that improper practice. The allegation in this case against the Department of Human Services and the Office of Housing is ultimately an allegation against the person — that is, the director of the Office of Housing — who signed off on a contract of this scale.

Ms Lovell — No, it is all about Theo!

Mr VINEY — No, Ms Lovell. You are suggesting an improper practice took place, and by suggesting that, you are also suggesting that public servants participated in that improper practice.

In response to the articles in the *Age*, the director of the Office of Housing in the Department of Human Services wrote a letter. It says:

I refer to recent articles by Michael Bachelard (latest 16 May) about a public housing cleaning tender awarded to GJK Facility Services.

Mr D. Davis — On a point of order, President, I wonder whether the member will, as a matter of courtesy, make that letter available to the chamber.

Hon. T. C. Theophanous — He is reading it in, you idiot!

The PRESIDENT — Order!

Hon. T. C. Theophanous — I withdraw my comment. I accidentally, in the course of the debate, said that, and I apologise.

The PRESIDENT — Order! I will extend the minister the courtesy this time, because of his immediate voluntary withdrawal. But members of the house are well aware of the standard I want in terms of personal remarks. The minister beat the gun this time.

Mr D. Davis — What I was seeking is for the member to make available, as a matter of courtesy, that document, the letter, from which he is reading. I would like a copy now.

The PRESIDENT — Order!

Mr VINEY — I will make it available to the house, because it is a critically important document in the context of this debate. I will start again. The letter says:

I refer to recent articles by Michael Bachelard (latest 16 May) about a public housing cleaning tender awarded to GJK Facility Services.

The Office of Housing runs a formal quality-assured process for tendering and contracting for property-related services. This process complies completely with the Department of Human Services and the Victorian Government Purchasing Board (VGPB) probity requirements.

The process is rigorous and, for projects of this scale, includes:

- appointment of an independent probity adviser
- an openly advertised tender in print and online on the government tender website
- a pre-tender industry briefing
- extensive tender documentation
- establishment of an evaluation panel
- assessment against weighted selection criteria
- review of contractor's past performance
- details of successful tenderers placed on the government tender website
- unsuccessful tenderers debriefing.

Government ministers —

and this is important —

and their office staff do not participate in this process in any way.

In the particular case of the high-rise cleaning contract, the process was applied fully and properly. The independent probity adviser provided a report on the tender exercise in January 2007 which concluded 'In all material respects and based on the VGPB probity framework (including appropriate

application of the value-for-money principles), the tender process ... has been undertaken in accordance with the identified probity principles and the VGPB probity framework'.

I am the final decision-maker in this case and hence the recipient of the tender evaluation panel's detailed advice. This advice has been scrutinised and endorsed by a further three executive officers before it reached me. My decision to award the contract to GJK Facility Services is sound, thoroughly based and fair.

Tender processes are routinely subjected to external scrutiny by the Auditor-General. I would welcome such scrutiny in this case if the Auditor-General so wishes.

It is signed by Dr Owen Donald, the director of the Office of Housing, Department of Human Services, and dated 16 May.

In essence, and as I said earlier, you cannot suggest that a minister has influenced the awarding of a contract or tender in any way and not, at the same time, suggest that independent public servants, who have reputations, have participated in some improper process. In this letter Dr Donald has made it absolutely clear that no improper process took place in relation to this matter in any way by the minister, any of the minister's staff, the staff of any minister or any minister of the government. Dr Donald made it perfectly clear that the process was overseen by a probity auditor who also has his own reputation to maintain.

In this instance the probity auditor was from Acumen Alliance. The probity auditor, who is the contact, the person who is responsible and the nominated probity practitioner, was Craig Geddes of Acumen Alliance. The website of Acumen Alliance indicates that Mr Geddes has over 16 years experience in business and procurement auditing. Mr Geddes lists his experience and work with: the Office of Health Information Systems HealthSMART program in the Department of Human Services, the metropolitan bus project of the Department of Infrastructure, the IT services re-tender project at Victoria Police, the education services project at Victoria Police; the Marine Safety board; and Health Purchasing Victoria.

He has also given probity advice to the DHS, the Department of Treasury and Finance, the Department of Justice, and the Victoria Police air wing. He has offered advice regarding the Wimmera-Mallee pipeline. He also worked at Parks Victoria. In addition to this probity experience, he has extensive experience in assurance including acting as an internal audit provider to: William Angliss Institute of TAFE, VERNet, the University of Melbourne, Victoria University, the Department of Justice, the Victorian

Commission for Gambling Regulation, the Port of Melbourne Corporation and Gippsland Water.

It is a fairly extensive and impressive record of probity. The probity auditor, as has been made clear in the letter from Dr Donald, has given an absolutely clear tick on the process of this contract. I do not know Mr Geddes but as a parliamentary secretary I have dealt with probity auditors in the past. In my own business, when I did a lot of consulting work for the finance industry, I dealt with people in that line of business. My experience of probity auditors is that they value their reputation.

The allegations that the opposition is bringing before the house today, which, as I said before, are tantamount to condemning a minister on a tendering process, are very serious allegations. You cannot sustain those allegations without saying that there are improper practices by departmental officers right through to the director of housing at the highest levels of the executive service of government and without casting aspersions on the probity adviser himself.

You cannot come in here and make these allegations based on a couple of press articles that, to my understanding, are not terribly well substantiated. You cannot base these allegations on, as Mr Theophanous just said, unnamed sources and not at the same time cast doubt on the integrity of those other people involved — the probity auditor, the director of housing and the three executives who advised the director of housing.

Mr D. Davis — Are you releasing the probity reports?

Mr VINEY — I know, Mr Davis, you are a great conspiracy theorist. We have had this debate before. You come in here regularly with lots of conspiracies, but this is a pretty good conspiracy: a minister tries to influence a contract and it goes right through the public service and three levels of the executive service to the director of housing and to an external probity adviser. This is just unsustainable nonsense. It is clearly intended to score some political points on a minister of this government and is an attempt to score some political points on the government itself.

Not only did Dr Donald write that letter, which was not published by the *Age* but which I have read into *Hansard*, but he also attended with the current Minister for Housing in the other place, Mr Wynne, the parliamentary Public Accounts and Estimates Committee hearings. Their attendance at the PAEC was on the day after the second article was published in the

Age — that is, on 17 May. I refer members to page 6 of the PAEC transcript, which I will not read into *Hansard*. I am happy to hand it over to members opposite, but I need to refer to it during the remainder of my contribution to the debate.

In his response on behalf of the minister, Dr Donald made a number of points at the PAEC inquiry that were consistent with the letter I just read to the house. As everyone knows, there are obligations on people involved in a parliamentary committee to be truthful and honest, and Dr Donald gave almost identical assurances to the PAEC about the process of this contract — on the record, in the transcript — as he did in this letter to the *Age*, which was not published.

I put it to opposition members that in making such serious allegations as this, they ought to think carefully about the implications of those allegations and the casting of doubt on the integrity of other persons.

Mrs Peulich — Rubbish!

Mr VINEY — Mrs Peulich says ‘rubbish’, but it is absolutely what that implies, because the minister did not sign off on that contract, the director of housing did. That is absolutely the case; that is indisputable. Therefore opposition members are suggesting that the director of housing has somehow been influenced or acted improperly in this process.

In respect of the Victorian Government Purchasing Board requirements, the Office of Housing is not required to follow the requirements of the VGPB because of some technical explanations about their status as a public authority rather than as a department. I may have that skew-whiff but it is essentially a technical factor that means it is not legally obliged to follow the VGPB guidelines. Nevertheless, the director of housing and the Department of Human Services have indicated that they do, and will continue to, follow those guidelines despite the fact that in a technical sense, they are not required to.

There is a reference in the motion to a finding of the Auditor-General in relation to the director of housing’s need to follow those guidelines. My understanding is that, unrelated to the cleaning contracts or in any way related to this current project, there were some issues with regard to some of the contracts associated with the maintenance of public housing that may not have completely complied with those requirements of the VGPB. The department has rectified those procedures and is now continuing to comply with those requirements.

It is worth going through what some of those processes are. I have only printed the summary documents, and whilst they cannot be shown in *Hansard*, I have the summary documents of the processes required by the VGPB. This is not all of the documentation; in fact, the total would measure about 3 feet high. For *Hansard*, the documentation on the processes involved is about 1½ inches thick. There is everything from a practitioner’s guide to strategic procurement to all of the objectives of procurement policy — I am just flicking through — and to strategic sourcing, administration of procurement and insurance. It is absolutely comprehensive as to the processes, and I am advised that the department absolutely agrees to follow and does follow those processes and practices.

Mr D. Davis — So the probity audits? Are you going to release those?

Mr VINEY — The documentation also includes procedures for complaints — —

Mr D. Davis — You have referred to them; are you going to release them? Are you going to make them available, too?

Mr VINEY — Make what available?

Mr D. Davis — The probity audits.

Mr VINEY — Mr Davis, the transparency of the government in these matters is absolutely beyond reproach in terms of all this — —

Mr D. Davis — So you will release the probity audits?

Mr VINEY — You know perfectly well that in any tendering process there is information that is commercial in confidence. You understand that; you know that absolutely. Often a probity auditor’s analysis looks in detail at and reports on some of those things, so some things are released and some things that are commercial in confidence are not. But anything that relates to the probity of the process, anything that relates to your suggestions that there is some improper process here, is absolutely available through FOI on the public record. And you know that perfectly well, Mr Davis.

Mr D. Davis — So you are not going to release them today?

Mr VINEY — I am not in a position to release anything. I do not hold those documents, and I am not in a position to release a thing.

Honourable members interjecting.

The PRESIDENT — Order! Enough! Mr Viney, through the Chair.

Mr VINEY — Thank you, President. This is like the Spanish Inquisition, isn't it? You give an answer; you try to respond helpfully to an inane interjection, and then those opposite come in with another one, then another one and then start suggesting, 'You have something to hide'. It is absolute, complete nonsense.

You cannot get more transparency than the director of the Office of Housing making absolutely clear the way in which the process occurred.

Ms Lovell interjected.

Mr VINEY — Ms Lovell is now suggesting not only that the director of housing was improperly influenced in this process, but she is suggesting — —

Ms Lovell — On a point of order, President, Mr Viney is putting words into my mouth that I did not say, and — —

The PRESIDENT — Order! There is no point of order. Ms Lovell should resume her seat.

Mr VINEY — Opposition members cannot come in here and make the suggestions that they have about improper processes, and then try to pretend that they are not passing that imputation of impropriety onto others. You cannot do that; it does not stack up. You cannot influence a process that has been signed off by the director of housing, without the director of housing having been influenced. It is completely illogical.

The director of housing has said that he was not influenced and that none of his three executives who signed off on this was influenced. Not only has he said it in a letter to the *Age*, he has said it on oath before the PAEC. So in making these allegations, Ms Lovell is asserting not only that someone has been improperly influenced but that they then did not tell the truth to the PAEC. That, I think, is a fairly extraordinary thing to come into this place and suggest.

This motion before us is tantamount to condemning a minister, and what I am trying to put on the record are the processes involved in dealing with this matter and in the Victorian Government Purchasing Board's requirements, which the department says it complies with. Those include a range of requirements in relation to integrity and impartiality set out in the Public Administration Act 2004; commitments to effective competition; and the procurement process.

As part of the procurement process, documentation is required that deals with the tender strategy, stages of the tender, tender documentation itself, consideration of the market's capability and capacity to respond and the conduct of the process. The process requires comprehensive information in terms of selection processes. There are absolute obligations in terms of consistency and transparency of process required in this documentation I am referring to. There is detailed information about security and confidentiality of tenders and the commercial in confidence and intellectual property information of tenders. There are obligations in terms of conflict resolution. There are requirements for the department to appoint accountability officers with direct accountability for ensuring that the policy is adhered to. There is reference to the use of the probity practitioners, which I have talked about — in terms of Acumen being the consulting firm in this case.

So there is a comprehensive range of processes that not only has the department said it has followed but that the probity auditor has signed off on and said that the department followed. I refer to the comment from the probity auditor contained in the letter from Dr Donald that says that this particular tender process was undertaken in accordance with the probity principles and the VGPB probity framework.

I want to now come to some of the broader issues that relate to the provision of public and social housing in this state. Ms Lovell raised a range of issues relating to waiting lists and the maintenance of properties. I come at this from a couple of experiences, one being in the 1980s when I spent three years on a public housing estate as a tenant worker, so I understand the connection between the quality of public housing and the many social issues on a housing estate. I was fortunate to be involved in an estate improvement project which saw substantial upgrades and improvements to that estate during the Cain government period.

Ms Lovell has suggested this government has been a little tardy in relation to public housing, in particular to waiting lists. That is clearly able to be dismissed by referring to the record. To be clear, it was not this government that messed with the waiting lists; it was the Kennett government. That was when it completely restructured the waiting lists and wrote thousands and thousands of people off the waiting lists to reduce those waiting lists. I cannot recall what it was called, but there was a group of clever words — something like a rationalisation of the waiting lists. It was not quite like that. I think it was integrated waiting lists, or something like that.

Mrs Peulich — On a point of order, President, I understand that the member made some comment about the length of contributions to this house on this particular matter. Could I also point out that his current contribution has very little relevance to the substantive motion that has been moved by Ms Lovell, and he ought to be brought back to the substantive nature of the motion rather than padding out his contribution just to score a political point.

The PRESIDENT — Order! That is pretty close to being a frivolous point of order. However, Ms Lovell's motion is an important motion, and given that Mr Viney is the lead speaker of the government, I will extend to him the opportunity to be quite expansive in his response.

Mr VINEY — I appreciate your ruling, President, particularly due to the fact that the third paragraph of Ms Lovell's motion deals with issues in relation to the release of waiting lists.

The wording the Kennett government used in restructuring the waiting lists was a bit like when the Kennett government closed 300-odd schools and sacked 10 000 teachers and called it the quality provisions process in education. They are the sorts of processes it put in place. But the essence of my contribution is that this government has had an outstanding commitment to public housing and to dealing with waiting lists and public housing needs in this state.

Ms Lovell might want to talk about waiting lists and the release of information, but I want to talk about what we are doing to reduce waiting lists. You know what you have to do to reduce waiting list? You have to build houses; you have to build places to put people in. That is not what the Kennett government did. There was no net improvement.

Honourable members interjecting.

The PRESIDENT — Order! Mr Viney is starting to stray from the motion. I ask him to be more in tune with the actual motion.

Mr VINEY — Thank you, President, I will do my best. Ms Lovell in her contribution — and I respond to her contributions — was critical of the government's approach to waiting lists. I put to the opposition that the best way to deal with waiting lists is to provide more public housing. Ms Lovell might want all the information in the world to try to prove some obscure point, but the truth is that this government is about building more housing units in social housing. It has an outstanding record in that regard, not the least of which

is the current budget that has allocated \$113 million to buy and build additional public housing, \$200 million to improve and boost the supply of public housing, and \$300 million to create an investment fund to expand the affordable housing supply. We also have allocated additional funding for homeless Victorians. A further \$2.6 million has been committed in the budget, with \$7.5 million over the next four years, for the support for young people that really counts program.

The way to deal with waiting lists is to provide more public and social housing, and that is what the government is doing. It is interesting to note that the opposition, in coming to this debate, has raised the issue of cleaning and maintenance contracts, but has not done so with any commitment to making life better for public housing tenants. That is not what its debate is about. It has not in its debate on housing said that we need to improve things for public housing tenants. It has not introduced an opposition business motion suggesting that we need to do a bit better.

Ms Lovell interjected.

Debate interrupted.

SUSPENSION OF MEMBERS

The PRESIDENT — Order! Ms Lovell and members of the house are very much aware of my stance on referring to members on their feet by their first names. While I am disappointed in having to do this, under standing orders I ask Ms Lovell to leave the chamber for 30 minutes.

Ms Lovell withdrew from chamber.

Mr P. Davis interjected.

The PRESIDENT — Order! Mr Davis may well think that my ruling is appalling, but I do not appreciate his comments on my ruling. He can take 30 minutes as well.

Mr P. Davis — Maybe we should all take the day off.

Mr D. Davis — Mr President, can I seek clarification?

The PRESIDENT — Order! No, you cannot. Resume your seat because I am on my feet.

Mr D. Davis — May I seek clarification now?

The PRESIDENT — Order! Not yet.

Mr D. Davis — Can I seek clarification?

The PRESIDENT — Order! I will give Mr Davis the call when I am ready.

Mr P. Davis withdrew from chamber.

The PRESIDENT — Order! Mr Davis.

Mr D. Davis — I seek your clarification, Mr President. I am not quite sure what I am alleged to have done here in particular.

The PRESIDENT — Order! I was not referring to you, Mr Davis. Resume your seat.

Debate resumed.

Mr VINEY (Eastern Victoria) — I will conclude by reiterating a few points in relation to the three paragraphs of the motion. The third paragraph talks about the reluctance of the Office of Housing to release information, which I think is misleading in terms of Ms Lovell's contribution to waiting lists. I repeat that the way to deal with waiting lists, irrespective of what the data says, is to build more social and public housing, and that is what this government is doing.

In relation to the first paragraph, which is about the Office of Housing correctly following the Victorian Government Purchasing Board guidelines on procurements, as I have said to the house, the Office of Housing is not required under the legislation to do so but has done so and has committed to continuing to do so.

In relation to paragraph 2, which relates to the allegations of improper political pressure, I say this: the motion moved by the opposition is tantamount to condemning a minister on unsubstantiated press allegations. The opposition has come into this house and presented no new or additional evidence to what was in the *Melbourne Age* — not a single thing. In fact it is a repetition of what has been published in the *Age*.

I have made it absolutely clear from the evidence that I have put before the house, particularly from Dr Donald's letter to the *Age*, which was not published and which I read into *Hansard*. I am happy at the conclusion of my contribution to have it circulated in the house, as I was asked to do. That letter makes it absolutely clear that neither Dr Donald nor the three executives who advised him in relation to this contract were in any way improperly influenced by any minister or any minister's staff. Not only that, in that correspondence he provides information about the report by the probity auditor, Mr Geddes of Acumen

Alliance, which indicates that in the letting of the tender that is the subject of these allegations the proper processes were followed.

Further, I assert that the opposition cannot come in here and suggest that a minister or a minister's staff improperly influenced the tender process without suggesting that senior executives in the public service were so influenced. The argument is unsustainable because the layers of conspiracy it implies, which Mr Davis will no doubt come to again in his contribution, are just extraordinary — the layers of conspiracy would go right through the top levels of the directorate of housing and an external probity auditor. It is an unsustainable argument that should be rejected by this house.

Mr DRUM (Northern Victoria) — The Nationals have looked very carefully at the three different aspects of this motion. Quite simply we find the allegations made against the minister in the house and the other ministers extremely stressful. I am not prepared to go along with it and attempt to vilify that minister when his own assurances he gave yesterday were as strong and as stringent as they were. Also, the letter from Dr Owen Donald, the director of housing, which was read out by Mr Viney, again stresses that the probity checks were in place.

I spent a lot of time researching the various stories in the media. Certainly when you go through them you see what seems to be a very grubby little affair. It seems to be that Mr Theophanous is too close to the company that was granted the licence. In this chamber and in life we have to be practical and reasonable; we do have friends and some of our friends are in business. I can only stand here and say that if there has been any impropriety, I would expect the minister in the chamber to have the book thrown at him. I would expect the government to be the first one to throw the book at him. I do not think the minister can do any more. I must admit I would like the former Minister for Housing and former Minister for Local Government, Candy Broad, to also be as emphatic in her denials that there was any impropriety. That to me is in effect the only piece of the jigsaw yet to be crossed off. I certainly do not want to go down this path at all. Again I stress that we will have to wait to see whether in future there is another article on the front page of the paper reporting that this Labor government is again being investigated for impropriety and whether there is any substance to the allegations made today. It is becoming a bit too common for the Labor government in Victoria to have allegations made against it. I will leave that as it is.

I want to speak for only a short while on this motion. Again, it is a bit of an indictment of the government that I can talk for only a short while on the housing sector, especially the public housing sector, given the figures are just so impossible to get hold of. For the last two days — ever since we have been made aware of this notice of motion — we have been trying to work through the various websites, documents and reports to get an accurate picture of the state of public housing in this state at the moment — whether or not public housing has been on the increase or on the decrease, what the waiting lists are doing.

In a meeting I had with the federal Minister for Families, Community Services and Indigenous Affairs, Mal Brough, I noticed he was aghast at the statistics he has been made aware of. The federal government has put nearly \$10 billion into this sector over the last decade, and you would like to think that that contribution would have been matched or more than matched by the respective states so we could have had a substantial net gain in the amount of public housing available. However, the statistics he made me aware of show that in 2005 we had 13 fewer public houses in Australia than in the previous eight years. In effect the question that we have to ask is: what are the states — and he did say that Victoria's figures are slightly above the rest — doing with the money that they are receiving from the commonwealth in relation to building more public housing stock?

We know that in the Bendigo region we have a total of just under 3000 public housing properties, and that includes in parts of the Goulburn Valley and out to the west of Bendigo to places such as Kyneton, Kyabram and Wedderburn. That quite substantial area has just under 3000 properties. We have very long waiting lists in the area as well: there are 50 people on the waiting list for a one-bedroom unit, 169 families on the waiting list for a two-bedroom unit, 173 families on the waiting list for a three-bedroom unit and 41 families on the list for a four-bedroom residence. Those are some of the waiting lists. The lists are extremely difficult to come by; they are nearly impossible to get hold of. You really have to ask: what is this government trying to stifle by making this information so hard to get hold of? It has been absolutely nightmarish just trying to work through the system to achieve any sense of accuracy on housing stock — the rate at which it is being built, the waiting list to get into housing and the waiting list to move into more suitable housing. There is a hidden waiting list for an awful lot of people in Victoria who are currently in public housing, low-income housing or social housing that is totally inappropriate for them. That is something that we need be aware of. It is true that a large

proportion of people are in totally inappropriate public housing.

We have to look at some of the other facts that are in place. This notice of motion and the article that appeared in the *Age* this week have brought to light another issue that we have to deal with here — that is, the role of lobbyists. Are we dealing with that issue well enough? We have sections within this government that have given employment to an inordinate number of its former politicians. It is keeping them on the books, keeping them waiting and looking after its mates, without any shadow of doubt. I think this whole area of having former ministers effectively stepping out of Parliament and straight into working as consultants and lobbyists with huge salaries needs to be investigated.

Mr Pakula — What about ambassadors?

Mr DRUM — I advise Mr Pakula that there is a significant difference between being an ambassador, where you can actually use the skills you have learnt whilst you have been in Parliament —

Mr Pakula interjected.

Mr DRUM — I have no problem at all in taking Mr Pakula to task on this point. There is an enormous difference between taking on board an eminent role in which you can actually use those skills to bring together different people for the betterment of the country or the betterment of Victoria — if you want to go away and spruik the benefits of Victoria in another jurisdiction — and using your influence, your friendships and your inside knowledge, which is what we have happening in this state at the moment. We have former Labor ministers using their influence with the government to try to bring about a better commercial arrangement for anybody who can afford to hire them.

I must admit there is one company that hired the infamous Mr White and did not receive the favourable treatment that some others have received. That company is in Woodend and goes by the name of Black Forest Timbers. It has effectively been hung, drawn and quartered by the timber policies of this government. Its staff has now been reduced from over 50 down to under 20, and even that smaller number of staff is now certainly in some serious danger.

Getting back to this whole idea of lobbyists, I think we need to put in place an enforceable code of conduct. We might need to put in place the sorts of standards we would expect MPs to follow in public life. In my opinion it would be worthwhile investigating whether or not we could put in place similar guidelines for lobbyists, requiring them to be governed by seven

principles of public life: selflessness, integrity, objectivity, accountability, openness, honesty and leadership. That would certainly create greater scrutiny of the public office system, and it would certainly lead to a greater sense of independence in relation to how these companies go about winning the contracts from the government that are so lucrative. There would also be the possibility of putting in place a two-year ban or a two-year moratorium on members of Parliament before they were allowed to lobby their former colleagues in the ministry of an incumbent government. That is something I think we really need to look at.

I want to spend the remaining part of my time talking about public housing stock and about what the government is doing to try to increase availability with additional stock and what it could possibly be doing to make things a little bit better. We know that last year under the leadership of the former Minister for Housing, Ms Broad, the government introduced a \$70 million package to work through the organisations that were known as housing associations. Six housing associations in the state of Victoria were in effect granted that status, and a number of smaller organisations were called in as housing providers. That \$70 million was distributed among the housing associations to provide a greater quantity of housing stock for our low-income and medium-income families. They have used that money very wisely; they have actually worked out a method whereby they can leverage their portion.

I know that Loddon Mallee Housing Services in regional Victoria, which operates in my region of Bendigo and beyond, has got some very entrepreneurial policies that have enabled it to leverage its portion of that \$70 million that it has received — I think its portion is around the \$20 million mark, so it is a large recipient — by using the money to invest in the low-income and the middle-income housing market, by leveraging that against the existing titles of the houses it has built. That is a very clear policy that it has set forth which, when you look into it, has the ability to really make an impact on the low-income housing market, but unfortunately it is still being driven by the government policy that will not let it invest enough in the true low-income housing market. The entire low-income housing market, or whatever you want to call it — social housing or public housing, it does not really matter; there are some very specific differences, but they are very minor — can be divided into three areas: very low-income housing, middle low-income housing and high low-income housing. That might sound oxymoronic, but that group does exist.

The medium-income to low-income people can be bringing in well over \$50 000 in income and yet still qualify for public housing. That group that I am talking about — the low-income to middle-income families — is receiving about 70 per cent of all the moneys from housing associations. That is the easiest group for entrepreneurial policy-driven housing associations to cater for — to go in, build, leverage against the existing stock and then reinvest that money back into new additional stock. What we need is a government which understands this entrepreneurial message but which will also then allocate further amounts that will allow this type of reinvestment and leveraging to work in dealing with the our real low-income families.

At the moment they are getting left behind. The companies and the organisations that are building this new additional stock are not able to make their systems work for our low-income families throughout Victoria. It really is a stark area that this government needs to look at and acknowledge. The government needs to put in place some policies that are going to enable this cohort within the community to actually be built for. It is something that we need to look at very clearly. This cohort is currently getting left behind, and it is an area that we need to be aware of.

It is a little bit like when the Treasurer in the other chamber quite often talks along the lines of how much money this government is putting into first home buyer schemes. We know that an enormous amount of money is going into first home buyer schemes — the percentages escape me at the moment; there have been 100 000 first home buyer grants — but it has not made housing more affordable. Only 8.8 per cent of those grants are given to families that exist on the lower half of the income levels in this state. Although it is good to be able to hand out money to enable people to make that gigantic leap of faith and purchase their first home — and that is a very laudable effort — it is not appropriate to use it so you can go out and gloat and brag about how you are making housing more affordable for low-income families; that is not actually happening. Only 8.8 per cent of those first home owners grants are finding their way to people in the lower half of incomes in this state.

There is a lot more work to do. In my opinion, we have to take a much more entrepreneurial and commercial view of how we do this. We have to stop being a state that is too scared to leverage. If we build the stock, there is no reason why that stock cannot exist in the hands of the private sector provided there are contracts locking that housing stock in place so that it cannot rise above a certain percentage on an annual basis, so it cannot rise above the consumer price index or above a

certain percentage of the welfare payment that is received.

We can do that if we have a true desire, but while we have a government that is so paranoid about letting the private sector benefit from government resources, effectively we will continue to have a government that is too scared to really get involved in true partnerships with building contractors and developers around the state; then we cannot encourage them to go into the truly low-income housing market. That is something that we have not been able to do.

Builders and developers right around this state happen to work in the high end and the middle end of the housing market. If they get some sort of financial assistance, they will work in that middle to low area, but we cannot engage the commercial building and developing market in the low end of affordable housing.

That is something that again we need some clarity on, some real will and desire from the government to step in, take some risks and work towards bringing down these waiting lists and increasing the amount of available affordable housing. For goodness sake, the government must stop talking about being open, accountable and honest and give us some of the figures because we cannot get them.

The last figures for the waiting list and also for the public housing waiting list are from the September quarter last year. So the figures for the last quarter — that is, for January, February and March — are two months old. We cannot get figures for that quarter. The government must get fair dinkum about following the mantra that it continually throws around this chamber about being open and accountable, and give us some figures; make it easy for us to work out what the figures were 6, 7, 8 and 10 years ago, how the waiting lists are going and what the stock is doing. It is desperately wrong that members of Parliament have so much trouble accessing the figures in relation to housing stock and housing affordability.

Mr BARBER (Northern Metropolitan) — In relation to paragraph 3 of Ms Lovell's motion, there are concerns about the Office of Housing's reluctance to release data and information in a timely, open and transparent manner. However, we know enough about the situation of public housing in Victoria to know it is disastrous. We know the waiting list has not come down significantly since we were recovering from recession in the mid-1990s, when economic recovery itself was actually doing the heavy lifting.

We know that since then, the waiting list has been roughly static at 35 000, and I know that even if we build some new houses as a result of the recent budget announcement, that will not necessarily get the waiting list down. That initiative will house more people, but it just means that people who were too desperate to even be on the waiting list will probably join the waiting list.

I certainly applaud the fact that that issue is being raised in this motion today. However, the appropriate time to raise it would have been during the 2006 state election campaign. The Greens made many attempts to raise the issue of public housing during that election period, but I failed to see any intervention by the Liberal or Labor parties on that issue during that period. I waited for it; I waited for somebody to make it an issue. I waited for the media to report it.

The exception was tax cuts for housing, which, as Mr Drum pointed out, largely benefits the top two quintiles of income. They are the only people who can afford to buy a house any more, and therefore they benefit from any concessions for house purchase. That issue was not debated during the election campaign; maybe the Liberals think there are no votes for them in public housing. I can assure them they are wrong: there are plenty of votes to be had on this issue.

However, no attempt was made by either party to raise the matter in the run-up to the state election, and I do not believe there will be any significant difference to that situation with the federal Labor and Liberal parties in the run-up to the federal election. On the issue of the commonwealth-state housing agreement, which is often referred to and which has been referred to again here today, in reality those two parties are Tweedledum and Tweedle-even-dumber!

In relation to paragraph 1 of Ms Lovell's motion, which expresses concern at the failure of the Office of Housing to correctly follow the Victorian Government Purchasing Board's guidelines on procurement — and I think that was argued particularly in relation to maintenance contracts — an Auditor-General's report into this matter was prepared in June 2004. That report dealt with the situation in considerable detail and made that finding. Thank God for the Auditor-General!

Without going into any more detail about the adequacy of public housing maintenance, I simply say we are glad that the issue has been raised again in this chamber. I was sure that when the report was tabled, someone from the opposition would have spoken to it, and I am glad they have again spoken to it today. Ms Hartland will deal with that particular issue in more detail. She has recently come from working in public

housing — she could practically be the Auditor-General for that matter — and she will share some personal experience of that.

Turning to paragraph 2 of the motion in relation to the allegation of improper political pressure brought to bear on the former Minister for Housing by Minister Theophanous — we know it is referring to him — the Greens have no particular information that would allow us to shed any light on that matter. We simply do not know any more than was said in the newspaper, so it would be very hard for me to comment specifically on that part of the motion.

This motion also offers no way forward; it offers no proposed action for the Parliament to take to get any further to the bottom of the matter raised, except simply to say that we note our concern. So I cannot specifically speak in detail on that particular aspect, but I will, if it is permissible, speak more generally about what the Greens think are the ways forward when allegations like this are raised.

The Greens argue that Victoria's anticorruption safety net has some gaping holes in it. You only need to look around the world at other similar democracies and see the sorts of measures they have put in place to realise that Australia is lacking, and that amongst Australian governments, Victoria is very much the laggard.

Western Australia, Queensland and New South Wales all have very long-running and effective anticorruption commissions with investigatory powers, and they have uncovered many instances of corruption and mismanagement that may otherwise have remained hidden. The point about an independent commission against corruption (ICAC) is that it can actually investigate the conduct of MPs and ministers — ombudsmen cannot and auditors-general cannot. ICACs can even look at misconduct by members of the judiciary. The lack of an ICAC here in Victoria and in the two other smaller states, South Australia and Tasmania, leaves a gaping hole.

I do not have any expectations that an incumbent seven-year-old government will start becoming a champion of transparency. That is just realism. Incumbent seven-year-old governments either discover transparency when they are pushed into opposition or they have some kind of political near-death experience that is so traumatic they are forced into making real changes. Of course that is the very reason Western Australia, New South Wales and Queensland have strong, well-supported and effective ICACs. However, if they want to, the Liberals can join the Greens in becoming champions of that particular measure. I have

a parliamentary intern who is writing a report on whether we need an ICAC in Victoria, and I look forward to releasing that with her very soon.

Paragraph 2 of Ms Lovell's motion also goes to the issue of political donations — donations by businesses to political parties. Labor is swimming in that sort of cash, and I do not think it is going to wean itself off it while it is in government. But I put it back to the Liberals and say that they are not exactly champions in this area. In relation to the disclosure of donations, their federal colleagues have recently raised the bar so that no donation below \$10 000 has to be disclosed. The importance of that for the state jurisdiction is that there is no disclosure regime for political parties registered in Victoria. The only requirement under the Victorian act is that you hand to the VEC (Victorian Electoral Commission) a copy of your AEC (Australian Electoral Commission) return.

The problem with that is this: there are a number of political parties that are registered only in Victoria and are not registered federally. The Shooters Party — reborn as Country Alliance, or whatever it calls itself — is registered only in Victoria. We will never know who funded it in the run-up to the recent state election, because it is not required to do an AEC return. In addition a number of political parties — People Power, the Democratic Labor Party and one other the name of which escapes me — have under Mr Howard's new law been automatically deregistered at the federal level. If they do not achieve reregistration at the federal level — which they may do, but if they do not — they will not be required to do a financial return to the AEC and therefore we will never know what donations they received and what spending they did for the recent Victorian election. Theoretically one of those parties could have been funded by one of the other political parties and we would never know.

Donation disclosure at the Victorian level should be a priority for the Liberals and for Labor; it certainly is for the Greens. In the UK donation disclosure occurs quarterly, and weekly during election periods. That was as a result of a major scandal in the UK which forced the government to act, even against its own interests.

The issue of commercial confidentiality in relation to government contracts has also been raised as part of this debate. The Liberals were calling for the release of probity audits in association with the issue of contracts. Labor said that that will not happen for very good reason — commercial confidentiality. I again refer all members to a PAEC (Public Accounts and Estimates Committee) report dealing with commercial confidentiality in the public sector which was published

in 2000. The report was written by a subcommittee of the then PAEC. It was obviously prepared in the run-up to the 1999 election, when the government was still in opposition. The members of the subcommittee were B. Forwood as chair, S. Bracks and R. Hulls.

That report recommended, among a whole range of other things, that there be amendments to the Ombudsman Act so that only the Ombudsman could sign off on a contract being commercial — that public servants, at the instigation or otherwise of the people they were contracting with, could not just go around stamping ‘confidential’ all over everything because it felt more comfortable to do so. By the time that report was released the Bracks government was already in place. We never saw the major recommendations introduced, particularly those for legislative reform.

Mr Drum interjected.

Mr BARBER — If they had. I recommend that you check it out, Mr Drum; it is an absolute gem. The Greens have adopted some of those major recommendations in our policy; so yet again our policy is to make Labor deliver on its policy. That is the reason I have Labor’s 1999 election platform on my bedside table. Every time I am looking for another idea about an issue that I could push forward, I need only to go back to the heady days of 1999 when Labor was a reforming government. It lasted about 12 months.

Honourable members interjecting.

Mr BARBER — I think the Kirner and Cain governments certainly had some good ideas, but they kind of lost the plot as they went along.

An honourable member interjected.

Mr BARBER — The Cain and Kirner governments lost it. The Bracks government never had it.

Honourable members interjecting.

The ACTING PRESIDENT (Mrs Peulich) — Order!

Mr BARBER — On the issue of ministers having some influence over the issuing of contracts or other regulatory matters that the government might deal with, there is a very simple and important reform that the Liberals, if they wanted to adopt it, could support — that is, a cooling-off period for ministers after they have left the government before they can switch sides, if you like, and start working for the companies that they were previously involved with regulating. There are two concerns. One is that ministers with a detailed

knowledge of the workings of the cabinet and the government can obviously turn around and be very effective lobbyists for the private sector within a short time after leaving the government. Heaven knows, the poor old public has enough problems fighting off all the vested interests as it is; if we have former ministers working for those vested interests, we have real problems.

The second concern and a reason it is incredibly important is that ministers, whilst still in their roles as ministers, should not be influenced by the possibility of some future employment or reward from people. The concern is not only about what they might do after they leave, but even more so about what they might do whilst they are still ministers and thinking about where their future pay cheques will come from.

The USA jurisdiction puts a cooling-off period on its senior public servants. In fact, all public servants face some restrictions on their work after leaving government employment. Presidentially appointed secretaries, who are the equivalent of our ministers, face a lifetime ban on switching sides to represent an interest in particular transactions they had responsibility for. They also face cooling-off periods of various numbers of years before being able to work for an industry they once regulated.

Unfortunately in Australia we have many, many examples of ministers from both the Liberal and Labor parties leaving their positions, leaping right across the negotiating table and going to work for people they had recently been on the opposite side of the table from, with all their confidential knowledge and all their contacts intact. That has happened in recent days with both Labor and Liberal ministers. Even Mr Howard was able to introduce a code of conduct for federal government ministers in relation to their share dealings and other personal matters, and in the early days quite a number of ministers got the chop because of that. But we have not seen the introduction of such a code by the Bracks government, although it has had seven years to do so.

The UK has an independent commissioner who scrutinises all major appointments by the government to the many government boards. What an idea. How hard would it be to pick that up? There would be an independent mechanism that the public could trust that would be able to verify that someone who was appointed to a government board was appointed on merit and ability. The point I am making here today is that the Liberal Party can raise these allegations. It can ring and run and kick up a bit of a stink, and then go away and hope that somehow that will damage the

government and increase its prospects of maybe becoming the government, but what it does not do is provide any way for those issues to be resolved. It does not do anything that would allow the public to become more confident in the probity of government rather than less. Everything that I have just suggested would create an independent and verifiable mechanism through which the public could hear of an allegation, which then could be taken on, examined and ruled upon.

We have moved long past the era of government when politicians who had the support of the public at an election could then use that support to say, 'Trust me! I have looked into it; it is okay'. We have lost that somewhere along the line. We are now in the era of 'Show me'. People want to have things verified and demonstrated, so when allegations like this come up — and many others are being raised, including in today's newspaper and at various times — there is no way to resolve them. You simply have a very powerful figurehead — a Prime Minister or a Premier — standing up and saying, 'Trust me! I have checked it out. There is nothing wrong there'.

All the integrity systems that I have described are well established in other democracies. They are continuously reviewed and improved and are strongly supported by the public. Another one that was brought up in the debate is the Freedom of Information Act. The Freedom of Information Act came up in the early 1980s. In fact the last 20 years have seen FOI acts introduced all around the world, but ours in Victoria is looking a little bit out of date — like everything else from the 1980s. It still exists within a framework which says, 'You guess the existence of a document and we will decide whether you can have it or not'. Particularly in the information age, that is completely redundant.

There is no reason why government departments, which already run document information systems, collect huge amounts of data and have websites, could not as a starting position release all the information that is available and not subject to privacy considerations or certain key exceptions. Those departments could make that information available, yet they still live in the 1980s mode of, 'You have to ask us and we will think about giving it to you. Your guess is as good as anybody's guess as to what documents might actually exist'. You have to do a fishing exercise. At the time it is created every document could have a preliminary assessment of its FOI status, and if it were decided at that point that it was not going to be challenged, then it would automatically become available.

Even John Cain, who introduced the freedom of information legislation in Victoria in the 1980s, said in

an article in the *Age* that cabinet documents — which of course are long supported to be automatically excluded, and which he referred to as the 'cabinet oyster' — could be opened. The majority of the argument we have had in Victoria around the Freedom of Information Act has been about the margins of what is a cabinet document and what is not. I have not heard from the Liberal or Labor parties, or any party in Australia, any proposal that cabinet documents should not be FOI exempt, but Mr Cain and now the Greens are going to start to argue that maybe not every aspect of cabinet documents should automatically be exempt.

The Western Australian Commission on Government, which was established as a result of that state's corruption scandals, went as far as recommending that perhaps minutes or agendas talking about the major decisions taken in cabinet should themselves be released. In response to all this I think the government is proposing the creation of a lobbyist register. We are going to get some bill on that at some stage. That is a nice thing to do, but personally I do not think it stacks up.

To return to the issue of an ICAC and what it would do, certainly one of its roles would be to educate all arms of government and the public service so that every arm of government knows and understands its task in preventing corruption. It would not be simply an investigatory body.

I suppose that leaves us with the last watchdog in the system, as Mr Bracks called it — that is, the Parliament itself. If the Liberals believe there is a serious issue here and they want to follow it up, I would expect that they would be putting forward a motion for the establishment of a select committee into it. Both ministers in question are members of this house. The select committee would have investigatory powers and should have the resources it needs, but I do not believe that select committees should be the body of the anticorruption system — or let us call it the integrity mechanism — in Victoria. They should be the last resort, and it is only the total weakness of Victoria's democratic systems and integrity systems that have led to this point.

All the ideas I have just mentioned were put forward by the Greens during the election campaign in a little document that I have given to various members. It is called *Making Parliament Work — Ideas from the Greens*. I believe we were one of the few parties that campaigned strongly on it, so nobody should be shocked and horrified about anything I have said here today because it was all in that document. Members can

expect to hear a lot more on it from us in the next four years.

On every vote the Greens have taken since the election — and some have been controversial — we have heard a mantra from the other side about the Greens voting with the Liberals. It is a trick, of course. Government members think that if they use the words ‘Greens’ and ‘Liberal’ in a sentence often enough, they again will create some kind of general smell — a bit like what the Liberals are trying to do today. It is a cheap trick and it only works on the gullible, which means that the government is certainly not going to peel any votes off the Greens with it, because the 10 per cent of voters who consistently vote Greens in Victoria are obviously the most politically aware Australians.

Who would think that throwing this general stink around would lead to great slabs of the Greens vote calving off like icebergs? I think Labor has had such a long history of trying to peel 1 per cent or 2 per cent of the vote off the Liberal Party — obviously those people are gullible if they can be so easily shifted from Labor to Liberal — that it thinks the same bag of tricks will work on Greens voters. It is not going to happen. But I will say that every single vote on which — according to Labor — the Greens have voted with the Liberals has related to an issue of transparency. They related either to the ability of the Parliament itself, or in other cases the public, to have an understanding or a better view of exactly what the government was up to.

In light of all those comments, I do not believe the Greens will be supporting this motion today. As I said earlier, we do support some parts of it — there are issues we want to see pursued — but until such time as the parties of this Parliament want to join the Greens in dramatically upgrading the integrity systems of the Victorian jurisdiction, these sorts of allegations will simply just float around, creating a general bad smell. Whether that will be to the advantage of the Labor and Liberal parties in their contest against each other, I do not know. The Greens vision is very clear.

Mr D. DAVIS (Southern Metropolitan) — I am pleased to rise and make a contribution to the debate on this motion which has been brought to the chamber today by Ms Lovell. It asks the house to express its concern at the continued failure of the Office of Housing to correctly follow the Victorian Government Purchasing Board guidelines. It talks about reports of improper political pressure that was brought to bear on the Minister for Housing to award contracts for maintenance work to companies that have made substantial donations to the Australian Labor Party. Finally, it points to the Office of Housing’s reluctance

to release data and information in a timely, open and transparent way.

There have been some very interesting contributions to the debate today, and I am very mindful of Mr Barber’s contribution. I do not necessarily agree with all of it, but I think he made some very relevant points about the way forward for greater transparency and greater openness of government. Those ideas — some new and some not so new — need further examination.

What is going on in Victoria at the moment — and I think that this is starting to become clear to the community more broadly — is that there is a smell; there is a stench that is starting to build up around this government. There is no doubt that there are a number of issues that have begun to build up, and not only in Victoria with the Labor Party but also interstate. Mr Barber correctly pointed to a weakness in our system in Victoria of investigating certain types of criminal conduct. It is true that in a number of other states — in Queensland, Western Australia and New South Wales — there are significant investigations under way by criminal conduct commissions, or crime and misconduct commissions of various types. Those are serious investigations; they are investigations into very damaging matters that go to the heart of probity of government. They are matters that go to the heart of openness of government and government decision making and how that government decision making operates.

We do not have the luxury of that particular mode of operation in Victoria. What we do know is that those tentacles extend here — we have seen Graham Richardson here recently, and his links into New South Wales are well known. We have heard about the Brian Burke and Julian Grill activities in Western Australia and the coastal land developments that have occurred down past Perth. Those investigations point to a real concern about the activities of some of these Labor identities.

In Victoria we have heard about David White and some of his activities, and some of the steps that have gone on through the early phase of the awarding of new gaming licences in Victoria. I think Victorians have every reason to be concerned about how that is going to operate. It is clear that this chamber was sufficiently concerned that it set up a select committee to look at those matters. I hope that select committee can get to the bottom of a lot of those questions.

Mr Thornley interjected.

Mr D. DAVIS — Let me make this clear: I think there is a developing view in Victoria that things are not being conducted in the way this government had said they would be. This government was elected in 1999, and it talked long and loud in the late 1990s about openness, transparency and accountability — which it has not followed through on in any serious manner. *Integrity in Public Life* was the name of its document that talked about government contracts and commercial-in-confidence exemptions, a document I have got to say — —

Mr Thornley interjected.

Mr D. DAVIS — Let us talk about this tender. I advise Mr Thornley that that is exactly where I intend to go. Let us see about commercial-in-confidence options, which in that *Integrity in Public Life* document this government said it would not abuse — —

The ACTING PRESIDENT (Mrs Peulich) — Order! I note that Mr Thornley is to be the next speaker on the government side, and I would appreciate his cooperation so that the member on his feet can utilise the opportunity that this chamber presents to him.

Mr D. DAVIS — I will come back to make those points in a moment. I do want to finish with this issue of a crime commission, because I note, in a timely manner, on 21 May, in the House of Representatives, a federal Labor member of Parliament, Mr Gavan O'Connor, got up to make some contribution in that house of the federal Parliament. He specifically singled out the issue of an independent inquiry with judicial powers into the cash-for-councillors affair — he was talking about his local area, in and around Geelong — and an independent commissioner in Victoria to ensure the integrity of government processes at all levels in this state.

I refer the house to federal *Hansard*:

The Premier needs only to look at what has happened with the Brian Burke saga and the Busselton Council in WA and what has happened in the Gold Coast Council in Queensland — both being the subject of corruption hearings by their respective anticorruption bodies in those states.

He made it very clear that in Victoria there are questions to be answered. There is a case for an investigation of this government. This government does have a smell around it. Mr O'Connor singled out Victoria and pointed very directly to Premier Bracks. I make the point that this is a Labor member of the federal Parliament, and if he is concerned about the probity and the integrity of this government — —

Mr Viney — On a point of order, Acting President, I know it is terribly entertaining for Mr Davis to continue his conspiracy theories, but the motion before the house is quite specific in relation to three issues about housing and the Office of Housing. I think Mr Davis is going a very long way from the issues that are in the motion before the house.

Mr D. DAVIS — On the point of order, Acting President, the second point here talks about improper political pressure being brought to bear on the Minister for Housing to award contracts. That is squarely — —

The ACTING PRESIDENT (Mrs Peulich) — Order! I have heard sufficient on the point of order. Given that it is only 4 minutes into the member's contribution, he is attempting to establish a theme picked up by paragraph 2 of the motion. I rule that there is no point of order.

Mr D. DAVIS — I note that the government is very touchy on this matter, because there is a set of issues developing here. The behaviour of one Labor member of the lower house — I know the rules in this place on that matter so I will not name that member, but he has been named in the press a number of times, and it is in the north-west of Melbourne — is something that a crime and corruption commission would probably look at very closely. I make the point that federal member Gavan O'Connor has closely — —

Hon. T. C. Theophanous — I could look at a few members of the Liberals!

Mr D. DAVIS — I don't believe, Mr Theophanous, that we have anything like what you have in your party in this regard.

I make the point here that the need for better transparency and accountability is growing in this state. I think the community is very disappointed in Premier Bracks and his government, particularly in Premier Bracks for his failure to pull members of the government and others, including some of his backbenchers, into line. Unless he starts to exercise that authority in a way that shows he is concerned about greater transparency, greater accountability and greater openness, the community will begin to judge this government very harshly.

Earlier in the debate the point was made that this motion does not call for any specific way forward. I am conscious that Ms Lovell, who has moved this motion, has already made contact with the Auditor-General and asked him to investigate this GJK contract. I think she has taken the proper step, which will help to get to the

bottom of this issue, but the Auditor-General is only one aspect of an investigation, and it may be that in the fullness of time we will get to the point where a deeper investigation into this matter has to be conducted.

I do not want to reiterate every aspect that has been discussed publicly, but some aspects are very clear. A series of cleaning contracts were awarded to a firm which was a significant donor to the Labor Party, a firm with which Mr Theophanous had very close links, a firm that the community has every right to be assured received that contract in an open way. Mr Viney made much of the letter on Department of Human Services letterhead from Dr Owen Donald, director of housing, Department of Human Services. His letter to the editor of the *Age* seeks to put what is, I suppose from his perspective, a clear response to the stories carried in the *Age* of recent days.

Hon. T. C. Theophanous — Which was not published!

Mr D. DAVIS — You made that point yesterday, although a letter was published; I will come to your letter later, Mr Theophanous, which raises as many questions as it answers. But I pick up the minister's interjection about the *Age*. The *Age* is not required to publish every article that you put to it. It did give you a fair response in the sense that you were able to put a significant letter to it.

The ACTING PRESIDENT (Mrs Peulich) — Order! Mr Davis, through the Chair.

Mr D. DAVIS — Through the Chair, Acting President. I was picking up that interjection, but I will direct my comments through the Chair.

This letter does not put my mind at rest. I cast no aspersions on Dr Donald directly, because I think he probably is a sincere public servant. I have not met him. But I make the point that even if the conduct of the tender itself was satisfactory, that does not reflect on Minister Theophanous's behaviour. He may well have sought to influence; he may well have sought to improperly pressure. It may be so, but none of us knows. I will come to the point that none of us knows in a moment. Mr Viney made much of this point. He said we are necessarily impugning every public servant and so forth. That is not a fact. We seek to understand whether Mr Theophanous behaved in that way. Was improper political pressure brought to bear? It is possible that bureaucrats can resist improper pressure on some occasions, but that does not go to the heart of whether Mr Theophanous actually went — —

Mr Thornley interjected.

Mr D. DAVIS — Yes! I have to ask: did Mr Theophanous behave in this way? The only comments that we have that directly address this issue in this context are his own comments, on the one hand, and the comments of the previous minister, Ms Broad, on the other. I have to say that she was less than ringing in her endorsement of Mr Theophanous. Her response left the community with the view that she was being less than open and accountable, and that she was in fact concerned about Mr Theophanous's behaviour. A minister who is persistently moving around and trying to lobby or influence a tender process is a real matter of concern. If a minister is to move between different members of the cabinet, you have to ask why he is taking those steps.

Yesterday in this chamber Mr Theophanous was not fulsome in his response to the matter relating to the meeting with the Premier. It is not clear whether he or his office was involved in that meeting. I will get to the bottom — —

Hon. T. C. Theophanous — What meeting are you talking about?

Mr D. DAVIS — There was a meeting between Mr Stamas and the Premier. I am very reliably informed that this was the case. I inform Mr Theophanous that I will have the date of that meeting very soon. We will get to the bottom of the nature of that meeting. But the minister's answer in this chamber yesterday left me — —

Mr Viney interjected.

The ACTING PRESIDENT (Mrs Peulich) — Order! Mr Viney is interjecting and is out of his place.

Mr D. DAVIS — It is clear that there was a meeting with Mr Stamas and the Premier. My information is, and I look forward to a full explanation — —

Hon. T. C. Theophanous — What is your information?

Mr D. DAVIS — Mr Theophanous's response yesterday was not satisfactory. My information strongly states that such a meeting took place. It took place within a week or two of the contract being dealt with. We will get to the bottom of the exact date, who was at that meeting and who arranged that meeting. Was it Mr Theophanous's staffer? I do not know the answer to that. Was it Mr Theophanous? I do not know the answer to that either. These are questions that need to be answered. We need to understand whether the Premier was involved. We need to understand whether there was some other political involvement in that

process. Mr Theophanous was not clear in his response in this chamber yesterday about the involvement of him or his office in establishing that meeting.

I will return to the letter. It reads:

Government ministers and their office staff do not participate in this process in any way.

If they do not participate in this process in any way, why was Mr Theophanous lobbying people? Why was he moving around government ministers and lobbying them? Does he move around the government ministers expending this effort to lobby with no help of responsive — —

Hon. T. C. Theophanous interjected.

The ACTING PRESIDENT (Mrs Peulich) — Order! The minister has every opportunity to stand up and address any of the issues that are being raised without resorting to interjections, in particular unparliamentary interjections where he is engaging with and reflecting on a member for whom a sin may be paid.

Mr D. DAVIS — What Mr Theophanous is in effect asking members to accept is that he moved around lobbying Ms Broad — —

Mr Pakula interjected.

Mr D. DAVIS — Mr Pakula should just wait. We know that Mr Stamas met with the Premier.

Mr Pakula — Do you?

Mr D. DAVIS — We do.

Honourable members interjecting.

Mr D. DAVIS — We will get to the bottom of this in due course.

But the point is that the minister is in effect asking us to believe that he lobbied various ministers, including Ms Broad, for no purpose. He was moving around lobbying these ministers with no particular idea as to the outcome of that. He asks us to believe that all he was seeking to do was to put some positive case to these ministers proximate to the tender time and that he expected no response.

Mr Theophanous has admitted closeness to the firm, GJK Facility Services, and that he has spruiked for it around the government. He has opened its office and he is alleged to have been drinking with members of the company. He is said to be a drinking mate — and I am

curious as to what is exactly meant by that term in this respect.

Mr Drum said that we have to be realistic in public life and accept that people have friendships in the business world. I think that is the case; of course people have friendships across all walks of life in the community. That is normal and is natural. But the question is: what occurs in regard to those relationships? Another question is: do ministers or senior government members then actively campaign or spruik for a particular individual and/or their firm? That is what we are talking about. Did that occur in this case? There is every indication that there was some enthusiastic advocacy for a particular firm that was in the process of trying to win a government contract.

I notice the letter that Mr Viney has referred to and has made available to the chamber. It reads:

In the particular case of the high-rise cleaning contract, the process was applied fully and properly. The independent probity adviser provided a report on the tender exercise in January 2007 ...

It seems to me that Mr Viney knew the name of the probity auditor and seemed to be making reference to those probity audits in a greater than general sense.

I am interested to know whether he has seen the probity audits. He is shaking his head and says he has not seen the probity audits.

Mr Viney — It is in the letter.

Mr D. DAVIS — I understand what is in the letter. I have read part of it, and I am about to read more of it:

The independent probity adviser provided a report on the tender ... in January 2007 which concluded 'In all material respects and based on the VGPB probity framework (including appropriate application of the value for money principles), the tender process ... has been undertaken in accordance with identified probity principles and the VGPB probity framework'.

But we do not have the probity audits, and Mr Viney has said the government will not release those probity audits. He flicked it away saying, 'You apply under freedom of information'. This matter is serious enough for the government, if it were truly open, accountable and transparent, to simply make those probity audits available. If there were nothing to hide, the government would make those reports available.

It may be that that firm would not be concerned for those to be available, because it would seek to protect its reputation. If there was nothing to hide, Mr Viney and this government would not keep those reports

secret; they would be released to the community and the press for people to examine and to be assured that nothing untoward has occurred.

Instead of that, an excuse of commercial in confidence is being applied here. 'Commercial in confidence' was the current government's great catchcry in opposition. In this chamber Mr Theophanous used the catchcry of 'commercial in confidence' and said that it should not be abused. In my view, in this case it is being abused. These documents should be released. This government should be open and should be accountable. I call on the Premier to step in and to actually say that these documents should be made public. It will clear the air if there is nothing to hide, but I strongly believe that something is being covered up.

Hon. T. C. Theophanous — You are not convincing Andrea Coote.

Mr D. DAVIS — I have to say, I do not think Mrs Coote is the difficult one to convince on this. She is already very concerned about your behaviour, Mr Theophanous, on quite a number of levels.

I note that the Department of Human Services director of housing welcomes the Auditor-General's intervention. I hope that the auditor undertakes a thorough audit of this process. I have to say, though, we are very concerned about the improper political pressure that was brought to bear on the former Minister for Housing and her non-denial of that in relation to the awarding of contracts for maintenance work. I, for one, am not convinced by Mr Theophanous's denial; he and I have been in the chamber longer than most. In fact, beyond Philip Davis, Mr Atkinson and me, Mr Theophanous is the longest-serving member in this place.

Mr Theophanous will remember back in the 1990s when this chamber took a very negative view of his behaviour.

Mr Pakula — In a Liberal-dominated chamber?

Mr D. DAVIS — Indeed, there was a majority of Liberals in that chamber. I make the point that on 9 April 1997 this chamber moved that the house condemn the then Leader of the Opposition for consistently and recklessly failing to tell the truth.

It was a long debate. I remember it well, and I remember Mr Theophanous — —

Hon. T. C. Theophanous — Do you remember what it was about?

Mr D. DAVIS — Yes, I do. I remember exactly what it was about, Mr Theophanous. I remember it was about your misuse of figures, your reckless disregard for the then members of this chamber and the false figures that you put out in the press.

Hon. T. C. Theophanous interjected.

Mr D. DAVIS — That is not the full story, Mr Theophanous, as you well remember. Mr Theophanous's behaviour at that time was reckless. He impugned members without proper regard for the truth. Many of us remember his activities, and we remember that it was entirely unsatisfactory.

I want to draw the house's attention to a recent article in the *Age*.

Mr Pakula — Your sole source of information.

Mr D. DAVIS — It is more a general reflection that I want to make. It is an article by Paul Austin who makes the point in his article of 17 May that 'Bracks' reputation for open government is taking a buffeting'. I want to quote a couple of short paragraphs because I think the article summarises the question that is developing with this government.

'Sleaze' is a word not often associated with Steve Bracks. When they play word association games at those pub trivia nights that the ALP sometimes puts on to raise money, the Premier is much more likely to be described as saintly than sleazy —

that is, at ALP functions —

... in 1999, he famously promised a new era of open and accountable government. But, seven and a half years in, Bracks is caught in a series of controversies that cast a shadow over his government and its boast to have washed Victoria clean of the layer of political sleaze that, Labor argued, had come to characterise the state ...

I think that that is a very significant point. I think the *Age* has begun to understand what is occurring in Victoria. Mr Barber made reference to this before. This government is growing tired and lazy, and it is growing loose in the way it applies the rules. It is lazy in terms of its policy activities; it is lazy in terms of its approach to the community. It is indulgent.

Mr Pakula interjected.

Mr D. DAVIS — You may well laugh, Mr Pakula, but you are a member of this government who should have more sense and more integrity, and you should be able to stand up in this government, to say — —

The PRESIDENT — Order! Mr Davis should speak through the Chair.

Mr D. DAVIS — Absolutely, President, I accept your point. Mr Pakula and some of the newer members like him should be strong enough to stand up in the government caucus room and say, ‘This is not right’.

Things are going astray in this state. There is a developing sleaze and layer of grubbiness about this government, a developing layer we have to cleanse, a layer we have to ensure is dealt with. I make the point that there is a role for backbenchers inside government to stand up and make these points.

I would encourage people like Mr Pakula to take those sorts of steps. They need to stand up as did Gavan O’Connor, the federal member for Corio, who is calling for an independent commission against corruption. They need to say it is not satisfactory when a senior minister is spruiking for a particular firm that has a housing contract before a department of this government. It is not a satisfactory situation with parliamentary secretaries; we hear today that Mr Theophanous is the organ grinder and that Mr Telmo Languiller, the member for Derrimut in the other place and Parliamentary Secretary to the Premier for Multicultural Affairs, is his accomplice. I make the point that in these matters there is developing a layer of sleaze and concern.

The point about Mr Languiller is that now a senior member of the government, a parliamentary secretary, appears to have written a reference in an unsatisfactory way. Again, the Premier has missed the chance; he has failed to act and has failed to enforce high standards in his government — —

Mr Viney — On a point of order, President, this is the second time I have raised a point of order about relevance to the motion before the house. The motion before the house is specific in relation to the Office of Housing, an article in the *Age* about housing contracts and Office of Housing release of data, and I believe that the member is straying again from the motion before the house.

Mr D. DAVIS — On the point of order, President, there has been significant debate on the matter of a corruption commission and the need for high standards in public life, and that is exactly the point I am referring to. It is related to paragraph 2 of the motion which talks about improper political pressure being brought to bear on the Minister for Housing to award contracts for maintenance work.

Mrs Peulich — On the point of order, President, further to the point made by David Davis, if we have a look at paragraph 2 of the motion, it also refers to

substantial donations being made to the Australian Labor Party — a much larger entity than just the Minister for Housing. Therefore, by necessity, the debate is broader.

The PRESIDENT — Order! I think Mr Viney’s claim has some validity. I think Mr Davis has made his point, and I would ask him now to move on.

Mr D. DAVIS — The issue here also relates to Mr Theophanous’s staff and their involvement in this process. There is at least one of his staff members whose involvement in the awarding of this contract we need to understand. Ms Vicki Yianoulatos — and I stand to be corrected in my pronunciation — holds a number of positions, including as a strategic development manager with the Benson Group and as a Moreland city councillor, and she has worked as both a ministerial adviser to the Premier and to Mr Theophanous. In the public discussion today, and more broadly in the community, we have not yet understood what involvement she had in this matter of improper political pressure that has been brought to bear.

As I understand it, she has made a number of steps in the past in this way, and there is certainly an involvement in key sites like the Lombard paper site that was down near the start of the freeway. There was clear intervention in that case. That has actually been a point of public discussion in the past.

There is no doubt that there was involvement by Labor officials in granting a very favourable arrangement to the owners of that property. The planning process was called in and appears to have been conducted in a way that was very favourable to the firm involved. There seems to be every reason to believe that Ms Yianoulatos may well have been involved in that process, so there is a question about her involvement there. She was also the head of Progressive Business, and Labor people will understand that particular body and its growing role inside the Labor Party. It has become a major donor to the Labor Party in Victoria, a donor that has become more significant as time has gone on. There are many names that people stumble over, and I stand corrected, as I said, on my pronunciation of those names.

My point is that there is a clear involvement in that particular case and in what appeared to be a favourable outcome for the firm involved. We need to understand that the GJK firm is a significant donor to the Labor Party — and I believe in part to the 500 Club as well as to Progressive Business and also directly to Minister Theophanous and his campaign activities. We need to

understand what role the minister's staffer had in these processes. The minister has not been full and frank about the involvement.

Hon. T. C. Theophanous — She has only worked for me since I became the minister, for the last couple of months.

Mr D. DAVIS — That is right, but she worked for the Premier before that.

Hon. T. C. Theophanous — She didn't work for me.

Mr D. DAVIS — She did work for the Premier, and we need to understand what that involvement was. Was she involved in any attempt to set up meetings between the Premier and Mr Stamas. That is a question that has not come to public conclusion.

Hon. T. C. Theophanous interjected.

Mr D. DAVIS — Let me assure the minister it did take place. I am working hard to establish the date and place. I have it on very good authority — —

Hon. T. C. Theophanous — What date? When?

Mr D. DAVIS — I have made this comment to the minister, through the Chair, before: we will establish the details of this and we will get to the bottom of exactly what has occurred in this case. I again reiterate my view that Ms Lovell has done the right thing in moving this motion. There is much more that has to come out publicly in getting to the bottom of this matter. The community expects openness, accountability and transparency. It expects in this case that the probity audits will be made public and that the excuses that the government has given as to why it should not, which look limp in the light of its earlier protestations about commercial in confidence, will be something that the government in the end will need to get over, otherwise the community and the chamber can only form the view that the government has something to hide.

I make the point that the public servants in this case may well have fought valiantly to prevent some improper actions occurring. They may well be under severe pressure. The community has every right to believe public servants should be protected from influence. I also make the point, as I have done earlier in this debate, that I believe former Minister Broad has an obligation to the community to be frank and to come forward publicly to explain precisely what occurred as Minister Theophanous apparently sought to spruik for a firm bidding for a contract. It is reprehensible of her not

to come forward and be honest and accountable with the community as to what occurred. Her statement leaves many questions unanswered, and her statement is wholly unsatisfactory from any level. I do not believe the community thinks it is satisfactory.

Without further ado I indicate that the chamber may need to come back to look at these matters again. This is step 1 if the government is not going to be open and accountable. If Minister Theophanous is not going to step forward and clear this up properly — —

Hon. T. C. Theophanous — I did yesterday.

Mr D. DAVIS — You did not, you left many questions unanswered, so I commend the motion to the house.

The PRESIDENT — Order! Before I call the next speaker I want to clarify the issue of using first names in the chamber. I have no difficulty with members using first names to each other in banter across the chamber et cetera. I have established the rule that when a member of this house is on their feet speaking formally they will be addressed formally. It is a discipline we all need to get into. I heard a comment a few minutes ago where a member thought they may have transgressed. In fact they did not because the particular member they were addressing was not on their feet. It only applies when a member is on their feet addressing the Chair.

Ms HARTLAND (Western Metropolitan) — I wish to speak only briefly today. My colleague, Greg Barber, has covered many of the issues with this motion that the Greens have concerns about. We will certainly not be voting for it.

I would like to relate to the house my experience of working in an Office of Housing high-rise block for the past five years. I worked within the older persons program. I worked for a community health centre, and my experience with the maintenance program was diabolical. I would spend 20 to 30 per cent of my time of every week ringing the maintenance call centre trying to get things fixed, and they were often very serious problems. I worked in a block that housed 90 older people. Often their doorhandles would break and they would not be able to access their rooms, but they would be told that it was not an urgent issue and they would have to wait between one and seven days. I found at times that oven doors would break. That was also considered not to be urgent and would involve a wait of one to seven days. We often had problems with contractors arriving at a different time from the time that had been organised with the residents. They would

leave an orange card for the residents to ring back, but they would never return. On some disputes I ended up ringing the call centre between 5 and 10 times per incident for a resident. The Office of Housing maintenance system is clearly not working, and that is one of the things this government should be addressing.

Mrs COOTE (Southern Metropolitan) — I move:

That debate on this motion be adjourned until the next day of meeting.

House divided on Mrs Coote's motion:

Ayes, 15

Atkinson, Mr	Kronberg, Mrs
Coote, Mrs (<i>Teller</i>)	Lovell, Ms
Dalla-Riva, Mr (<i>Teller</i>)	O'Donohue, Mr
Davis, Mr D.	Petrovich, Mrs
Davis, Mr P.	Peulich, Mrs
Finn, Mr	Rich-Phillips, Mr
Guy, Mr	Vogels, Mr
Koch, Mr	

Noes, 25

Barber, Mr	Mikakos, Ms
Broad, Ms	Pakula, Mr (<i>Teller</i>)
Darveniza, Ms	Pennicuik, Ms
Drum, Mr	Pulford, Ms (<i>Teller</i>)
Eideh, Mr	Scheffer, Mr
Elasmar, Mr	Smith, Mr
Hall, Mr	Somyurek, Mr
Hartland, Ms	Tee, Mr
Jennings, Mr	Theophanous, Mr
Kavanagh, Mr	Thornley, Mr
Leane, Mr	Tierney, Ms
Lenders, Mr	Viney, Mr
Madden, Mr	

Motion negated.

Mr THORNLEY (Southern Metropolitan) — I suppose I had expected that in the general business motion this week we might discuss the \$34 billion budget that this government brought down. I thought there might at least have been something in that budget which the members opposite would have thought was sufficiently important for them to want to use their time debating it, but apparently there was something that was even more important than that, and even more important than looking into the specifics of the budget around social and public housing and the very important and complex issues that Mr Drum so adequately raised. It would have been a terrific discussion; I wish we had had that discussion. That is the sort of debate you would like to have in this chamber.

But apparently there was something much more important. It was so urgent, so important and so

compelling that, rather than debating the \$34 billion that has just been brought down or even any component of it, we had to dive deep into — or I thought it was going to go deep into — an article that appeared in the *Age*. I have been sitting here waiting for that deepness to emerge, but I have not heard it, so I am wondering why it is that we are debating this. Apparently some people have decided they want to stop debating it, maybe because there is no depth there.

This debate raises a simple issue. As Mr Drum said, if there is something wrong, if a tender has been wrongly awarded and somebody has done something improper to do that, then the book should be thrown at them. But I have not yet heard any evidence in this chamber that that is in fact the case. Those opposite are trying to raise and move into the territory of something being wrong, but when you try to pin them down and ask, 'What is it?', they give no specifics.

We are told by this motion that there is a 'continued failure of the Office of Housing to correctly follow the Victorian Government Purchasing Board's guidelines'. I have not heard what that continuing failure is. What we have heard — at least as best I can understand it; maybe other members will correct me if I am wrong — is the following. The only facts that I am aware of that have been led in this chamber or in the public media are as follows: firstly, there were some problems in the Office of Housing that were reported by the Auditor-General in 2004. Apparently those problems related to the fact that certain contractors at that time were in some cases not fulfilling their obligations. The testimony of Ms Hartland seems to confirm that experience, and I have seen a little bit of it myself at Atherton Gardens and elsewhere. The Auditor-General made recommendations that procedures be tightened up to ensure that contractors who are not pulling their weight and not performing as they should, be dealt with more adequately in the process.

That seems a good and appropriate scrutiny of the government and its contracting processes. I have not heard anyone lead any evidence that the changes that were recommended, which the Office of Housing says it has adopted, were not adopted. I have not heard any evidence that there was a tender improperly let.

It is incumbent on the opposition to make a decision if it is going to continue to prosecute this case, and it sounds like it is thinking that maybe that is not such a great idea. Are opposition members asserting that contracts were improperly let, or are they not? If they are not, then they are telling us that the lack of anything wrong with the contract that was let is such an important issue that we are not going to debate the

budget, particularly the public housing figures in the budget. Instead they are trying to raise this general smear allegation against this government, and by implication every member of it, but when they are actually forced to bring forward a single example of this alleged poor behaviour, we see that the single example brought forward is not an improperly let contract.

The only alternative is that those opposite are in fact asserting that these contracts have been improperly let. If that is their assertion, so be it; that would be a very serious matter and certainly a matter that would warrant time in this chamber. That is an allegation, to be clear, of a criminal conspiracy that would have to involve, at a minimum, two ministers or former ministers of this government, the director of the Office of Housing and potentially others who directly report to him, the probity consultant and others. If that is what the opposition is asserting, let it assert it and let it bring its evidence. That is a very serious allegation. Or is that not the allegation we are debating here?

The opposition sort of refers to it. It sort of refers to the continuing failures of the tender process, but we have not heard any details. We sort of hear that nobody would bother trying to interfere with the process unless they thought they would get a better result. Either the opposition is asserting a criminal conspiracy to defraud the public by offering tenders to somebody who should not have got them on merit or it is not asserting that. If it is not asserting that, then why are we here?

We have heard the general allegations against the government. If the government is doing the sorts of terrible things alleged, the opposition has got 3 hours to bring a specific example of it. It is not quite sure whether it is really willing to assert that there has been any impropriety in the letting of the contracts. If the opposition is not asserting that there has been impropriety in the letting of the contracts — if it is saying that the contracts were correctly awarded according to a merit-based tender process — but is claiming that somebody somewhere apparently allegedly tried to somehow influence the decision, what it must therefore be admitting is that even if they were apparently trying to do it according to the allegations, they were unsuccessful. In that case what it is asserting by its own admission is that this government has probity processes that work. If the allegation is that somebody tried to improperly influence the contracts and that the attempt did not result in improper influence, that must prove that the probity processes work.

The best we can hope for here is that the opposition is either serious about this and is alleging a serious criminal conspiracy — possibly as high as the Premier, whom I notice it is trying to bring into it — among all sorts of layers of the government or it is asserting nothing much at all, except apparently some sort of assertion that someone somewhere may have tried to do something and that, if they did, it was not successful.

If that were not the case, then why do we have in the first sentence of this motion ‘the continued failure of the Office of Housing to correctly follow’ the purchasing board’s guidelines? Which continuing failure are we talking about? We have not had any evidence of any continuing failure to follow those guidelines after the Auditor-General’s report, which was all about whether or not existing contractors should have been terminated earlier because they were performing badly.

I do not know, because I do not know the details or the specifics of what the Auditor-General referred to. What I do know is that we are now being asked to investigate a situation where somebody who was a contractor was unsuccessful in part or in all of their efforts to continue to be a contractor when the next round of tenders was let. That would, on its face, seem to suggest that this process has continued as it should, that the remedies sought from the Office of Housing were followed — as indeed is its belief, and we have heard no evidence to the contrary — and that indeed part of the result of that may well have been that persons who were not successful in the future round were not successful because of performance. I do not know, but none of that is evidence at all that they should not have been awarded the contracts in the form that they were. We have had no such evidence at all.

That leads me to ask: why are we having this debate? I think the problem in this business — and I am pretty new to it — is that everybody has a whole set of agendas other than what they are talking about. In my experience in business, when you do a 360-degree feedback process on management team members or employees you almost always get pretty much the same picture back from everyone you talk to. What you see is what you get. You have the same thing when you check references on a new employee or manager. But in this business what you often find is that every person you talk to gives you a very different opinion of the same person. It is hard to put the same identikit picture together. You think they are talking about five different people.

Why is that? We can only presume that that is the case because those who are giving those opinions have some

vested interest or some other motivation beyond simply feeding it back into the process. In fact what I conclude is simply this: it says more about the people saying it than it does about the people they are saying it about. What I have learnt in this business is that when I hear five different people saying five different things about the same person, I should not just listen to what they are saying but also ask myself the simple question: why are they saying it?

What we have here is a bunch of people who are either — I cannot quite figure out which — making very serious allegations of criminal conduct on which they are unwilling to lead any evidence and which they are not taking to any relevant authority that could prosecute that criminal conduct or saying not much at all, in which case, why are we here? Why are they smearing the good names of the public servants in this process? Why are they smearing the good name of the probity auditor? Why are they smearing the good names of a whole range of people, if those opposite are not alleging that the contract was wrongly let?

This has all the elements of a C-grade smear campaign. It says more about those purporting to put the allegation forward than it does about those they speak about. I am all for scrutiny of government, and I am all for throwing the book at people who are corrupting the system. If members opposite have evidence of that, then they should bring it forward, and the consequences will follow. But if they do not have evidence of that, then what they are doing is cheapening that currency and taking away the legitimacy of a real process of scrutiny of government — the type of process that some others in this chamber have called for.

What we have here is a classic B-grade or C-grade smear campaign. We have anonymous sources, we have bogus specificity — ‘Something occurred on this date which people didn’t know about before’ — and because they go into all the specifics, it sounds like it is a real revelation. Actually it is a nonchalant fact. Minister Theophanous quite happily acknowledged the fact that he suggested this contractor meet with the minister some time long before there were any tenders. That is not a disputed fact; it is a nonchalant fact.

Until somebody is alleging that there is some criminal conspiracy that has led to the false or improper issue of contracts, that is a nonchalant fact. It is part of the bogus specificity that you have in a good smear campaign. Then you have a bit of innuendo and you have a bit of guilt by association. Apparently the fellow concerned, Stamas — I do not know him — knows or has some connection with some other fellow who possibly committed some other criminal offence. I do

not know what all that means. We have had no evidence that that is in any way related to any wrongful letting of this tender. We have simply had the smearing of another person’s reputation through guilt by association.

Then what those opposite do is leave themselves an open back door, because if they go around tarring everybody up and it turns out that they have nothing to say, then it is usually a good idea that they can back-pedal out of here quickly so that they do not look too ugly because of how much mud they have thrown. We tried to have a back-pedal a moment ago, and they tried to not debate it. Now we are going to have a back-pedal when we do debate it, which will be, ‘No, no, no. We weren’t saying for a moment that there was any actual wrongful letting of the tender or that any public moneys have been wrongly expended. We just thought that we might throw that out there and spend 3 hours in budget week talking about it’.

Mr President, I could go on at length through the evidence that has been led, but it does not lead us to any conclusion that there has been any wrongful tender let or that there has been any criminal conspiracy. What we have had is a C-grade smear campaign with all of the usual tactics. If and when those purporting that something serious and criminal has happened bring forward some evidence, then I am sure the relevant authorities, including this chamber, would consider that evidence seriously. We have not seen that today.

Mr KAVANAGH (Western Victoria) — I would like to take the opportunity to explain my vote on this motion. First, I think that the opposition has shown some reasons to be concerned about the procedures that were followed in the recent past by the Office of Housing and about its attitude to releasing information.

However, at the heart of this motion is an allegation against the Minister for Industry and State Development, Minister Theophanous. The only evidence that has been presented as far as I can see against Mr Theophanous is newspaper reports, which are pure hearsay and which would be completely inadmissible in a court. Although we are not a court, findings that we make may have repercussions as serious as the findings of a court would have, and I believe that we should be extremely careful about using newspaper articles as evidence. In my experience they are not always accurate.

I was persuaded by the able defence Mr Theophanous gave yesterday and by the contribution to debate of Mr Viney this morning. In particular I would like to refer to the recounting by Mr Theophanous that the

newspapers which were making allegations were not very fair in allowing the allegations to be made but allowing only a very limited defence against those allegations. This is something I can sympathise with as a longstanding member of the Democratic Labor Party.

Mr PAKULA (Western Metropolitan) — I want to say at the outset that I think the scenes that we just witnessed during the division on the motion for the adjournment of the debate were a demonstration of an attempt by the opposition to use a fairly appalling device. A couple of months ago we debated sessional orders in this place about extending opposition business on Wednesdays, and the compromise that was arrived at in this house was that if opposition business was not concluded, then the house could move to extend the time by a positive resolution.

It became clear during the course of David Davis's speech, which became a filibuster, that we were not going to get through the speakers by lunchtime. Mr Viney then suggested to Mrs Coote that we would move to extend this debate so that all of the people who were down on the list of speakers would have a chance to have their say. The Liberal Party's response to that was to move to adjourn debate off to the next day of meeting.

The only thing that I can conclude from that device is that today's endeavour was to come in here without evidence and without substantiation; to throw a bucket of mud across a minister, knowing that at no stage during the debate would the Liberal Party have any evidence or any ability to substantiate those allegations, and to then seek to adjourn the matter off without a vote. I think that is an abuse of the processes of this house.

As for the substantive part of Ms Lovell's motion, as other speakers have indicated, it is a motion predicated on rumour and innuendo and little, if anything, else. David Davis in his contribution, if anything, was more scurrilous than that. In effect he urged the house to support a motion which, as Mr Viney said, effectively condemns a minister on the basis of a meeting that Mr Davis said happened, a meeting for which he presented no evidence as to participants, time, subject matter or who organised it, and then said, 'Trust me, the meeting happened. Condemn the minister'. All I can say is that I think we should all be grateful that in his previous occupation Mr Davis was a chiropractor and not a judge or a lawyer. If that is the level of evidence and proof that Mr Davis thinks is appropriate to condemn someone, it would be a very sorry state of affairs if one was ever unfortunate enough to appear before him.

Going back to the motion, as I have indicated, Ms Lovell did not present one shred of evidence in support of the central allegation that is contained in the motion. The consequence is that it is a motion which is predicated on a couple of newspaper articles, which themselves quote no sources and refer to a rumoured meeting for which no evidence is led, and, even more bizarrely, on a 10-year-old Legislative Council resolution which was passed by a Liberal-dominated Council, as if that is proof of anything.

Yesterday, even though I think the President was going to suggest that he was not required to deal with the matter, Mr Theophanous dealt with this matter as comprehensively as a minister could be expected to. He did that in response to a question, I believe, from Ms Lovell. Given the paucity of detail and the complete lack of substance in the contribution made by the lead speaker, I do not believe the minister's rebuttal yesterday needs restating. But Mr Viney in his contribution read into *Hansard* the letter from Mr Donald which thoroughly demolishes the unsubstantiated allegation raised in the *Age*, and that is the crucial element in this debate. The material in the *Age* is the sole factor upon which the opposition relies in support of its motion, other than the alleged meeting that Mr Davis says occurred.

The PRESIDENT — Order! Pursuant to sessional orders the time for general business has expired.

General business extended on motion of Mr VINEY (Eastern Victoria).

Sitting suspended 12.56 p.m. until 2.03 p.m.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Member for Derrimut: Ethnic Enterprise Advisory Council

Mr D. DAVIS (Southern Metropolitan) — My question is to the Minister for Small Business. In the previous Parliament the then Parliamentary Secretary to the Premier on Multicultural Affairs chaired the Ethnic Enterprise Advisory Council supported by the Office of Small Business. Since the election last year the council has not yet been reactivated. Can the minister assure the house that the current parliamentary secretary, Telmo Languiller, will not be appointed to chair the council?

Hon. T. C. THEOPHANOUS (Minister for Small Business) — The council referred to by the honourable member, the ethnic — I think he — —

Mr D. Davis — Enterprise.

Hon. T. C. THEOPHANOUS — I think he is referring to the ethnic business council, which is a group of representatives of ethnic background who come together and advise government in relation to the contribution that is made by members of the community of ethnic background in helping to promote business activity in this state. That committee is a very important committee and has the task of bringing together people of ethnic background who are well-known businesspeople within the community.

I am in the process of reconfiguring that committee. I am attempting to make it even more important than it has been in the past, with a greater role in advising government, because I think that in our international connections with other countries we should attempt increasingly to use our ethnic communities to establish business links for the benefit of the Victorian economy. When we have businesspeople here who have such connections and such backgrounds, then we should use them to try to attract export activity and investment activity to the state.

For example, recently we had a minister for industry from Greece, Mr Alagoskoufis — I am sure David Davis would have quite a lot of trouble pronouncing Alagoskoufis — who came here with a delegation from 30 businesses. We arranged for 100 different meetings to take place between those businesses — it is a very important activity — and our local businesses, and of course we geared off the local Hellenic Australian Chamber of Commerce and Industry. These connections are very important, and I am therefore very keen to have this committee play an important role. When it is configured in the appropriate way, I will make the appropriate announcements.

Supplementary question

Mr D. DAVIS (Southern Metropolitan) — The minister is obviously so enamoured with the council that the government website reads:

The council is chaired by the Hon. Kaye Darveniza ... Parliamentary Secretary to the Premier, and reports directly to the Hon. André Haermeyer ... Minister for Small Business.

However, the minister is correct in saying that international or bilateral business chambers have a crucial role in facilitating trade between Victoria and its trading partners. Given the minister's earlier answer, can he assure the house that the appointment of the disgraced Mr Languiller to chair the Ethnic Enterprise Advisory Council will not damage Victoria's international relationships?

Hon. T. C. THEOPHANOUS (Minister for Small Business) — Unfortunately this member is determined to throw mud around the house in the hope that it will stick. Really he is the last person who should be throwing mud at other individuals in this house, because if you look into his background there is quite a lot in his own activities within the Liberal Party that people could raise in this house, including his branch stacking activities and including the opinion that his leader has of him.

Mr Atkinson — On a point of order, President, I draw your attention to the nature of the response by the minister, which I think clearly flouts your rulings on the material that ministers should use in responding to questions. He is reflecting on Mr Davis and bringing in information that has absolutely nothing to do with the question. I think he should be brought back to the substance.

The PRESIDENT — Order! I am a little concerned at the way this question has gone. I have allowed a fair degree of latitude. I am interested in Mr Atkinson's comments with reference to the comments made by the minister and the castings against Mr Davis, given that arguably Mr Davis has just made a very offensive remark regarding the supposedly disgraced Mr Languiller in another place. I have to say I am a bit surprised no point of order was taken on that; I considered that myself very seriously. However, there is some latitude being given to the minister in his response to the question asked, which was quite broad. I say again that I am not comfortable with the direction these questions are taking.

Hon. T. C. THEOPHANOUS — Thank you for your ruling, President. I might say in response to the member that I also take exception to the way in which he framed his question. I think that if he wants to ask questions in this house then he should ask them with the appropriate respect for members on this side of the house and members on the other side of the house.

Olympic Park: rectangular stadium

Mr PAKULA (Western Metropolitan) — My question is to the Minister for Major Projects. Can the minister advise the house of any recent announcements by the Bracks government that will ensure that Melbourne remains the sporting capital of Australia?

Hon. T. C. THEOPHANOUS (Minister for Major Projects) — I thank the member for his question. I am pleased to be able to advise the house that this morning the Premier announced at the Olympic Park site that the rectangular stadium would go ahead and that an

agreement had been reached between Melbourne Victory, FFA (Football Federation Australia) and the Victorian government.

As I have often said in the house, the opposition, David Davis in particular, comes in and continues to try to stop these kinds of things happening. He came in and tried to downgrade our efforts to bring Tiger Airways to Victoria — and finally he had to accept that we were successful in attracting Tiger here. He continually said we would never get Melbourne Victory across the line on this matter, but now we have got Melbourne Victory across the line.

It is a good agreement. The stadium will cost \$268 million. It will be built and will accommodate in excess of 31 000 spectators. It will be an absolutely fantastic venue and will be based on a bioframe model. I am sure there will be photographs tomorrow — there might even be ones in the *Age!* — to show just how exciting it will be, being able to watch Rugby and soccer in that stadium when it is built. We are projecting that the stadium will be built by the end of 2009. That is our target date, so we are hopeful of being able to have games played in 2010 in the new stadium. It will be an absolutely fantastic venue.

Let me say that it has not been an easy set of negotiations. It has been difficult and complex, as you would expect when you are trying to balance so many different issues. I want to thank the Melbourne Victory club for the way in which it approached the negotiations. I want to especially thank FFA, because it has been very keen to have this stadium built for the benefit of soccer, which is really taking off in this state. Also, accompanying it will be a range of other activities to try and promote soccer amongst schoolchildren, and the Melbourne Victory has agreed to those programs as well.

Some of the games — what we might call the blockbuster games — will be played at Telstra Dome, but the majority of the games will be played in the new stadium. We are also hoping that additional games may be able to be played there. Certainly the venue will be available for a wide variety of uses. It will be an exciting venue, and we were very pleased to be able to make the announcement today.

Housing: timber flooring

Mr HALL (Eastern Victoria) — My question without notice is directed to the Minister for Planning, the Honourable Justin Madden. I refer the minister to the government's 5-star house energy rating system and ask: given that timber is the only renewable product

used in house construction, that timber is the only building product that sequesters carbon and that timber production has a lighter environmental footprint than the production of any other building product, why is timber — especially timber subflooring — not recognised for its broader environmental benefits when determining 5-star energy ratings?

Hon. J. M. MADDEN (Minister for Planning) — I welcome Mr Hall's question on this very important issue of 5-star energy rating systems. As I mentioned yesterday, as a government we are very proud both of having introduced the 5-star energy rating system and of the success of that system. Many people are interested in the issue of timber floors because there is no doubt it will have an impact on the way houses are constructed in the future.

What is important is that the science, for want of a better description, of assessing the thermal performance of housing stock is a key criterion in terms of 5-star energy rating systems. One of the things that is considered in the 5-star energy rating system is the thermal performance of the materials in those dwellings. Whilst the comments of Mr Hall in relation to the renewable qualities of household products are an issue for consideration, timber floors as they are currently built do not prove to be successful in insulating houses and improving their thermal performance.

What Mr Hall may well appreciate is that I did extend the period for the Housing Industry Association to bring the operations of the timber flooring component on line by four months to give operators a bit more time to adjust. I know that there are house builders down in Mr Hall's neck of the woods who like to build on sloping blocks and find timber an easier material to work with for flooring.

Mr Hall — And a more environmentally friendly material.

Hon. J. M. MADDEN — I will get around to that, Mr Hall. But as well as that, this is not to say that you cannot use that product. The way I understand it is that if you do use the product, there are other things that you have to build into that product to ensure that the thermal performance long term will still allows for the house to operate in a reasonable way. I am no technician when it comes to 5-star performance offsets, but I will say that you can still use timber floors, but you have to insulate them in a way which means that the energy lost and the external temperatures that come into the house through a timber floor are offset.

I make the point to Mr Hall that timber floors are a matter of interest. Builders will still be able to use timber floors, but they will have to use them in a different way. The old technique of just putting a timber floor over a subfloor frame is not sufficient. You need to insulate in a way which maintains the thermal performance of the house and complements the 5-star energy rating.

I also appreciate Mr Hall's comments — and I will try not to go on for very much longer — in relation to the embedded energy properties of building materials. That is a matter of some conjecture at the moment. I do not pretend to be a scientist in this area, but I will say that I suspect many of these matters will be given greater consideration in aligning with our announcement — as we did on Monday — in looking at a performance-based system when we develop the next generation of 5-star rating, which will be broader than the current system. It will be more akin to performance than prescriptive, as it is to a certain extent now. Whilst performance is an issue, we prescribe many of those attributes, and I look forward to seeing the second generation of 5-star energy rating, which will be broader and may even give greater consideration to the embedded energy in the materials that are used in those houses.

Supplementary question

Mr HALL (Eastern Victoria) — I thank the minister for his answer to the question and his preparedness, I think, to look into this matter in a bit more detail. I ask by way of supplementary question to the minister: given the fact that three states — New South Wales, Queensland and Tasmania — have varied the Building Code of Australia to better reflect the broader environmental benefits of timber in their energy rating standards, will the Victorian government do likewise?

Hon. J. M. MADDEN (Minister for Planning) — I thank the member for his question. I suppose timber flooring again raises the question of what is and what is not a good timber floor, in the sense that if you are using certain timbers — renewable timbers as opposed to imported timbers that are not plantation timbers — then there are many issues in relation to this. There is the type of timber used and its properties. I do not profess to be across all the science in this area, but, as I mentioned in my previous answer, I am sure these matters will be given thorough consideration in the next set of principles that we establish around the second generation of 5-star energy rating housing.

Schools: federal-state cooperation

Ms TIERNEY (Western Victoria) — My question is to the Minister for Education. Can the minister advise the house on how the Bracks government works together with the commonwealth government to achieve a quality education for our children?

Mr LENDERS (Minister for Education) — I thank Ms Tierney for her question and her insightfulness in working out that this government is actually a collaborative and cooperative government. We work with the commonwealth on a lot of areas together, but we can always do better.

I will just outline a few areas where we do work well with the commonwealth. I have been to 17 schools in the last two weeks. Three of those were in Gippsland. I had the pleasure of being with my colleague Mr Viney. I was also with Mr Peter Ryan, the Leader of The Nationals in the other place, at all three schools. One of the first schools I went to was in Yarram, and Mr Peter McGauran, the federal member for Gippsland, opened one part of the building and I, as a state member, opened another part. It was a collaborative approach. We actually had the new hothouse flexible learning centre —

Mr Jennings — There were doors at either end!

Mr LENDERS — Mr Jennings says there were doors at either end. It was a situation where the two jurisdictions value-added to each other. It was interesting that during the unveiling of the little plaque, which was a part of the protocols involved in the opening of the building, Mr McGauran erroneously pulled my side of the cable. In a generous gesture, I said we were working with the commonwealth and our outcome was to give those 400 students at Yarram an opportunity. I did not fire off about 30 letters, like Julie Bishop and Pat Farmer would have done, about breaching protocol. I just accepted that us working together meant that even though in this particular school we had coming from the state \$1.5 million, from the commonwealth \$680 000 and from the school \$560 000, we were providing a good educational outcome for the students of Yarram and giving those students in South Gippsland an opportunity — and we were working together. In answer to Ms Tierney: we can work with the commonwealth, and we can work well.

Similarly in Foster — again, it was Mr Viney, Mr Ryan and me, and at this stage we had Mr Russell Broadbent, the federal Liberal member for McMillan, with us — we went through a similar operation. We sat down and

announced a project. Again, the state put in the lion's share of the money, but this project will mean that the students at South Gippsland Secondary College in Foster will actually get an outcome. We also went to Toora, which has a tiny school. Now, after 127 years, it has a custom-built facility for its 66 students. It had temporary halls for all those years.

My response to Ms Tierney is that we can work together with the commonwealth, but there is always a challenge for the commonwealth in this area. Even though we see a few instances where it works, the next day you get another 'Dear John' letter from the federal minister, Julie Bishop. And in the 'Dear John' letter yet again is a slavish desire to bureaucratise at every possible step — fill in paperwork, fill in more paperwork, write to the commonwealth, give it an opportunity. We want Victoria to be a great place to live, work and raise a family. We can do that more effectively with a bit less red tape from Julie Bishop.

Children: trust funds

Mrs COOTE (Southern Metropolitan) — My question is to the Minister for Community Services. All Victorians have been touched by the plight of baby Catherine, the baby abandoned by her mother on Mother's Day outside the Dandenong Hospital. Has the Premier asked the minister to get his department to set up a trust fund in perpetuity for baby Catherine?

Mr JENNINGS (Minister for Community Services) — The simple answer to this question is yes.

Supplementary question

Mrs COOTE (Southern Metropolitan) — In that case, what will the minister be doing in the way of similar trust funds for the 4000 other individual children in Victorian state care?

Mr JENNINGS (Minister for Community Services) — I think this supplementary question is in fact a much better question than the original substantive question, because it provides me with the opportunity to respond in terms of the needs of the many precious children in the state of Victoria who have had some emotional scarring because of their family circumstances and who live out of home each and every day.

If at the heart of the member's question is a concern for the wellbeing of all those children, may I say I appreciate the heartfelt concern. In fact it is a concern that I share, because in terms of the child protection program within the state of Victoria I am charged with the responsibility of providing quality and responsive

care to those children who live out of home each and every day. Each and every one of them has every right to and deserves a caring and loving environment in which they should grow up and reach their full potential. As a state and as a community we are charged with trying to respond to those needs each and every day.

The important matter in relation to the trust fund being established for baby Catherine is that because there was a spontaneous outpouring of goodwill from the Victorian community, and in fact a spontaneous outpouring of generosity and concern for her wellbeing, a number of funds were spontaneously generated. In the name of providing for Catherine's care, there needs to be some facility to be able to provide for that care.

The Victorian government is not soliciting money on behalf of Catherine's care, but indeed it does recognise that arising from the generosity of heart and generosity of spirit of Victorian citizens there have been spontaneous unsolicited donations and expressions of concern for this precious child's wellbeing. It is only appropriate that those donations be handled in a most sensitive and appropriate fashion to care for her wellbeing.

On the substantive point of the member's supplementary question about the many thousands of children in Victoria that warrant our community's concern and consideration, I wholeheartedly agree. I am absolutely determined that we will do whatever we can to provide the appropriate care for and consideration of those children.

Schools: excellence awards

Mr EIDEH (Western Metropolitan) — My question is to the Minister for Education. Can the minister advise the house what the government is doing to recognise excellence in state education?

Mr LENDERS (Minister for Education) — I thank Mr Eideh for his question and his interest in education, particularly his interest in how we can acknowledge excellence in education. We are in a difficult part of the political cycle where we have a federal minister who sees her role as being to create a problem by talking down education so that she can ride in on her white charger to fix it. But in the process of talking down the system to be the person who fixes it, what is happening is that the system is being demoralised across Victoria and across the whole country.

Mr Eideh's question about what we are doing to recognise excellence in education is very valuable, one,

because it is very important in its nature that we reward and acknowledge good leadership, and two, it is a sign of faith in our education system at a time when it is under needless political attack from a federal minister who has no substance but who runs on gimmicks and talks down the system. What the awards had quite recently — —

Mr P. Davis interjected.

Mr LENDERS — The Leader of the Opposition actually was at the excellence awards at the Palladium a week ago, on the last day of Education Week. What happened was that we saw an outstanding school leadership award. We saw Steven Boyle from Corio Bay Secondary College actually get acknowledged in front of 950 of his peers as an outstanding school leader in a group of other very good leaders. We also saw the school leadership team award. We saw the curriculum innovation award at St Helena that I have talked about in another context.

An honourable member — What about an award for Julie Bishop?

Mr LENDERS — We did not have an L award; we did not have a Julie Bishop award. We also had awards for an outstanding primary teacher, an outstanding secondary teacher and an outstanding business manager. As someone whose mother-in-law was a business manager in a government school for most of her career, I know that it is one of those unsung roles. Business managers in schools take pressure off principals, who can actually then go on to be leaders in schools.

Unlike Ms Bishop, we also went on to acknowledge outstanding school councillor contributions — the school as a community. Councillors who had spent more than 15 years on a school council got acknowledged. We also acknowledged outstanding parents. Each region had actually come forward and nominated parents who had been volunteers and provided assistance. We acknowledged excellence in educational leadership across the board.

The most rewarding thing for me as a minister was to recognise the dozens and dozens of teachers who had given 40 years of service. Not even Mr Baxter, a former member of this house, had given 40 years of service.

Mr Hall — Close!

Mr LENDERS — To respond to Mr Hall's interjection, Mr Baxter had been here since 1973, not 40 years. What we had was people who had 40 years of teaching experience, and some had 45 years and others

had 50 years. Excellence in education needs to be rewarded. This government does it; we do not talk it down like Julie Bishop does.

Schools: maintenance

Mr P. DAVIS (Eastern Victoria) — I direct a question without notice to the Minister for Education. I refer the minister to comments reported in the *Geelong Advertiser* on 10 May of this year by a Deakin University senior lecturer in education, Dr Rod MacLean, who when asked about the state of school buildings in Victoria said, and I quote:

Many ... are of third-world standard. Funding in the state budget is welcome, but there is a 25-year backlog.

I therefore ask: when will the minister commit to eradicating the maintenance backlog, which at June 2006 was conservatively estimated at \$268 million?

Mr LENDERS (Minister for Education) — Firstly, I am sure the Geelong academic would have said there was an 18-year backlog. If former education ministers Phil Gude and Don Hayward had not been asleep at the wheel for the 7 long years of the Kennett government there would have been an 18-year backlog, not a 25-year backlog. Secondly, I invite the Leader of the Opposition to reflect on the fact that when the Bracks Labor government was elected in 1999 we received a budget of \$100 million dollars in educational capital. In the budget that this house will debate this afternoon we are talking of \$555 million in educational capital. The proof of the pudding is in the eating — there has been a five-and-a-half-fold increase educational capital, and even after allowing for inflation there has been a fivefold increase. Capital in the end is what will reduce the need for maintenance.

This government has brought in a student resource package which means that every school has money for maintenance in a given year. In the order of \$46 million a year — I would stand corrected on the figure — goes into schools through their global budgets towards maintenance of schools. Above and beyond that, in most of our budgets, and certainly in the last two, we have made other commitments, including in this budget \$10 million, of further money for maintenance catch-up. This government has delivered resources to education in capital and in maintenance.

Mrs Peulich interjected.

Mr LENDERS — I take up Mrs Peulich's interjection that these are just promises. I suggest that Mrs Peulich go through the 131 schools in the state which have received capital funding in the budget, and,

through you, President, I challenge her to keep a score card as we move on to the 500 state schools we have committed to either build, rebuild or modernise during this term in government. We have put in place a 10-year plan to rebuild or modernise every school in the state. As to Philip Davis's comment about backlogs, if you rebuild a school you do not need immediate maintenance because you have actually put capital in place and you start afresh.

Mr Finn interjected.

Mr LENDERS — Secondly, in response to Mr Finn's interjection about closing schools, we have 1594 schools — and we build them. We did not close 300 schools like his government did. Education is a no. 1 priority. Investing in schools is of critical importance. Maintenance of schools is of critical importance. Basic economics and basic common sense indicate that if you invest in capital and you invest in long-term planning your maintenance issues will come down.

We welcome the chance to be out there in the education argument. I invite Mr Davis to accompany me in visiting any of the 131 schools that received capital. Rather — and I suspect uncharitably — he goes around the state looking for schools that did not receive capital, and he stirs up trouble. But I invite him to go to any of the 131 schools. I invite him to visit the schools in his electorate at Toora, Yarram, Foster, Churchill, Warragul, Sale, and Drouin — to name but a few schools that have received capital funding — and to rejoice with, not criticise, the schools.

Supplementary question

Mr P. DAVIS (Eastern Victoria) — I thank the minister for his expansive answer, which gives me the opportunity to remind him that the Kennett government, from memory, reduced the maintenance backlog by half a billion over seven years. The maintenance backlog has doubled in the last seven years to \$268 million. The minister can attempt to mislead the community, but he will not mislead the Parliament. Therefore I ask: has the minister found, as I have found, after conducting school visits, that the maintenance backlog audit of \$268 million, which I have referred to, grossly underestimates the actual expenditure required to attend to all of the serious maintenance issues in Victorian government schools?

Mr LENDERS (Minister for Education) — Unlike a government that closed 300 schools, we build them. We have invested more than \$480 million in maintenance in the seven years we have been in

government. I invite the Leader of the Opposition to just go to the Toora school, the school I mentioned before, which is in his own backyard. This is a school that for — —

An honourable member interjected.

Mr LENDERS — Mr Davis was not there. He may have been more busily engaged in other schools trying to find gloomy news. If he went to Toora, he would find a school — and I will repeat this — that for 127 years has not had a custom-made building. The school sat there languishing during the Kennett years and was left to be housed in a group of clapped-out old portable classrooms. I was at Toora with Mr Viney and Mr Ryan announcing \$2.5 million of funding.

Mr Jennings interjected.

Mr LENDERS — Mr McGauran, the federal member for Gippsland, was not there, Mr Jennings, but Mr Viney and Mr Ryan were. If Mr Davis wants but an example, here it is: the maintenance in that Toora school will go down because there is \$2.5 million worth of new custom-made buildings. What we get rid of is 127 years of leaking buildings. The school captain took me on a walk and showed me where a possum had fallen through a roof and where the leaks were.

By investing in that small rural school we have removed its need for maintenance for a period of time. That is what the Bracks government is doing — it is the Toora school multiplied by 131. We are investing in education capital and human capital because we are determined to make Victoria a better place to live, work and raise a family and provide an opportunity for our children to become great citizens of the 21st century. They do that by our investing in schools. They do not do that when a federal minister talks down the system.

Hepburn: spa redevelopment

Ms PULFORD (Western Victoria) — My question is to the Minister for Planning. I ask the minister to update the house on the Hepburn Springs bathhouse redevelopment and how it will contribute to the long-term success of this significant regional tourist attraction.

Hon. J. M. MADDEN (Minister for Planning) — I thank Ms Pulford for her interest in this matter. I know that she has a very keen personal interest in this matter, because she attended an announcement at the Hepburn Springs bathhouse when we were there only a few weeks ago.

What is particularly impressive about this facility that I noted when I recently visited the bathhouse in Hepburn Springs is that the building is covered by the highest heritage listing for any building in this state. What that means is that it has the highest protection that any building can have in relation to its heritage. It was built in 1895, it was extended in the 1920s and the original bathhouse is the only surviving 19th century bathhouse in Victoria — which I can see has captured your imagination, President!

What it is particularly important about this facility is that this government has invested \$8 million into the \$10 million refurbishment of that facility. I would also like to compliment the local shire council for its contribution to this project, because this is making sure that this significant community asset is being invested in not only for the local region by developing tourist opportunities but also for the broader Victorian community to spend time in this spa and wellness centre.

What is particularly important is the announcement that I made at the bathhouse a few weeks ago. What we need to do is to find the right operator, the right manager, for what will be a world-class facility. What we are doing is seeking a world-class operator to make sure we deliver the best services in one of the best facilities in the world.

What I announced was a public tender process to find an operator to manage this facility. We are looking forward to being able to announce that new operator, whoever it may be, later in the year. We expect that facility to be open early next year if all goes well and the weather remains as it is. I am looking forward to seeing this new phase in the history of a much-loved institution reinforcing the taking of the waters, as it were, in that region, which has been a great tradition.

We look forward to the announcement, and we look forward to the outcome, because this has been a fantastic investment and a collaborative effort. No doubt this will make not only Victoria but in particular the Hepburn spa region a better place to live, work and raise a family.

Housing: energy rating

Mr BARBER (Northern Metropolitan) — My question is to the Minister for Planning and is in relation to the implementation of the 5-star energy program. In 2003 the government reached an agreement with the Housing Industry Association over the implementation of this program. That agreement was documented in a memorandum of understanding, a

secret deal or whatever you want to call it. Who signed this, what does it contain, what does it commit the minister to and will he release it?

Hon. J. M. MADDEN (Minister for Planning) — I welcome the member's question about the 5-star energy rating system. I understand this MOU (memorandum of understanding) that the member is talking about was signed in 2003 by the Minister for Planning at the time, the then Minister for the Environment, the building commissioner and the Housing Industry Association. The MOU, I understand, has no legal status, but it was an opportunity to get the industry to get behind the 5-star energy rating system. This has been great news, because Victoria has led the way. What we are seeing is states across the nation adopting basically what we have developed.

As recently as yesterday the Western Australian government made announcements in relation to supporting the implementation of the 5-star program in its state. My understanding is that the planning minister in Western Australia sought the information and the intellectual property directly from Victoria in order to implement this. What we are seeing is leadership around the country on this issue.

As was also mentioned as recently as Monday, the government is currently examining performance-based options in relation to giving people more choices on how to implement 5-star second-generation efficiency. We are hoping to develop that in a comprehensive way which is less prescriptive but more outcome based. We are examining many of those issues that Mr Hall has just shown some interest in.

We expect that we will be able to have this in operation by about 2009. There is a lot of work to be done, but we are looking forward to doing it. As I have mentioned, I am not a scientist, but a lot more science is being developed in this area, so I would expect that there would be an opportunity to develop a more solid base for what we do in relation to these matters.

Since the signing of that MOU a lot has happened. There was an inquiry into housing construction by the VCEC (Victorian Competition and Efficiency Commission). Its recommendations, I understand, were that the system should be less prescriptive. What we are looking for is that these 5-star standards to be more flexible based on that. We do not necessarily agree with what the VCEC inquiry said about some of the recommendations, but we are taking those into consideration as we move forward. Since that time other things have occurred, particularly in relation to the election and the announcements around that

concerning the further development of performance-based measures and the opportunity to lead industry in these matters and get it embracing even broader measures in relation to many of these issues.

Across this term of government I am looking forward to making this a key priority of this government. I am looking forward to seeing outcomes which are supported by the industry and which industry can get behind and implement without their having a significant detrimental effect on the great building and housing industry in this state.

Supplementary question

Mr BARBER (Northern Metropolitan) — According to the report that the minister released yesterday, which I enjoyed reading, the 38 000 new dwellings that are built in Victoria each year are adding half a million tonnes of greenhouse gases. Since the signing of that agreement, there have been 2 million more tonnes of greenhouse gases going into the atmosphere — enough to wipe out the VRET (Victorian renewable energy target) twice over. My supplementary question is: is there anything in the agreement that restricts the minister from taking further action to get this total amount of CO₂ — not in a relative sense but an absolute sense — going down rather than up, given that the government's 2030 target commits it to 600 000 new dwellings and a million people?

Mr Hall — Use more timber, Justin. That will fix the problem.

Hon. J. M. MADDEN (Minister for Planning) — I acknowledge the member's question again.

Mr Jennings — I reckon you should just let that corner sort it out.

Hon. J. M. MADDEN — It is interesting, isn't it? As my colleague mentioned, we have extremes of opinions in terms of the how members view the 5-star energy rating system.

The report that was released earlier this week mentioned that we would have seen significantly more emissions had we not implemented the 5-star energy rating system. What the report also indicated — and Mr Barber would appreciate this — is that much of that energy consumption in new dwellings is taking place around lighting. What we are seeing is a change in the way people use lighting and also appliances in their homes. People seem to want to put many appliances into their homes. That is where the energy consumption is occurring.

I suspect that as we move forward on the 5-star energy rating system going into the future, one of the factors that will need to be considered is energy consumption not just around hot water or heating but energy consumption around lighting and how we can offset that in some significant manner. I suspect there will be debates around the science about the embedded energy in housing, but there will also be debates around what is a fair thing when it comes to lighting and energy levels in any particular dwelling. I am sure that the record we have for working collaboratively with industry and being leaders on these matters will mean that the outcome will be something which we will be very proud of in this state and something which will also set the benchmark right across this country going forward into the future.

Children: babysitting guidelines

Mr SOMYUREK (South Eastern Metropolitan) — My question is to the Minister for Community Services. Can the minister inform the house of what the government is doing to assist parents and caregivers to ensure the safety and wellbeing of their children when they are in the care of a babysitter?

Mr JENNINGS (Minister for Community Services) — I thank Mr Somyurek for his question. Members of the community would be well aware that in fact there have been instances in Victoria in the not-too-distant past where children were clearly placed at risk when they were placed in the care of a babysitter. This is something that the coroner has commented on and drawn to the attention of the Victorian government. I am very pleased to say that it has been very proactively responded to by the Office of the Child Safety Commissioner.

Recently I joined Bernie Geary, the child safety commissioner, and my ministerial colleague from the other place the Minister for Children, Lisa Neville, when we launched a guide to provide information and support better decision making for parents who may choose during the course of each and every day in the circumstances of their working lives or recreational or community activities to leave their precious children in the care of others. That decision should be a wise and well-informed one, and parents should give well-rounded consideration to which babysitters they should leave their children with and under what circumstances.

This guide has already been distributed broadly through community health centres, family support services and other parts of the child protection system throughout the state of Victoria. We have distributed 100 000 copies to

Victorian families to assist them to make these wise decisions. Part of a wise decision by parents is to work out what relative power and control of their own lives can be exercised by their children. What advice can they provide to their children and at what stage in terms of their maturity can it be provided so that they can handle relevant circumstances, assess whether they are at risk and seek some remedy or support in circumstances where they may be vulnerable? As children go about their normal daily lives, parents will be well armed with advice about how to deal with their children and provide them with some timely advice about how to empower themselves in a variety of circumstances, not only when they are left with a babysitter.

As I said, the guide entitled *Proper Care When You're Not There*, has been distributed broadly. It may sound overly simplistic, and people may take this for granted, but members of the chamber and of the community could reflect on whether, in circumstances where they may be in somebody else's house providing some care, they would know all the intimate details about a child's allergies or medication. They could also reflect on whether, when their children are being cared for by others, their babysitter knows the details of the parents' movements, such as where they will be, what time they will be back and what the relatives' phone numbers are? All this sort of information may be extremely useful, timely and appropriate, but perhaps people do not organise their thinking in relation to those matters. An additional part of the kit is provided in a ready reckoner form so that it is always available on the fridge and in the kitchen — —

Ms Lovell — You have been watching too much TV. You think you are Big Brother.

Mr JENNINGS — I will not worry about the Big Brother thing, Ms Lovell, because most members of the chamber know that this is a serious matter. Most members of the chamber understand that it is appropriate to arm well parents, children and those who come into a family home to care for children so that they have appropriate and rigorous information immediately at hand so they can provide for the safety and security of all Victorian children.

Mr Finn — Are you going to lock them up if they don't?

Mr JENNINGS — Mr Finn does not understand how serious this is either, apparently.

Mr Finn — I think I do.

Mr JENNINGS — Apparently not, but most members of this chamber clearly understand our obligation to Victorian children, and we will exercise it together.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Education) — I have answers to the following questions on notice: 59, 115, 133, 170–6, 253, 254, 257–66, 314, 320, 321.

The PRESIDENT — Order! Mr Atkinson has written to me seeking my ruling in relation to a number of answers to questions on notice concerning the Victorian government's school plan building program. Consistent with my rulings of 1 May and 22 May in respect of questions 222 to 247, I consider that parts 1 and 3 of those questions have been answered. However, I am of the opinion that part 2 of each of those questions has not been answered. I therefore direct that that part of those questions be reinstated on the notice paper.

OFFICE OF HOUSING: CONTRACTS

Debate resumed.

Mr PAKULA (Western Metropolitan) — I will endeavour to pick up where I left off without recapping too much of what I said before the lunch break. The last point I made was in reference to the letter from the director of housing, which in effect demolished the allegations contained in the *Age*. The point I made concerned the crucial nature of that correspondence, because the material in the *Age* was and is the sole factor upon which the opposition is relying in support of its resolution — other than the meeting that Mr Davis has alleged occurred. Standing against that unsubstantiated piece of evidence, if you can call it that, are the specific denials by the minister, which were conveyed to the *Age* at the time and which were reinforced in the house yesterday, and the specific denials contained in the correspondence from Dr Donald, the director of housing.

That being the case, I am forced to ask myself, what we are left with, given the absolute lack of any evidence presented by the opposition in the debate today. We are left with a fairly shabby attempt to impugn the reputation of a minister based on nothing more than rumour and innuendo and, by extension during the debate, an attempt to impugn the reputation of the Premier, of public servants and of ministerial staffers,

who of course have no capacity to defend themselves in this place — no capacity whatsoever. That innuendo and rumour, which is based on a pretty flimsy tissue of suppositions and on anonymous backgrounding, is the sole basis of the opposition's motion.

We are also subjected to the logical absurdity which was put by both Ms Lovell and David Davis in their reliance on a resolution passed by this chamber in 1997, when the Liberal Party was in government and controlled a majority of the votes in this chamber. In effect we have a situation where the Liberal Party 10 years ago used its parliamentary majority to sully the reputation of an opposition member, as Minister Theophanous was then. It now says that the allegations it raises today are more believable because of a vote taken by the Liberal Party 10 years ago — because the Liberal Party made an adverse finding in a very political sense a decade ago.

No wonder I am forced to agree with Mr Kavanagh when he says that resolutions of this chamber can have serious repercussions when what was probably nothing more than an intensely political exercise a decade ago is brought back into this place today and somehow put forward as evidence for anything at all.

We have also seen in this sorry debate an inversion of the normal relationship that one would expect between the opposition and the press. I suggest that a diligent resourceful opposition makes the news, uses the Parliament to advance its case and the media then reports on that. What we have witnessed today is an inversion of that: we have an opposition which simply waits for Michael Bachelard to write a story and then says 'Aha, gotcha!'. They have not done any of the legwork themselves, they simply pick up an article they have read in the *Age* and use that as the basis for their parliamentary attack.

If nothing else, that is bone lazy. I thought it was ironic that, given the conduct of this debate today, the government should be accused by David Davis of being lazy. The next thing you know Mr Finn will accuse us of being overly theatrical.

Mrs Peulich — You are not reflecting on a member, are you?

Mr PAKULA — No, I am not. I am supposing what we might be accused of next. To come to this house and ask it to pass a motion based on nothing is tawdry. To wave a newspaper article around, to rely on that as proof and offer up not one additional shred of evidence and then, having done that for 2 hours, to endeavour not to proceed with the debate, to endeavour

not to put the debate to a vote, to endeavour to adjourn it is evidence of what a tawdry sham this is.

I genuinely hope that the fourth estate, who I know is still here, that the media, particularly the newspaper from which this story originated, faithfully report on what an unprepared, half-baked travesty the opposition's effort today has been.

It is clear to me and to most fair-minded members of this house that the opposition's motion should fail. It should fail because the opposition has presented nothing to support it.

Mr DALLA-RIVA (Eastern Metropolitan) — I am pleased on behalf of the opposition to make a contribution to debate on the motion that forms part of opposition business. Already I am being castigated by the minister, he is pointing at me and threatening me — what with, Minister?

Hon. T. C. Theophanous — I am pointing at you.

The PRESIDENT — Order! Mr Dalla-Riva, I witnessed that little exchange, and for you to suggest that he was threatening or pointing to threaten you is beyond the pale. Let us get on with a common-sense debate.

Mr DALLA-RIVA — I do not like pens being pointed at me. In my previous experience in the police force I would not have liked that conduct, but we move on in terms of the motion. I thank Wendy Lovell for her contribution and for the motion. There are three parts to it, and it is interesting that the government seemed to be focusing on paragraph 2 which concerns government members, and I understand the issues that go to it.

Going back to the last opposition speaker, I shall lay down some facts in relation to the second paragraph of the motion. Before I get to that we need to understand that this motion 'expresses concern', it is not a motion condemning a minister. I know there has been discussion, and Mr Pakula raised that issue, as did other Labor members. This is not about condemning the minister. The house has dealt previously with motions condemning ministers, and I know there is a heightened level of concern when those particular motions are put.

This motion expresses concern. It is not the level of concern that has been raised by the government, in that government members think paragraphs 1, 2 and 3 of the motion condemn the government.

I was interested in Mr Thornley's contribution to the debate in referencing management models and the 360 degree double-backflip connection of his

management practices with the political environment. I thought his thesis on future management practices in political circles was interesting, but I do not think he effectively argued the case why this motion should fail.

We heard Mr Barber of the Greens talk about motions in separate form, and I agree with his reference to paragraph 3; I will go to paragraph 1 a bit later. The issue we have been centralising our discussion points around was paragraph 2. The government, as we know, has produced a letter, dated 16 May, from Dr Owen Donald at the Department of Human Services to the editor of the *Age*. I will talk about the first part of that paragraph. Our concern about the motion is that we do not seem to get data from the Office of Housing, yet here we have from the director of housing a letter that has been provided to the *Age* and read into the debate today.

It is important to reflect on why this motion is important. We seem to have within the culture of the government of the day a level of expectancy that is now so low that it seems to be issues can be discussed in the media, or indeed in this house, and we seem to accept that if there are certain issues that raise concern, they are forgotten about or ignored.

Over a number of years there have been Labor members — members opposite such as Minister Theophanous and Mr Viney — who in opposition were vitriolic about what the Kennett government was doing. Everything is now reversed and there seems to be an expectancy that, ‘Well, these things seem to have happened and that’s okay, we’re the government, trust us, there is not a problem’. There is a stench of concern in the government about its practices, which seem to reflect close relationships to government, and this motion concerns a tender for maintenance work as outlined in paragraph 2. We need to go back and ask, ‘What is it we are concerned about?’.

I guess it started last week with the *Age* newspaper making a series of allegations about the letting of several tenders by the OOH (Office of Housing). They relate to the cleaning and garden maintenance of the high-rise towers in the inner city of Melbourne. The contracts which expire in 2015 are worth \$52 million. We can only go on what was reported in the *Age*, unless the *Age* is making this up.

The *Age* reports that the Minister for Major Projects persistently lobbied the then minister, Candy Broad, on behalf of GJK Facility Services, owned by Mr George Stamas. My understanding is that the then minister confirmed to the *Age* that Mr Stamas had lobbied her directly about the contracts.

I heard in the debate the argument put forward by Mr Thornley or another member — it was not Mr Pakula, I seem to recall that — that it is not unreasonable to have some discussion as part of the operation of business. To a degree I think that is appropriate. There are obviously relationships in business that are connected with political circles. You cannot ignore that fact, but the problem involves the connections with GJK Facility Services in terms of its donation to the Labor Party through Progressive Business, as reported in the electoral returns, and also the fact that the minister, Mr Theophanous, opened the new Collingwood offices of GJK Facilities last year.

Hon. T. C. Theophanous interjected.

Mr DALLA-RIVA — Again, that is not in itself a hanging offence, Minister, but it does start to raise concern. That is what the motion is about; it is not about condemning the minister, it is about raising concern. The motion does not specifically mention the minister, but what we have debated today has been about Mr Theophanous. I do not see his name in the wording of the motion; I do not see a reference to the minister in terms of his being condemned. It is a reasonable motion. But from what I have heard from the Labor side, it has inferred that there is something of a problem, and it has gone in to defend it.

Mr Pakula interjected.

Mr DALLA-RIVA — I am just countering the debate that has been put forward. That is what you do; you debate things in this chamber!

Mr Viney — The lead speaker made those assertions.

Mr DALLA-RIVA — I am just giving the counter arguments to some of the issues raised by Labor members Mr Thornley and Mr Pakula. Members need to understand that this is a solid motion; it goes to the very heart of where the government sits in terms of work practices. We know that there have been reports. Everyone has referred to the Auditor-General’s report of June 2004 on maintaining public housing stock. That relates to the first part of the motion, which brings into question the second part.

I refer the house to chapter 4 on page 35 of the report, which asks, ‘How well did the OOH provide maintenance services?’. There are some broad issues which are still of concern today. I will read the conclusion on page 48 into *Hansard*. It says:

Although the OOH met most VGPB requirements —

that is, the Victorian Government Purchasing Board guidelines —

when engaging contractors, it did not assess the risks in the tendering process or develop a formal contract management plan. The OOH also did not develop a formal risk management plan for managing contracts.

It goes on to talk about inadequate termination provisions, but the Office of Housing did not use them. What it preferred to do was not renew the contracts. In fact it says some of those who underperformed had actually been awarded new contracts. It says:

This could result in continued poor service to tenants, poor value for money for the OOH, and disrespect for a broader range of contractual obligations.

There was a range of recommendations by the Auditor-General back in 2004, in particular recommendation no. 4:

That the OOH develops risk management and contract management plans for the tendering of maintenance contracts, in line with Victorian Government Purchasing Board guidelines.

The response by the then Secretary of the Department of Human Services was, bluntly:

DHS supports this recommendation.

It then goes into some detail on page 50. It is therefore interesting when we see the letter from Dr Owen Donald, which has been provided to the house. He said:

In the particular case of the high-rise cleaning contract, the process was applied fully and properly. The independent probity adviser provided a report on the tender exercise in January 2007 ...

We heard a couple of years ago the Auditor-General say there were some problems. The Department of Human Services agreed with that — —

Mr Viney interjected.

Mr DALLA-RIVA — But we now have this issue, Mr Viney, which has raised concerns about the process again. This government has lowered the bar so low, and when there is any indication that some things are suspect in the process, it says, 'Don't worry about it; trust us, we are all right'. I would like to take up the offer that has been provided by the final paragraph:

Tender processes are routinely subjected to external scrutiny by the Auditor-General.

Has the Auditor-General been invited, because the letter says:

I would welcome such scrutiny in this case if the Auditor-General so wishes.

If it is such an issue, the Auditor-General can undertake an investigation of it; he can follow it up. There was also some debate earlier about the connection between the Premier and Mr Stamas. I think it is GJK's website which shows a photo of Mr Bracks with his arm around Mr Stamas.

Hon. T. C. Theophanous interjected.

Mr DALLA-RIVA — It was in debate, so I am just putting that on the record again. Do not raise it in debate if you do not want the issue to be countered in debate. That is what the debating chamber is about; it is important to understand that. This is a strong motion, and it is appropriate in the circumstances.

Hon. T. C. Theophanous interjected.

Mr DALLA-RIVA — Minister, it is a motion for the house to express its concern about the continued failure of the Office of Housing to correctly follow the Victorian Government Purchasing Board guidelines on procurement. That has been proven; that has been answered, and members should vote in favour of it.

The second paragraph refers to reports that improper political pressure was brought to bear on the then Minister for Housing to award contracts for maintenance work to companies that have made substantial donations to the Australian Labor Party. I think that has been substantiated and proven, and members should support that.

In relation to paragraph 3, which refers to the Office of Housing's reluctance to release data and information in a timely, open and transparent manner, we have heard evidence about the waiting lists as one example, and we have also heard that there is a continuation of the lack of process in terms of what the Office of Housing has been involved in throughout the entire process. Again, that has been proven. On that basis, we have substantiated our case for this motion. The government and non-government parties should support this motion fully.

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I will be brief in responding to this motion because, as you are aware, President, yesterday I gave a detailed response to the allegations contained in the *Age*. I make the point that, notwithstanding the detail of the response I made yesterday, not a single word of that response appeared in the *Age*. I do not expect my contribution today will appear in the *Age* either, because it just does not suit the

line of argument that that newspaper appears to be going down.

In particular I make the point again that Michael Bachelard is not living up to the appropriate standards for a journalist in this state. The *Age* should consider very carefully whether he should continue to be given the free rein that he has been given to go down this path in that newspaper. He is increasingly getting a reputation as the person you go to if you want to do a job on somebody, because he is not really concerned about the veracity of the claims made. He is prepared to make claims on the public record in the *Age* as being matters of fact, even though they are denied by the person to whom they are directed and even though they are based on anonymous sources.

President, you know as well as I do that in politics there are always people who have an agenda — on both sides of politics. We frequently hear stories about members of the opposition who might have a view about their own colleagues. When the rules of the game are that when you are seen with somebody then it is guilt by association, then if you happen to have been seen with someone somewhere at a Progressive Business function or somewhere else, that has to be guilt by association. If you have denied something and then the paper continues to print it, I do not know what else you can do after that, because the fact that the paper continues to print it does not make it correct.

The newspaper in this instance, I think, should examine very carefully the way in which this particular journalist has proceeded. Not only has he decided that he is going to pursue me in this matter in the way that he has, but I believe that if you look at what he is doing, you will see that he is pursuing people from one section of the ALP. He has not diverted any of his energies towards the sorts of activities that we know occur in terms of various activities in the Liberal Party, and I just think I need to put that on the record, although I am absolutely certain none of it will get into the *Age*.

I also want to put on the record that I listened very carefully to the speech of Wendy Lovell in putting the case. I could not find anything in the speech that was not actually taken from the *Age* articles. In fact the entire speech — probably 10 minutes out of the 15 minutes or so that she spoke for — consisted of references to the *Age* articles. I just think that the standard of proof for a motion of this sort ought to be a bit higher than coming into the house, reiterating what you have read in the paper, which has already been rejected, and then seeking to somehow gain political capital out of that.

David Davis continued with the same theme, as did Richard Dalla-Riva, so I am not going to respond to them, but I am going to make some points about some of the other members in the house who I think have acted responsibly in considering this issue carefully.

In particular I would like to mention Damian Drum, who made a very important point in his contribution on behalf of The Nationals. A person on my side of the house would not normally expect The Nationals to rush to defend them on an issue such as this, but in this case Damian Drum indicated very strongly in the opening remarks of his speech that he was not prepared to vilify a minister when that minister had so stridently rejected the *Age*'s assertions and when there were no other indications beyond the fact that there were assertions made in the *Age* based on anonymous sources.

I also want to thank the Greens for their contribution. The issues raised by Greg Barber were obviously issues that he feels strongly about in relation to the broader accountability issues, and they are issues which they have pursued over a period of time. I am relaxed about that contribution as well.

I would also mention Colleen Hartland's contribution, because she has had direct experience in relation to public housing. It is certainly appropriate for her to raise questions about ensuring that public housing in this state is of the highest possible standard that it can be.

I would also mention of course Peter Kavanagh, who made a considered contribution to this debate. He made the same point that if you are going to come in here and make a series of allegations which have the potential to affect somebody's career and somebody's name, then the standard that ought to be employed is not anonymous sources quoted in a newspaper.

The final thing I would say is that yesterday I actually did comprehensively respond to the *Age* allegations. In particular I put on the record that I was not suggesting that I did not suggest to the then Minister for Housing that she meet Mr George Stamas. I put that on the record by way of a letter to the *Age*. I again put it on the record that that occurred and the reason it occurred in this case was that Mr Stamas wanted to meet the minister and wanted to talk to the minister about the way in which he was delivering an existing service in the housing area and about what improvements could be made, particularly with respect to a proposition he had to do some things with the Brotherhood of St Laurence.

I put that on the record, and it was not something that I was trying to hide from. But I also put on the record that of course it happened 10 months before the tenders even opened — something which the *Age* was also aware of but declined to put into the story it has put out. Instead the *Age* tried to make something of the response which was given by the former minister to its question, which was simply a response, as I understand it, to a general question. It was certainly not a response to the question in the way the *Age* has put it, but rather it was a response that she did not want to comment in relation to this particular story. In fact her response was certainly in no way meant to confirm the *Age*'s story, which was based on unnamed sources. She is not one of the unnamed sources that the *Age* is referring to in relation to this issue, so the question would have to be asked: who is the *Age* relying upon? No-one knows. There are no specifics.

The question has been addressed by the minister. The Office of Housing has issued a comprehensive response, which was not printed, and in that response it has said that no minister made any attempt to influence this particular process. The process was pristine.

As I said yesterday — and I conclude on this point — I have done nothing wrong, the former minister has done nothing wrong and the Office of Housing has done nothing wrong.

Mr P. DAVIS (Eastern Victoria) — I move:

That this debate be adjourned until next day of meeting.

In doing so, briefly I would indicate that this has been a substantial debate. There was an extension of an hour for debate to occur today, signifying the important nature of the debate. In relation to that extension, significant matters have been raised during the course of the debate, and the matters which have been raised have created interest and an offer of further information which may be germane to the outcome of this debate. It is, in my view, important that the house be entitled to hear that information if it so arises at a future time.

The PRESIDENT — Order! Given that we have already had one motion to adjourn debate on this motion, I refer to paragraph (2) of standing order 12.09, 'Restriction on motion for adjournment of debate', which states:

If a similar motion is again moved during the same debate, the President may decline to propose the question on it to the Council or may decide to put the question forthwith without debate, if he or she is of the opinion that such a motion is an abuse of the rules of the Council.

In accordance with the standing order, I rule that the question be put without debate.

House divided on Mr P. Davis's motion:

Ayes, 15

Atkinson, Mr	Kronberg, Mrs
Coote, Mrs	Lovell, Ms
Dalla-Riva, Mr	O'Donohue, Mr
Davis, Mr D. (<i>Teller</i>)	Petrovich, Mrs
Davis, Mr P.	Peulich, Mrs
Finn, Mr (<i>Teller</i>)	Rich-Phillips, Mr
Guy, Mr	Vogels, Mr
Koch, Mr	

Noes, 25

Barber, Mr	Mikakos, Ms
Broad, Ms	Pakula, Mr
Darveniza, Ms	Pennicuik, Ms
Drum, Mr	Pulford, Ms
Eideh, Mr	Scheffer, Mr (<i>Teller</i>)
Elasmar, Mr	Smith, Mr
Hall, Mr	Somyurek, Mr (<i>Teller</i>)
Hartland, Ms	Tee, Mr
Jennings, Mr	Theophanous, Mr
Kavanagh, Mr	Thornley, Mr
Leane, Mr	Tierney, Ms
Lenders, Mr	Viney, Mr
Madden, Mr	

Motion negatived.

Ms LOVELL (Northern Victoria) — I rise to sum up this debate. I thank the speakers who have contributed to it. The opposition was seeking an adjournment of this debate because, as our Leader indicated earlier, the debate and question time yesterday have sparked further interest in this issue, and there have been further offers of further information. We were not willing to bring that straight into the Parliament without sourcing the information and thoroughly researching it before it was in the public domain, but obviously the government is afraid of what further information may come forward.

Hon. T. C. Theophanous interjected.

Ms LOVELL — Mr Theophanous, if I were you I would have voted on that side of the chamber on that adjournment motion, because if I had nothing to hide, I would have been quite happy for this debate to come back here.

Today the house has seen an extraordinary attempt by the government to avoid any scrutiny. The government came into office promising to be open and transparent, but time after time we see it shut down any opportunity for scrutiny. We have seen it refuse to release the probity auditor's report. You would have to ask why it

is not willing to release to the opposition the probity auditor's report on this matter.

If the government was open and transparent, it would have released that report; it would have allowed the opposition to read it. We would not have been here today debating this issue if the probity auditor's report had not given us any concern for further investigation of the matter. But the fact that the government will not release the report shows it is trying to hide something.

Mr Viney insinuated that this motion somehow reflected on members of the public service. That insinuation is not true. Members of the public service serve the government of the day and operate under the policies and practices of the government of the day, and they answer to the Bracks government ministers. This motion expresses concern about reports of improper political pressure being brought to bear on the former Minister for Housing, Ms Broad, by another minister. In no way does it reflect on members of the public service.

Government speakers also went to extraordinary lengths to try to deny that Mr Theophanous, the Minister for Major Projects, acted in an inappropriate way. Mr Viney's denial does not mean that Mr Theophanous did not give it a try. It does not mean that he did not try to lobby another minister; it is just government members telling us that they believe he did not. We also heard government members trying to cast doubt over whether a meeting had ever taken place between George Stamas and Premier Bracks. As we have seen from the photographs floating around the chamber, that meeting did in fact take place. It was actually reported in George Stamas's own newsletter entitled *GJK News Review*. It states:

George Stamas ... has been meeting with high profile government representatives over the past few months including the Hon. Steve Bracks, the Hon. John Brumby, the Hon. Bronwyn Pike and Kevin Rudd ...

Unfortunately for Ms Broad, she did not get named in the review, but she did admit to also meeting with him. So he sees — —

Honourable members interjecting.

Ms LOVELL — Yes, Mr Stamas has been meeting with many members of this government — not just Ms Broad, not just Mr Theophanous and not just the Premier but also the Treasurer, the health minister and their federal leader. It is interesting that Ms Broad chose to not contribute to the debate today, because she is the one person who could have stood up and unreservedly put the record straight. Her choice to not

speak or respond to the media when questioned on this matter has left a question mark over Minister Theophanous's behaviour.

House divided on motion:

Ayes, 15

Atkinson, Mr	Kronberg, Mrs
Coote, Mrs	Lovell, Ms
Dalla-Riva, Mr	O'Donohue, Mr
Davis, Mr D.	Petrovich, Mrs
Davis, Mr P.	Peulich, Mrs
Finn, Mr	Rich-Phillips, Mr
Guy, Mr (<i>Teller</i>)	Vogels, Mr
Koch, Mr (<i>Teller</i>)	

Noes, 25

Barber, Mr	Mikakos, Ms
Broad, Ms	Pakula, Mr
Darveniza, Ms	Pennicuik, Ms
Drum, Mr	Pulford, Ms
Eideh, Mr	Scheffer, Mr
Elasmar, Mr	Smith, Mr
Hall, Mr	Somyurek, Mr
Hartland, Ms	Tee, Mr (<i>Teller</i>)
Jennings, Mr	Theophanous, Mr (<i>Teller</i>)
Kavanagh, Mr	Thornley, Mr
Leane, Mr	Tierney, Ms
Lenders, Mr	Viney, Mr
Madden, Mr	

Motion negatived.

STATE TAXATION AND GAMBLING LEGISLATION AMENDMENT (BUDGET MEASURES) BILL

Statement of compatibility

Mr LENDERS (Minister for Education) tabled following statement in accordance with Charter of Human Rights and Responsibilities Act:

In accordance with section 28 of the Charter of Human Rights and Responsibilities, I make this statement of compatibility with respect to the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill 2007.

In my opinion, the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill 2007, as introduced to the Legislative Council is compatible with the human rights protected by the charter. I base my opinion on the reasons outlined in this statement.

Overview of bill

The purpose of the State Taxation and Gambling Legislation Amendment (Budget Measures) Bill 2007 is to introduce a number of measures announced in the 2007–08 budget, including maintaining the congestion levy at 2006 rates for certain areas, an increase in the threshold for land tax and a reduction in some of the land tax rates, the abolition of special land tax in certain circumstances and a change in the rate of

duty for new passenger cars valued between \$35 000 and \$57 009.

The bill will also reform wagering commissions by removing the 16 per cent annual cap on commissions that can be deducted from a totalisator by the wagering operator, freezing commissions for existing bet types at their current level and requiring the wagering operator make a betting rule setting the maximum amount of commission for any new bet type at not more than 25 per cent of the amount invested.

The bill will increase the amount that the gaming operators and the casino operator must pay by way of the health benefit levy by \$1300 per gaming machine to \$4333.33 per gaming machine.

Human rights issues

1. *Human rights protected by the charter that are relevant to the bill*

The bill does not raise any human rights issues.

2. *Consideration of reasonable limitations — section 7(2)*

As the bill does not raise any human rights issues, it does not limit any human right, and therefore it is not necessary to consider section 7(2) of the charter.

Conclusion

I consider that the bill is compatible with the Charter of Human Rights and Responsibilities because it does not raise a human rights issue.

JOHN LENDERS, MP
Minister for Education

Second reading

Ordered that second-reading speech be incorporated on motion of Mr LENDERS (Minister for Education).

Mr LENDERS (Minister for Education) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

This government handed down its 2007–08 budget on 1 May 2007 and continues our focus of removing business costs.

The government will amend the Duties Act 2000 by reducing duty on new passenger cars valued between \$35 000 and \$57 009 to 2.5 per cent — the same rate as for new passenger cars valued at less than \$35 000. This means, for example, that the purchaser of a new passenger car with a value of \$40 000 will now pay \$600 less in duty, and for a car valued at \$50 000 the saving will be \$1250. The reduced rate will also apply to ‘near new’ passenger cars initially registered as demonstrators by licensed motor car traders but then on-sold within 60 days.

The Land Tax Act 2005 will be amended to give effect to the tax cuts and land tax reform that I announced in the budget.

These changes will apply for the 2008 land tax year and include:

increasing the tax-free threshold by 12.5 per cent from \$200 000 to \$225 000;

cutting the 1.2 per cent rate (starting at \$1.19 million) to 0.8 per cent (thereby allowing the amalgamation of this threshold with the \$900 000 to \$1.19 million threshold);

cutting the 1.8 per cent rate (starting at \$1.62 million) to 1.3 per cent; and

cutting the top rate of 3 per cent (starting at \$2.7 million) to 2.5 per cent; this is down from 5 per cent when the government was elected.

The government has also reduced the rates for the trusts land tax rate scales, though keeping in place the unique aspects of this scale — that is, the \$20 000 tax-free threshold, the surcharge of 0.375 per cent, and the tapering off of the surcharge between \$1.62 million and \$2.7 million.

These changes most benefit those taxpayers who have faced the largest increases in land tax in recent years due to significant valuation jumps. The government is also mindful that the temporary measure of capping land tax assessments will cease in 2008 and so further rate reductions will be especially beneficial in that year.

The increase in the threshold will mean around 28 000 taxpayers, including many small business owners and self-funded retirees, will no longer have to pay land tax at all.

Around 44 000 taxpayers will benefit from these reforms. The government is committed to providing a level of stability in relation to land tax liabilities.

In the budget I also announced significant reform of the special tax provisions in the Land Tax Act 2005. These provisions were introduced more than 30 years ago, primarily to address land speculation on the urban fringe. Although a great number of assessments are not issued there is an increased likelihood of inequitable outcomes inconsistent with the original policy intent.

Primary amongst these is that special tax acts as a disincentive for farmers to exit their land or use their land more efficiently — these changes remove that impediment. Special land tax will no longer be possible on primary production land in the metropolitan area.

The amendments also clarify that an owner of land will not face special tax where the land has been compulsorily acquired.

The government has decided to keep the congestion levy at \$400 per space for owners of non-exempt car parking spaces in certain areas of Southbank and Port Melbourne for 2007 and 2008 — this temporary area is to the west of Montague Street and is bounded by Montague Street, the West Gate Freeway, CityLink and the Yarra River. In these areas due to council planning controls there is a requirement to provide more private off-street parking.

This is a temporary concession and will be considered again in 2009 when the impact of the congestion levy is due to be reviewed.

The government will also amend the Gambling Regulation Act 2003 and the Casino Control Act 1991 in order to increase the health benefit levy by \$1300 per gaming machine to \$4333.33 per gaming machine.

The increase in the health benefit levy will raise an extra \$39 million per year, taking the total amount to \$130 million per year. In making the decision to increase the amount of the levy, the government considered the profits made by the gaming operators, who operate in a tightly controlled market with restricted competition. In this context, Victorians expect that some of the profits from gaming machines are returned to the community. To this end, the increase in the levy will be used to fund vital improvements to Victoria's public health system.

The government will also amend the Gambling Regulation Act 2003 to reform the regulation of wagering commissions. The new provisions will require the wagering operator to specify its commissions in the betting rules made under the act. To ensure that commissions are fair and that an appropriate share of wagering revenue is returned to government, the wagering operator will be required to obtain the written consent of the Treasurer prior to making a betting rule that sets a commission.

These betting rules will continue to be approved by the Victorian Commission for Gambling Regulation. The existing 16 per cent annual cap will be removed, but commissions on existing bet types will be frozen at their current level and the 25 per cent cap on the amount of commission retained for any new bet type.

These budget reforms are measured and sensible. They build on past reform and will benefit business and ordinary Victorians.

I commend the bill to the house.

**Debate adjourned on motion of
Mr RICH-PHILLIPS (South Eastern
Metropolitan).**

Debate adjourned until 30 May.

BUDGET PAPERS 2007–08

Mr LENDERS (Minister for Education) — I move:

That the Council take note of the budget papers 2007–08.

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I could express disappointment that the Leader of the Government has not taken the opportunity to speak to his motion just moved this afternoon. The budget produced by the government is quite possibly the most important document that a government produces in any one year. It is, if you like, an interface document — a link document between a government's vision, plans, agenda and commitments to the electorate, and the mechanism by which the departments are required to implement it. If a government lacks a vision, direction and a coherent

plan, its budget, and its budget speech in particular, will reflect that.

One of the greatest legacies of the previous Liberal government in this state was its decision in 1999 to become a signatory to the intergovernmental agreement on the reform of commonwealth-state financial relations. That agreement between the six states, the two territories and the commonwealth is the document that led to the introduction of the goods and services tax and the abolition of a raft of inefficient state taxes. In Victoria's case they were state taxes like financial institutions duty, bank account debits tax and stamp duty on marketable securities. That agreement has done more to change the face of commonwealth-state financial relations than basically anything since the decision in the early 20th century to abolish state income taxes.

For Victoria there have been substantial structural changes to the state budget. In the last year of the previous government — 1998–99, which was prior to the introduction of the agreement — state taxes accounted for over 40 per cent of state government revenue. The State Revenue Office was required to raise almost 41 per cent of revenue that was spent by the state.

If we skip forward to the 2007–08 year, which this budget is considering, we will see that state taxes have fallen to just under 34 per cent of total state revenue. By contrast, commonwealth grants, including the GST, have become far more significant. In 1998–99 they accounted for just on one-third — that is, 33.4 per cent of total revenue — and now they account for almost half — namely, 47.2 per cent. So there has been a significant shift away from locally raised taxation revenue towards revenue received from the commonwealth.

This has been an important change for state governments, because it means that state budgets are no longer buffeted by local economic conditions. If a particular state is going through poor economic conditions it has the benefit of receiving a revenue stream that reflects national conditions and, certainly in the current environment, strong national prosperity. The effect of the GST revenue has been to damp local negatives and provide each of the states and territories with the opportunity to benefit from national prosperity.

The agreement between the states and territories has provided an opportunity for the states to invest in infrastructure, to provide further tax reform and for productivity initiatives; however, these opportunities have not been taken up in full in Victoria. The shift

from the need for a state to raise its own revenue to simply receiving revenue down the pipeline from Canberra has had a profound impact on the budgetary discipline of the state of Victoria. I would like to look at some of the budget aggregates before heading into some detail.

Considering the position of the current budget and budgets over the life of this government in the Australian international financial reporting standards (AIFRS) — the Australian equivalent of international financial reporting standards — in constant AIFRS terms we have seen since the introduction of the intergovernmental agreement on commonwealth-state financial relations an increase in state revenue of 53 per cent. We have seen state revenue grow from \$22.4 billion to \$34.3 billion estimated for the 2007–08 budget year.

However, this growth in revenue has been far outstripped by the growth in expenditure. We have seen growth in aggregate expenditure increase by a whopping 74 per cent — from \$19.6 billion to just under \$34 billion; in fact, it is \$33.9 billion. As a consequence of the shift in these two aggregates we have seen a rapid decline in the budget surplus, which is now called the net result from transactions under the new accounting standards. We have seen it fall from over \$2.8 billion in the 1998–99 year to just \$324 million estimated in the 2007–08 budget year. In terms of the size of the budget, this is a fall from the surplus being over 12 per cent of revenue to just 0.9 per cent for the forward estimates year. The surplus is now wafer thin in comparison to what it was when the government came to power in 1999.

I will go into some detail on the revenue side of the budget. As I mentioned before, budget revenue has increased by 53 per cent on the AIFRS basis. To break down that revenue figure, despite the introduction of the intergovernmental agreement which removed a raft of state taxes, we have seen the level of state tax revenue increase by 27 per cent. So despite the abolition of those taxes I spoke about earlier, tax revenue for the 2007–08 year will be 27 per cent higher than it was in 1998–99.

At this point I acknowledge that the budget introduced by the Treasurer does contain some taxation measures; those measures are welcome but they are also minor.

Mr Koch — Acting President, I draw your attention to the state of the house.

Quorum formed.

Mr RICH-PHILLIPS — What I was saying, Mr Acting President, is that although this budget introduces some taxation measures, they are minor by comparison with the revenue growth in state taxation over the last seven years.

I want to touch on the particular measures. One of the key measures announced in the budget is the reduction in stamp duty on the sale of new motor vehicles. This reflects a change in the scales, raising the threshold of what was previously a luxury car stamp duty from \$35 000 to just over \$59 000. The new threshold of \$59 000 is consistent with the level applied by the commonwealth with respect to fringe benefits tax. It is a measure that is certainly welcomed by the motor vehicle industry. I know, having received representations from them over many years, that they have sought for some time to have that level increased from \$35 000 to the current \$59 000. It was, I understand, an area of taxation where, like most taxation, the threshold was not indexed, and therefore in real value terms that level has diminished over the last 20 or so years since it was set.

Other changes to taxation include a raising of the land tax threshold and a reduction in the top tier of land tax from 3 per cent to 2.5 per cent, and this is also a welcome concession on land tax. But again I point out that it is not significant in terms of budget taxation revenue. The forward estimates certainly show continuing growth in land tax receipts.

The third and relatively minor area in terms of budgetary impact is the announcement of the abolition of special land tax, and this is an area that has been of interest for some time. It is an issue that was raised with me a number of times by Mr O'Donohue during his tenure as a candidate for the Eastern Metropolitan Region. It is an issue that affects many of the land-holders in the interface councils, particularly primary producers who for retirement reasons decide to dispose of their properties and in the past have been hit with special land tax. Its impact on the budget is relatively minor but its impact on the individuals affected is significant.

As I said, this is a matter that was raised with me a number of times by Mr O'Donohue, who lobbied extensively on it. It is a matter that I raised with the Treasury last year. I am pleased to see that the measure has been picked up in the budget this year, though I note in reference to the bill that has just been second-read by the Leader of the Government — without anticipating that debate — that on first appearances the extent of the reduction in the bill does not look quite as generous as the budget speech

suggested. I note also from the Treasurer's second-reading speech that it only applies to property contained within the metropolitan boundary, which is not defined in the budget speech but I am sure is clarified in the bill.

At best these revenue taxation measures are minor. They return bracket creep, and that is about it. But going forward we see that for this year state taxation revenue is higher than last year and that for every year in the forward estimates period it is higher again.

Another area I would like to touch on in revenue is commonwealth grants. Since the 1998–99 base year we have seen commonwealth grants, which include the GST, increase by over 200 per cent. For the 2007–08 year it will be an increase of 216 per cent on that base year under the previous government, and this is of course driven by the GST revenue. Over that period we have seen GST revenue exceed \$57 billion in aggregate, with an annual growth rate of more than 8.5 per cent, so this is a major stream of cash that flows from the commonwealth to the state.

The GST revenue is far ahead of what was predicted under the intergovernmental agreement of 1999, and as a consequence there are no compensation payments payable to the state. The mechanism put in place with that agreement in 1999 was that a base level, the guaranteed minimum amount, was established in each state and for years in which the GST revenue was less than the guaranteed minimum amount a balancing payment, a compensation payment, would be made by the commonwealth to raise the revenue of each individual state that had a shortfall as a consequence of the GST.

Revenue from the GST has flowed in amounts far in excess of those predicted under the agreement and, as a consequence, the balancing payments have been discontinued. The reality is that Victoria is hundreds of millions of dollars better off now than was projected under the intergovernmental agreement. Hundreds of millions of dollars of extra revenue have been received by the state government.

But what has been the response of the Treasury or indeed the Treasurer to this windfall revenue? We have heard the Treasurer say repeatedly, 'Yes we have got all this extra revenue but we want more'. Every year we see in the budget — and I have to say, not without some justification — the issue of jurisdictional imbalance raised by the Treasury. The latest budget paper points out that Victoria is receiving 88 cents for every dollar of GST revenue that is paid by Victorian taxpayers under the horizontal fiscal equalisation model that is

used by the commonwealth. I point out that it is not without some justification that this issue of Victoria receiving 88 cents in the dollar is raised by the Treasurer on behalf of the Victorian government, but we do not see from the Victorian government a demonstration of the leadership required to address this issue.

We currently have at the state level a unique opportunity, because we have six Labor state governments and two Labor-governed territories that are all beneficiaries of the formula that distributes GST revenue. So instead of complaining that the Treasurer of the commonwealth, through the grants commission, is not giving Victoria a fair share of GST, the Treasurer of Victoria is in a unique position to negotiate with his fellow Labor treasurers to get a better cut of the money for Victoria. But we do not see that happening; instead we see a political play by the Treasurer in an attempt to generate a headline rather than actually get a better share of GST revenue for Victoria.

The next area I would like to address is the expenditure side of the budget. As I pointed out earlier, under the current government we have seen aggregate expenditure increase by more than 74 per cent when compared to 1998–99 expenditure. The Achilles heel of the government in this regard has been growth in public sector wages. Over the last eight years the cost of the public service to Victorians has increased by 82 per cent, which is a compound growth rate of almost 7 per cent per annum. Every year for the last eight or nine years the cost of the public service has increased by 7 per cent. This has been a big issue for the government.

We saw in the early years of this government in particular a lack of discipline with respect to the growth of the public service. We saw large increases in public sector salaries, and we also saw a large growth in the size of the service. These two factors have compounded to soak up the revenue stream that has been flowing from the commonwealth. It means the budget is now in a vulnerable position, because even a very small change — a very small increase — in the cost of the public service will have a massive impact on the budget bottom line.

As I pointed out earlier, the budget bottom line is now only \$324 million, which is the net result under the current AIFRS accounting standards, and it would take only a very small change in the cost of the public service — a very small increase in size or a very small increase in wages and costs — to eliminate that net position. I think the government — internally at least — acknowledges this, because in the small print

of the budget we see references to a number of efficiency measures. We have seen this in previous budgets brought down by the Treasurer where extra funds have been needed, so we have a line ‘efficiency gains’. But it is never really clear, certainly in the public documents, just where those efficiency gains will come from; indeed it is never clear in subsequent years whether those efficiency gains were achieved.

In this year’s budget we see a similar approach, and one of the efficiency gains that was articulated by the Premier when he appeared at a Public Accounts and Estimates Committee hearing two days after the budget was brought down was a commitment by the government to limit the growth, the size, of the public sector head office functions to 1 per cent. Previously we have seen a compounded growth in volume and wages of 7 per cent, but now the Premier is committing the government to a head office growth rate of only 1 per cent. The question has to be asked: can it be achieved? Based on past history it cannot. If we saw growth equal to that which has existed over the last seven years, that would certainly soak up the \$324 million surplus that is allowed for in this year’s budget.

I will now turn in more detail to that surplus. One of the proudest boasts of the Treasurer has been the maintenance of a surplus in each of the budgets that this government has brought down. In 2000, just after the change of government, we had some amendments made to the Financial Management Act. As part of that process the government introduced a new section in the Financial Management Act which related to the principles of sound financial management. That articulated things such as constraining revenue growth, constraining expenditure and producing a balanced budget. Separate from that, the then Treasurer, who at that time was also the Premier, and his assistant Treasurer, Mr Brumby, who now gets to be the Treasurer in his own right —

Mrs Coote — He wanted to be the Premier.

Mr RICH-PHILLIPS — I am sure he did at that stage, but when his party came into government he had to make do with being the Assistant Treasurer. Six months after the change of government, when the Premier decided it was not such a smart idea to be both the Premier and the Treasurer, Mr Brumby was elevated to be the Treasurer in his own right. At that time the government committed itself — under its principles of sound financial management — to maintaining a budget surplus of \$100 million.

Mr Lenders — And we have every year!

Mr RICH-PHILLIPS — Of course Mr Lenders is correct, but the point I am about to make is why that is a nonsense measure. I am sure Mr Lenders would acknowledge that fact privately, if not publicly. The reason it is a nonsense measure is because at the time it was established in, 2000–01, the target surplus of \$100 million equated to 0.42 per cent of state revenue. Now we have seen that \$100 million target maintained despite the massive growth in revenue. As a consequence the government’s target surplus is now just 0.29 per cent of revenue — in other words, three-tenths of 1 per cent is now the minimum target surplus of the state government.

Mr Lenders interjected.

Mr RICH-PHILLIPS — I hear the Leader of the Government’s interjections about the history of surpluses. I must say to Mr Lenders that it is not the only one I have, but I thank him anyway.

I turn to the point raised by the Leader of the Government in respect of the history of surpluses produced by this government over the last seven or eight years. I note that for the last six years the surplus, as recorded under the current AIFRS, has been in decline. We have seen, by the work of Treasury, the recasting of historical accounts into AIFRS so that we can have direct comparisons for most of the last eight years. But for the last six years the budget surplus has been in decline. In 2001–02 the recorded actual budget surplus was \$1.59 billion. In every year since we have seen the actual budget surplus decline.

We note that the estimated budget surplus for the current year, 2007–08 is lower than the estimated budget surplus for the year 2006–07. In fact, as I said earlier, it is now down to \$324 million, so it has gone from nearly \$1.6 billion to \$324 million. Yes, the government has recorded surpluses but those surpluses are of declining significance relative to the revenue taken by the government.

In an article by Terry McCrann in the *Herald Sun* the day after the budget was handed down he had some things to say about the Treasurer’s surplus. He made a very good point, that only a minor increase in the cost of public sector salaries — by my calculation it was an increase of 2.25 per cent above the budgeted figure — would wipe out the surplus. We are talking about very thin margins. Mr Lenders said \$100 million is \$100 million, but \$100 million in the context of \$34 billion is not a lot of money.

This makes me think back to the comments made by the late Secretary of the Department of Treasury and

Finance, who always referred to the budget surplus as the balancing item. If you have two very large revenue figures — a very large revenue figure and a very large expenditure figure — even a minor movement in either of those will have a significant effect on the balancing item. Of course the late secretary of Treasury was correct. This is something that the Treasurer would acknowledge when it suits him. It also serves to put the figure of \$324 million and Mr Lenders's \$100 million base target in context.

Mr Lenders — We have met it eight years out of eight.

Mr RICH-PHILLIPS — As the Leader of the Government says, the government has met that target. But in the last six years the actual figure has been declining.

Mr Lenders — It's because we are prudent, not reckless.

Mr RICH-PHILLIPS — That is a peculiar interjection.

I would also like to comment on the way the surplus is funded. We have a projected surplus of \$324 million. On the revenue side the government is collecting \$683 million in dividends from government corporations. This is significant for two reasons. Firstly, as the shareholder of these corporations, the Treasurer, as the representative for the state of Victoria, is in the unique position of being able to dictate exactly how much is paid by these entities in dividends. By 'entities' I am talking about bodies like water corporations, the Transport Accident Commission, the Victorian WorkCover Authority and a large number of bodies that are off the balance sheet.

Mr Lenders interjected.

Mr RICH-PHILLIPS — The Leader of the Government interjects by saying, 'In consultation with relevant bodies' — yes, the legislation provides that this is in consultation with relevant bodies, but it also provides that the Treasurer makes the final decision.

The Treasurer has determined that he will collect \$683 million in dividends, which goes to the top line of the budget as revenue, in order to produce his \$324 million surplus. That is within the general government sector, which the budget relates to. These entities from which the Treasurer collects his dividend revenue are outside the scope of the budget. They are not accounted for in the general government financial statistics, and they are not accounted for in the budget in the general government sector, which is of course the

sector that the government refers to when it claims its surplus figure.

Mr Lenders — Haven't you got budget paper 4 — the state of Victoria accounts?

Mr RICH-PHILLIPS — I take up the interjection from the Leader of the Government, who asked about budget paper 4. I note that it is not the state of Victoria accounts that the Treasurer refers to when producing his budget and talking up his budget surplus, it is the general government sector, as the minister well knows.

There is a reason why the government focuses on the general government sector and not the state of Victoria — that is, because it is robbing the state of Victoria entities to fund the general government sector. We have \$683 million in dividends being taken from the non-financial corporations — the entities that are not on the balance sheets — to fund the surplus. In turn, for the budget year 2007–08 the entities off the balance sheet are needing to borrow an additional \$629 million. So we have a group of entities which are not accounted for in the budget and which have to borrow \$629 million. They then have to pay the Treasurer \$683 million in dividends so that he can then claim a surplus of \$324 million. You have borrowings off the balance sheet which effectively flow through to pay for the surplus.

Mr Lenders interjected.

Mr RICH-PHILLIPS — I now turn to the issue of the balance sheet and debt in more detail. I missed the Leader's interjection, but I think I know what it was, and I will take it up. The error I want to focus on for the moment is debt in the general government sector. I make the point up-front that the Liberal Party does not oppose the use of debt by governments if that debt is used for productive assets, as opposed to being used for recurrent expenditure.

We saw the previous Labor government in this state make a habit of using borrowings to fund recurrent expenditure — that is, borrowing to pay the bills. As any householder would know, that is not sustainable; and it is also not sustainable for government. We certainly support the use of borrowings for productive capital or productive assets, but we do not support the use of borrowings for recurrent expenditure.

Ms Pulford — What about infrastructure?

Mr RICH-PHILLIPS — I pick up Ms Pulford's interjection. I would have thought infrastructure was productive borrowings; but if that needs to be clarified, I will clarify it. We see in this budget, though, a

blurring between recurrent expenditure and capital. I am pleased that the Minister for Education is in the chamber this afternoon because there are a couple of matters in his portfolio that I would like to refer to.

When I think of recurrent expenditure being treated as capital, I think of areas like school maintenance, where we are seeing a backlog of school maintenance. In question time this afternoon the Minister for Education got a bit excited about a question from the Leader of the Opposition about school maintenance and seeing school maintenance capitalised as refurbishments. In his question this afternoon the Leader of the Opposition spoke of a backlog of school maintenance of at least \$270 million. I understand that figure has been provided under freedom of information documentation. I also understand from discussions with the Leader of the Opposition that the backlog at individual schools seems to be far higher than that freedom of information figure from 12 months ago. I note the Leader of the Government also referred to it as an Auditor-General's figure: it seems to be far higher now than that figure of at least 12 months ago suggests.

When we look to the budget papers, we do not see much by way of specific reference to school maintenance — and the Minister for Education has referred to the package that goes to schools — but what we do see is a number of asset initiatives. One is titled 'modernisation' and the one is titled 'regeneration projects'.

It gives rise to the question of how much of the backlog of school maintenance is being buried in the renovation projects. The government takes what should be a recurrent expense and it capitalises it. Therefore the government can get up and say, 'We are not spending borrowed funds on recurrent expenditure, we are spending it on new assets'.

Mr Lenders — We are spending \$20 million on your old school, in two parts. It is a great school.

Mr RICH-PHILLIPS — I take up the education minister's interjection that my old school is a great school — and it is a great school. I have to say when I first became a member of Parliament in 1999 one of the first things I did was revisit my old school. I was amazed to see how much infrastructure had been invested in that school by the Kennett government. Over the seven years of the previous Liberal government, the change in that school was incredible. The senior campus for year 11 and 12 students at my old school was adopted as a model, and the investment that had been put into that school by the previous government was astonishing.

To see the change in the facilities that occurred between the time I left that school in 1992 and when I returned as a member of Parliament in 1999 was extraordinary. I acknowledge that the current government has continued that investment at Eumemmerring, but I note that it was the previous government that started that project. That of course does not alter the trend we are seeing of recurrent expenditure being capitalised as refurbishments and modernisations and regeneration, to use the term used by the budget papers.

I turn to general government net debt. I may have missed another interjection by the Minister for Education, but I think he referred in an earlier comment to the rating agencies — I may have been wrong — not being unhappy with the level of general government net debt. I will acknowledge that as a percentage of GSP (gross state product) general government net debt remains low. However, I also note that between 2005–06 and 2010–11 we will see general government net debt rise from \$1.8 billion to \$8.8 billion. That is an annual increase in general government net debt of 37 per cent. While the current level of general government net debt as a percentage of GSP is low, its rate of increase is not. A 37 per cent average annual increase in general government net debt is not low and it is not sustainable.

Mr Lenders interjected.

Mr RICH-PHILLIPS — It is not low, and it is not sustainable. In the same way, off the balance sheet we have seen the debt carried by the non-financial corporations that are not accounted for in the general government sector increase over that same period from \$3 billion to \$6.5 billion. Again, this rate of increase is not sustainable. While debt is low now, at those rates of increase it will certainly not stay that way.

I would now like to turn to the areas of service delivery where the government is failing. I said in my introductory remarks that the revenue stream from the GST gave the state government a unique opportunity to invest in infrastructure, to undertake further tax reform and to invest in productivity initiatives. We have failed to see that necessary investment in infrastructure. In fact we now see Victoria lagging behind the rest of the Australian states in its investment in infrastructure as a proportion of GSP.

In the lead-up to the budget, the Master Builders Association of Victoria, along with many other organisations, made a pre-budget submission which was scathing of the government's policies. I have to say that it is unusual to see an industry body like the MBAV publish a public document that is as scathing of

a government as this document is. With respect to infrastructure, in its submission the MBAV was very blunt. It stated 'our state still suffers from an immense infrastructure backlog'. We have the Treasurer running around talking about record infrastructure investment, but that is certainly not matched by the comments of the MBAV.

Over summer we had a shortage of one of the most basic infrastructure services in the state — electricity. On a hot day in Victoria the supply of electricity cannot be guaranteed. We lack the peak generation capacity to ensure a regular, reliable supply of electricity to industry and for domestic use in Victoria. This is a situation we have had for well over five years and we have not seen it addressed through the infrastructure investment in this state or through the program driven by this government.

We have of course also had problems with water, and I want to talk about water in a little bit of detail. The budget speech makes two references to investment in water. In his speech the Treasurer said that the government had invested \$1.7 billion and that the water authorities had invested a further \$3 billion in water infrastructure. When the Treasurer appeared before the Public Accounts and Estimates Committee in the week the budget came down, I asked him what I thought would be a very straightforward question. I asked him to outline to the committee exactly what accounted for the \$4.7 billion in water infrastructure investment he had claimed. Acting President, do you know what the Treasurer's response was? He could not respond. He had to take the question on notice. The only project the Treasurer could suggest during that hearing was the Yarra Valley sewerage upgrade. How the upgrade of sewerage in the Yarra Valley equates to a water augmentation infrastructure project, I do not know. But \$4.7 billion was claimed, and the Treasurer was not able to outline what projects accounted for that claim.

Heading forward, the only thing the government was able to commit to in the budget with respect to water infrastructure was references to studies and examinations. When the Minister for Water, Environment and Climate Change in the other place, the Deputy Premier, appeared before the estimates committee last week, I took the opportunity to ask him about the government's water projects that had been referred to in the budget. Given that there was no funding and no outline as to the time frame in the budget, I thought I would ask the minister exactly what was happening with those water projects and when they would be online once the government had decided.

Around the time of the budget we had some confusion between the Premier and the Treasurer as to whether the government would commit to one project or whether they would commit to multiple projects. To this day that question remains unresolved.

When the Deputy Premier, who is also the Minister for Water, Environment and Climate Change, appeared before the committee I asked him about the four projects that were under consideration. There was the desalination plant which had been referred to in the water white paper. That white paper committed the government to a feasibility study by the end of 2006, yet the latest estimates for that feasibility study are now the end of 2007. According to reports in newspapers of public comments made by the water minister, the earliest a desalination plant would be commissioned would be 2015.

In relation to the eastern water recycling proposal, the feasibility study for the proposal indicated that it would take at least seven and a half years from approval of the business case for the plant to be operational.

In relation to the third proposal, which is stormwater recycling, the Central Region Sustainable Water Strategy for 2005 referred to a feasibility study for stormwater recycling not being completed until 2009, let alone the project actually being commenced.

The fourth project that is now on the government list is the north-south pipeline, which is apparently the preferred project of the Treasurer, if not the water minister. It is too new to even have a feasibility study into it.

I asked the water minister when Victorians could expect any of those projects online. The best the minister could indicate was that he did not know. His response to me was, 'What would you do?'. This was from the minister who was supposedly responsible for augmenting Victoria's water supply; this was from a government that has sat on its hands through a period of drought for eight years, that produced a budget three weeks ago but is not able to give the most basic details of when we might expect to see these vital water projects commenced and commissioned.

The next missed opportunity I would like to touch upon is tax reform. I refer to the Business Council of Australia's report *Tax Nation — Business Taxes and the Federal-State Divide*, which was released in April of this year just prior to the state and commonwealth budgets. The BCA did an analysis of all the taxes levied on business by the commonwealth and by state governments. In its report it found that in Victoria there

are no less than 23 state taxes levied on business, and under the life of this current government 14 of those have been either introduced or their base has expanded. We see no effort to address this situation in the budget. We have not seen any structural change in the tax system levied by the state of Victoria and we have not seen any commitment to further tax reform.

In 2001 a report on state taxation was undertaken for the Treasury, but it resulted in no progress; we still have record tax revenue and increasing tax revenue for each of the forward estimate years. The government has clearly dropped the ball on tax reform. Despite having a record revenue stream flowing through from the commonwealth, despite a commitment under the intergovernmental agreement to consider further state tax reform, we have not seen that opportunity taken up by the state government.

This is a matter that was also commented upon by the Master Builders Association of Victoria in its budget submission with respect to the reliance of the state government on property taxes. It noted that:

... we see the constant growth of property taxation (up 112 per cent since 1998–99), poor Melbourne 2030 follow-through, and continued uncertainty in planning decisions to all be slowly choking housing affordability across Victoria.

This is not an idle point raised by columnists; this is an issue that is affecting the lives of Victorians. It is an issue the government has failed to address when it has had, for the last six or seven years, the means to do that through the revenue stream from the commonwealth.

Another area the government has failed in this policy platform is in productivity initiatives. Every few months we see the Premier strutting the stage at COAG (Council of Australian Governments) running around talking about his national reform agenda. Mr Thornley has been appointed as the Parliamentary Secretary to the Premier on the National Reform Agenda to carry the can for the Premier on that issue. But what we have not seen is any reform in the Premier's own backyard. We have not seen the progress with regulatory reform, with cutting red tape that the government promised. In fact the Victorian Competition and Efficiency Commission (VCEC), in its 2005–06 report on regulation, said that the cost of new regulation introduced to Victoria in 2005–06 was \$280 million per annum. That is a massive impost on businesses in Victoria, and it is a massive impost that affects Victoria's competitiveness relative to other states and relative to the region.

That \$280 million was for one year's regulatory burden. The pre-existing regulatory burden, as reported by VCEC, was \$1.7 billion. If we add in the 2005–06 figure, we now have in the order of \$2 billion of red tape imposed upon business in Victoria. Why is that important? Because it deters investment in this state.

Over the last eight years we have seen a rapid decline, for example, in manufacturing investment in this state. Until about three years ago Victoria was Australia's leading manufacturing state. We had a bigger share of the manufacturing pie than any other state or territory in the country. Two or three years ago Victoria lost that title to New South Wales. New South Wales now has a bigger manufacturing industry than Victoria, and we have seen the decline in manufacturing investment.

Back in 1998–99 Victoria attracted \$1 in \$3, almost exactly 33 per cent, of new manufacturing investment in Australia — \$1 in \$3 came to Victoria. We now see that figure under 24 per cent. We are almost to the situation of \$1 in \$5 coming to Victoria. In real terms investment in manufacturing in Victoria has been static over the last seven years while it has grown by about 60 per cent on a national basis. That is an indictment on this government and is reflective of an environment that is not welcoming to new investment, and the report by VCEC demonstrates why it is not welcoming to new investment. There have been 32 000 pages of regulations imposed, according to VCEC, at a cost of almost \$2 billion a year, and while the Premier is running around Canberra talking about the national reform agenda, we are not seeing state efficiencies being addressed in Victoria.

The drift in expenditure and debt, both budgeted and unbudgeted, and the failure to capitalise on the opportunities provided by the federal-state reforms of eight years ago, point to a complacent government. In Victoria the focus of this government is now more on being in government than on achieving in government. Structural reform of commonwealth-state financial relations provided Victoria with so many opportunities, and yet under this government we have seen those opportunities squandered. Victoria deserves better.

Mr HALL (Eastern Victoria) — The state budget was brought down on 1 May, some three weeks ago. In the interim we have seen the federal budget come down; that has been presented in that intervening period. The Victorian budget has actually received little attention out there. Certainly in the last week or two it has not been a topic of conversation that I have experienced in my electorate, nor indeed has there been much in the media reports that one reads. So I am rather bemused by the timing of the budget and the way in

which the state government has handled bringing it down. As I said, it was brought down three weeks ago, on 1 May, and then within three days of that the Premier and the Treasurer went overseas for a couple of weeks. I would have thought if they had a budget they were proud of, they would have spent some time here in Victoria selling it.

Further to that, we saw the Parliament closed down for two weeks following the tabling of the budget, again taking away focus from public debate and what should have been one of the major points of interest for the year — that being the state budget. Again, on the timing of its being handed down, it happened just prior to the presentation of the federal budget and was soon overshadowed by comment on the federal budget. I have to say it is almost as if this government wanted to get its budget down, in place and then out of the way so as to take away public scrutiny from it. I would have thought the government would be proud of its budget and would have been out there selling it as much as it possibly could.

In the week after the budget was handed down I went to one function in the Latrobe Valley where the Minister for Gaming in the other place, Mr Andrews, spoke about A Fairer Victoria, and he did it very well. He announced a \$400 000 grant for Gippsland Lifeline; something that was not in the budget but which was most welcome. Yet both the Treasurer and the Premier at that time, following the budget presentation, as I said, went overseas for two weeks. It seems to me that their rightful place, if they were proud of that budget, should have been back here in Victoria selling its virtues. I have been somewhat bemused by the timing and the way the government has been trying to sell its budget.

I do not think in the time I have available to me this afternoon that there would be a great deal of purpose in my trawling through the budget and highlighting particular aspects of it. Gordon Rich-Phillips has done a particularly good job at that, as he always does with financial matters, and brought the house's attention to a number of issues. I certainly found his contribution interesting; it will be a most worthwhile one for members to read. So I will not go through the items contained within this budget line by line, but I am going to highlight a couple of facts.

First of all I want to acknowledge that this budget does contain some important features, which I and other Nationals welcome — things like the \$550 million for education. The Minister for Education is in the chamber today, and I acknowledge that that is going to be used to upgrade or replace 131 schools across Victoria. That is a good thing, and I think any fair-minded person in

this chamber would acknowledge that. Indeed throughout the budget there are some important and positive initiatives, like the 10 per cent cut in WorkCover premiums and the decrease in payroll tax, albeit a small one — down from 5.15 per cent to 5.05 per cent. And there are other small tax cuts and some spending initiatives in this budget, which, as I said, any fair-minded person would acknowledge, recognise and welcome, and I do that.

But I also say that particular measures should have been implemented, particularly when you look at the figures on the revenue obtained by the state government — and Gordon Rich-Phillips went through some of these points. In budget paper 4, on page 133, there is a simple table of total revenue received by the state. At the bottom of that table it says that the state revenue for this budgetary period will increase by 2.8 per cent overall; 2.8 per cent might sound a small amount, but it is the best part of \$2 billion in increased revenue coming through to the state, so the government could well afford to spend money on some of the initiatives or some of the tax cuts outlined in this budget paper.

I note there will be increases in a lot of areas. In taxation, for example, there is going to be a 1 per cent increase; fines and regulatory fees are going to increase by 6.2 per cent under this budget; and I also notice that grants received are going to increase by 5.8 per cent under this budget. If you turn over a few pages further in budget paper 4, you will see that that the largest component of those grants received is GST revenue flowing from the commonwealth to the state. It is going to increase this financial year by 7.1 per cent, bringing the figure for GST revenue coming back to the states to in excess of \$9 billion.

I mention those figures to make the point that the state government can well afford to spend some of that increased revenue on better services for the people of Victoria. It has done so in part, and I acknowledge that. However, having said that I also want to put on the record that the budget also contains some glaring omissions. One of them is a lack of any real commitment to resolve Victoria's present water supply crisis. If the time is available to me, I will come back to that point later. There is also a lack of any tangible assistance for drought-affected rural communities in this budget. During the course of my contribution I will make reference to that. There is also scant acknowledgement of the desperate plight of carers in our communities, who are one of the most deserving groups of people needing help. Although there are some very minor initiatives to help them, they will go nowhere near meeting the unmet demands of carers in Victoria. There are also significant unmet needs in the

health sector. Again, if time permits, I will come back and mention a few of those issues.

What I want to do in the substantial part of my contribution this afternoon is highlight some of the needs that exist in the country parts of my electorate of Eastern Victoria Region. I thought I could perhaps do that by taking the house along my journey over two days of just last week, when I visited substantial parts of what I claim to be the rural parts of South Gippsland and East Gippsland in my electorate. With the change to the electoral boundaries, a substantial part of the Eastern Victoria Region is heavily populated and is perhaps more closely aligned to the city than the country, but certainly in South Gippsland, East Gippsland, Wellington, Latrobe and probably Baw Baw there are traditional rural areas that still have needs somewhat different to those in metropolitan areas.

Last Tuesday I took off from Traralgon and made Korumburra in South Gippsland my first port of call. There I met with some representatives of the Friends of Coal Creek. People who show a keen interest in local history would be aware that Coal Creek is a significant tourist attraction based in Korumburra. It portrays some of the history of the local area, with historical buildings and the like forming an historic community village in Korumburra. It has been there for many years now, and it is a fine asset to the region and certainly to the township of Korumburra.

It has been a very costly exercise to maintain it, and it has not always returned profits during any year of its operation, so it is again that the council-managed property of Coal Creek is under some financial pressure. In the near future the council will have to make some tough decisions about what it does with Coal Creek. It is proposing at this stage to significantly restructure Coal Creek and perhaps remove some of the buildings, maintain others to a higher standard and turn it into a community-type museum. That is contrary to the wishes of many people located in Korumburra and, I suggest, quite a number of people across the region as well.

Mr Viney interjected.

Mr HALL — Yes, I said that, but I also said a lot of people in Korumburra and the Friends of Coal Creek have been very strident on this issue. In fact they have a rally on this issue on Sunday at Coal Creek. At this stage the council, being the manager of that facility, has made some decisions about where it thinks it should go, and others have a different view on that. The council has provided significant financial support to Coal Creek over the years. It has put in probably something like

\$500 000 a year towards the running of that operation, so it has been a burden on the rate base associated with the South Gippsland council.

In respect of this matter I acknowledge and recognise that the council will make its decision, but it is the sort of tourism facility in the region for which the government could be well served by being proactive, perhaps by getting in there and giving the council a hand over the future of Coal Creek. Somebody even suggested to me that it would be nice if Parks Victoria or some other body took over the running of this fine tourism facility in that area of South Gippsland.

All I say in respect of that is I would encourage the Minister for Tourism in the other place to get involved in the debate and see whether there are some constructive ways in which the government can assist in what the council would like to achieve and perhaps also what the Friends of Coal Creek would like to see preserved at the facility down there. They are working hard to try to find private funds to manage some of the building structures down there, and I think that is laudable. I certainly add my support to their efforts in that regard, but I think the government would do well to get involved to see what it can do to ensure that the Coal Creek museum remains a viable tourism asset for the region.

Having met with those people in Korumburra, I moved on to Leongatha and met with the South Gippsland Shire Council over a working lunch for a couple of hours. I was joined there by the Leader of The Nationals, Peter Ryan, the member for Gippsland South in the other place. Indeed I think all members representing the South Gippsland electorate have been invited to join with the council at a time convenient to them, and I hope they take up that offer, because it would be well worthwhile having that briefing. It was good.

Mr Viney — I have already done it!

Mr HALL — Good. I hope others have done so as well. I know South Gippsland council had a nine-point agenda that it wanted to discuss with Peter Ryan and me, and it was no surprise to us that the first two items on that list were drought and water. As I said in a members statement yesterday in this chamber, the drought is far from over, and South Gippsland, despite its record of being a green region, has suffered a significant decrease in rainfall and has borne perhaps the worst of the drought conditions in the state. I know for sure that some dairy farmers in South Gippsland, up until a week or so ago at least, were still buying in

water as well as feed to keep their animals alive. The cost of doing that is quite significant.

We calculated that if you are just buying fodder to support a 200-head dairy herd, it is costing you \$1000, but if you are also buying in water for those animals as well, it is probably costing you another \$200 a week. Given the fact that we are about to embark upon winter — a period of time where there is little grass growth and little opportunity for farmers to offset those costs — certainly the production returns on the milk revenue the farmers will receive from the cooperatives will not go anywhere near meeting those costs.

Dairy farmers in that region — and indeed beef farmers as well — are incurring significant losses at this moment because of the drought periods that have occurred over the last year or two. We need to be cognisant of that, and I know that one of the direct pleas that South Gippsland council has made to the Department for Victorian Communities is for the appointment of a drought officer to assist people who are applying for the various drought assistance measures that are available to them, particularly through the federal government and, in a much more limited way, through the state government.

I also want to say that on going to Leongatha I bumped into Meg Parkinson, one of the vice-presidents of the Victorian Farmers Federation, and local VFF councillor Max Jelbart, who had just finished meeting with the mayor of South Gippsland shire. They impressed upon me the importance of having a drought officer in that area to assist needy people in the process of applying for assistance and also to assist council to liaise with Southern Rural Water about the reopening of some water bores within the region to assist in the water supply to affected farmers. Drought remains a significant issue in South Gippsland as well as in other parts of my electorate.

Water was the second issue that the council put on the agenda. Again, areas of South Gippsland have been no different from other parts of the state — that is, there have been severe water restrictions in most towns throughout South Gippsland. Each of those towns relies on its own individual water supply facilities. Those are largely of small capacity and would in normal circumstances replenish quite quickly. We simply have not had the rains to replenish those town water supplies, and there needs to be increased capacity. I will be meeting with South Gippsland Water in the next week or two to look at its plans for meeting the water needs of some of those communities.

The third area the council raised was passenger and freight transport services. Again, it highlights the fact that public transport services in country Victoria are severely lacking. We have only a limited number of services. Even the so-called fast trains have done little to alleviate the public transport needs in parts of country Victoria. Indeed radial transport links are very sporadic. When you are talking about services from, say, the Latrobe Valley across to South Gippsland, very few services meet the needs of people wishing to travel within the region. Of course we are all well aware that the state government promised — solemnly promised! — to return train services to Leongatha.

I concede that they were cut during the time of the Kennett government and have been replaced by a bus service, but when this Labor government went to the 1999 election it promised a return of that service. That promise has not been delivered. Moreover, a scoping study was undertaken by the state government more than 12 months ago to look into the feasibility of the return of the rail service, and still neither council nor anybody else has been able to ascertain the status of that scoping study, much less make it available. Council requested our assistance in trying to get a copy of the study or at least finding out where it is up to. It would be nice if the Minister for Public Transport were able to give us some indication about that.

The South Gippsland council spoke about the implication of not having a rail service. It also spoke about some of the other transport needs within the region. Some of those depend upon whether there is a train service or not, and I am particularly talking about heavy vehicle routes through towns like Korumburra and Leongatha. Before finalising those particular matters, there needs to be some resolution of whether a train service is going to be returned or not. I call on the government today to provide details of that scoping study into the return of rail services to South Gippsland. I think that needs to be done as a matter of urgency.

The fourth topic the council spoke about was coastal development. Of course I think that is an issue right around the coast of Victoria. There are concerns about coastal management and coastal planning, and there are issues that need to be addressed. It was quite interesting that some of the townships such as Port Welshpool, Welshpool itself and Toora have been identified in various reports as being areas of disadvantage. Only recently some local government departmental heads from the Gippsland region met in Welshpool to discuss what they could do to revitalise those communities. The answer was pretty obvious: they could have simply asked South Gippsland shire about some of the things

that are needed and that would be of great benefit in revitalising those communities.

The Toora boat ramp is one of the things that was mentioned to us. The famous long jetty at Port Welshpool is another facility that the local community, supported by members of Parliament, has been trying to have rebuilt down there. At the moment it is closed because it is unsafe, but it is actually a 900-metre heritage wooden jetty. If you can imagine a jetty going out 900 metres, it is a pretty long jetty. It would require something like \$6 million to restore it to full working condition, but it is certainly a feature and a tourist attraction in that area. It is a facility about which the local council and community have strongly lobbied governments for many years for funding to bring it up to date.

The fifth item the council spoke about was the supply of sewerage and wastewater facilities in the area. Again, these are common issues for country communities. The council acknowledged that some work is being undertaken in towns like Loch, Nyora, Poowong, Meeniyah and Yanakie. They are all on schedule, and work should be done in the next couple of years. It would be great to have those townships seweraged, but at the same time it is a great cost burden to all of the water users in the area.

The fact that the government has directed that the contribution from users be capped at \$800 per household is placing a great deal of financial pressure on South Gippsland Water, the local water authority, to implement those schemes. Again, it is an area that the government should put more resources into to assist the local water authorities in the supply of sewerage and wastewater services to those areas.

The council also spoke about the issue it faces in terms of wastewater management, where the council is responsible for the inspection of septic systems where no reticulated sewerage system applies; indeed that is a burden on council. I understand the Environment Protection Authority was doing a legislative review of who should actually be responsible for that. The council asked us to find out where that review was up to, whether any recommendations were forthcoming and whether there was an implementation timetable. That is something we will follow up.

The council spoke about community building. I mention the fact that Korumburra, Toora and Port Welshpool were recently listed in the *Dropping Off the Edge* Jesuit report as being among the state's most disadvantaged communities, and again I urge the

government to address some of the issues raised in that report.

The final matter the council raised with us was tourism, which is not surprising because the South Gippsland area is very strong on tourism. It is looking to build a new visitor information centre at Foster and is seeking some government contribution towards building that. The council also spoke extensively about the Coal Creek Community Park and Museum, which is something I mentioned before. It is something which the council has supported for a long time, but it would welcome some assistance from the state government in ensuring that that fine facility is preserved.

They are some of the issues I came across in talking with some of the people in South Gippsland. It was half past 1 on Tuesday by the time I finished there. I then travelled on to Lakes Entrance in East Gippsland, a beautiful part of my electorate.

The main issue in Lakes Entrance is the entrance to the lakes itself. I do not have to tell members about that. It was mentioned, I note, by way of a members statement this morning. I briefly met with Peter Clarke, the chairman of the Lakes Entrance fishermen's cooperative, on the Tuesday afternoon, and because the administrative people from the cooperative were not available until the following morning, I left it until the following morning, when I was on my way back through Lakes Entrance, to meet with them. So it was on Wednesday morning that I met with them about the entrance at Lakes Entrance.

Many people would well understand that back in November 2005 this government made a \$31.5 million commitment to putting in place mechanisms to ensure that that entrance would remain open and navigable for the fishing fleet going in and out of the Gippsland Lakes. I have before me the press release that was issued at that time, on 10 November 2005, by the then Minister for State and Regional Development and the then Minister for Environment in the other place. They made these sorts of comments in the press release:

Mr Thwaites said Lakes Entrance was home to Victoria's largest commercial fishing fleet as well as being a premier recreational boating and fishing destination.

'This project will create clear navigable channels to Lakes Entrance and ensure that they're kept open over coming years'.

He was talking about the \$31.5 million program. Minister Brumby also made mention that:

The annual commercial fish catch at Lakes Entrance is around 6000 tonnes which contributes about \$150 million to the Victorian economy.

Yet in recent months and at other times since that press release, the entrance has been either closed over completely or has become unnavigable for most of the fishing fleet. Such is the case at the moment that it is only on rare occasions the fishing fleet is getting in and out of that channel. Consequently there has been a significant downturn in the operations of the fishing cooperative, and it has had a huge impact on the general community in Lakes Entrance.

What is required and what people cannot understand is why that \$31.5 million has not been used to resolve the problems to this point in time. Within that total amount, \$5.3 million was earmarked to trial a hopper dredge to keep the entrance open. That was among a number of measures designed to keep the entrance open. They are desperate times there, as I said, and the solution is at least to get a hopper dredge in there and see if that will make the difference. Most people are confident that it will, yet it seemed to me that either the government or Gippsland Ports seems tardy.

At first it was suggested a hopper dredge was not available. Within a few days the Lakes Entrance cooperative itself identified the availability of two hopper dredges in Queensland and one in New Zealand, that were quite capable of doing the job and which could have been there within a week. I understand the federal government has moved quickly to put in place the permits required for the collection and the dumping of sand. It still mystifies me and others that the money had been earmarked back in November 2005, yet that \$5.3 million trial of hopper dredging has not been undertaken. This is a serious matter that the government needs to address as soon as possible, and there is no time left to tarry longer on this issue.

Already a significant number of fishing vehicles have relocated to Eden in New South Wales, probably only on a temporary basis at this stage; but if that situation goes on for much longer, no doubt the relocation would be on a permanent basis. Also, some are operating out of Port Welshpool in South Gippsland. That is an unsatisfactory arrangement when Lakes Entrance has a first-class fishing processing facility. I repeat that this is a critical issue that needs to be addressed immediately.

Following my stop at Lakes Entrance I went to Cann River. It is a small community, probably at least 6 hours drive from Melbourne. The first port of call was the P-12 college at Cann River, which has about 70 students. In recent times in this place I have raised the problem of the appalling state of the science room at the college; it has mould on the ceiling and in parts of the walls around the building. I had not inspected it in recent months, so I took the opportunity when I was there recently. The

school principal was still there at 6 o'clock at night and was able to show me firsthand what the problems are.

As I just said, I have raised this issue with the Minister for Education previously. I have asked for this college to be first on the science room refurbishment program that the government has announced, and I again impress upon him that I can verify firsthand that it needs to be the first science room to be refurbished. It is the only science room of course in a school of 70 students and its refurbishment needs to be undertaken quickly. I suggest some occupational health and safety issues have arisen there; they need to be addressed before the condition of that room gets any worse. Again I call on the minister today to acknowledge my representations on behalf of the Cann River community and to address the state of the science room at that school.

I then enjoyed the hospitality and company of local people at the Cann River Hotel overnight. I could not help but contrast the fact that the Premier was staying in a \$550 per night room in London, I think, on that very night that I was staying in a \$30 per night room at the Cann River Hotel. Nevertheless, the company I had was absolutely great.

The timber industry is one of the main industries for Cann River, and one of the reasons I made the journey there was to visit a timber processing facility owned by Gary and Julie Brownlie of Noorinbee. Gary and Julie have been long-time sawmillers in the area, and they still own a sawmill. Understanding the fact that they need to value add their product as much as possible, it has always been Gary and Julie's dream to get into a furniture-making business so that they would then be actually taking the timber from the first stage of harvesting right through to the end stage of processing.

Indeed, with a great deal of effort and at significant cost they have established a small furniture-making business in Cann River; they have had up to six people employed there. I have to say that they need a hand. I have referred them to some federal government employment assistance programs that might help them with the cost of employing people. I have also raised the matter with Business Victoria to see if there are ways we can assist them with that fledgling industry.

I say to the government that this is the sort of thing the government wanted out of the timber industry. It wanted the highest value-adding possible. Gary and Julie are doing just that: they are taking silvertop ash and turning it into bedroom furniture. It is very good-quality bedroom furniture while being very durable as it is a hardwood product. But they need a bit

of a hand and, I would suggest, guidance to take their business that step further to make it viable. Given the fact that this government has made significant cuts to the timber industry in recent years, the industry needs further support. This is an example of where we can provide some really positive support to people who want to get into value-adding product.

I also took time out during my visit there to call in to the bush nursing centre. I was pleased to note that they now have the doctor from Orbost regularly visiting and accepting medical appointments for the people of Cann River. I was able to provide a bit of advice to the bush nursing centre on a number of programs the Victorian government has available that might assist them, local history grants being one of those.

I then visited the Noorinbee Primary School where there was a presentation to the school captain. Noorinbee Primary School is an annex school to the Cann River P-12; it is administered by the same principal, although they have separate school councils. I think their enrolment is just under 10 students at the moment — but they are very enthusiastic students. It is good to go to a nice, bright classroom and hear and talk to young students who are at the start of their educational careers.

Before I left Cann River I also called in to the large sawmill operation, Hallmark Oaks, run by Bob Humphreys, and had a chat about a range of issues within the timber industry. He raised with me the issue of the building code 5-star energy rating standards. That is one of the reasons I raised that issue in the house today, because the timber industry in Victoria needs to be supported. If we are going to have an industry at all, the government should decide whether it wants a native forest timber industry. If it does not, it should at least compensate people to get out of that industry properly and fairly; but if it wants an industry, it needs to roll up its sleeves and support that industry to some extent. Still the legitimate sawmill operators are struggling with the systems imposed by VicForests in getting access to supplies.

On my journey back towards Traralgon I stopped again at Lakes Entrance. In addition to the meeting that I had with Lakes Entrance fishermen's cooperative chairman, Peter Clarke, and administration manager, Dale Sumner, which I reported on before, I also met with Bruce Hurley from Gippsland Lakes Community Health and Gary Gray from Bairnsdale Regional Health Service. They outlined some of the initiatives they were hoping to undertake in their area in the community health sector. One of those was a one-stop shop of community health providers in the town of Bairnsdale.

They outlined a study funded by the Department of Human Services which will see, if it comes to fruition, a \$10 million facility built in Bairnsdale to co-locate all four organisations that have been in collaboration with this: the Bairnsdale Regional Health Service, Gippsland Lakes Community Health, the Latrobe Community Health Service — which delivers some services on a regional basis — and Gippsland mental health services. Having the four organisations that provide community health services operating out of a centrally located building would provide some synergy. They did not ask me to try to secure the funding for that but asked me to try to reserve a site that they have selected in town — that is, the former police station site in the central business district of Bairnsdale. I will make a formal request to the government for that site to be preserved for the future development of a co-located community health service.

Bruce Hurley also raised with me another matter on which he sought some assistance from the Minister for Aboriginal Affairs — the finalising of a significant rebuilding program they have in Lakes Entrance. That is a matter I intend to take up on a separate occasion with the Minister for Aboriginal Affairs. After visiting Lakes Entrance I dropped in to see people in Bairnsdale and then went back to Traralgon. I hope I have not bored members too much, but I have mentioned all that as a typical snapshot of some of the ongoing needs of the people I represent in my electorate. I assure members that they are far from unique and that such experiences are common right across the area. Although, as I said at the outset, this budget includes some very positive initiatives which we should all applaud, there is plenty of work still to be done and plenty of unmet needs to be addressed.

I will quickly mention a couple of the glaring omissions I referred to at the start of my contribution. The first of those is water. None of us could help but notice that there was no significant announcement of or funding initiatives for water supply projects in the coming 12 months. We are well aware that the government is looking at a number of options, such as desalination and pipelines to take treated water from the eastern treatment plant to the Latrobe Valley and, in turn, fresh water back to Melbourne. We know that is one of four options. The government is looking at having various pipes running from the north of Victoria to Melbourne, and of course having Bendigo and Ballarat serviced by a pipeline as well. We know the government is looking at a number of initiatives, but what surprised me was that no funding has been put aside for any of the big four initiatives it is supposed to be looking at. One can only draw the conclusion that if such initiatives are going to take place, they are going to be funded by the

users themselves. I think the government should be clear about that and make its intentions clear to the people of Victoria.

For example, there is the Gippsland Water Factory project that is being built in Gippsland. That is a \$160 million project. The government is putting \$50 million towards it, which is great, but the users themselves are contributing \$110 million. I do not mind that so much, because we are clearing up our own problem and cleaning our own water for re-use. Collectively we should all take some responsibility for the impact we make on the environment. But let us make sure that it is not just Gippsland customers who are paying such extra costs. If we are all to contribute, then we should all contribute fairly and equally. The absence of any funding in the budget suggests that we may, but I think it is an oversight or deficiency in the budget that it has no specific mention of any contribution towards any new water supply project that might emanate from the government's current considerations. I have mentioned the drought.

There are two other groups I want to mention before finishing. The first of those is carers in Victoria, and I will deal with their plight. The many people who have heard me speak before will know that I have a very strong constituent who advises me in a most significant and in-depth manner on disability services — that is, Jean Tops of Moe. Jean is a person I admire greatly for the work she does on behalf of all carers in Victoria. Jean was the only constituent who asked me to obtain for her a copy of the budget papers when they were produced in Parliament, and I did. I was pleased to visit her and drop them in at her home in Moe on the Friday following the tabling of the budget. I asked her for her comments on the budget, and she was forthright in giving me her comments after she had analysed it. Her comments were:

The state budget will do nothing to relieve the 'crushing and unreasonable burden on caring families' identified by the Senate report into the CSTDA inquiry 2007.

That is the commonwealth state/territory disability agreement:

The \$70 million provided over four years for personal accommodation and support packages for 1300 people with disabilities tells the real story!

Skipping a paragraph, she went on:

Over four years for personal accommodation and support \$70 million is divided by 4 = \$17.5 million per year for 1300 people = \$13 460 per annum per person at \$30 an hour for attendant care is 1 hour and 13 minutes a day of support, including travel time and expenses.

That is the sort of in-detail analysis Jean will do. She is a fair-minded person. She said later in her comments that the \$13.1 million for respite care over four years:

... will relieve some of the burden, but this does not go far enough in providing at least a four-week holiday-length break for all full-time unpaid carers and timely stress breaks for all carers is still a dream.

Jean is a strident advocate for ageing parents who are full-time carers for people with disabilities in particular. Neither she nor I can see anything in this budget that addresses in any meaningful way that huge unmet demand for services for people with disabilities who are cared for full-time by family members.

The last issue I want to comment on is the huge number of unmet demands in the health sector. One is at the Latrobe Regional Hospital, which is a fine hospital in its own right and which does its very best to provide services to the people of Gippsland. Unfortunately its emergency department was designed to accommodate 10 000 presentations per year and it is now receiving closer to 30 000 presentations per year. It desperately needs its facilities upgraded to accommodate demand from both people wanting medical services and people receiving mental health services. Being the only provider of acute mental health service beds in the whole of the Gippsland region, it has a significant issue with people with mental health problems presenting to its emergency department. This is not good enough. It is a priority for the hospital. It requires an \$8 million upgrade of its emergency department to accommodate that number of presentations. That should have been accommodated in this budget, but it was not.

I have said enough. As I have said, there are measures in this budget which I welcome, and the government could afford to provide those with the increased revenues it has received, which I have also outlined, but there are many unmet demands out there, particularly in the electorate that I represent. I urge the government to listen to the people out there in country Victoria, to take note of their needs and to do what it can to address them. It is my role to keep reminding the government of those needs. I will continue to do so on a very regular basis.

Mr BARBER (Northern Metropolitan) — I must live in a parallel universe to that of Mr Rich-Phillips, because where he sees a government leading us all into penury from excessive borrowing, shrinking surpluses and undercooked economic growth, I actually see a government that is absolutely rolling in money.

Good luck to Mr Rich-Phillips in selling that story out there in the community — that is, that things are

terribly hard and very difficult, that there is not enough money to go around, and that we will all have to tighten our belts.

My view is that this government has so much money that it barely seems to know what to do with it. From the Greens' point of view it is quite surprising that the budget came out to be so sweet and sour. On the taxation side you can see all the tax cuts that business has been asking for, and I am sure many members of the government would stand up and boast about how many business taxes they have cut and to what extent, but gambling revenues continue to surge into the government's coffers.

In the budget they are shown as flatlining a bit due to the impact of smoking bans, but that is just conservative. Gambling revenue accounts for \$1 billion out of \$11 billion of state government taxes and \$34 billion of overall income. I argue that it is not an incredibly large amount of government taxation, embarrassing as that is. I argue that it is quite small. In the context of other taxes that the government has seen fit to cut over the last eight years, the government could well afford to be less reliant upon gambling revenue.

But in the middle of that whole tax picture is the absolute stunner of tax cuts for petrol or gas guzzlers. Without anticipating debate on another bill before Parliament, let me say it is unbelievable that owners of cars taxed between 4 per cent and 5 per cent on stamp duty rates — that is, the most expensive cars; the biggest cars with all the fancy features that make them guzzle even more petrol — are actually going to get a tax cut of \$1200. I do not see how that relates to any other direction of the government or any other stated policy on reducing our emissions. It is simply a free pass to another one of the government's favourite business lobbies — that is, the car industry. Basically the car industry is making the wrong type of car — the one that people do not want any more. No wonder the car industry boasts such fantastic export performance! Here in Victoria people do not want to buy their product. The best the government could do was give them a tax cut and a bit of a hand along.

As I said, there is quite a bit of action on the spending side due to the large amount of money the government now holds. In education I am pleased to see that the government is putting considerable new investment into assets, but of course that is the function of the doomsday scenario of having so many assets of such a great age that if you do not continue to spend on them and have cohorts of assets falling due for maintenance, then they are going to fall down around your ears and

you will not be able to provide the services you must provide. The government has recognised that.

It could have recognised that at any time in the last eight years, but the evidence is too obvious for it to ignore, so it has addressed that issue. However, I believe that when we get the figures we will see that Victoria is still the lowest spending state on education in Australia per primary and secondary student. That is not a great claim to make on the part of a government that said education would be its no. 1 priority.

Within that picture there is quite a negative story about students with disabilities and various other special learning needs. On the front page of the *Age* today readers would have seen the result of the Rebekah Turner case. Rebekah is a young student whose parents had to take the government to court to try to get assistance for her. This follows the case of Dylan Beasley, a deaf child who could not receive proper assistance for him to be taught in sign language. He also received a compensation payment from the government.

These cases are mounting in both federal and state jurisdictions because education departments have not recognised the demands of the equal opportunity and disability discrimination laws that they themselves support, so governments have not allowed enough money for the better diagnosis and what we now know about the better treatments that are available for students with various needs.

In effect the government decides how much it wants to spend on these students and then changes the eligibility formula to fit the amount of money. Nevertheless, I acknowledge that there is an increased amount of money in this budget, but I do not believe the government has any real sense of how much it needs to address this problem.

As I said, it is also a positive to see increased capital investment in housing. There is a significant amount, and I congratulated the Minister for Housing on obtaining that money. However, it is quite clear that we are also facing one of these asset-ageing doomsday scenarios, particularly as will occur in the next 5 to 10 years with that cohort of housing stock that was built in the mid-80s now getting to the age where it needs major reinvestment.

For those who are concerned about governments running up debt, I will say that running down assets is the same thing as running up debt. It is just that debt is there on the balance sheet for everybody to see, but the condition of assets is not so obvious in financial terms.

What really takes the gloss off that commitment — that is, the stinger! — is that rents are rising for public housing tenants through the assessment of their family tax benefit being increased from 11 per cent to 15 per cent over the next four years. I do not know why the government, which has such a good story to tell on housing, wanted to blot its copybook by squeezing a few more dollars out of some of the poorest and most needy people in Victoria, who at least are lucky enough to get into public housing, when many other people survive in very marginal private housing or are homeless. By the time these rent rises kick in a typical family in public housing will be paying an extra \$12 a week and large families of up to five children anything up to \$20 a week.

Members simply need to understand, if they do not already, that we are talking about a group of people who do not have \$20 at the end of the week to give to their kids for some special treat or need. They barely even cope with their household budget. It is not because they are bad budgeters — people on those sorts of fixed incomes are generally incredibly good budgeters — but because they cannot do it on the money they have been given by the federal government, with the costs that have been put onto them with rents and a range of other costs.

It is a constant struggle to survive on a household budget like that. If some big event or expense comes along, like major medical needs, that budget is just blown. Why do we want to put this group of people, who would be regarded as the neediest in Victoria, into a situation where they have to think twice about whether they go down to the chemist to buy some medicines for their children or to visit a doctor?

Health is an area that requires significant and ongoing increases in funding just to keep up, but the Greens' focus has always been on public health. An ounce of prevention is worth a pound of cure, but the ratio of spending of public health preventive dollars to health treatment is not of the same ratio of an ounce to a pound; it is much less than that — it is often a few per cent, so it is disappointing that moneys available for what is quite an obvious and emerging health problem — that of HIV — have not been able to be spent and have been rolled over into this budget.

In addition the figures that are in the budget, on dental care for example, are pretty flat; they do not show a major improvement in waiting lists for dental treatment. That is a function of the federal government's abandonment of this field, but it was the state government that decided that under Growing Victoria Together dental health treatment would be one of its

major indicators, and the indicator in the back pages of the budget shows that it is not improving. It is another one of those stitch-in-time-saves-nine health investments, where people who wait a long time for dental treatment end up with more acute problems such as infections, which then cost a lot of money to fix.

Aboriginal people will not be jumping up with a big cheer for this budget. Here in Victoria we have the worst record on land justice of any state. It has become increasingly commonplace to stand up and acknowledge traditional owners at the beginning of various meetings — I think Prime Minister John Howard even did it the other day! What does being a traditional owner in Victoria actually get you? I would like to get up and walk out when those acknowledgements are made. It remains to be seen what this budget will do, but as a result of measures taken, the costs of Aboriginal people — the traditional owners — defending their culture are going to be increasingly shifted onto them.

In the transport field there has been quite a success story in growth in public transport, but that is in spite of rather than because of any particular action taken by the government that I can point to over the last seven years. The general picture of neglect has gone on for decades under the governments of Cain, Kirner, Kennett and Bracks. In this budget there is no major expansion of public transport into new growth areas. If there is to be a policy of urban sprawl out to an urban growth boundary, then a public transport system needs to be built, preferably before or simultaneously with that development, including in those instances where the government itself is the developer of urban estates.

There was a big headline about the purchase of additional rolling stock, or the bringing forward of the planned purchase of rolling stock, but that works out to be the purchase of just a few trains brought forward by only a couple of years, with no evidence that those trains will then become additional services; maybe they will just replace trains that will be put out to pasture. It is only at some future date when rolling stock is increased, assets upgraded and lines extended that we could even begin to hope for any significant expansion of services on the train system.

Public transport faces enormous overcrowding problems at the moment, and it has emerged that the government has not been collecting a lot of data on the extent of overcrowding, despite being able to read about it in many newspapers. Clearly, if you are not measuring it, you are not managing it; no wonder it has snuck up on the government. The government is now projecting significant growth in train usage, but we are

reading that petrol prices are on the rise again, so even those estimates about train patronage in the budget papers might turn out to again be a bit of a low-ball figure. The government will probably be caught short again.

The government has started taking seats out of trams to make more standing room. Eventually it will be taking seats out of trains to do the same. One of these days we will end up with the Japanese-style train system, with men wearing white gloves pushing you onto the trains. We are not seeing any significant investment in the out years in this regard here.

Despite everything, the government still manages to push forward with bay dredging, and there is a whopper of investment being put into pushing along this project which the government thought was so wonderful a little while ago. It has gone a bit quiet on it lately. I suspect the whole idea has gone back to Muppet Labs for some serious reworking.

They are looking at the growth projections again: it is funny how they can project freight movements and container movements 30 years into the future, yet they could not work out how many people are expected to be riding the trains in two years. So that project will stay in the lab for a while and eventually we will get some new assessments perhaps of the growth potential of this thing, not to mention the cost of actually doing it. Only then will we know whether that investment is going to do more for Victorians or the economy or even freight movement than some of these other investments that would free up road space. I guess we will just see.

In terms of investments in additional transparency that the Greens have been calling for, there were a number of opportunities around the parliamentary budget to increase the transparency and effectiveness with which the Parliament works. We will not be seeing the Parliament broadcast on the internet anytime soon, according to this budget.

We have seen the provision of an extra staff member to each upper house MP. That was not done just to benefit the Greens. Obviously Labor and a large number of Liberal and Nationals MPs in these large new electorates are calling for extra staff, so all upper house MPs will get an extra, rather poorly paid, staff member, which is a great relief given that my staff member has to switch the answering machine on just simply to go to the toilet at the moment. I do not know that that increase in staff will allow the Greens, or for that matter the DLP (Democratic Labor Party), to do their jobs, which is to scrutinise every piece of legislation that comes through. Labor members have got a vast army of Oompa Loompas to help them

write their policy positions and even their speeches. Over on this side the Greens have a couple of poorly paid staff members — —

An honourable member — The speeches are better on this side.

Mr BARBER — Of course Labor and Liberals are generally desperate to get the votes of the Greens, The Nationals and the DLP members in this place, but we find it quite difficult just to keep up with the rate of legislation being introduced. We have to have a properly considered position on every bill that comes through the Parliament, so I do not see why the Greens and the DLP should not be accorded some of the resources buried in the black budget of the Premier's department and which are actually provided to the Liberals and The Nationals by virtue of party status.

In the area of mental health, which the government has certainly raised the profile of through the creation of a Minister for Mental Health, there are many new initiatives to report on. However, in the PDRSS program — the Psychiatric Disability Rehabilitation and Support Service — we see that those people who are out there helping people with mental illnesses to stay in the community are getting a shrunken budget in real terms.

This is the case across the whole suite of community services. Those who help the community in many ways are consistently being told by the bloodsuckers over at Treasury, 'You have to achieve productivity in what you are doing', which is the same sort of discipline I suppose that is now put on government departments as a matter of course. If you want to provide any new initiatives to respond to any new problem, you must find savings within your own budget, even when they are not there to be found. The KPMG report on this found that, as you would expect, community service groups across Victoria are working at absolute maximum efficiency. In fact they are squeezing all the juice that they can out of the orange with the assistance of fundraising, volunteers and so forth. There is no productivity dividend to be found there. If you give them less, they will do less despite their best efforts.

In the area of kindergartens, I particularly want to applaud the government's movement to provide increased concessions to low-income people so that their kids can go to kindergarten.

Mrs Coote — It was a Liberal Party policy at the last election.

Mr BARBER — It was certainly one of those issues that received a lot of attention from all parties at the

state election, and we are now seeing some results of that. The boulder is rolling there, but we need to keep it rolling. It is incredibly important that low-income people get to put their kids through kinder as well. For many other reasons those kids may need extra assistance, and that is exactly what kinder is for. A year of kinder puts you a year ahead.

In the area of the environment I struggle to find much that is new and exciting, let alone something that lives up to what we understand as the environmental challenges. It is quite interesting that the Premier's department has taken responsibility for the big policy decisions on climate change. From what I saw of the water initiatives, it seems that the Treasurer has done the same thing with water, leaving not much that is new or exciting or particularly important for the Minister for Water, Environment and Climate Change in the other place to announce or deliver upon. But in general terms, that is an area where the government just does not seem to have faced up to the challenges.

In conclusion, I suppose we are seeing a government that by and large has its priorities set for it by big business. The government worships growth regardless of the impacts of that growth. It worships growth such as urban sprawl, population growth, growth in car sales, woodchip sales and growth in greenhouse gases. There is a static growth in the consumption of water, but that is in the context of declining water supplies.

The government simply thinks that all growth is good, regardless of the impact, and it never takes anything off the debit side. If I am running a shoe shop and I take a set of shoes down off the shelf and sell them to somebody, I do not say, 'Fantastic, there is another \$200', and put it in my pocket. I have to actually debit my stock of shoes before I start thinking about spending that money. In the case of the environment, we never measure the conversion of natural capital into financial capital. It is certainly not measured in these budget papers. It does not appear to be a priority of the Premier and the Treasurer. Somebody needs to teach these guys to subtract rather than just add everything.

So in the eighth year of this government, which over many years has acted more like a receiver of the state of Victoria in the way that it runs its balance sheets, it now has so much money that it has become almost impossible to hide it. You cannot just roll around in the money like Scrooge McDuck. Short of actually taking it and throwing it off the end of the St Kilda pier, the government had to actually start spending some of it. The government has done this with regard to social investment. Social investment gets the residual after big businesses get what it wants. In the case of our

environmental assets here in the most ecologically damaged state in Australia and with the damage continuing we have not seen the environment making it onto the balance sheet at any stage.

Mr TEE (Eastern Metropolitan) — Clearly we have the balance right. Mr Rich-Phillips said that we do not have enough money and that we do not give enough of it to business. Then Mr Barber said we have gone too far — that we have too much money and we are not spending enough of it. Mr Hall and Mr Barber seemed to agree that the education initiative is good, although they seemed to be saying that through gritted teeth.

The reality is that this is an impressive budget that has the benefit of coming after a number of years of the fiscal responsibility of previous Bracks government budgets, which has put Victoria in a sound financial position. Because of a secure starting point which has been built on over a number of years, the budget is able to be expansive in a number of critical areas like health, education and — as it has been acknowledged — housing. We are on track to have an operating surplus of \$324 million. As I said, Mr Rich-Phillips has pointed out that this is a declining figure, but he failed to acknowledge that the budget provides for surpluses averaging \$424 million over the following three years. He pointed to a decline but did not acknowledge the increase which has been forecast for the next three years. For the eighth consecutive year the Bracks government will deliver a budget surplus of at least \$100 million. Again, we have the balance right between upholding an AAA rating and investing a record amount in infrastructure.

I will now point out a couple of key initiatives and some of the highlights of the budget. There is \$3.3 billion for capital works and over \$13 billion will be spent over the next four years. There is \$1.5 billion of savings to families and businesses over four years through cuts to land tax, stamp duty, land transfer fees, motor vehicle premiums and WorkCover premiums. There is \$904 million for the state's schools, which is a record boost that will deliver \$555 million for the first stage of the biggest school rebuilding program in Victorian history. There will be \$872 million for major public transport upgrades, which includes \$362 million to bring forward the delivery of 10 new trains, 22 new train drivers and \$134 million for the buyback of the regional rail network lease. There is \$1.9 billion for health services and hospitals.

As I have said, the budget is based on sound economic fundamentals. The economy is expected to grow by 2.75 per cent in 2006–07 and increase by 3.25 per cent in 2007–08. This is a very positive outlook. It is

underpinned by high population growth, solid consumer spending, a pickup in new housing construction and a recovery in the rural sector.

Mr Rich-Phillips said that not enough is being done for business, but the budget delivers for business in spades. There is \$1.5 billion in initiatives with regard to land tax, including \$504 million over the next four years. There will be a further 10 per cent cut in WorkCover premiums, which will save employers \$668 million over four years. Victorian business will have access to more skilled workers because of an \$89 million plan to help address the skill shortage and drive jobs growth. What we have done, and what this budget helps to achieve, is to keep the economy strong. It is clear that we have played our part for business.

I welcomed Mr Hall's contribution, and in particular his support for the education initiative. He was concerned about the lack of initiatives with regard to water and regional Victoria, but there is plenty of money in this budget for both of those issues. The commitment to water and the environment — which are concerns that Mr Barber has — is worth \$520 million. That money is for water supply, the environment and climate change. In particular there is an extra \$136 million for vital water projects that will deliver water savings in excess of 80 billion gigalitres. This is the equivalent of building another reservoir like Sugarloaf, which is the fourth-largest dam serving Melbourne. There are a number of initiatives which may not have come to The Nationals' attention. One is \$38 million for the Shepparton irrigation area to improve the existing ageing open water channel water delivery infrastructure, which will potentially deliver water savings of up to 50 billion litres a year.

The budget has \$20 million to improve water quality for small country towns. It has \$16 million over two years for water recycling projects across Melbourne. Also it has \$20 million to continue the expanded Water Smart Gardens and Homes rebate, which is the plan that delivers a \$1000 rebate for large water tanks. This program has already delivered 150 000 rebates to Victorian families, which is the equivalent of about 1 billion litres of drinking water per year saved through using that initiative. As Mr Hall acknowledged, in the coming months the government will outline further solutions to meet Victoria's future water demands.

In terms of regional Victoria there are a number of initiatives which Mr Hall failed to acknowledge. It is worth pointing them out in terms of the contribution that the government continues to make to regional and rural Victoria. The budget has \$138 million for bushfire recovery; \$134 million to buy back Victoria's regional

rail network; and \$25 million for regional rail upgrades. It has \$180 million for a new biosciences research centre; \$94 million to reduce V/Line fares by 20 per cent; \$30 million to boost regional bus services; \$91 million to upgrade regional arterial roads; and \$153 million for country services. The initiatives are pouring out in terms of benefits for the economy, for business, in terms of water, and in terms of regional Victoria. For that reason, the budget ought to be lauded.

The people of the eastern suburbs in which my electorate is located have welcomed the budget. It delivers in spades in areas that matter to those families, particularly in the acknowledged bread-and-butter areas of health and education. It is significant that the budget also takes steps to avert a housing crisis for families struggling to afford to keep a roof over their heads.

In health the budget has a number of important developments for my electorate, including a commitment of \$4.5 million to a nursing school of excellence. This is in addition to the \$8 million expansion of the Maroondah Hospital, which is a major provider of acute, subacute and mental health services, which is an issue that has been identified in this budget as requiring additional support. This funding will deliver for the eastern suburbs a fully operational fourth operating theatre and an expanded recovery area to address elective surgery demands. It will provide 22 additional medical beds and 6 surgical beds within a refurbished 30-bed unit.

The Maroondah Hospital is just one example of the ongoing commitment to deliver health care in the suburbs where it is needed most, and I welcome that commitment. Major developments such as this have an important knock-on effect including the location of a number of ancillary services in the suburbs. I very much welcome this initiative; it is a small but significant part of the \$1.9 billion for health services and hospitals that has been delivered in the budget.

In education the budget builds on the firm foundations delivered in previous years where the focus was on human infrastructure. Since coming to office the government has spent an additional \$6.1 billion on education. It is an investment that has seen the delivery of 7000 new teachers and support staff. With this budget the emphasis is now on the next stage — that is, the delivery of building the human infrastructure.

The first stage of the election commitment of a \$1.9 billion plan to modernise or rebuild every Victorian government school in this state has been implemented. This translates into a \$555 million plan to upgrade 131 Victorian government schools in the first

year. This is the first year of a 10-year plan, and I think it is an impressive start.

There is no greater privilege than to be shown through a school which has just completed substantial renovations. The enthusiasm and excitement of teachers, parents and students is quite striking. Just last week I had the privilege of being part of the opening of substantial redevelopments at Greythorn Primary School and Box Hill Senior Secondary College in my electorate. Walking through the new school buildings left me in no doubt that an improved physical environment enhances the learning environment. This in turn leads to better education outcomes. Ultimately, better education outcomes are a priority for the community and the no. 1 priority for the Victorian government.

In this budget schools in my electorate that have received funding commitments include Box Hill High School, East Doncaster Secondary College, Greenhills Primary School, Kent Park Primary School, Vermont Secondary College and Gladesville Primary School. That means that over the next four years I will have the privilege of visiting a number of renovated schools in the electorate. It is an opportunity and an experience that I very much look forward to.

Perhaps the biggest surprise for me in the budget was a record \$510 million for public and social housing. This will tackle the shortage of public housing, it will take pressure off the private market, it will stimulate building activity, and it will create thousands of construction jobs. This funding will create an extra 800 public housing dwellings and 1550 new affordable homes managed by housing associations across the state. In total we will have 2350 new or redeveloped dwellings over four years.

My judgement of the value of this budget and, I might add, of the federal budget is based on how far those budgets go in helping the most vulnerable in our community. There can be no doubt that the challenge we face in providing adequate housing for all Victorians has to be a priority. There can be no doubt either that every night someone sleeps rough in my electorate. There is no doubt that increasingly families are finding it difficult to afford the cost of housing. As I said, Victoria is playing its part, and this budget provides the single biggest investment in social and public housing made by any state government in Australia. This is an achievement of which I am very proud.

While it is clear that Victoria is playing its part, it is also clear that providing decent housing for all

Victorians is a national problem requiring national solutions. Public housing, as we know, is a shared state and federal responsibility. Given that, the impact on homelessness that the state has made in this budget has to be seen in the context of the contribution the federal government has made. Public and social housing is determined by the commonwealth-state housing agreement, which both the commonwealth and state governments have signed. The commonwealth, awash as it is with money — it has a \$1.5 billion surplus — has provided nothing in its budget for public housing.

What is worse, not only is there no additional commonwealth funding to match that of the Victorian government but the commonwealth, at least since it came to office in 1996, has dramatically cut funding for public housing. The commonwealth's own figures show that the commonwealth government has cut \$446 million in real terms from the commonwealth-state housing agreement since 1996. On the one hand you have a state government budget contribution of \$500 million of additional funding — that is, over and above the amount in the commonwealth-state housing agreement — and on the other hand you have the recent federal budget, which has no new money for Victorian public and social housing.

Notwithstanding the commonwealth's appalling record and the state government's very good record, I was surprised when I was contacted by my local newspaper asking me to respond to comments made by the federal member for Menzies, Mr Kevin Andrews, who contacted the local paper and tried to blame the current public housing shortfall on the state government. Trying to absolve the commonwealth from its failure and callous neglect of the plight of Victoria's homeless by blaming Victoria is an appalling case of doublespeak that would have made George Orwell proud. The commonwealth's own figures show that it has dropped the ball on this issue.

Homelessness is too important an issue to be playing political games with, and a bipartisan approach is required to help families who are at risk of losing their homes. As I said, homelessness is a national problem, and we need a national strategy to deal with the lack of affordable housing — a national strategy developed in conjunction with the states. I call on Mr Andrews to stop the blame shifting. I call on him as a fellow elected representative of the eastern suburbs to stand up for the homeless in our electorates. Let us build on the initiatives that have been shown in the state budget, where Victoria has shown national leadership. Instead of politicising this important issue, Mr Andrews should work with me to get the commonwealth and state

governments together on this important issue. We owe it to those vulnerable families in our shared electorates. The state stands ready, and with Mr Andrews's help I am sure we can get the commonwealth to the table on public housing.

In summary, I think this is an important budget — it gets the balance right. It shows national leadership in both social and economic responsibility. Morally, and in contrast to the commonwealth budget, it is a very progressive budget. It acknowledges that at all times, but particularly at times of financial prosperity, we can afford to share that prosperity around and that we are morally obligated to do so. I urge the house to proudly and publicly endorse the budget.

Debate interrupted.

The PRESIDENT — Order! The time has arrived for this house to meet with the Assembly in the Assembly chamber to recommend three members for appointment to the Victorian Health Promotion Foundation. The joint sitting will conclude at an appropriate time for the dinner adjournment. I propose to resume the chair at 8.00 p.m.

Sitting suspended 6.04 p.m. until 8.02 p.m.

JOINT SITTING OF PARLIAMENT

Victorian Health Promotion Foundation

The ACTING PRESIDENT (Mr Vogels) — Order! I have to report that this house met with the Legislative Assembly this day to elect three members of Parliament to the Victorian Health Promotion Foundation, and that Ms Kirstie Marshall, MP, Mr Richard Dalla-Riva, MLC, and Mr Hugh Delahunty, MP, were elected to the foundation for a three-year term commencing immediately.

BUDGET PAPERS 2007–08

Debate resumed.

Mr ATKINSON (Eastern Metropolitan) — The budget that was presented by the Treasurer is an interesting document, and in my view one that is rather difficult to criticise for what it says, but fairly easy to criticise in some respects for what it does not say or what it does not do. I am mindful of the fact that many years ago when I was in local government there was a fellow who happened to be a Labor Party candidate for a federal election who mentioned to me on a number of occasions, and to other councillors, that budgets in

themselves are not an end; they are not what we should all be talking about. Budgets are simply a tool to achieve policy and to implement a government's, and in that case a municipal council's, vision and its policies.

When I look at this budget I am perturbed to see some of the policy areas of government that are not taken up. It is very much a blancmange budget, in many cases rather bland and perhaps missing important opportunities for Victoria. I am mindful of the fact that this government has been in office for over seven years and there is not a lot to show for that period in government in real terms. It has lacked vision and the impetus to establish opportunities for Victoria going forward.

I must say, as a Liberal, I am also from time to time critical of the federal Liberal government as much as the state Labor government for the fact that there has been insufficient investment in nation building or in state building, given the remarkable economic circumstances that we have enjoyed in Australia over a period of some years now. I note those circumstances have been brought about to a large measure by federal government policies as well.

I note that the Premier and the Treasurer, and indeed many Labor Party members, are quick to claim credit for all the wonderful economic statistics that are trotted out to demonstrate the government's economic performance in Victoria, and yet I have not heard any of them pay any credit to the federal government for the policy settings it has established and in which Victoria operates. I note that 26 per cent of the state government revenue now comes from the GST, and yet I can remember that it was not so long ago that this government berated the federal government for introducing the GST.

Peter Costello, the federal Treasurer, is fond of saying that no state Treasurer has yet returned any GST cheques to him. The reality is that the rhetoric that comes about in bagging the federal government is not matched by a recognition of those policy settings that they have achieved and that have given us the significant economic advantage in this country to build infrastructure for our children and grandchildren.

One of the statements I am fond of making when I address groups of people is that at my age, and for my contemporaries, the die is pretty much cast. Decisions that governments make might tweak a bit, might push me a little bit, might bruise me a little bit, but by and large they will not dramatically change my life. But the decisions that governments make, the decisions we

make as legislators, have potentially a massive impact on our children and our grandchildren. Frankly, I believe we should be doing better, particularly in circumstances where we have had such strong economic conditions and where federal government policies have delivered a bounty to the states and an opportunity to do so much better than has been achieved with this budget, or indeed previous budgets of this government.

This government claims credit for the way it operates, for the low unemployment, for the record expenditures that it makes in many areas of government administration, but it pays no heed to the fact that much of the largesse it dispenses comes about because of federal government policies that have delivered low inflation, low interest rates, low unemployment and significant growth for the Australian economy.

If I were to have one key criticism of the federal government, it would be my concern about our trade balance, which needs to be addressed, but that figure apart, the federal government has performed remarkably well. As I have said, with 26 per cent of state revenue coming from the GST, there is no doubt that the GST income has bolstered state revenues and provided the wherewithal to do so much within this state.

I am pleased to see that the level of unfunded superannuation has been reduced in this budget, but against that I am disturbed to see the high growth and expansion of the bureaucracy in this state, because I am not sure it is being delivered in a way that means Victorians really get a benefit. We are not necessarily talking about teachers, police or nurses; we are talking about bureaucrats and people who are investigating other people. For instance, I am aware of a particular program that was carried out in country Victoria by a regional training organisation based in the Swan Hill area. After it had completed the project — which was worth about \$5 million — it evaluated the project, and the evaluation cost more than the project funding!

It was an absolutely ridiculous situation, which I think illustrates that when you add a lot of people to a bureaucracy there is sometimes a need to make work but there is perhaps not necessarily the delivery of appropriate standards of service to the people of Victoria.

The Liberal Party in approaching this budget gave some consideration to what it should achieve. Some of the things it believes ought to have been part of an agenda in delivering this budget include tax reform; some real addressing of the taxation regime here in Victoria and

not simply the cosmetic changes that have been made by this government, which I will allude to shortly. We were looking for lower costs and a more competitive, more streamlined government.

As I said, the mantra of this government has been that the expansion of the bureaucracy is somehow a good result for Victorians. But when it comes to running a business or indeed being an ordinary householder or a resident of Victoria and you have to pay for that bloated bureaucracy, it really does hurt. That is especially so if you are in a business which is struggling in a global marketplace against competitors from overseas that do not have imposts like having to pay WorkCover premiums, long service leave, holiday pay loadings or any of the range of other benefits which we take for granted and which I think are important to our workers.

I certainly do not believe we should be abolishing those things, but, if I am to be honest, I would have to say I have some concerns about long service leave in this day and age given that the economy we work in today is different from what it was at the time when long service leave was first introduced. Other benefits and the safety focus of our workplaces and so forth are extremely important. I do not want to compromise those in Victoria or Australia, but I certainly observe that our Australian businesses have competitors who simply do not have those costs involved in the production of their goods and services, which come to Australia and are marketed against Australian products.

The Liberal Party also believes that we need responsible public sector management, particularly a responsible approach to debt funding going forward. Like some other speakers in this place, including Mr Rich-Phillips, I do not have a problem with governments borrowing money. I have often said to people that it is a very different circumstance to when the Kennett government came to power and interest rates were 17 or 18 per cent. Borrowing money in that sort of environment, that financial climate, was absolutely absurd, because if you were buying any sort of asset at that interest rate, effectively the payback time was five years. Where you have interest rates prevailing at 5 or 6 per cent it is a very different story provided — I accept the proviso given by Mr Rich-Phillips in his comment, and I agree with it — you have a quality asset that is going to last into the future. There are a number of assets which we could well have pursued with this budget in that sense but which have not been addressed by the government, and I will come to those.

As members of the Liberal Party we certainly believe that the government ought to have been looking to try to fix Victoria's water crisis. In fact the state's

infrastructure development and maintenance, particularly for roads, rail, ports, bridges and a range of other infrastructure facilities, ought to have been very high on the agenda for spending by this government to ensure that we are able to continue to build our nation and create opportunities going forward for both business and ordinary Victorians. We are keen to see innovation and the encouragement of innovation, recognising that Victoria needs to be a clever state, needs to have skill development and needs to back its research. I am very keen, as I have said in previous debates, to ensure that we translate that research into actual advantages for Victoria through the commercialisation of projects, which I think happens all too infrequently in Victoria and Australia generally. We are certainly keen to see innovation, but I am not sure that there is a great deal of innovation presented by this budget.

We certainly believe there is a need for continued investment in the education and health sectors as well as in community safety. We in the Liberal Party support strongly projects that develop the community, particularly those that provide support for carers and seniors in our community and improve the public transport network. We believe some of those people who have faced particular stress in recent times — I think of people in rural communities, particularly farmers, who have had to cope with the drought and indeed with bushfires — should also have received some support and recognition of their plight by this government in this budget. We believe there is a need to implement an effective management strategy for public land, with a particular emphasis on fire prevention and mitigating the impact of bushfires going forward, and also the need for a response to climate change and greenhouse emissions. We also believe there is a real need in our community to address sewage outfall discharges into the ocean, because in this day and age they are simply unacceptable.

In the context of this budget I certainly welcome the schools upgrade program. I think that was a masterstroke of the government during the 2006 election. My party was travelling very well in its election campaign. We were innovative and leading much of the policy debate in that last election campaign, but the government's commitment on the schools upgrade program was indeed a very significant promise that struck a real chord in the community. It was a significant commitment and a very welcome one. I note this budget will start the work on that upgrade program, and I welcome that.

I would hope that the government will be a little bit more candid in providing information on which schools

are to receive support and the basis of the priorities set for school upgrades. Certainly questions on notice that Mr Dalla-Riva and I have asked in this place to the minister on the whereabouts in the queue that schools in our electorate might be have been met with very cursory and rather mischievous responses from the minister. Indeed the President has ordered that those questions be reinstated to get a better response. In our case we were not playing games with them; we genuinely wanted to know on behalf of our schools what the position on that upgrade program was. I hope the government, as I said, will be more candid going forward.

I also welcome as part of the schools upgrade program the initiative which I raised with the Minister for Education in this house earlier this year. I note that he has incorporated and funded this policy in this budget, and I welcome that — that is, installing solar panels on schools. Some \$5 million is allowed for the installation of solar panels on school properties. I do not think that is going to go terribly far. I would have rather seen a project of some greater dimension in regard to solar panels for schools, but at least it is a start. I welcome that initiative.

I also welcome the government's commitment to adding 30 technical wings to schools. I note that this follows the lead of the federal government. Certainly in my electorate of Eastern Metropolitan Region the Ringwood Secondary College has been given funding by the federal government for a technical college facility. It has been very successful and very popular. I certainly welcome the road to Damascus experience of the Labor Party in recognising that as a former government it was all too hasty in closing opportunities for many young Victorians by dispensing with technical school education or trade and skill education at the secondary level and the fact that it has now returned to recognising the importance of technical education.

I note a number of benefits that are brought about in my own electorate by this budget, including some new capital funding for the Box Hill TAFE; an upgrade of facilities of some \$8 million at Maroondah Hospital; a new police station at Box Hill, which is long overdue; a share with Geelong and Footscray of \$63 million for the city of Ringwood transit city program; an \$8 million centre for books and ideas, which is a welcome new initiative; and \$180 million for a biosciences research centre, which certainly goes to that area of innovation that I spoke of before and is to be applauded.

I am concerned, however, that with this budget there seems to be an apparent underinvestment in roads and

bridges, especially in regional Victoria, and the amount of money allocated to climate change — \$55 million — seems grossly inadequate, given the level of concern that has been expressed even by this government in its politicking with the federal government.

I notice an allocation of \$76 million for swimming pools, and I welcome that as a program. The government might well have gone further in its spending on sport, particularly in terms of playing fields and courts, with water-saving initiatives, with new turf arrangements and perhaps in partnership with local government as well as the sports clubs. One of my concerns is that community sport is not just about the physical activity. We talk a lot about obesity, health outcomes and the need for physical activity, and I accept all that and believe that sport plays a very important role in that sense. It also plays a role in establishing social networks and giving people an opportunity to meet with one another and simply get together and enjoy each other's company and support.

I am particularly mindful of sports like lawn bowls. I was at the award night of the Royal Victorian Bowls Association two weeks ago. Many of its members are more senior Victorians — although I must say that many of the people who walked off with lawn bowls trophies were very young people, and that sport is in rather exciting hands when you look at some of the participants going forward. For those people who have been playing bowls for many years, their sport is crucial in the sense that if one of them is ill or does not turn up for a week or so, there is a network of people who will go around to support them and to see how they are. That only comes about because of the sport, and I think governments at a local, state and federal level all have a role to play in making sure that we achieve that community cohesion through our support of sporting activity. I would have liked to have seen more in the budget from that point of view.

I will run on with some initiatives that might well have been taken up or things that I was concerned about in the budget from a personal perspective. The first one is something which I have been looking at for some years and which I think governments ought to consider going forward. That is the hypothecation of some of the alcohol taxes which are received by the state to areas of support for disadvantaged people in the community who are bearing the brunt, if you like, of some alcohol-related or drug-related circumstances.

It occurs to me that we have had a fairly fierce campaign against smoking in this state, and whilst I certainly support that campaign — I have never been a smoker — it occurs to me that smoking by and large is

pretty much something you do yourself. The consequences of smoking are pretty much your own consequences. I accept there is such a thing as passive smoking, but it really does not affect a great many people. Alcohol is very different, because alcohol has an impact on the workplace; it has an impact on violence, particularly domestic violence in homes; it has an impact on road trauma; and it has a massive impact on our health system — every bit as much as and perhaps more than tobacco products — and yet we do not seem to address it in quite the same way.

Frankly, as a matter of public policy, I would like to see that we move forward to a position where we hypothecate some of the taxation raised from alcohol towards funds for community programs that support families and drug education, that in fact develop projects that address domestic violence, and that perhaps address youth projects that might give greater self-esteem and confidence to young people and might support disadvantaged young people, particularly young people who have been trapped in a poverty cycle of disadvantage and who need to be shown another way.

Perhaps we also need greater support from this taxation area for sport and for participation in sport. I noticed that the state organisation VicSport has suggested tax deductions as one way of enabling people to afford greater participation, particularly by their children, in sports activity. There are some other alternatives that we might also explore, whilst I commend the VicSport idea as being worthy of further consideration.

I notice that the Life Education Victoria program has had an extraordinarily successful impact on many young people with the messages that it has taken out at various levels — messages tailored to young people in both primary and secondary schools. Whenever I have talked to schools about the value of that program, they have come back almost without exception — I have had one school out of all of the schools in my electorate that I have surveyed on life education services that has expressed any reservations at all — saying that they thought the program was well worthwhile and was delivering a service that it was not really possible for teachers to deliver, no matter how well equipped they were with kits or audiovisual presentations or such like, partly because of the relationship that they already had with children in their schools and the fact that life education could come in apart from that.

I note that Life Education Victoria has received some federal government funding which will augment the sponsorship funds it relies on fairly heavily to continue to operate. I note particularly that last year Life

Education Victoria was looking at packing up two or three of its programs simply because it was running out of money. I would have thought one of those programs was absolutely vital — that is, a program in the western suburbs. Another was a program, as I understand it, in the Maroondah region, which is part of my electorate; and a third one was based down Frankston way. I notice that there is still only limited state government support for life education, and I do not think that is good enough.

Last year we saw particular initiatives and a significant increase in the budget provided for domestic violence programs, and yet I read in my local paper, and heard back from community representatives when following up what I had read, that domestic violence issues in the city of Knox in particular are not being addressed because of inadequate resources. That is something that should not be happening in our community at this time. There is a money provision, but we simply are not getting the services to match the need, and there are some policy settings that I think need to be addressed in that sense.

I notice also that Joe Tucci, a well-respected worker and a driving force in an organisation called Australians Against Child Abuse, which is based in Mitcham, has also indicated that there was inadequate funding in this budget for agencies that were dealing with child abuse and the impacts of family break-ups and family violence generally right across Melbourne. He was not just talking about his own agency. He was grateful, as were most of the agencies involved in supporting children, for the funding that they did get, but they basically saw it as simply trying to eke out resources to do a job that was never really going to get the results needed or address the issues that are so evident in their field.

It is now time for the government to review its major events strategy, because we have some serious issues there. I know that successive governments have looked at opportunities for circuses in Victoria, and I also understand that some of those events have been seen as valuable in showcasing Victoria and attracting tourism dollars to the state, but the reality is that we have to reappraise that position — the Auditor-General says so, and one of the government's own advisers was saying so last year — because there is now real concern about how the economic benefit sums are being done, and whether or not some of the major events strategy is more designed to put ministers' pictures in papers than to actually achieve valuable results for the advancement of Victoria.

Certainly the FINA world championships did not realise the goals that were set by the government, and its cost of \$63 million seems to be something of an extravagance. I think the grand prix has run its course. Mr Eccleston regards himself as the tsar of the grand prix, and if he suggests that we have to invest more money to run the race at night to meet television schedules in Europe and to spend other taxpayer funds on other initiatives to try to upgrade what is already regarded by most people as indeed the best-run grand prix on the circuit and one of the best circuits available to grand prix racing, then it is time for us to stand up and say enough is enough. I do not think the grand prix, FINA or realistically the Commonwealth Games generated anything like the economic benefit to Victoria that has been claimed.

When you look around, very few international tourists came to Victoria for any of those three events, nor did many interstate people come to at least two of those events. In many cases some of the economic activity that was generated by these events was in fact a displacement or a shifting of the direction of expenditure by Victorians away from other sectors of the economy to the circuses that were put on.

It occurs to me that perhaps the only two international events I have noticed that have generated a lot of evident tourist activity in recent times have been when the British rugby and cricket teams came to Australia, because I think they did bring with them significant numbers of supporters who spent many dollars, but I cannot think of too many other activities that generated exactly the same results.

When you look at these events, at such things as the Melbourne Cup, the Australian Open tennis and so forth, people say they showcase the state. I wonder if the government can name for me just one company that has invested in Victoria as a direct result of the Commonwealth Games, the FINA world championships or the grand prix. There have certainly been no press releases from a government that is very quick and trigger happy when it comes to issuing press releases on what it perceives is good news. I suggest that the government cannot name one company that has made an investment in our state because of those activities.

We really need to go back and reassess what are the economic benefits of those activities or events. I am not saying we should not have a major events strategy or that we should not invest in major events; I am saying we should be realistic and that we should be setting an appropriate framework in which to run events and not simply be captive to the wild ambitions of someone

such as Bernie Ecclestone, who wants the fame and fortune of the grand prix at the expense of the Victorian taxpayers.

I indicate to Parliament that I am also concerned about and notice provision in this budget in regard to police and community safety; a number of new police stations are provided for in this budget, including one in Box Hill that I have referred to. I make the observation that I do not think the government has achieved the placement of a lot more police on the actual beat, if you like, than were evident back in 1999. The figures show that the number of police has been increased, but the reality is that most of those police have been used to cover officers away on maternity leave, holiday leave, long service leave and for other reasons within the police force.

It is perhaps not as significant, but I think there is an issue here too of the actual management role in looking after a police station — in other words, quite a number of new police stations have been built, and each one of those has an establishment cost for staff long before they actually get to an active policing role. Somebody has to turn on the lights, run the computers and so forth, so there is an establishment cost in every one of those police stations which is part of our force numbers but does not achieve much in terms of increased community safety.

I have to ask the question: do we really want a police force based in buildings or do we want a mobile police force? What is more important to the community, to policing and community safety — a prominent police building or a visible police vehicle? I know what people in my community are saying.

I note the government has talked and boasts about its capital works expenditure. I also note there is a \$2.9 billion provision to take up additional capital works that might come about during the year for projects that perhaps the government has suggested it has not thought about yet. I know some of the water project investment might be seen as being allocated against that sum of money.

I suggest there is a bit of shiftiness in that particular figure, from my point of view anyway, because this government boasted that the projects will be completed on time and on budget. It achieves that boast by adding extra dollars to the budgets every budget time and by changing the time frames in which the projects are delivered by way of a new press release. Much of the provision made in the budget is to cover what is expected to be a significant shortfall, a significant overrun in terms of cost estimates, on the channel

deepening project that the government seems to be keen to pursue and also probably on some commitments that the state will be due for with regard to the convention centre in particular.

Perhaps the state ought to be looking at a range of other projects, in particular water projects and some infrastructure projects. It is my view that the Bracks government's policy on water prior to the election was simply a prayer, hoping that it would rain. I cannot blame the Premier and the government for the prolonged drought that we have experienced in Victoria, but it occurs to me that this is a government that has talked on many occasions about Victoria needing another million people.

To contemplate another million people in Victoria means that you have to look at your infrastructure, and particularly the water that is available to support that many more people. This government might well have had a greater preparedness for the drought had it at least been working on infrastructure projects for water in pursuit of its other aim of increasing population here in Victoria. Certainly when you look at its approach to water policy this government has been drawing down dividends from the water authorities and not reinvesting in critical water projects — that is, the maintenance of dams and pipes, not fixing leaking pipes and so forth.

I noticed a press release was issued by the member for Brighton, Louise Asher, in another place about the amount of water that is being lost — 51 billion litres a year — mostly through leaks in pipes. That situation is well known to water authorities, yet the government has not seen fit to invest.

In fact the government has been quite happy to continue to take dividends from the water authorities and to reduce their capacity as authorities to reinvest in infrastructure, to fix those leaking pipes, to repair dam walls, to increase the capacity of existing storages and to develop projects that re-use or recycle water.

I look at sewerage programs. I have mentioned the Liberal Party's expectation that we should reduce pollution going into the bay and our rivers. It is certainly apparent to me that in part of my electorate in the eastern suburbs of Melbourne, and indeed right across the northern suburbs of Melbourne, some 17 000 properties are still on septic tanks and contributing effluent to the Yarra River and its tributaries. An amount of \$250 million has been provided to try to address this backlog in the sewerage system network. The expectation is that it will take 20 years to address the backlog. That is simply not good enough. We need to do better.

This government talks a lot about public transport. But its comments on public transport have been unmatched in terms of its commitment of funds. One of the interesting things about the transport statement last year was just how many projects it did not include or show even passing interest in that would be so vital to Melbourne and would have the support of Melbourne people in developing a better, more livable and more efficient city; a city that created less pollution. Many people today are forced to use their cars, simply because they cannot get reliable, safe, clean public transport with the connectivity of transport nodes they need to move between their various destinations.

This government seems to be walking away from any prospect of a connection between EastLink, or the Eastern Freeway, and the CityLink project. Some people from the federal government apparently have been heavying the state government to say, 'No, don't proceed with that sort of a project. We don't want you to do that; that is just not in our interests'. Can I assure this state government that if it does not address the issue of a connection between the Eastern Freeway and the CityLink project, there will be massive problems with traffic congestion on the Eastern Freeway. From the responses we have had from this government to a range of issues, it seems to me that its solution will be to punish people who are using those freeways and to try to place congestion taxes, fast-lane taxes, or some other tolls on people to try to address that congestion problem. But the reality is that we need to fix the network.

In my view we also need to address the need for a connection between the EastLink project and the Western Ring Road, as a priority. Again that would take a lot of traffic off the rest of the Eastern Freeway and away from the city. That is traffic that does not want to be there in any event and is bound for other destinations. In my view we should also be upgrading the Western Ring Road. That piece of infrastructure is dramatically underbuilt.

With public transport investment I suggest that this government should be looking towards, as was done in New South Wales, grade separation of railway crossings and roads, because it is the only effective way of achieving a greater efficiency in the public transport system. If you do not achieve grade separations, you face absolute gridlock. If you put more trains onto some of the railway lines, the boom gates or railway gate crossings will be closed for longer periods. We need to increase the capacity of our public transport system and to put more trains onto those systems.

The major railway line that goes through my electorate is the Lilydale and Belgrave line. That is not the only line. There is another line out to Eltham, and there is another one to the south to Glen Waverley, but the major one is the Lilydale and Belgrave line. For us to be able to achieve greater capacity on those lines we need grade separation. That means that at a fairly early stage — and I have given notice of a motion so this house might have an opportunity to consider the suggestion sometime — this government should be addressing as a matter of urgency the grade separation of crossings at Blackburn, at Nunawading at Springvale Road and at Rooks Road — the intersection of Springvale Road with Whitehorse Road near the railway crossing is one of the most notorious intersections — and at Mitcham Road. The government should address that north-south traffic congestion in the eastern suburbs.

I have also given notice of a motion to address the possibilities of a public transport infrastructure project along the EastLink corridor. I have suggested that three options be investigated. One of them would be a dedicated bus lane, or an O-Bahn, as it is called in Adelaide; the other one would be a light rail tram system; and the third one — which I prefer — would be a heavy rail train system that would link Ringwood with Dandenong and provide a reasonable train service in terms of a loop system that would be more efficient and would, I think, have significant economic benefits.

There is provision, as I understand — this government agreed with a proposition that I put some years ago, and it has allowed a reservation to continue that would enable it — for a public transport infrastructure project along this corridor. I think it is time to address it. Other people in my electorate have talked about running a railway line from Huntingdale out to Rowville. To me another spur line does not achieve anywhere near as much as a line that produces a connection of two, or maybe three, existing lines and makes our existing system work more efficiently and effectively.

I also believe we need improved public transport out to Doncaster and better north-south connections of public transport generally. Public transport needs to become an integral part of the planning for future road projects.

I note in a press release issued by the Minister for Planning, who is in the house now — there was obviously a budget provision for this initiative — that the government has commissioned or will recruit up to four Victorian architects to design Victoria's homes, setting new standards in affordability and sustainability. That brought a smile to my face, because this is hardly a new initiative. We have had a thing called the Urban

Land Authority that for more than two decades did just that — and set world standards in terms of designs of affordable and environmentally efficient and effective houses for people. It actually pioneered things like zero lot sizes and the aspects on which houses were built on blocks and so forth. It was a very effective authority. But this government, for a political end, merged the successful Urban Land Authority with the Docklands Authority, which was bleeding and losing money, in order to try to cover the political damage that might accrue from the Docklands performance. The result is that we lost a very effective organisation. We now have to go off and undertake these other initiatives with architects and so forth, which will never achieve anywhere near as much as the Urban Land Authority did.

In my own electorate prior to the last election the government was promising \$500 million worth of activity around the Box Hill Hospital. The hospital was to be redeveloped. The hospital was built in, I think, the 1950s; it has many wards and facilities that are certainly over 50 years old. The government promised during the election campaign that the Box Hill Hospital would be redeveloped. There is certainly no funding in the budget for the next stage of that development at this time.

That is an interesting position, because the government has talked, in terms of the budget papers, about waiting lists at hospitals being reduced by 10 per cent and elective procedures having increased by 14.5 per cent. I would like to know where that was, because the government's hospital report that came out after the budget — that would seem to have been deliberately delayed so there was less heat in the report and the government was able to say, 'Don't worry about that because we have allocated money to fix it anyway' — was certainly not a good report on waiting lists and most of the statistics in terms of the performance of hospitals, no matter how you run the spin.

Box Hill Hospital is the city of Whitehorse's major hospital, but it is in fact a regional hospital which services most of the eastern suburbs. I note a range of statistics that would perturb most people who depend on that hospital's services: the figure for the number of ambulance bypasses went up from 1.8 per cent to 3.6 per cent; 100 per cent of category 1 urgent patients were seen on time, which was a good result; category 2 semi-urgent patients seen within 10 minutes went down from 81 per cent to 79 per cent; and the percentage of category 3 patients seen within 30 minutes went down from 60 per cent to 58 per cent.

More alarming is the figure for patients given a bed within 8 hours, which was down from 7 per cent to

6.5 per cent. The number of category 1 patients on the waiting list for elective surgery is down from 68 per cent to 19 per cent — another good result. The figure for category 2 patients is up from 1002 to 1484, which is not such a good result. One wonders how many category 1 patients were recategorised as category 2 patients to make the category 1 statistics look a bit better anyway, because that has been the habit of the government in terms of its presentation of these hospital reports.

The figure for category 3 patients went from 689 to 874. The percentage of semi-urgent patients admitted within 90 days went up from 55 per cent to 60 per cent, while 60 per cent of people waited for a hospital bed for over 90 days, and the percentage of non-urgent patients admitted within a year went up from 69 per cent to 81 per cent. Some 81 per cent of people cannot get into the Box Hill Hospital inside a year if they do not fit the right category, yet the government has allocated no further funds to it.

Business has been touted as a real winner from this budget. The government has talked about bringing forward the payroll tax concession by six months; there was another cut to WorkCover premiums, and changes were made to land tax. Yes, those things were achieved, but by and large most companies will not pay less tax because of any one of those initiatives.

What is involved in these sorts of tax concessions is a loss-of-opportunity cost, if you like, to the government in that, because of threshold increases as payrolls of companies increase, companies move up to the next bracket and end up paying the same amount of WorkCover premium or more, the same amount of payroll tax or more and, in many cases, the same amount of land tax or more.

With land tax I am particularly concerned that this government keeps fiddling at the edges to give temporary relief on land tax rather than biting the bullet on that tax. The government should take the same approach on land tax as that taken by local government — that is, a budget amount is struck and you say, 'We need this much from land tax', and you go back and strike a valuation against properties, thereby delivering that amount of money. What is happening here is that the government is gaining extra fat from property price increases, and it is all just funny money.

What really concerns me — and I think what concerns many people in business and certainly in the community more broadly — are taxes on insurances. They are now higher than the premium on the risk. In

other words, when you pay \$200 for insurance, more than \$100 is going in taxation on that policy rather than on the insurance of the risk. This government's approach is to tax Victorians who are being responsible.

I note the investment in skill development in the budget — things like the Box Hill TAFE buildings that I spoke of earlier, but the fact is that a nursing facility is being built there. This government really needs to look at how it delivers skill development training. Box Hill TAFE has a very good outreach training program, and frankly I would much rather see that TAFE spending more money on its outreach program than on buildings, as it seems to be doing. I think that would be a lot more effective.

I note that export sales are certainly falling, and the government really has to have a very serious rethink about its export policies and the policies it has for supporting small businesses. The government has a significant number of seminars for people starting and selling businesses, for women in business and even for people who are looking at retiring and exiting their businesses, but I notice also that many of those seminars have been cancelled. I question the effectiveness of many of them in terms of the way they are delivered and the cost at which they are delivered.

I am not saying that information ought not be available to small businesses. I think that in many cases we are delivering those services, forums and so forth on the basis of what suits government and its agencies rather than what are the actual needs of the community, particularly the business community.

I notice that a good initiative has been provided for in the manufacturing sector in this budget — that is, the extension of the industry capability network (ICN) to regional activity. ICN is involved in import replacement programs to identify opportunities for local companies to make component parts or products that are currently being imported or that might be imported for use in Victoria.

The network has had remarkable success over many years. Certainly the move into regional Victoria is a very opportune one. During the last election campaign I met with a number of business people in country Victoria who were doing some remarkable things. It occurred to me that people off the land still had some of the skill sets that are being lost in metropolitan areas. That is partly because we do not have those technical colleges any more and partly because of the closure of many factories, but people in regional Victoria, because of their farming backgrounds, retain many of their skills and understanding of machinery and so forth, which

has enabled them to do some exciting manufacturing work in small businesses right throughout country Victoria. There is a real opportunity to forge economic activity in those areas to the benefit of our manufacturing industry overall.

To conclude, I simply reflect on one debate that has concerned me of late — that is, the debate about education. The state and federal governments are both blaming one another for all sorts of issues and outcomes in education. Increasingly some people hold the view that teachers should be doing a whole range of new activities and expanding their workloads to address some of the social concerns in our community.

My wife is a teacher. The reality is that no teacher intervention will ever overcome fractured home environments. A lot of the education debate that we have in this country is academic and middle class. We should stop mucking around with teachers having to write reports on their students. Frankly, I am sick of it, and I know that my wife and all of her colleagues in the education system are also sick of having to sit down every year with a new format for writing them. At the end of the day nothing will be achieved from the changes in the reporting process because they are still subjective.

For instance, I am aware of a situation in which one of the teachers I know tested some kids who had been given remarkable reports the year before. The kids could not do anything that was on those reports, but the teacher looked terrific. Under some suggestions that have been made by some people in education debates, because the kids looked terrific on their reports, their teachers would have got bonuses. But the reality is that that particular teacher was good at writing reports but was not actually getting across a message and helping children to learn.

The teacher who taught those students in the following year was faced with having to write reports that suggested the children were not doing nearly as well. Those reports could well have reflected on her expertise and professionalism, but indeed that teacher invested a lot more time in trying to bring those kids up to the standard that it had at first been claimed they had reached.

The reports issue is not what it is about. We need to look in a different way at things like bullying in schools and the social issues that are so often visited upon teachers. Too many teachers, particularly in the secondary system, spend more time coaching students for better exam results than actually encouraging

children to learn how to learn, and I think the focus is wrong.

Government policies are failing, and we are treating the symptoms of the problems in our community, such as education standards, rather than addressing the root causes of those problems. I have always been very strongly of the view that education is not just about preparing people as work fodder but in fact preparing people for lifelong learning and for their own growth and expansion. What is also important about education is that it plays a very important role in the cohesion of our society.

We often talk in economic terms about productivity. Imagine the boost to the community and the economy if we actually started to address some of the causes of education and learning difficulties — not the report system but the alcoholism, the drug addiction, the self-esteem, the domestic violence — all of the issues that have led so many people to find education such a struggle or such a challenge. We need to think about the life cycles, in some areas, of teenage pregnancies and of generations without work.

We need to rethink some of our social programs; we need to have budgets that start to come forward and tackle the real problems in our community, and not simply generate press releases and photo opportunities for government ministers.

This budget has achieved quite a lot. My colleagues in another place and in this debate will no doubt refer to the extraordinary growth in expenditure, the great increase in taxation levels, and they will contrast that with what we actually see as outcomes in this state. I share their concerns about what we get for the money that is presented in this budget, but most of all my concern is about the opportunities that are lost for future generations of Victorians as much as it is about those that are lost for our own children and grandchildren today. My concern is also about our failure to invest in important projects, particularly infrastructure and nation building projects. They really would make Victoria a better place to raise a family, a better place to live and a better place to work, rather than that description simply being used as a throwaway phrase for a press release.

Ms BROAD (Northern Victoria) — It gives me great pleasure to speak in support of the Bracks government's 2007–08 state budget, a budget that delivers a massive capital works program, with some \$3.3 billion to be invested in infrastructure projects across Victoria, bringing to more than \$13 billion the total investment in infrastructure over the next four years under the Bracks government.

That investment comes on top of an investment of a record \$16 billion in capital works over the past seven years. This means that the Bracks government has more than doubled investment in infrastructure compared to the previous coalition government. Importantly, this investment extends to every corner of Victoria, and in particular I am talking about the investment of some \$1.3 billion in regional services and infrastructure.

Our commitment to make Victoria a better place to live, to work, to invest and to raise a family — which is certainly a great deal more than a throwaway line in a press release; it is something which the Bracks government has very much made a hallmark not only of this state budget but of the whole of its actions — means that since the government came to office some 120 000 new jobs have been created and unemployment at the time of the budget is now down to 5.2 per cent, the second-lowest rate recorded in more than 16 years. Outside of Melbourne, in regional Victoria, population growth has hit 1.4 per cent, which again is the strongest growth rate recorded in some 17 years. That is not to say that there are not some parts of rural and regional Victoria where depopulation is occurring, but across all of rural and regional Victoria there is population growth, which is quite an achievement.

These strong results have backed up the Bracks government's record investment in infrastructure in areas such as education and health, in transport services and in building stronger communities. Over the past seven years the Bracks government has made quite a lot of this investment through the Regional Infrastructure Development Fund, a very important initiative by the Bracks government which has enabled partnerships with other levels of government, particularly local government, in rural and regional Victoria.

This has led to upgrades of regional rail infrastructure and services. It has created amongst other things the Victorian Water Trust and provided significant additional funding to help regional areas recover from bushfire and drought. Despite the greenness that we are seeing across much of regional and country Victoria at the moment I think people who are well informed know that it is going to take a long time before any recovery really takes hold.

The government recognises that not only for those reasons but for a range of other reasons there is more to do. That is why this year, through the budget, the government is committing a further \$1.3 billion to ensuring that country and regional Victoria can be an even better place to live, to work and to invest.

I would like to now turn to some of the areas in which this investment is being made. I start with the area which the Bracks government has identified as its no. 1 priority. Because the Bracks government has made education a no. 1 priority, students in rural and regional Victoria will be major beneficiaries of an unprecedented schools rebuilding program, with some \$123 million being invested to replace, to modernise and to rebuild schools across Victoria.

I would like particularly to draw attention to some of the schools in my electorate in northern Victoria which are going to benefit through this investment. At Beechworth Secondary College \$5.1 million is being invested in modernising a school which has served its community very well, but for anyone who has visited, as I have, it is very much in need of being brought up to the standard that everyone now expects a modern school to provide in its facilities, its technology and its livability for students and staff.

As well as that, the other schools being modernised in northern Victoria include Echuca College, where some \$5.3 million is to be invested; Euroa Secondary College, where some \$3.9 million is to be invested; Kinglake West Primary School, where some \$3.1 million is to be invested; as well as the new Gisborne Primary School, where \$2.9 million is to be invested.

It does not stop there. There is also a very important program to be funded in terms of replacing relocatables at schools in country Victoria. Included on that list are the Harcourt Valley Primary School and the Mooropna North Primary School. I am sure those schools would say it has been a long time coming, and it is about time that those relocatables were replaced; it will be great to see them disappear.

There are also going to be groups of schools which will be completely regenerated to meet the needs of their communities. In Wangaratta, for example, that regeneration will involve the Wangaratta High School and Ovens College. Some \$4.6 million is to be invested in that regeneration. The Bendigo education plan is a very significant one, announced at the time of the last election by the Treasurer together with local members. That will involve the Flora Hill, Golden Square and Kangaroo Flat secondary colleges.

A huge amount of effort has been invested by those local communities in planning for this regeneration. It is never an easy process to get agreement across communities when that agreement is going to forever change the face of schooling in those communities, but having been part of that announcement, I can certainly

vouch for the fact that this regeneration has the very strong support of all those communities. They are very much looking forward to participating in shaping this regeneration as well as the outcomes that it is going to produce.

I will now move on to another vitally important area for country and regional Victoria and particularly for remote communities — that is, health services. I am pleased to say that more people living in country and regional Victoria are going to benefit from extra elective surgery places, upgraded hospitals and expanded health, medical and ambulance services through an investment of some \$153 million. This is a major boost for the health of people in the country. This comes on top of a very sizeable investment by the Bracks government since it has been in office. It includes the building and upgrading of some 42 regional hospitals and aged-care services. It comes on top of the employment of over 2100 extra nurses and 235 paramedics in regional Victoria. But because we recognise that more needs to be done for these services, a commitment of another \$153 million is being made in this budget.

Again, I want to draw attention to how this money is going to be spent, particularly in my electorate. The investment includes \$18 million for the Nathalia District Hospital and aged-care redevelopment; that will provide a new integrated 26-bed health and aged-care service as well as integrated community health and health promotion activities. That will be a terrific outcome for that community.

The government is to make a \$7.4 million investment in the upgrade of rural ambulance stations, one being at Yea, which is in my electorate. Having visited that station, I can say that the upgrade is very much anticipated by the local community, which has been working hard to secure that commitment. As well, \$2.5 million is being committed to redevelop and relocate the Murtoa community health centre, and \$2 million has been committed for the planning and redevelopment of the proposed works at the Bendigo Hospital.

The budget has \$1.5 million for the first step in establishing a new rural dental school in Bendigo, and, as promised, \$1 million has been committed to the planning and development of the Sunbury day hospital. This is something that the local member of Parliament for the area, the member for Macedon in the other place, Joanne Duncan, has worked very hard for.

On top of those investments in education and health, this budget delivers on the election commitment to

invest in the services that keep Victorian families safe, including families in country and regional Victoria. To back up that commitment, this budget has invested some \$94 million in the building of eight new police stations, the refurbishing of another police station and the updating of the crime department in St Kilda. I am pleased to say that among those new police stations which are to be built are those in Swan Hill and Ouyen, in my electorate. Another new station which will be built at Kyneton, just outside my electorate, will nonetheless be very important. I know it will be very much appreciated. I have mentioned station refurbishment. A \$1.5 million refurbishment will occur at the Sunbury police station, which is also in my large electorate, and that is an important commitment for the Sunbury community.

As well as police stations, \$8.8 million is being spent to replace or upgrade 18 Country Fire Authority stations. I am pleased to say that a number of stations amongst those 18 are based within localities in my electorate. The people in those localities are looking forward to that investment. Those localities include Mildura, Wangaratta, Bonegilla, Badger Creek, Mitta Mitta, Wallan and Castlemaine. That investment in those services is very important. On top of it, the budget contains a \$7.5 million investment to construct Victorian State Emergency Service units. There will also be a number of upgrades, including units at Swan Hill, Mitta Mitta and Wangaratta. They are important investments.

It is important to put these investments in context. Since the government was elected, 150 police stations have been constructed or refurbished across the state through the major construction and refurbishment program, which was funded by the Bracks government. We are seeing real benefits from that investment. The crime rates throughout Victoria are now very low; in fact crime rates have fallen by 22 per cent since 2000. Some of the lowest rates have been recorded in country and regional communities, including in my electorate.

The other side of making communities safer and more secure is making sure that families who are living in country and regional Victoria have access to services they need when it comes to dealing with the justice system. I am pleased to say that that aspect of safety and security has not been forgotten in this budget as \$8.8 million is to be invested to extend the community legal services in country and regional Victoria.

As a result there are four lawyers who are going to be working to serve communities in and around Bendigo, Mildura, Wodonga and Wangaratta. The focus of the work by those lawyers will not simply be in those

towns, it will be in the surrounding communities. It will mean that those community lawyers will be available, amongst other things, to assist victims of family violence and people who have issues as a result of homelessness or the threat of homelessness. That is a very important priority for the government as well.

In northern Victoria agriculture is of course a vital industry. I want to draw attention to an unprecedented investment in the form of a \$180 million injection towards a new bioscience research centre. The biosciences research centre, which is in partnership with La Trobe University, is going to bring together some 450 scientists from the Department of Primary Industries as well as scientists from the university sector and national and international researchers and science agencies, which the government hopes will be attracted by this important initiative and very large investment.

It is expected that the biosciences centre will include a focus on developing new crop varieties with a greater tolerance to drought. That is very important given the circumstances rural communities are facing now, which we expect will be even more the case in the future as a result of climate change. We also expect that the centre will be at the forefront in monitoring, identifying and controlling and eradicating biosecurity threats to Victoria's agricultural industries. These are industries that contribute some \$8.4 billion to the Victorian economy. The Bracks government believes this investment is absolutely justified in terms of doing everything we can to support our agricultural industries.

Investment in water projects is a very important issue to the whole community and particularly to country and regional Victoria. I am pleased to draw attention to the investment of an extra \$136 million for vital water projects through the 2007-08 state budget. This is part of the Bracks government's plan to secure Victoria's water supplies for future generations, as well as to do everything it can to plan to deal with the impact of climate change.

Since the government was first elected, it has committed total funding of \$1.7 billion to water projects. In addition to that, water authorities have spent \$3 billion over the same period. As a result we are seeing government building projects such as the goldfields super-pipe and the Wimmera-Mallee pipeline, to mention just two projects in my electorate. We recognise that more needs to be done, and I am pleased to say that included in that extra \$136 million allocated in the state budget is a \$38 million project to modernise the Shepparton irrigation area. That project is expected to save up to 50 billion litres of water. That

is a very important project which is being funded. That project, I might add, was submitted to the federal government almost a year ago now, but so far there has been no commitment to funding support. Nonetheless, the Bracks government is proceeding because communities cannot wait any longer for these projects.

It is also important to draw attention to a number of projects in my electorate which are already under way and which have already been budgeted for. I draw attention to these because I have been asked some questions about why amounts cannot be found in the budget for these particular projects. The answer to those queries is that it is because previous budgets have already allocated this funding. That includes funding for the Barmah Choke interconnect feasibility study, which is a very important project in northern Victoria, as well as the northern irrigation revitalisation design works and the Campaspe pipeline to Waranga channel. Those amounts have already been provided for.

Another very important industry to country and regional Victoria is the tourism industry. I am very pleased to draw attention to the \$23 million boost in the 2007–08 state budget for regional tourism operators and local events over the next four years. We know, particularly in areas that have been affected by bushfires and the drought, that making sure we get the message across to Victorians and national and international visitors that there are still terrific places to visit, particularly in the north-east of the state, is a very important message to keep hammering home. I am pleased that this investment will help to achieve that result.

Some mention has been made earlier tonight about transport. I am pleased to see the investment in the state budget to transport services to country and regional Victoria. In particular we can see bus passengers who are going to be real beneficiaries of an investment of some \$30 million for regional bus services. That is a very large investment in regional bus services and is going to benefit country communities.

I would also like to draw attention to a \$53 million investment in my own electorate for the Mildura freight upgrade and in addition to that a very important promise which has been delivered on by the Bracks government — that is, the allocation of \$134 million to buy back the regional rail network lease from Pacific National and \$25 million for further regional rail upgrades. You would have to say that this was a spectacularly failed privatisation by the previous coalition government, and now that through this state budget the regional rail network lease has been purchased back from Pacific National it will be much

more possible to resolve a whole range of issues which it has not been possible to address earlier in the life of the Bracks government because of the arrangements entered into by the previous government.

There is a major \$91 million commitment to regional roads, something I know country and regional communities look for very keenly. We certainly recognise that upgrades, particularly to arterial roads, are vital for safety on country roads, which those of us who are country members spend a lot of time on while travelling around our very large electorates. I might add that some \$2 billion has been invested by the Bracks government on regional roads since it came to office, so this investment adds to that very sizeable investment.

In conclusion, in addition to those remarks, particularly those about how the state budget is going to benefit families and communities in northern Victoria, I want to acknowledge and congratulate everyone involved in a very important investment that has been made through this year's state budget — that is, the record \$510 million investment in social and public housing. I am reliably informed that this is the largest single investment ever made by a state government in Australia in social and public housing. When added to existing commitments, it means that more than \$1.4 billion will be invested in public and social housing in Victoria, which will result in almost 4000 new dwellings — that is, the equivalent of a small town — through this initiative. The people who have worked so hard to achieve that investment know who they are. I want to place on the record my congratulations to everyone who worked so hard to achieve that result.

Mrs COOTE (Southern Metropolitan) — I would like to approach my contribution tonight in three ways. One is that I would like to make some general comments about this budget. Then, to be more specific, I would like to look at some of the issues within this budget that affect my own portfolio areas. Then I would like to have a closer look at some of the issues that have ramifications for my electorate of Southern Metropolitan Region.

I would like to commence my contribution with an analysis of the GST windfalls that the Victorian government receives from the federal Liberal government, as this entire budget is contingent upon that funding. The state's GST payment is up from \$5.5 billion in 2000–01 to a forecast \$9.1 billion in this budget. This increase brings the total amount of GST payments since they began in 2002 to over \$57 billion. Over 2007–08 Labor will receive \$44 million every day from GST payments and federal grants and more than

\$33 million every day from its own taxes and charges — every day, all 365 days of the year. That is an enormous amount of money.

When we talk about budgets and billions — and I have heard people speaking of trillions — many people cannot relate to that. It is important to analyse and drill down into this budget to see what ramifications it actually has for people's hip pockets — how it affects people on the street, how it affects people in families, how it affects people who have special needs and how it affects a whole range of other things that make life better for people in this state. We must acknowledge that the federal government's GST allocations to Victoria are significant and that if there were not such a strong federal budget and such a strong federal economy, there would be no money to go around to do the things that are being done in this budget, some of which, I acknowledge, have been very good. We must realise though that if the economy was no good, there would be no money to be able to develop these programs.

That brings me to looking at the debt. The general government state budget sector net debt is estimated to climb nearly sixfold from the 2005 level to almost \$8.8 billion in 2011, according to the Treasury's own estimate. Debt will have quadrupled from \$3.5 billion in 2002 to a staggering \$15.3 billion in 2011. As I said, people tend to glaze over when you talk about billions, but the ramifications of this for the lifestyles of normal Victorians and people within our community are going to be significant. Many of us in this chamber can remember the years when unemployment was in the vicinity of 10 per cent or more and interest rates were 17 per cent. If we continue to go into debt in this state at the alarming rate that we are, we too may be facing such implications. That will have ramifications for the funding of all programs — for social programs, for infrastructure programs and for all of the programs that this government has spoken about in this particular budget.

The Treasurer, Mr Brumby, is intent on increasing debt. If you listened to his terminology you would hear him say we come out with a budget surplus in the vicinity of over \$350 million, but if you have a look at the underlying debt it is a concern and should be a concern for all Victorians. We do not want to go back to the debt spiral of the Cain and Kirner years. Some trends are emerging, and it is important to acknowledge these trends and to make certain that the people of Victoria are very aware of what is happening.

We have chronic fiscal mismanagement, a failure in the delivery of services, and now in order to meet

infrastructure and service demands the Bracks government is taking Victoria into debt. This budget should never have been funded from debt, because we have had sound and responsible financial management in years gone by. Liberal governments are well acknowledged for their strong economic management. Indeed in the latest polls the federal Liberal government is showing strong acknowledgement for its economic management.

With Labor back at the helm, net public sector debt has begun to climb rapidly from \$3.5 billion in 2002 to a forecast \$6.4 billion in June this year and, as I said earlier, \$15.3 billion in 2011. By 2011 that will mean our debt has almost quadrupled. That will indeed have ramifications for all of us and for the programs in the budget. My contribution is framed on the basis of the huge inflow of GST and the debt escalation of the Brumby-Bracks government.

I turn to look closer at community services. Firstly, I have put on the public record many times my acknowledgement of the work that the former Minister for Community Services in the other place, Sherryl Garbutt, did in introducing the disability legislation, children's legislation and a commissioner for children. They were very good initiatives. At the time of the debate the opposition brought up a number of issues that it was very concerned about, some of which have been rectified by more bills introduced into the house to tweak the legislation and to make it workable, and I expect there will be further changes and modifications as time goes by.

On the whole the direction was good. The disability legislation, the state disability plan and the children's legislation have shown a lot of merit. I know under the stewardship of our current minister these will go from strength to strength, but that does not mean that I do not have major concerns. I hope, within the spirit of this contribution, that the minister will understand that I have a genuine concern to make certain that community services in this state are at the forefront of both the Victorian community and within Australia.

I hope the minister will take up some of my comments, as he is in the chamber tonight and listening to this debate. One of my major concerns is the unmet need for supported accommodation. This is one of those things that tends to bounce between state and federal governments at every level. It is about people with disabilities, many of whom have a severe and profound disability, who are cared for at home by family members.

In the federal funding methodology for aged care a population-based model is in place. That means for every 1000 people of a certain age there are eight beds allocated in high care for those Australians. The disability sector believes a similar funding formula should be implemented for unmet needs in supported accommodation, that it should be a population-based policy that is met equally between the states and the federal government.

It was therefore disappointing to see in this budget that the unmet need for supported accommodation was not adequately addressed. Yes, the government is going to give a total of \$15 million over three years, and in budget paper 3 on service delivery you can see the breakdown of that. But in the Victorian 2007–08 state budget information kit, it states that \$10 million of the \$15 million will be targeted at a range of supported accommodation for up to 75 people with a disability, while \$5 million will go to replace three and refurbish six shared supported accommodation units.

There is no shadow of a doubt that this is welcome, and I feel happy for the people who will be the recipients of the refurbished and the new supported accommodation units. The latest statistics I have show there are 4254 people registered and waiting for supported accommodation in Victoria. This budget, the \$15 million over three years — that is \$5 million per year — only equates to about 75 new places in the next three years. Each and every one of us would acknowledge that this is certainly nowhere near adequate, and that the budget surplus the Treasurer has spoken about should have been redirected to helping out more people on the waiting list, more of the 4254 persons who are waiting for supported accommodation, so that their families would be able to feel secure in the knowledge that their loved ones will be cared for.

Many people needing supported accommodation are elderly and are being looked after at home by elderly parents. One of the most poignant things that I hear as I travel around Victoria are the stories of ageing parents of ageing people with disabilities. Many of them are concerned about what will happen when the parents, many of whom are in their 90s, die. It is poignant and tragic, and this budget had an opportunity to give these people some security about the future for their loved ones.

The Victorian Council of Social Service (VCOSS) put together a state budget submission for social investment prior to the budget with the hope that the department and the minister would take note of it. When it spoke about supported accommodation it said that people on

the waiting lists for in-home support were classified as urgent or high priority and they needed at least \$60 million to clear the backlog of unmet need. Instead only \$10 million was allocated for clearing those with high-priority needs. VCOSS says there are 1200 people on the waiting list for in-home support. Clearly, once again, this budget goes nowhere near to addressing that particular area; it is a huge shortfall.

I shall finish on unmet need with a quote from the Gippsland Carers Association which said in a statement after the budget under the heading ‘The state budget on disability services — those most in need are left out in the cold again’:

The state budget will do nothing to relieve the ‘crushing and unreasonable burden on caring families’ identified by the Senate report into the CSTDA —

the commonwealth state/territory disability agreement —

inquiry 2007.

...

There are clearly no new funds to provide shared supported accommodation or accommodation of any kind. The bizarre bureaucratic decision by DHS to separate housing from support has ensured that the most profoundly disabled people with dependent disabilities are not catered for with a single dollar in the state budget.

Under ‘Unmet needs’ it says:

The assessment of unmet needs through a benchmark funding formula that give people with severe and profound disabilities a level playing field, and services on a par with aged care services, is non-existent.

There was an opportunity for this government and the minister to have a look at this unmet need. I encourage the minister, whom I know to be a compassionate man, to address this issue prior to the next budget as a matter of urgency.

Mr Jennings interjected.

Mrs COOTE — They are my words, Minister. I now turn to aids and equipment. Aids and equipment can vary from anything from incontinence assistance to electrified wheelchairs. Although there was some funding allocation, there is still an enormous amount to be done. There is a huge shortfall in addressing these waiting lists, which needs to be approached with a matter of urgency.

Obviously the government understands that there is concern about these issues and a need for urgency in addressing them because it did put some funding towards aids and equipment, but it is insignificant in

comparison with what the needs are. The budget allocates \$30 million to aids and equipment over the next five years. That sounds all very well, but it is actually only \$6 million a year. If we break that down, we can see that vehicle modification, for example, which is to be included in the \$6 million a year, will be in the vicinity of upwards of \$20 000 per vehicle. There are 26 210 clients accessing aids and equipment, and many of these people are going to need to have their vehicles modified. There does not seem to be any guidelines on how this money is going to be allocated. It is not going to go far when you consider that provision for both home renovations and vehicle modifications is built into that \$6 million a year, or \$30 million over five years.

A very good report put out by the Melbourne Citymission in October 2006 contains that organisation's recommendations for an effective Victorian aids and equipment program for the 21st century. It states:

As a result of underinvestment, increasing demand, and inefficiencies in the program, access to aids and equipment is characterised by long waiting times for many people with disabilities.

This is unacceptable. I hope it will be addressed and that funding will be increased next year.

There is some good and some bad for children in this budget. I know Mr Atkinson quoted from Dr Joe Tucci of the Australian Childhood Foundation. An article that appeared in the *Whitehorse Leader* of 2 May reports that:

... Dr Tucci said the government failed to appreciate the ever-growing demand for support services for children who had been raped, bashed and subjected to psychological trauma.

He said there were about 40 new cases a month, and victims were still waiting for up to four weeks for counselling.

We had a very interesting case recently. It was the tragic case of a three-year-old girl who ended up in the Preston police station for 5 hours because the police could not access the child protection hotline to find out where this child could be looked after in a better way. We had the situation of police changing the child's nappy and the child going to sleep on the floor of the police station. That is totally unacceptable. In a recent Public Accounts and Estimates Committee hearing the minister admitted that 1800 children have been denied access to an after-hours emergency protection service. The minister said that he attributed the situation involving the three-year-old child being forced to sleep on the floor of the police station to an unusual shortage of staff at that period of time. That is totally

unacceptable. These children are the most vulnerable children we have in our state, and it is important that anyone who reports child abuse can get immediate answers from a 24-hour-a-day, 7-day-a-week hotline. A 3 per cent failure rate is just not acceptable. Funding should be redirected towards this hotline as a matter of urgency so this does not happen again.

In this budget the government has put some money towards kindergartens, but again, it will assist only some of the people who have issues with providing kindergarten access for their three-year-old and four-year-old children. I would like to remind this chamber of the Liberal Party's policy going into the election last year. We said we would provide kindergarten relief from the start of 2007 through a grant of \$730 per year for fees for four-year-olds, which would be paid directly to kindergartens. We also promised that we would provide extra funding towards the running costs of country kindergartens with fewer than 10 children.

There is no mention at all in these budget papers of looking after children in small and isolated rural areas. It is vitally important that kindergartens with less than 10 children are given additional support so that the children attending them can enjoy the benefits of early childhood development. The \$730 per year that would have been given to all four-year-olds under our policy would have enabled every four-year-old child across Victoria to attend kindergarten. I encourage the government to go back and have a closer look at what we promised then, because it got enormous support, particularly from the unions. Traditionally they do not support Liberal Party policies, but in that instance they were particularly pleased to support the policy put forward at the time of the last election.

The other part of my portfolio area concerns Aboriginal programs. The budget reaction to Aboriginal programs is quite mixed. You have to search through all of the budget papers to find the little bits of information sprinkled throughout them. It is quite difficult to assess what has happened, but there are some rather glaring omissions, particularly given the promises made in a number of documents put out at the time of the election — for example, the Koori drug and alcohol healing services that were promised. I am not certain where these are going to be located or what the budget allocation is, but it would seem that they have been left out.

On page 19 of budget paper 3, under the heading 'Improving the lives of Victorians', the government says that \$20 million has been allocated towards urban Aboriginal programs. I would like to see some

accountability on that. It is very easy to give money, but it would be interesting to see how this money is actually to be allocated and monitored, because we need to make quite certain that urban Aboriginals in Melbourne and in rural cities will actually benefit from this money. It is not going to be of any use at all giving this money unless we find out how it has been used and whether it has been used wisely, so that in the future we can direct money in an even better way.

Again referring to budget paper 3, another issue which I would have liked to have seen more made of is the issue of the training of Aboriginal health workers at all levels, particularly training for nurses. I would like to know more about the funding to be provided under this budget. I would like to know how many nurses are currently in the Victorian health system, what has been the percentage increase in Aboriginal nurses in Victoria since 1999 and how many of those Aboriginal nurses have stayed in the Victorian health system. They are important matters for Victorians to know about and understand.

I am mindful of the time. I have just on 7 minutes to go, so I will briefly touch on some of the issues within my electorate before I finish my contribution tonight prior to the adjournment debate. There has been much made about schools. What we must remember in this debate is that Victoria is at the bottom of the education scale for mainland Australia in relation to reading, scientific and mathematical literacy and problem solving. An allocation of \$50 million has been made for the redevelopment of 200 school science rooms but only \$3.3 million has been approved between now and 2009. I welcome the proposed renovations and upgrades to many schools. According to the Stonnington City Council, Lloyd Street Primary School in Malvern, which is my electorate of Southern Metropolitan Region, is the school most in need of urgent maintenance, but it was completely ignored in this budget. Caulfield College and Caulfield South Primary School, both of which are in the city of Glen Eira, were let down badly by this budget. Both of those schools require significant additional funding, yet they received nothing.

Transport is an ongoing concern in Southern Metropolitan Region. Public transport performance is deteriorating. In March, 1 in 10 trains was cancelled or ran more than 6 minutes late and more than 5300 trains were cancelled or late, which on average is about 170 a day. Many of these were on the Sandringham line. You only have to listen to the reports on the radio in the morning to hear which of those trains on the Sandringham line have been once again delayed. An

article in the *Caulfield Glen Eira Leader* of 1 May reports one commuter as stating:

Glen Huntly station is a prime example of how passengers are regularly getting stranded — and it's getting worse.

The article also reports:

McKinnon commuter Sue Coburn said trains had been cancelled or delayed almost daily for the past six months.

This is quite inappropriate. How can people possibly expect to get to work on time without regular transport and a feeling that they can have confidence in the system which they are using?

Another issue that is of grave concern to me is violence in the Southern Metropolitan Region. Recent statistics that were put out on violence and the increase in crime show there is a huge increase in personal crime in the Southern Metropolitan Region and that violence and rape have gone up considerably.

We also see in and around Prahran a number of people coming in from other areas on weekends. We have a number of hoons coming in and doing burnouts in our streets. Just last week two young people died when travelling at excessive speed in Punt Road in Prahran; it seems alcohol was involved. It is important that these people understand that the police are out on the streets in the city of Prahran and in fact right through the Southern Metropolitan Region.

I welcomed the news that there is going to be a new police station in Sandringham, and I in fact put on the record my acknowledgement of the hard work the member for Sandringham in another place put into raising this as an issue and making quite certain that it became an election issue. However, I am concerned that this police station does not go up in place of the Brighton police stations. It is imperative that the police stations now operating in Brighton continue and that they continue to give good service. As I said, violence is on the increase, and we certainly need to have a high police presence; closing another police station is just not good enough.

Finally, the other issue that is most concerning is the fact that just recently a three-year-old boy from Murrumbeena was raped in a playground in an Elsternwick park. This is just not appropriate; I think all of us would be shocked and horrified. We believe our parks are safe for small children, and this incident is indicative of the fact that we need to have a police presence at all times. Having police vehicles and officers on the beat is certainly to be encouraged, and it would have been more appropriate to have had additional funding for more police on the beat.

Taxes in the Southern Metropolitan Region are a huge concern. Land tax is just outrageous, and indeed the stamp duty extensions on land-holding bodies also affect people within the Southern Metropolitan Region. The long-term parking tax — the so-called congestion tax — has ramifications for the whole of the inner part of the Southern Metropolitan Region. It has ramifications for businesses and for the private lives of the constituents that I speak to on a regular basis about parking within the inner area around Southbank, around Docklands, around the city of Port Phillip, around the city of Stonnington and in parts of the city of Melbourne. It is unacceptable.

I just remind this chamber that Victoria has more business taxes — 23 taxes — than any state other than New South Wales. This is not exactly a very proud legacy for the Bracks government. An additional 23 taxes is unacceptable in anyone's terms.

In conclusion, I refer to comments made by the shadow Treasurer in another place, who said:

We often hear the government extolling the health of the Victorian budget, but it is a budget that is built on a flood of GST revenue and property taxes, a strong stock market and the hope that it rains.

This 2007 budget fails to deliver on the basics that Victorians expect. It is such a pity; it could have been so much better.

Business interrupted pursuant to standing orders.

ADJOURNMENT

The PRESIDENT — Order! The question is:

That the house do now adjourn.

Schools: Bendigo education plan

Ms LOVELL (Northern Victoria) — My adjournment debate issue tonight is for the attention of the Minister for Education, John Lenders, and it concerns the Bendigo education plan. The Bendigo education plan is an important project for the regeneration of educational facilities in Bendigo. The plan enjoys bipartisan political support as well as the support of the Bendigo community. However, despite Labor's trumpeting of a commitment to this plan as an election promise, a cloud now hangs over the future of the Bendigo education plan.

In the past month the government has given the Bendigo community two reasons to doubt the government's commitment to the future of the Bendigo

education plan. The first was the release of the state budget that included only \$20 million of the \$72 million needed to complete the plan. The budget did not include any further commitment to the Bendigo education plan in the future estimates, nor was there any mention of the Bendigo education plan in the list of asset initiatives to be considered in future budgets.

Yesterday the Minister for Skills, Education Services and Employment in the other place, Jacinta Allan, announced that the plan has now been suspended due to the government's failure to negotiate a land transfer deal with La Trobe University. This is a major blow to the Bendigo education plan and the community of Bendigo, and it highlights Jacinta Allan's ineffectiveness as a local member. Ms Allan is a junior education minister in Victoria, and she has failed to deliver on this important education project in Bendigo.

The action I seek is for the minister to immediately identify an alternative site for the Flora Hill campus and to ensure that the government delivers on the promise of the full Bendigo education plan.

Office of Housing: maintenance service

Ms HARTLAND (Western Metropolitan) — My adjournment matter tonight is for the Minister for Housing in the other place. On a number of occasions today concerns have been raised about the Office of Housing, and the issue I want to talk about tonight is maintenance, which I spoke about this morning during debate in this house.

Within the Office of Housing the maintenance service does not work well. Residents often have to wait for one to seven days to have quite major repairs done that affect their safety. It was pleasing in the budget to see that the Bracks government is giving a substantial amount of money to public housing, but unfortunately I do not know what it is going to do about the maintenance service. The question I ask is: how will the minister address the issues of the maintenance system that currently does not work for residents, and what will be done to improve the service?

Consumer affairs: Amazing Loans

Mr THORNLEY (Southern Metropolitan) — I direct my adjournment matter to the Minister for Consumer Affairs in the other place, Mr Andrews. The catchy television commercial of small-amount credit provider Amazing Loans claims 'When you need a small loan super fast, we guarantee you'll be amazed', and it offers loans specifically in the range of \$750 to

\$4000. It alleges that it is a 'fast, fair and friendly alternative' with no loan security required.

A recent article by Scott Pape in the *Herald Sun* outlined some of the business practices of this branded loan shark. For example, in the article Mr Pape examined the case of a disability support pensioner suffering from cognitive impairment who obtained a \$750 loan from Amazing Loans. The loan included an advance and administration fee of an additional \$750, with a subsequent \$105.16 charge in other fees, and this was in addition to interest charged at 45.5 per cent per annum.

A newly listed public company, Amazing Loans said in its prospectus:

As a result of compliance with new legislation, Amazing Loans' profit margin on loans in New South Wales will be affected. The company, therefore, intends to accelerate its strategy to open branches in other states (particularly Victoria and Queensland) which do not currently have similar restrictions.

What are those restrictions? New South Wales recently chose to aggregate all fees and charges so that they are all caught within the provision setting an annual cap of 48 per cent.

I ask the minister to investigate whether or not Amazing Loans has broken any Victorian laws and, whether it has or not, whether Victoria's laws provide adequate protection from these people for vulnerable consumers. I would also like to suggest to the shareholders of the newly public Amazing Loans company that, if they have not factored regulatory risk into their business, they had better start thinking about doing so now.

Planning: St Helena development

Mrs KRONBERG (Eastern Metropolitan) — My adjournment matter is directed to the Minister for Water, Environment and Climate Change in another place. Under the aegis of this government's discredited Melbourne 2030 strategy, the neighbourhood in St Helena of well-designed, elegant family homes which show heavy investment and the neighbourhood's accompanying schools are under a full-frontal assault. With the questionable imprimatur of the Victorian Civil and Administrative Tribunal, the site of the former piggery and sand quarry accessed by Evelyn Way, abutting Crea Court and Chantelle Rise, has been approved for a totally inappropriate high-density residential development.

On an area originally designated for a further 16 homes, over 50 tilt-slab construction, terrace house-type

dwellings will be a blight on this landscape. An environment of rolling hills, native gardens and tracts of classified remnant vegetation is accessed by gently curving roads and brick-paved courts, where the peals of children's voices and the chime of bellbirds fill the air. The residents of Evelyn Way are appalled by the lack of action on the part of Mr Herbert, the member for Eltham in another place.

Now, to add insult to injury, or rather injury to insult, last Wednesday, through a compulsory environmental audit of the site, a ticking time bomb of toxic waste has been unearthed. Since last Wednesday plumes of foul, stinking emissions have filled the air and people have become ill. Unfortunately many of the homes in the area would be downstream from the leaching of contaminants into groundwater and soils.

Mr Herbert, who has been inert on this matter since 2002, has finally shaken off the mantle of Rip Van Winkle to proclaim a measure of comfort from the waste being merely piggery waste. This area has been a tip site for decades, and the depth of the sand quarry reached 10 metres, not 5 metres, as stated by Mr Herbert. This quarry was never lined with a geomembrane to protect soil and groundwater. It was backfilled with a stream of waste that included general industrial waste dumped by opportunistic individuals.

I ask that the minister provide this chamber with a report that includes a comprehensive action plan for the immediate remediation of this toxic site and a method to recompense residents whilst ensuring that no further contamination of areas in the path of the toxic leachate occurs.

Prison officers: Pentridge memorial

Mr KAVANAGH (Western Victoria) — My adjournment matter is addressed to the Minister for Planning, Mr Madden. On Saturday, 3 February, the minister attended a service at the gates of Pentridge to commemorate the 40th anniversary of the hanging of Ronald Ryan. At Pentridge the minister announced that the government will construct a memorial to the executed prisoners whose remains are buried inside the prison. Will the Minister for Planning commit to appropriate recognition also for the prison officers who lost their lives at Pentridge Prison in service to the people of Victoria?

Autism: early intervention

Mr FINN (Western Metropolitan) — I wish to raise a matter for the attention of the Minister for Community Services. I am sure the minister knows that

last week was Autism Awareness Week, and during the course of that week the importance of early intervention for children with autism was reiterated. Of course this is a program that is not only of importance to the children involved but is also a great investment in the future by the state. If these children are able to go through early intervention programs and are able to function as well and productively as possible, obviously it will save the state considerable money in the years ahead.

I speak from personal experience on this issue in that, as I may have mentioned to the house before, my son has autism, and I have seen the effect that the early intervention programs had on him and the improvement over an 18-month period whilst he was going through the program. Autism is not an easy thing to live with. I can only say that any family with a child with autism needs every bit of help they can get.

Unfortunately in the area of early intervention here in Victoria we seem to be dragging our heels somewhat. In fact I know some families who have children with autism who have left Victoria and moved interstate in order to access the programs there which are far better than what is available here in our home state.

Best practice dictates that a child with autism needs a minimum of 10 hours early intervention each week. Unfortunately here in Victoria we are providing between 1 hour and 4 hours each week, and that is for children who can actually access the programs at all. I know for a fact that in the western region alone last year there were 400 children who were unable to access early intervention programs, and I am told there were considerably more in other regions. That in my view is the equivalent of throwing a child on the scrap heap. For a child with autism not to be able to access early intervention programs is really just throwing their lives away, and I think it is something that is unacceptable.

I am asking the minister to investigate this matter and to please take action to provide every child with as much early intervention as they need, with a minimum of 10 hours, to provide each child with autism in this state with a chance in life.

Mental health: Youth Early Psychosis program

Ms TIERNEY (Western Victoria) — My adjournment matter relates to mental health services in western Victoria and is directed to the Minister for Mental Health in the other place, Lisa Neville. In early April this year the minister announced the expansion of the Youth Early Psychosis service in Warrnambool, which will also assist communities beyond Warrnambool in the south-west.

The program is an early intervention service that focuses on youths from 16 to 25 years of age who are at risk of or are experiencing their first episode of psychosis, and getting them treatment as quickly as possible. This initiative is very much welcomed in western Victoria. We are pleased that the Bracks government continues to have regional Victoria as a very high priority.

My question is this: could the minister please inquire and advise me of the ongoing use of that service and monitor the different forms of youth psychosis so that such information can enable the government to be more aware of emerging trends and to finely tune policy initiatives so that we can be ahead in the delivery of such mental illness services?

Mental health: Peninsula Health

Mrs PEULICH (South Eastern Metropolitan) — I also wish to raise a matter for the attention of the Minister for Mental Health in another place, Lisa Neville. It is in relation to changes to community mental health service provision at Peninsula Health, including the abolition of crisis assessment and treatment (CAT) teams. I understand a portion of the CAT staff has been integrated into the consultation liaison team, providing assessment only at the emergency department of the Frankston Hospital. The other portion of the CAT team staff has been absorbed into the community care team as acute clinicians providing assessments, but only within business hours, and short-term care for restricted after hours.

The service has essentially decreased access to acute community care in the patient's home, with the last visit to patients being around 7.30 p.m. instead of the customary access times up to 9.30 and 10.00 p.m. Assessments of prospective new patients from approximately 5.00 p.m. can now only be completed at the emergency department of the Frankston Hospital.

The decrease in hours to complete home visits and assessments in the community lends itself to a number of problems and acutely disrupts good care. Of course the supervision of medication is best done late in the evening; this obviously is going to be compromised. Accessing services only during business hours is clearly a very flawed model of service delivery. Likewise, needing to present at the hospital emergency department after 5.00 p.m. puts undue stress on an already overloaded emergency department, especially seeing there is only one interview room available for the assessment of patients presenting under the mental health banner.

Also, needing to present at the emergency department for assessment after 5.00 p.m. medicalises the crisis that could be very adequately addressed by management in the client's home. But the most disturbing aspect of it is that needing to present at the emergency department for assessment after 5.00 p.m. puts undue pressure on family and friends if they are unable to persuade the person affected to present there.

Lastly, it is envisaged that with the change in the above cases, ambulance and/or police will transport the clients to the emergency department. Both of these services in Frankston are already overstretched, and clearly this is an unrealistic change.

I am calling on the minister to review the matter, with a view to making sure that this area in particular, where mental health services are important, is reviewed and that mental health services are delivered under the best possible and most effective model, to ensure the ongoing care not only of current clients but also of future clients.

On the day of implementation of the changes, 7 May 2007, I understand there were no procedures or processes put in place to ensure a smooth transition and uninterrupted patient care. Of course there are a number of questions that arise, including how this is consistent with best practice policy. The government's policy, which has been announced on government websites, ranges from a 1996 document entitled *Victoria's Mental Health Service* — —

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

Children: protection

Ms DARVENIZA (Northern Victoria) — I wish to raise a matter for the attention of the Minister for Community Services, Gavin Jennings. The matter I raise concerns the issue of the need for special programs for children and young people who are experiencing chronic abuse and neglect. Specialist services are vital in helping these children recover and heal from the trauma that results from abuse and neglect. Children and young people are often very difficult to engage, particularly those who need culturally sensitive and appropriate assessment as well as therapy.

My specific query is: what action is the minister or his department taking to ensure that there is integrated intervention across the whole range of needs for children who are suffering neglect or abuse? Those needs range from early intervention; a focus on

protection and stability through family-strengthening programs, which I know exist; child protection; and family restoration programs which might follow intervention and which might take the form of therapies or programs for both the child and the family; through to the area of therapeutic support for children who are in dire need — who due to the nature of the abuse and neglect they have been experiencing in their family are not likely to ever return to that family.

We want to ensure that all children have the greatest opportunity to reach their full potential and have happy and healthy lives. Therefore we need to ensure that the government provides services that meet the whole spectrum and continuum of needs that families and children might experience when there is neglect and abuse, whatever the reason for that neglect and abuse. I am particularly interested in the area of an integrated intervention approach.

Bendigo prison site: community consultation

Mrs PETROVICH (Northern Victoria) — I direct my adjournment matter to the Minister for Skills, Education Services and Employment in the other place, Jacinta Allan. Last Thursday I visited the decommissioned Bendigo jail with Martin Dixon, the member for Nepean in the other place. We met with several concerned community groups who informed us of a decision to evict them from this facility, which has become a great community focal point. The groups are the Lions club, the historical society and an independent musos group. There is also a youth program for disadvantaged youth through the Pathways program. It seems a vibrant community hub has been established and is working out of this facility, and I would like to compliment Kaye Callaghan from Future Connections and Anita Donlan from Independent Musos on their great community work. The group ran an open day which attracted over 5000 people, which is an indicator of the interest in this important piece of Bendigo's history and great example of gold rush granite construction.

This is an interesting site because of its nature, history, architecture and location. It has a heritage listing, and there are restrictions over building on any open space. As members can imagine, the only open space is an exercise yard approximately 150 metres by 150 metres. The former prison is located in the middle of Bendigo adjacent to the Bendigo Senior Secondary College. It is also central to Rosalind Park, the arts precinct of View Street and the Bendigo Chinese Association museum.

As this is a significant and strategic element of the rich fabric of Bendigo's history, I would ask as a matter of

community interest that the following information be provided and made public. The action I seek from the minister is that information be provided in relation to the following matters: proper community consultation has been conducted by the minister on the development of the heritage-listed and sensitive jail site; the date the commitment to the Bendigo Senior Secondary College that it would take possession of the Bendigo jail was made and by whom; and an overall strategic plan to be conducted for the arts, education and Chinese precinct, which includes consultation with the community and Heritage Victoria.

Moorabbin Children's Traffic School: future

Mr D. DAVIS (Southern Metropolitan) — My adjournment matter is for the attention of the Minister for Police and Emergency Services in the other place. It concerns the Moorabbin traffic school.

I have to say that this is a very concerning matter. I have written to the Premier on the matter and received a response saying that he has referred it to the Minister for Police and Emergency Services. I think it is genuinely a case that these children's traffic schools fall somewhere between several portfolios. They often have the involvement of the community and the council and other resources from different departments, including the police. They make an important contribution to children's traffic safety. They provide skills and enable very young children to understand the challenges they face on the road.

It was with great concern that I became aware a short number of months ago of the government's decision to close the Moorabbin traffic school. The government has claimed that this is a matter for the police, but I say the reality is that the government has every opportunity to rectify what has occurred in the case of the Moorabbin school. The government could make an allocation from a number of different sources. It could ensure that the traffic school, which has a long and proud history in the south-eastern suburbs of Melbourne, is not compromised and that children in those suburbs are not placed at risk by the closure of the school. I think it is a heartless move. I think the failure of the local member for Bentleigh in the other place, Rob Hudson, to decisively intervene on this —

Mrs Peulich — It wouldn't have happened under the previous member!

Mr D. DAVIS — It would not have happened under the previous member for Bentleigh, who would have been prepared to make her views known.

Honourable members interjecting.

The PRESIDENT — Order! Mr Davis is not to engage in debate.

Mr D. DAVIS — President, as you would understand, I am giving a small amount of background to the essence of my request to the minister for specific action. There is one other aspect of this. If I could be so bold, I would seek from the minister some specific action to ensure that the school does not close, and I ask that in doing so he enlist the support of the Premier, who has to date been mute on the issue, and work with local community groups to ensure that the school is reopened forthwith.

Responses

Mr JENNINGS (Minister for Community Services) — Thank you, President, for the opportunity to respond to the following members, whose adjournment matters I will pass on to the appropriate ministers for their consideration and response.

Wendy Lovell raised a matter for the attention of the Minister for Education seeking his support and assurances that the Bendigo education plan is properly enacted in accordance with the commitments made by the government.

Colleen Hartland raised a matter for the attention of the Minister for Housing in the other place. She was gracious enough to acknowledge the significant contribution to housing in this year's budget but within the context of that sought assurances from the minister in relation to the maintenance allocation for and capital expenditure on the depreciating housing stock as part of that significant contribution.

Evan Thornley raised a matter for the Minister for Consumer Affairs in the other place. He outlined to the house some amazing tales of rorts and potential rorts undertaken by a company known as Amazing Loans. He sought from the minister a remedy to ensure that, Amazing Loans was not acting outside the Victorian law and asked that if it happened to be operating within a blind spot in the Victorian law, the minister address the problem to ensure that its loan shark activities are brought into line.

In a very vibrant contribution full of adjectives, Jan Kronberg made sure that the Minister for Water, Environment and Climate Change in the other place will address a matter dealing with the potential redevelopment of a site in St Helena that had previously been used as a tip.

Peter Kavanagh raised a matter for the attention of the Minister for Planning. He sought the minister's support in relation to the redevelopment of the Pentridge Prison site and the appropriate marking of that prison site for acknowledgement of the contribution of prison officers.

I must say 'Hats off!' to Bernie Finn for the first contribution I have heard from him that I am wholeheartedly sympathetic to. He raised a matter for my attention, and within my responsibility I will do whatever I can to support my colleague in the other place the Minister for Children, who is formally responsible for early intervention programs dealing with the wellbeing in our community of children with autism. I am not shirking my share of responsibility; I am just drawing the attention of Mr Finn and the community to the fact that the Minister for Children has formal responsibility for those programs. It is incumbent on both of us and on other areas of government to work collaboratively to rise up and meet the challenges that Mr Finn has outlined to the house. They are totally legitimate challenges, and as a community we should have every expectation that they will be met over time.

Gayle Tierney raised a matter for the attention of the Minister for Mental Health in the other place, seeking from her a reflective response to ensure best practice is applied within youth early-intervention programs into psychotic episodes and to ensure that those programs are responsive to the needs of young people who are at risk.

Inga Peulich raised a matter also for the attention of the Minister for Mental Health, asking her to review the circumstances of the realignment of mental health services within Peninsula Health to ensure that they are responsive and meet the needs of the local community.

Kaye Darveniza raised a matter for my attention asking me to ensure that within my responsibilities for family support services and child protection services we have an integrated model of care that accounts for the range of particular needs of children and families, ranging from early intervention and family-strengthening programs through to strident, consistent and quality child-protection practices which seek to enable family restorations, if that is the appropriate remedy and outcome for children who have experienced some risk in their lives. We want to make sure that we restore families, if we can. Beyond that, in circumstances in which children are not likely to return home, we want to make sure that we have quality care programs that deal with their therapeutic needs and maximise their potential to have lives independent of their families. Ms Darveniza drew attention to the Take 2 program,

which from my vantage point is a fantastic program. I will ensure that it is provided in an integrated and consistent series of service responses to the range of matters that the member has described.

Donna Petrovich raised a matter for the attention of the Minister for Skills, Education Services and Employment in another place. For the first time she asked the minister to account for those people who are worried about being evicted from Bendigo jail. It would be a very unusual circumstance to be evicted from a jail and find that distressing, but in this case community organisations which operate within that precinct would like some information about the consultation and decision-making processes that may be associated with that potential eviction.

David Davis raised a matter for the attention of the Minister for Police and Emergency Services in another place seeking his support — and indeed the support of others, but primarily that of the minister — in making sure that, if at all possible, the Moorabbin traffic school stays on the road and that its services continue to be provided to the community of the southern suburbs.

The PRESIDENT — Order! The house now stands adjourned.

House adjourned at 10.29 p.m.

Wednesday, 23 May 2007

JOINT SITTING OF PARLIAMENT

Victorian Health Promotion Foundation

**Honourable members of both houses met in
Assembly chamber at 6.17 p.m.**

The SPEAKER — I invite proposals from members with regard to three members being elected to the Victorian Health Promotion Foundation.

Mr BRACKS (Premier) — I propose that Ms Kirstie Marshall, MP, Mr Richard Dalla-Riva, MLC, and Mr Hugh Delahunty, MP, be elected to the Victorian Health Promotion Foundation. I understand they are willing to accept the appointment if chosen.

Mr McINTOSH (Kew) — I second the proposal.

The SPEAKER — Are there any further proposals?

As there are only three members proposed, I declare that Ms Kirstie Marshall, MP, Mr Richard Dalla-Riva, MLC, and Mr Hugh Delahunty, MP, are elected to the Victorian Health Promotion Foundation.

I declare the joint sitting closed.

Proceedings terminated 6.18 p.m.