

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

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

**Wednesday, 3 December 2008**

**(Extract from book 17)**

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## **The Lieutenant-Governor**

The Honourable Justice MARILYN WARREN, AC

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## Legislative Council committees

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**Privileges Committee** — Ms Darveniza, Mr D. Davis, Mr Drum, Mr Jennings, Ms Mikakos, Ms Pennicuik and Mr Rich-Phillips.

**Select Committee on Public Land Development** — Mr D. Davis, Mr Hall, Mr Kavanagh, Mr O'Donohue, Ms Pennicuik, Mr Tee and Mr Thornley.

**Standing Committee on Finance and Public Administration** — Mr Barber, Ms Broad, Mr Guy, Mr Hall, Mr Kavanagh, Mr Rich-Phillips and Mr Viney.

**Standing Orders Committee** — The President, Mr Dalla-Riva, Mr P. Davis, Mr Hall, Mr Lenders, Ms Pennicuik and Mr Viney.

## Joint committees

**Dispute Resolution Committee** — (*Council*): Mr P. Davis, Mr Hall, Mr Jennings, Mr Lenders and Ms Pennicuik. (*Assembly*): Mr Batchelor, Mr Cameron, Mr Clark, Mr Holding, Mr McIntosh, Mr Robinson and Mr Walsh.

**Drugs and Crime Prevention Committee** — (*Council*): Mrs Coote, Mr Leane and Ms Mikakos. (*Assembly*): Ms Beattie, Mr Delahunty, Mrs Maddigan and Mr Morris.

**Economic Development and Infrastructure Committee** — (*Council*) Mr Atkinson, Mr D. M. Davis, Mr Tee and Mr Thornley. (*Assembly*) Ms Campbell, Mr Crisp and Ms Thomson (Footscray)

**Education and Training Committee** — (*Council*): Mr Elasmarr and Mr Hall. (*Assembly*): Mr Dixon, Dr Harkness, Mr Herbert, Mr Howard and Mr Kotsiras.

**Electoral Matters Committee** — (*Council*): Ms Broad, Mr P. Davis and Mr Somyurek. (*Assembly*): Ms Campbell, Mr O'Brien, Mr Scott and Mr Thompson.

**Environment and Natural Resources Committee** — (*Council*): Mrs Petrovich and Mr Viney. (*Assembly*): Ms Duncan, Mrs Fyffe, Mr Ingram, Ms Lobato, Mr Pandazopoulos and Mr Walsh.

**Family and Community Development Committee** — (*Council*): Mr Finn, Mr Scheffer and Mr Somyurek. (*Assembly*): Mr Noonan, Mr Perera, Mrs Powell and Ms Wooldridge.

**House Committee** — (*Council*): The President (*ex officio*), Mr Atkinson, Ms Darveniza, Mr Drum, Mr Eideh and Ms Hartland. (*Assembly*): The Speaker (*ex officio*), Ms Beattie, Mr Delahunty, Mr Howard, Mr Kotsiras, Mr Scott and Mr K. Smith.

**Law Reform Committee** — (*Council*): Mrs Kronberg, Mr O'Donohue and Mr Scheffer. (*Assembly*): Mr Brooks, Mr Clark, Mr Donnellan and Mr Foley.

**Outer Suburban/Interface Services and Development Committee** — (*Council*): Mr Elasmarr, Mr Guy and Ms Hartland. (*Assembly*): Ms Green, Mr Hodgett, Mr Nardella, Mr Seitz and Mr K. Smith.

**Public Accounts and Estimates Committee** — (*Council*): Mr Barber, Mr Dalla-Riva, Mr Pakula and Mr Rich-Phillips. (*Assembly*): Ms Munt, Mr Noonan, Mr Scott, Mr Stensholt, Dr Sykes and Mr Wells.

**Road Safety Committee** — (*Council*): Mr Koch and Mr Leane. (*Assembly*): Mr Eren, Mr Langdon, Mr Mulder, Mr Trezise and Mr Weller.

**Rural and Regional Committee** — (*Council*) Ms Darveniza, Mr Drum, Ms Lovell, Ms Tierney and Mr Vogels. (*Assembly*) Ms Marshall and Mr Northe.

**Scrutiny of Acts and Regulations Committee** — (*Council*): Mr Eideh, Mr O'Donohue, Mrs Peulich and Ms Pulford. (*Assembly*): Mr Brooks, Mr Carli, Mr Jasper, Mr Languiller and Mr R. Smith.

## Heads of parliamentary departments

*Assembly* — Clerk of the Parliaments and Clerk of the Legislative Assembly: Mr R. W. Purdey

*Council* — Clerk of the Legislative Council: Mr W. R. Tunnecliffe

*Parliamentary Services* — Secretary: Dr S. O'Kane

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**FIFTY-SIXTH PARLIAMENT — FIRST SESSION**

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**Deputy Leader of the Opposition:**

Mrs WENDY LOVELL

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Mr PETER HALL

**Deputy Leader of The Nationals:**

Mr DAMIAN DRUM

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| Barber, Mr Gregory John            | Northern Metropolitan      | Greens       | Lovell, Ms Wendy Ann             | Northern Victoria          | LP           |
| Broad, Ms Candy Celeste            | Northern Victoria          | ALP          | Madden, Hon. Justin Mark         | Western Metropolitan       | ALP          |
| Coote, Mrs Andrea                  | Southern Metropolitan      | LP           | Mikakos, Ms Jenny                | Northern Metropolitan      | ALP          |
| Dalla-Riva, Mr Richard Alex Gordon | Eastern Metropolitan       | LP           | O'Donohue, Mr Edward John        | Eastern Victoria           | LP           |
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| Drum, Mr Damian Kevin              | Northern Victoria          | Nats         | Peulich, Mrs Inga                | South Eastern Metropolitan | LP           |
| Eideh, Khalil M.                   | Western Metropolitan       | ALP          | Pulford, Ms Jaala Lee            | Western Victoria           | ALP          |
| Elasmarr, Mr Nazih                 | Northern Metropolitan      | ALP          | Rich-Phillips, Mr Gordon Kenneth | South Eastern Metropolitan | LP           |
| Finn, Mr Bernard Thomas C.         | Western Metropolitan       | LP           | Scheffer, Mr Johan Emiel         | Eastern Victoria           | ALP          |
| Guy, Mr Matthew Jason              | Northern Metropolitan      | LP           | Smith, Hon. Robert Frederick     | South Eastern Metropolitan | ALP          |
| Hall, Mr Peter Ronald              | Eastern Victoria           | Nats         | Somyurek, Mr Adem                | South Eastern Metropolitan | ALP          |
| Hartland, Ms Colleen Mildred       | Western Metropolitan       | Greens       | Tee, Mr Brian Lennox             | Eastern Metropolitan       | ALP          |
| Jennings, Mr Gavin Wayne           | South Eastern Metropolitan | ALP          | Theophanous, Hon. Theo Charles   | Northern Metropolitan      | ALP          |
| Kavanagh, Mr Peter Damian          | Western Victoria           | DLP          | Thornley, Mr Evan William        | Southern Metropolitan      | ALP          |
| Koch, Mr David Frank               | Western Victoria           | LP           | Tierney, Ms Gayle Anne           | Western Victoria           | ALP          |
| Kronberg, Mrs Janice Susan         | Eastern Metropolitan       | LP           | Viney, Mr Matthew Shaw           | Eastern Victoria           | ALP          |
| Leane, Mr Shaun Leo                | Eastern Metropolitan       | ALP          | Vogels, Mr John Adrian           | Western Victoria           | LP           |



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**Wednesday, 3 December 2008**

**The PRESIDENT (Hon. R. F. Smith) took the chair at 9.34 a.m. and read the prayer.**

## PETITIONS

**Following petitions presented to house:**

### **Assisted reproductive treatment: legislation**

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council deep community concerns about the Brumby Labor government's artificial reproductive therapy laws which will allow systemic denial of a child's links and knowledge to both biological parents to provide for:

- (1) children born into lesbian relationships with the aid of donor sperm allowing only two mothers to be registered on the birth certificate;
- (2) children commissioned through surrogacy arrangement to male homosexual couples allowing only two men to be registered on the birth certificate.

And that the undersigned petitioners reject the Brumby Labor government's proposal to systemically deny children knowledge of their parentage where it is known to create a generation of 'lost' children, unable to establish their identity, unable to access full medical facts when required and potentially exposing such children to other risks.

The undersigned therefore respectfully call on the Legislative Council and MPs of all political persuasions to reject Premier Brumby's misguided laws which fail to protect the best interests of all children as required by international covenants to which Australia is a signatory.

**By Mrs PEULICH (South Eastern Metropolitan)  
(697 signatures)**

**Mrs KRONBERG (Eastern Metropolitan)  
(1154 signatures)**

**Mr FINN (Western Metropolitan)  
(227 signatures)**

**Mr KAVANAGH (Western Victoria)  
(287 signatures)**

**Laid on table.**

**Ordered that petitions be considered next day on motions of Mrs PEULICH (South Eastern Metropolitan), Mrs KRONBERG (Eastern Metropolitan), Mr FINN (Western Metropolitan) and Mr KAVANAGH (Western Victoria).**

### **Rail: Lakeside station**

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council the urgent need for the construction of a Lakeside-Cardinia Road railway station to allow residents of the rapidly growing Cardinia shire to easily access public transport.

The petitioners therefore respectfully request that the Legislative Council of Victoria demand the Brumby Labor government to:

1. Begin the construction of a railway station for the Lakeside-Cardinia Road precinct now.
2. Improve the provision of vital infrastructure services to the people of Lakeside and Cardinia shire by creating a public transport service that is readily accessible, reliable and user-friendly.

**By Mr O'DONOHUE (Eastern Victoria)  
(80 signatures)**

**Laid on table.**

### **Boating: Patterson River**

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council the current review of boating zones being undertaken by Parks Victoria and expresses concerns with the content and process of this review including:

1. the proposal to abolish existing 'No personal water crafts' (No PWC) areas which currently exist to provide a safe environment to swimmers and beach users at the mouth of the Patterson River; and
2. the lack of consultation with all users and stakeholders who would be affected by the reversal of existing policy positions.

The petitioners therefore respectfully request that the Legislative Council of Victoria calls on the Minister for Environment and Climate Change, responsible for Parks Victoria, and the state government to protect the safety of beachgoers and water users by retaining the existing 'No PWC zones' at the mouth of the Patterson River and to extend the period of consultation which closes on 5 December 2008, to ensure that the community's concerns are fully addressed.

**By Mrs PEULICH (South Eastern Metropolitan)  
(502 signatures)**

**Laid on table.**

**Ordered to be considered next day on motion of Mrs PEULICH (South Eastern Metropolitan).**

**Planning: residential zones**

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council the Brumby Labor government's high-rise, high-density planning laws which will:

1. set a minimum building height of three and four storeys to impose high-density and high-rise developments on most residential areas;
2. remove the right of residents to be notified, to object to and to appeal to VCAT against inappropriate development; and
3. strip councils of planning controls over local commercial and business activity centres, with the planning minister appointing three of the five members of the soon-to-be-established development assessment committees in order to fast-track high-density and high-rise developments in our shopping hubs (the first target areas being Cheltenham, Cranbourne, Dandenong, Frankston, Glen Waverley and Narre Warren).

The petitioners therefore respectfully request that the Legislative Council of Victoria demands that the Brumby Labor government and Minister for Planning, Justin Madden, scrap Labor's new planning policies which will cram more high rise into local streets, aggravate traffic congestion and open our planning system to possible abuse and corruption.

**By Mrs PEULICH (South Eastern Metropolitan) (55 signatures)**

**Laid on table.**

**Ordered to be considered next day on motion of Mrs PEULICH (South Eastern Metropolitan).**

**SCRUTINY OF ACTS AND REGULATIONS COMMITTEE**

***Alert Digest No. 15***

**Mr EIDEH (Western Metropolitan) presented *Alert Digest No. 15 of 2008, including appendices.***

**Laid on table.**

**Ordered to be printed.**

**PAPERS**

**Laid on table by Clerk:**

Auditor-General —

Report on Management of the Multi-Purpose Taxi Program, December 2008.

Report on Results of Audits for Entities with 30 June 2008 Balance Dates, December 2008.

Budget Update, 2008–09.

Freedom of Information Act 1982 — Report of the Attorney-General on the operation of the Act, 2007–08.

Land Acquisition and Compensation Act 1986 — Minister's certificate of 28 November 2008 printed on it pursuant to section 7(4) of the Act.

**MEMBERS STATEMENTS**

**Gaming: licences**

**Mr KOCH** (Western Victoria) — When the Brumby government announced its new structure for the ownership and operation of gaming machines from 2012, the Liberal-Nationals coalition expressed concern that these changes would seriously disadvantage small community and sporting clubs. The lack of detail presented to these clubs over the operation of this new model is causing great concern and is having a detrimental effect on current gaming venues. Over recent weeks I have received many letters and phone calls from numerous community and sporting clubs from across Western Victoria Region, in addition to Clubs Victoria's proposal that seeks the preallocation of licences to existing clubs with gaming machines. In the last 10 days I have received more than 60 individually signed letters from club members who are worried about the government's plan for managing gaming machines and want support to save their clubs.

The Brumby government must announce the detail necessary so that these smaller community and sporting clubs can plan for the licensing auction scheduled for 2010, and the new licensing regime beyond 2012. The gaming machine auction needs to be structured so that it gives full weight to the outstanding contribution that smaller clubs in particular make to their local communities. I request that the Minister for Gaming give these clubs the option to bid on gaming licences, which should not be allocated just on the basis of the deep pockets of major organisations.

**Children: *Herald Sun* report**

**Mr BARBER** (Northern Metropolitan) — The *Herald Sun* newspaper has a lot to say about child exploitation, but one of the worst examples I have seen was perpetrated by it today. A seven-year-old sucking a dummy at her grandmother's funeral is not news. That child is not a public figure, there can be no public interest served, and there is no benefit to that child, who is an innocent and who deserves every chance in life. The *Herald Sun* has done her more damage, and the

child psychologist who provided some potted commentary has some ethical issues that should be considered.

No doubt the *Herald Sun* expected sympathy and outrage from this picture, but in my case that outrage is directed against it. It may be powerful but it is not all-powerful. I can come into this important place and speak out for the interests of that child. We have a kind of half-baked freedom of speech in Australia which protects the media. They were brave High Court judges who brought freedom of speech to life, and it is still a fragile thing. While the media is abusing it, it is not treating it with the respect it deserves and it is going to blow it. I am here to protect both freedom of speech and kids.

### **Patient transport assistance scheme: reimbursement**

**Mr HALL** (Eastern Victoria) — This morning I call on the government to review the eligibility criteria for accessing the Victorian patient transport assistance scheme. This scheme provides modest levels of assistance for those referred to specialist medical or dental service providers. I say modest because at the moment car travel is reimbursed at just 14 cents per kilometre and accommodation at a maximum of \$30 per night. It is a very important scheme, particularly for country Victorians as the eligibility criteria include a requirement to travel more than 100 kilometres one way to receive treatment. People like those in Orbost, for example, are commonly referred to specialist providers in Bairnsdale. The distance between Orbost and Bairnsdale is 95 kilometres. Consequently people in that town get no support whatsoever through this scheme.

With petrol prices in country Victoria what they are, it is a costly experience to travel 95 kilometres there and 95 kilometres home. Perhaps a 50-kilometre criterion might be fairer for many people in country Victoria. This morning I call on the government to review the eligibility criteria and the rates of assistance for this scheme, which, as I said, is very helpful to country Victorians.

### **Frank Crean**

**Mr LENDERS** (Treasurer) — I rise to pay tribute to a great Australian, Frank Crean, who died yesterday. Frank died at the age of 92 on the 36th anniversary of the election of the Whitlam government in which he served as Deputy Prime Minister, Treasurer and Minister for Overseas Trade. Frank was a great Australian. The public tribute to the work he did in his

three years as a minister is on the record. I would like to pay particular tribute to what he did as a citizen and as a member of the South Melbourne community.

I knew Frank well. We worked together in the local ALP organisation in the Melbourne Ports electorate. I knew Frank as someone who worked at a migrant resource centre in Prahran for many years after he finished public life. I also knew him as the loving husband of Mary, as the father of Simon, David and his late son Stephen and as someone who always had an interest in community and was never afraid to roll up his sleeves and work. I can remember ALP community functions where, as a former Deputy Prime Minister, 20 years after he left office, he was preparing cups of tea and coffee, cutting sandwiches, working on polling booths and letterboxing. Nothing was too hard for Frank Crean. He was a gentle giant and a great intellect. He put 27 hard years into opposition. He served for two terms in this Victorian Parliament.

He leaves a legacy of great children, great grandchildren and great family generally. Two of his sons went on to become ministers; Simon federally and David as Treasurer of Tasmania. I pay tribute to a great Australian. He will be sorely missed.

### **Araluen Centre**

**Mrs KRONBERG** (Eastern Metropolitan) — The Araluen Centre for adults with an intellectual disability is to be congratulated on the success of its Rock Around Oz concert. The production team at Araluen, under the direction of Annie Fletcher, provided the opportunity for Araluen's clients and residents to work together to create thoroughly entertaining performances for their family and friends and the general public.

Araluen drama productions held two performances on 21 November at the Banyule Theatre in Heidelberg. On that Friday patrons were taken on a musical journey through the Australian cultural landscape. The performers sang and grooved to numbers such as *Home Amongst the Gum Trees*, and took off Johnny O'Keefe with their rendition of *Shout*. But for me their most sensational performance was the performers' take on the late Bon Scott and AC/DC with *It's a Long Way to the Top*. Everyone's spirits rose to *Up There Cazaly*, and 14 performers rounded the evening off with a heartfelt performance of *I Still Call Australia Home*.

This excellent work is the direct result of the passion and commitment of the professionals at Araluen. They are people such as the chief executive officer, Ross Coverdale, the head of Araluen's arts program, Luke Doherty, their teams and the Araluen families who

make Araluen happen whilst making a tremendous difference to the lives of those living with disability.

### **Jewish Community Council: executive**

**Mr PAKULA** (Western Metropolitan) — Last Monday night I, along with Mr Thornley and the members for Prahran and Caulfield in the other place, attended the annual general meeting of the Jewish Community Council of Victoria. One of the items of business was the election of a new executive to run JCCV for the next three years, and that meant the end of the presidential term of Mr Anton Block. Anton has presided over the JCCV for the last three years, and in my observation in that time he and his team, particularly Laurence Slomoi and Dvir Abramovich, have provided the JCCV with outstanding leadership. Not only have they restored the organisation's finances but, importantly, they have enhanced its standing and its capacity to act as a focal point for activity in the Jewish community. I would like to offer my congratulations to Anton and his team for a job well done, and also offer my best wishes and support to the new president, John Searle, and the new vice-president, Daniel Aghion.

### **Rail: Ballarat line**

**Mr VOGELS** (Western Victoria) — I would like to refer to an email I received from an irate traveller regarding Ballarat's one and only so-called fast train. The traveller says:

... the 4.36 p.m. is like a cattle truck. I travelled on it earlier in the year ... and was disgusted to see about 10 women and others who got on after me standing, and struggling to do so, all the way home ... on Tuesday ... I myself had to stand ... along with four others ... all the way home. No stops where people may get off and free up seating. Swaying and lurching ... One guy lay on the floor and two sat down on it ... I had hurriedly walked down to the station from Latrobe Street to catch this train and had developed a blister on my heel ... was extremely painful ... One nice girl got up from her seat and gave it to another pregnant girl who was standing next to me ... that we should have only had to pay half fare as we didn't get a seat ... Rather than quibble about the fare ... I'd rather the service be adequate. People (the general community) have forgotten about this train abomination ... the 10-times cost blow-out, the reality of the one 'fast train farce' and the inept service —

which is a disgrace —

with the only reports limited to lower fares/Seniors Week et cetera in the media. It's about time those that regularly travel speak up ... or be encouraged to do so.

I agree wholeheartedly with this email, which is a damning indictment of the mismanagement of our fast rail system.

### **Emergency services: rescue vehicles**

**Ms DARVENIZA** (Northern Victoria) — I was very pleased last week to have the opportunity to hand over the keys to a new Hino Heavy truck to the Tallangatta SES (State Emergency Service) unit. The truck is worth approximately \$250 000 and is purpose built for SES requirements. The truck has the ability to supply electrical power and compressed air for the vehicle itself, rather than having to rely on separate portable power generation and an air compressor. This truck will help to keep the volunteers safe when carrying out the important work they do in assisting victims of road accidents and in responding to emergencies that happen throughout their community. I would like to congratulate Ms Debbie Bonanno, who is the unit controller at the Tallangatta SES, and the rest of the volunteers.

I was also very pleased in the same week to hand over to the Corryong SES unit a \$215 000 vehicle that has been designed as a prototype. This rescue vehicle has the capability to do general rescue work in alpine bush and remote areas. It is a six-wheel drive vehicle and is capable of crossing very rugged terrain and providing a response to incidents that are often — —

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

### **Water: north-south pipeline**

**Mrs PETROVICH** (Northern Victoria) — It is a sad day for Victoria when the government bully boys from Melbourne creep out in the early hours of the morning to bulldoze a 90-year-old cypress pine tree planted by returning World War I diggers, totally dismissing the pleas of local residents. The destruction of the tree planted behind the Glenburn Hall in memory of those who did not return from the war is symbolic of what this government is doing to country Victoria — destroying life, property, history and nature.

The so-called progress of the pipeline has devastated huge sections of private land. The Sugarloaf pipeline workers continue to commit this environmental vandalism, and they do so without the permission of the landowners, without an agreement for any form of compensation and with total disregard for the emotional torment they are leaving in their wake. These vandals have moved fence lines, bulldozed windbreaks and cut into significant grazing land without obtaining any agreement at all. Yet when a group of concerned citizens ventured onto the same piece of land with the owner's permission, they were arrested.

The fact remains that the north–south pipeline is an ill-conceived, knee-jerk reaction by a government which is left with its finger in an empty dyke — —

**Mr Finn** — No idea!

**Mrs PETROVICH** — It has no idea. The government has failed to have any vision for future water supply. As a result water will be taken from northern Victoria years before any potential savings are achieved from the upgrading of irrigation systems. Even this blindsided government must now realise that there will not be enough water to go around and that Victoria's food bowl may well run dry.

I would like to highlight that the ridiculous and ironic circumstance of that adds insult to injury: potable water from Melbourne is being used to build this pipeline. What a disgrace!

### **University of Melbourne and Hebrew University of Jerusalem: collaboration**

**Mr THORNLEY** (Southern Metropolitan) — I had the pleasure last week of attending the signing of a memorandum of understanding between the University of Melbourne and the Hebrew University of Jerusalem at the University of Melbourne with Professor Glyn Davis, the vice-chancellor of the University of Melbourne, Professor Menachem Magidor, the president of the Hebrew University of Jerusalem, and Mr Charles Goodman, the chairman of the board of governors. I am happy that this is one of the fruits of the trade mission I had the pleasure of leading to Israel in April. I congratulate both institutions on their future research collaborations.

### **Council of Australia Governments: reforms**

**Mr THORNLEY** — I had the pleasure of attending the Council of Australian Governments meeting on Saturday. It is probably the landmark COAG meeting of the last decade. It was the fulfilment of the work this government has put in over the last four years in driving a national reform agenda. Not only have we seen the end of the blame game, with substantial increases in funding for critical health and education services, but we have also seen increases in transparency and accountability and a performance-driven approach to the way the federal and state governments work, all of which has been the agenda of this government.

### **Beaumaris: bike path**

**Mr THORNLEY** — I was again in Beaumaris on Monday with members of the Beaumaris Conservation Society and people from VicRoads as we continue to

work to find a solution to the bike path challenge we have been addressing for some time.

### **Wyndham: elections**

**Mr FINN** (Western Metropolitan) — It was my very great pleasure on Monday afternoon of this week to attend the declaration of the poll at the Wyndham Civic Centre in the delightful township of Werribee. I would like to congratulate the newly elected councillors of the Wyndham City Council, in particular Cr Mark Rose and Cr Glenn Goodfellow, members of the Wyndham First team, and their campaign director, Andrew Elsbury. What we saw on the weekend and in this particular election was a seismic shift in politics in the west of Melbourne. For the first time in Wyndham and indeed in Werribee, in as long as I can remember, there is a non-Labor majority on the Wyndham council. I have to make the observation that Wyndham and Werribee is Labor heartland no more. The people of Werribee and Wyndham have made a stand; they have issued a warning to the Brumby government at this election. They are as mad as hell and they are not going to take it any more. Wyndham will no longer be taken for granted.

This is great for Wyndham, it is great for the west of Melbourne, and I have no doubt — I have said this in this house before and nobody believed me but it is actually happening now — we are seeing the domino effect through the western suburbs of Melbourne. It has begun. The people of the west are standing up and they are saying to the Labor Party, 'We are not going to cop it anymore'. So I say: Bring it on! Wyndham is a winner and the west of Melbourne is a winner.

### **Don Wallace Reserve, Teesdale: pavilion**

**Ms TIERNEY** (Western Victoria) — On Friday, 31 October, I had the pleasure of representing the Minister for Sport, Recreation and Youth Affairs to officially open the new pavilion at the Don Wallace Reserve in Teesdale. The new pavilion enhances the previous smaller facility and now provides more space for local clubs to host events and accommodate the increasing number of members. The upgrade includes the development of new change rooms, amenities and improved social space for the clubs. The Brumby Labor government provided \$60 000 towards the upgrade of this fantastic pavilion through the Community Facility Funding program. I would also like to acknowledge the generous contribution made by the Golden Plains Shire Council of almost \$40 000, and over \$25 000 raised in cash and in kind support for the project by the local community; that was a tremendous feat. I take this opportunity to thank the community members who

were present on the day for the very warm hospitality that was extended to me.

### **Clunes and District Agricultural Show**

**Ms TIERNEY** — On 15 November I attended the Clunes annual show and enjoyed the wonderful festivities in that beautiful town. I enjoyed the opportunity of talking to members of the community on issues of mutual concern. I would like to take this opportunity to congratulate all those involved in the Clunes and District Agricultural Society for their quality organisation and the execution of the event, the success of which was reflected in a huge attendance on the day.

### **Outer Eastern Local Learning and Employment Network: industry program**

**Mr LEANE** (Eastern Metropolitan) — It was a pleasure to attend an awards ceremony at Swinburne University of Technology's Croydon campus last week for graduates of a course for secondary school students on available jobs in the power industry. I would like to congratulate the Outer Eastern Local Learning and Employment Network, in particular the chief executive officer of that LLEN, for organising this unique program. It involved 20-odd young secondary school students going to power generator facilities and to main offices of power companies and seeing what jobs would be available to them in the power industry if they should choose to join it. I want to congratulate a couple of the young people who graduated from this course and have already attained linesmen's apprenticeships with a couple of power companies. I think this is a fantastic program. I know they are going to run it again next year, so I wish them all the best.

### **Eastern Metropolitan Region: sportsgrounds**

**Mr LEANE** — On another matter I just want to again congratulate the Eastern Football League. It recently had a meeting, which I attended along with the representative of Yarra Valley Water, with six different councils to reinforce the success of converting 24 of its grounds to summer grass, which is currently happening. I also want to congratulate the cricket association for letting that happen. The good news is that the grass is growing, and it will need 10 per cent less water next year.

## **SKILLS TRAINING: REFORM**

### **Debate resumed from 10 September; motion of Mr HALL (Eastern Victoria):**

That, in respect of the recently announced skills reforms, this house calls on the government to explain to the Parliament and the people of Victoria the following —

- (1) the number of Victorian students that missed out on a funded training place last year;
- (2) how increasing student fees will attract more people to participate in vocational training particularly at the diploma and advanced diploma level;
- (3) how much revenue is expected to be raised by increased fees and the purpose to which that revenue will be put;
- (4) whether the \$139 million designated as 'contestable funding' is new money or whether it is a transference of current money already allocated to the delivery of diploma and advanced diploma places;
- (5) how an income-contingent loan system will encourage more students to take up training;
- (6) how the government intends to address the predicted shortfall of 123 000 diploma and advanced diploma qualified workers by 2015;
- (7) how the government expects to find an additional 900 TAFE staff and 500 non-teaching staff when TAFE teaching salaries are almost \$20 000 lower than their counterparts in NSW and well below that of teachers in the schools sector;
- (8) how a competitive training system will work and its impact on training providers;
- (9) why the cost of training is being transferred from the state to the student;
- (10) why the government continues to underfund training in Victoria by 15 per cent compared with the Australian states average;
- (11) why those who have to retrain will be ineligible for a government-funded place;
- (12) why the government is abolishing concessional fees for diploma and advanced diploma courses; and
- (13) how much is being spent on television advertising to promote the reform package.

**Ms PENNICUIK** (Southern Metropolitan) — It is a pleasure to make a contribution on this motion moved by Mr Hall on 10 September and subsequently kept in abeyance. I did some work on the motion at that time. As it has taken nearly three months for this debate to come back into the house, I took the opportunity to make some further inquiries this week as to whether there have been any further developments on this issue.

Mr Hall raised 13 pertinent questions regarding the government's skills reform package. I took the time to read through the answers given by government speakers, in particular in the contributions of Ms Pulford and Ms Darveniza — —

**Mr Hall** — Not so many answers.

**Ms PENNICUIK** — Yes. As Mr Hall said, not many of the important and pertinent questions raised by him were answered in the contributions from those government speakers. It is vital to get skills reform right in this state. I appreciate that the government wants to get it right, but the package it has put forward is controversial and has many critics.

I have spoken to the two key unions involved with the vocational education training and TAFE sectors, being the National Tertiary Education Union (NTEU) and the Australian Education Union (AEU), and they have reported to me that there has not been much development following their campaigns regarding the issues. There has not been much of a government response to their key issues and concerns regarding the government's package. It is disappointing that they are not being included or responded to in any way.

I know the NTEU has stated that it is concerned that small regional TAFEs are reducing student support services, perhaps in order to prepare themselves to compete against private registered training organisations. Although the government is still providing funding for these student services, the reporting requirements were dropped several years ago and so some of the TAFEs are already ceasing to provide these pathway services, which is of concern to the union.

In the *Age* just last week an article about this issue reported that approximately 240 000 Victorian TAFE students would be hit with increased fees from next year — that is one of the key concerns about this whole package — and that the figures from the National Centre for Vocational Education Research show that the 236 700 TAFE students who undertake a diploma, advanced diploma or certificate III or IV every year will face higher costs. The cost of those diplomas and advanced diplomas will almost triple in the next four years, from \$877 this year to \$1500 next year and \$2500 in 2012. These are key concerns. The government is defending these rises in fees by claiming that they are fairer; however, I think there are legitimate concerns and questions about whether that is the case. Later in my contribution I will talk a little more about the government's key defence, that it is fairer on

students to charge more for diplomas and advanced diplomas.

As I said, Mr Hall raised 13 questions. I am not necessarily going to go to every one of them, but I will cover some of them, in particular the ones to which we have not had any answer from the government, and the key stakeholders are not getting any response either.

One of the premises on which the government is basing this reform package is the claim that a large number of students — and I think Ms Pulford said the government estimated it at around 7000 students, based on 27 000 in Australia — are missing out on TAFE training places. In his motion Mr Hall asks the government to provide evidence of that figure. In his contribution he said correctly that we do not know the figure because there is no centralised data on vocational education and training places. He suggested the answer to the question is none and said that no-one has ever come to him and said they had missed out on a place. For example, a spokesperson for Holmesglen TAFE, one of the key TAFEs in the state, has stated publicly that no-one is turned away because they cannot afford to enrol and that to their knowledge no-one is missing out on a place. One of the key premises on which the skills reform package is based seems to be debatable, to say the least.

If there is no unmet demand — that is, nobody is missing out — it is hard to see why we need to go down the road of increasing fees, except to save the government money. When we are considering an important area such as vocational education and training and TAFE, saving the government money should not be a driver. What we should be considering is what people in the community need in post-secondary education.

In his motion Mr Hall asks the government to explain also:

... how increasing student fees will attract more people to participate in vocational education and training, particularly at the diploma and advanced diploma level.

I have already mentioned the increased costs. It is a fundamental question. Research has been done on this around the world, including in Australia. It is almost common knowledge that there is a disincentive for people from low socioeconomic backgrounds and people with low income levels to participate in post-secondary training — that is, the higher the fees involved, the less incentive there is for them to participate. The government has not given any credible answer to that question. There is so much research on that issue that I cannot see how the government can

justify its reform package on that ground. The government is saying that increasing fees will encourage people to participate in TAFE. It seems just completely nonsensical.

One of the other matters Mr Hall asks the government to explain is:

... whether the \$139 million designated as 'contestable funding' is new money or whether it is a transference of current money already allocated to the delivery of diploma and advanced diploma places.

Again, there was not really an explanation of that. In her contribution Ms Pulford talked about a more responsive system. She said the package includes \$39 million to build capacity, \$33 million to strengthen capacity, \$11 million for adult and community education and only \$2 million for workforce development. They are general terms; they do not really explain what the money is for in concrete terms. She did not explain whether it is new money or a transfer of money that already has been allocated.

Following on from the issue about whether raising fees will attract more students, Mr Hall asked how an income contingent loan system will encourage more students to take up training. We know there are studies showing that lower income people are averse to taking on debt. The attitude to debt of school leavers and its impact on further education students' anticipation of higher education is that, if they are looking at the prospect of accumulating a debt, that will preclude them from taking on higher education. It is a very important issue that the government needs to reconsider, because the evidence about that, as I mentioned, is very strong.

Mr Hall also asked how the government expects to find an additional 900 TAFE staff and 500 non-teaching staff when TAFE teaching salaries are almost \$20 000 lower than their counterparts in New South Wales and well below that of teachers in the government schools sector. Obviously nothing has been resolved there. The TAFE sector uses teachers who not only have industry experience but have undergone a teaching qualification, unlike the teachers used by private providers, which have no such requirement. It is incumbent upon the government to recognise that fact and to remunerate and treat TAFE teachers in the same way as government schoolteachers. They should be on pay parity with government schoolteachers and they should be on comparable conditions as well. Two key issues in the TAFE sector are that they are so underpaid and that also around 60 per cent of them are on contract or casual employment. While those two factors are in place it is going to be difficult to attract people to teach

in the TAFE sector. Certainly it is difficult to attract people to teach in the TAFE sector and it will continue to be so while those two factors are in place.

This is an issue that the government should be looking at. It is about supporting teachers in the TAFE sector so that they are in place to deliver programs to students. Certainly the Greens have been on record in supporting TAFE teachers in their campaign to reduce the amount of contract and casual teaching in the sector and to bring their pay and conditions into line with government schoolteachers.

Mr Hall asked how a competitive training system will work and its impact on training providers, given that Victoria is already the lowest funded state. It is a good question because, as I just mentioned, the TAFE sector has teachers who have industry qualifications and teaching qualifications. That is not a requirement in the private sector. Also, there are many areas in Victoria, particularly in regional areas, where there really is only one provider, usually the TAFE college. It is not as if there is a lot of competition going on as there may be in metropolitan areas.

This government says education is its no. 1 priority. From our perspective its no. 1 priority should be to support the government sector — that is, the TAFE sector. No credible rationale has been provided as to why government funding should be opened up to competition with the registered training providers, particularly as they do not have the same requirement to have qualified teachers. How this is going to work has not been answered by the government. A credible rationale for it has not been given by the government.

Mr Hall asked why the cost of training is being transferred from the state to the student. It is a good question, which follows on from my previous point —

**Mr Hall** — Again, no answer.

**Ms PENNICUIK** — Mr Hall said there has been no answer to that question, and I agree with him.

In the current situation, which everyone has been calling the global financial crisis or whatever, there has been talk about improving infrastructure. What we need is for the government to support the education system, not to put up barriers to the participation in that system by people from all walks of life, in particular those from low-income families or regional areas where access to institutions is poorer than in metropolitan areas. Transferring the cost of vocational training from the state to the students is going in completely the wrong direction in that regard.

Mr Hall asked why the government continues to underfund training in Victoria by 15 per cent compared with the average for Australian states.

**Mr Hall** — No answer.

**Ms PENNICUIK** — Again, there is no answer. Perhaps it is able to get away with funding education less because it can pay teachers less because they are casual. In education one of the key costs is obviously the cost of the workforce — the cost of teachers. Keeping that cost down keeps the overall costs down, but it is a false economy because we need good teachers in the education system. It is the teachers who make the difference. The government keeps the costs down by not paying teachers enough.

Mr Hall asked why those who have to retrain will be ineligible for a government-funded place. That is a very important question, and again it was not answered. We know that the cost of foundation training will stay about the same or decrease very slightly — so slightly that it is negligible — but the cost of other TAFE training places will increase, possibly up to around \$7000 to \$10 000. It is also worth noting — and I think Mr Hall made this comment in his contribution — that costs do not only include the course fees. In some courses students need to meet the cost of materials as well — for example, someone who has been working in nursing for 10, 15 or 20 years and decides to retrain in another area will be hit with these costs.

The same point applies to the question of why the government is abolishing concessional fees for diploma and advanced diploma courses. At the moment there is wide access to concessional fees for people who need it, and those fees are very low in comparison with the cost of the course. That is a very good thing, because it enables people to train for and obtain diplomas and advanced diplomas. The small amount of money — I think it is \$2 million — that has been allocated as compensation for the removal of these concessions is not enough.

One of the things that had concerned me was that people who have been retrenched would not be eligible for concessions. They are amongst the people who really need to be eligible for fee concessions, because obviously if you have lost your job, you do not have an income and you need to retrain to gain the skills to enter a new industry or a new job. When this motion was first moved on 10 September Ms Pulford suggested in her contribution to the debate that such people would not be excluded and would be able to obtain fee concessions. I will hold the government to that.

Mr Hall's final question was about how much is being spent on television advertising to promote the package. We did get an answer to that. It is along the lines of \$16 million, which is a lot of money to be spent on an advertising campaign especially when the package is still so controversial and seemingly unfair, even though the government is saying that it is fair to students. Far fewer students will be able to access a government-funded place, in particular those who need to change their skills base for whatever reason — for example, as a result of retrenchment or because they do not have the required skills needed in their industry. This is what the TAFE sector is there for: to facilitate that type of training across the workforce. By bringing these sorts of so-called reforms into the sector, the government is undermining the reason for TAFE in the first place, which is to provide broadbased access to training across the workforce which is accessible to and equitable for all people.

There is also the situation where a student may wish to undertake a double qualification, like the example that has been provided to me of a diploma of marketing and a diploma of business administration. It happens a lot. Thousands of students do those types of studies because it gives them a better chance of getting a job. The changes to the system will mean they will have to pay the full amount for one of those courses. Currently anyone can enrol in a TAFE course and get a government-funded place at around \$877, or at a concession rate if they are eligible. As has been mentioned, that eligibility will reduce.

The government is claiming that this package will mean there will be more private registered training providers in Victoria. I understand there are currently around 1200, and there are only 1400 in Australia, so pretty well all of them are in Victoria. It is difficult to understand why we would need any more than we already have. Another point to make about that is that the more private providers you have, the more difficult it is to monitor and audit them, and they need to be monitored and audited. TAFE is subject to rigorous auditing requirements. As I mentioned before, it has a qualified workforce. TAFE teachers are required to become teacher-qualified, but the registered training organisations (RTOs) are not subject to that same requirement. The TAFE sector needs to be better supported. It seems to be counterintuitive to the principle of wide access and government assistance for vocational education and training for the government to go down this path of opening up the sector to competition from the private RTOs when it should be resourcing and supporting the TAFE sector.

As I mentioned before, I take issue with the claim by the government that students are being turned away from TAFE. There is no evidence that anyone is currently turned away because they cannot, for example, afford to enrol.

**Mr Drum** interjected.

**Ms PENNICUIK** — Mr Drum is right. There is no evidence that that occurs. There is no evidence that anyone who applies for a TAFE course, even if they cannot afford the current fees, is turned away. TAFE centres make a particular effort to provide a place to anyone who applies and needs one.

The government has said that the eligibility for concessions will be drastically reduced. I think I might have said \$2 million, but the government says it will provide \$10 million over two years to compensate for that. That is much less than what the current concession is providing for students, and the point needs to be made that that will be available to private providers as well as to TAFEs, so it is not going to stretch very far.

I will now return to the issue of the unmet demand, which again is part of the government's premise for this package. Even if we assume it is 7000 students per year — and I do not accept that number — that equates to less than 500 students per TAFE. Some of the larger TAFEs enrol thousands of students per year, so one would have to say that a bit more government funding per TAFE would easily have addressed that so-called unmet demand.

I wonder what is behind this package and who are the architects of this package. I think the government really needs to have a look at its priorities. Ms Pulford spoke about the supporters of the package being a string of private providers or peak bodies of private providers, apart from one or two exceptions. This does not fill me with much confidence. I say to the government that if education is the no. 1 priority, its no. 1 priority should be to support the TAFE sector. It should support TAFE teachers by paying them the same salaries as teachers in the government sector. It needs to reduce the number of contract teachers in the TAFE sector if it wants to attract more people to teach in TAFE.

I would agree with Mr Hall that the answers to his 13 pertinent questions have been pretty thin, pretty general and pretty vague and do not really go to the heart of the issues he has raised about the government's skills reform package.

The other contentious issue is the introduction of income-contingent loans similar to HECS (higher education contribution scheme) that applies in the

university sector at the moment. The government, with some cooperation from the federal government, will introduce this scheme into the TAFE sector. As I have mentioned, there is much evidence around the world that the introduction of fees and loans is a disincentive to people from low-socioeconomic or low-income families to participate in post-secondary education and training. This seems to be exactly the wrong way to go. The government should seriously reconsider this and really expand the TAFE system and the way it is funded and resourced. It should be expanded. It should be supported, and the introduction of HECS into the TAFE sector should be avoided.

The government has not given any rational or credible reasons for introducing it. In fact I think Ms Pulford in her contribution said the sky has not fallen in with HECS in the university sector. I do not think that is entirely in the spirit of what the evidence is showing. The evidence is showing that this is a significant issue in the lives of people who are now in their 20s and early 30s who have been through the university sector and have huge HECS debts, particularly if they want to start a family or buy a house. It is not accurate to say that the introduction of the HECS system into the university sector has been a roaring success.

I was fortunate enough to go through university and study for my first undergraduate degree without having to pay fees. When I did a postgraduate or second degree I did have to pay HECS fees, but they were very modest in comparison to what they have grown to over the last 20 years. Many young Australians are now saddled with huge HECS debts, so for the government to claim that it has all been a great success, has not had an impact and has widened participation is not entirely accurate. To then introduce such a scheme into the TAFE system, which historically has a philosophy of access for all and has very low fees and concessions to ensure that there is access for all, is not the best way for the government to be going. We reject that idea.

There are great concerns about the skills reform package and the direction in which funding, resourcing and access to training under TAFE are going under this package.

**Mrs KRONBERG** (Eastern Metropolitan) — I rise to support Mr Hall's motion. The motion arises from the justifiable concern of not only Mr Hall but also of many professionals within the TAFE sector. Many view this Brumby Labor government policy as simply a cost-cutting experiment and believe if it were to be taken to its fullest extent it may well sound the death knell for the TAFE sector as we know it. I have to concur with that view. The competitive regime, or full

contestability, is really a voucher system that allows the government-funded places to be delivered by whichever RTO (registered training organisation) wins the bid.

On the surface and at first glance we all like the idea of competition — we do not want oligarchies and we do not want monopolies — and it looks like a good thing to have those competitive pressures brought to bear. And it could be quite workable, provided that the RTO has the best interests of Victorian students at heart. At least as it stands now the TAFE system justifies its existence on the basis of having the interests of Victorian students at heart.

New entrants into the market will inevitably be overseas providers, and I firmly believe they will not have the training and educational interests of Victorians as their prime concern. Furthermore, I predict that irregularities and disparities between hours paid and hours delivered will become common practice under this new regime. Regulations designed to eliminate this practice have failed and continue to fail in this state. I find it ironic that TAFEs have been encouraged to give away their intellectual property — the very quality that differentiates them from other providers overseas — in the poorly thought out and frenzied efforts to export our education services.

With the steady casualisation of teaching staff throughout the system, around 60 per cent of the total teachers in the system are sessional. At current levels, sessional staff in my former centre make up about 50 per cent of the staff. After watching the steady casualisation of teaching staff I can say with enormous authority and conviction that many of them have little or no commitment to their employer because their loyalties are so fragmented and spread across a number of providers. They are paid \$56 per hour for teaching or class contact time and there is limited access at the rate of \$35 an hour for non-teaching time — such as for attending induction sessions, entering results and attending rare planning meetings. Access to this funding is extremely limited, which means that teachers in this itinerant group have very limited opportunities to develop a sense of belonging to the centre in which they work. As for loyalty and a real commitment to the students they teach en route to their next class for any number of other providers, suffice it to say that they spend a lot of time in transit, a lot of time rushing to their next assignment and a lot of time asking for the current hosting TAFE to supply them with material and the results of others' research efforts.

Professional teaching practice has been and continues to be dramatically eroded at a steady rate on the watch

of this government. It was one of the first issues about teaching standards and practice I brought to the attention of this government early last year, when I provided the government with unfiltered commentary based on my recent experience in the TAFE sector. I do not think it took heed of that, because these problems are continuing.

The itinerant teaching professionals — sessionals — as individuals are good people with the very best of intentions, but when we look at each institution and at the system in its entirety we see that the points I have just made and stressed remain a prevailing concern.

They have the same access to intellectual property and the material that is being developed in-house within a TAFE and that in fact the TAFE has invested in. In a full contestability regime, is it not reasonable that a TAFE centre should have the opportunity to protect the things that in an open marketplace would be its major differentiators? This goes to the heart of issues like the confidentiality and business practice that this government likes to trumpet whenever it suits its own agenda, and yet it leaves the TAFE sector entirely exposed in this new competitive environment.

Sessional teachers are restricted to working 320 hours per year in any one TAFE, but they can work the remaining 320 hours with a multitude of providers. This means that the material that TAFE provides them is transported into the private sector. This saves that sector a lot of money in research and in the development of courseware and other supporting materials. An enormous amount of time and money from the government sector is diverted. Ironically it means that the government-funded TAFE sector continues to subsidise the private sector to a very real and significant extent. The walls for this intellectual property leak are very porous and TAFEs are haemorrhaging. I am completely unable to reconcile in my mind the government's rationale that increasing fees will somehow attract more people to the TAFE system and encourage them to study longer for diplomas and advanced diplomas.

I have come from teaching for 10 years within the TAFE sector. The make-up of students in the TAFE sector is quite varied. We have people who come into the TAFE sector who look at the TAFE sector as their second chance. TAFE could be a way to gain university entrance through what is regarded as a backdoor method by starting within the TAFE sector and getting a university place. TAFE students could be people who have made little commitment to education and now, as they have reached early adulthood, see the need for formal qualifications. TAFE students can be mothers

returning to the workforce or new immigrants wanting qualifications so that they can take up well-paid positions in this country. They can be international students and students who come from low-income families. We all know that students have to work hard to combine their study and sometimes a number of jobs to make ends meet.

I am extremely concerned, because I can conjure up the image of the faces and the expressions in the eyes of many of my students, including those who could not afford accommodation and who lived in their cars, or the students I have been able to quietly advise about the discreet system of the TAFE I worked in providing students with vouchers so that they could quietly and with an appropriate degree of dignity receive a free breakfast from the cafeteria because they had no money to feed themselves.

A lot is said about nutrition and the need for a focus on good health and healthy eating and about first-class protein to keep the brain ticking over and so on, but many students have little money for lunch. The standard fare for the students at the TAFE I used to work at was buckets of wedges — and that was it — because they were \$4 a bucket and that is all they could afford.

If we take these examples of the stresses people are placed under, as far as their income is concerned and their ability to buy books, and add that to the current financial crisis and the economic pressures on the entire system, it beggars belief that the idea of ratcheting up fees can even be considered. How is a fee hike expected to attract more students? I do not know. We have got people out there who are malnourished and who have no place to live. They cannot afford books, and we are asking for more money from them. Clearly the fees hike is expected to attract players in the new competitive environment.

I have come across some information about the revenue that might be derived from the fees increase being estimated at about \$335 million. The question remains as to how that fees hike will be funded and deployed within the system. It also does not take too much insight into the workings of the TAFE system and its lower income demographic in general to conclude that income contingent loan systems will mean that people will now have more reason than ever to avoid making a commitment to further study. If we look at the higher education contribution scheme (HECS) burden — and it is a burden — we see that even though people have gained a qualification, with the increased costs and so on, what might have been considered to be high earnings means that the HECS repayment system

remains a burden. I think it is going to be a profound disincentive for people looking at the TAFE system's offerings.

In a general sense I am uncomfortable with the fact that the TAFE system is rushing to provide associate and bachelor degrees and is moving away from the basic courses it has been very good at delivering in the vocational education and training sector. It has placed too much emphasis on those degrees. We know it is doing that so it can pick up international students who can gain an associate or bachelor degree there when a university would not allow them to enter those courses because of their poor English skills. This is a further shift away and distraction from what the sector is good at.

It is a pretty whimsical decision on the part of the government in light of its commitment to training and education in this state. Thinking aloud now, with the cooperative federalism we hear espoused a lot I wonder what sort of game this government is playing with the federal government. I hope we are not seeing brinksmanship being played out on the part of the state government to get increased support from the federal government.

The fee increase will hit 240 000 Victorian TAFE students. For some diploma and advanced diploma courses the fees will triple. We also need to consider that the government needs to find an additional 900 teaching staff and about 500 non-teaching staff. This will not be easy to achieve, because while some of these teachers can move across state borders as they move from one RTO to another, our salaries are below parity by about \$20 000. It is interesting that I find occasion to quote the Australian Education Union on this in response to the frustration it is experiencing in dealing with the TAFE system and improving the differential in the way TAFE teachers are paid in Victoria and New South Wales. We saw the stop-work action on 25 November, and I understand further stop-work action is planned for the middle of February 2009.

I deal with people who want me to advocate on their behalf when they are seeking to have their sons moved up the waiting list when they are doing plumbing apprenticeships but are unable to undertake training within the TAFE system. We need a massive capital injection if we are serious about providing training places for the trades. If we look at a situation such as the setting at Box Hill Institute of TAFE, plumbing apprenticeships are dictated by occupational health and safety practices. They are in a building — an envelope — of a finite size, and, because of the nature

of their learning environment, only 15 apprentices can be housed in that building envelope at any one time. It does not matter how many plumbing apprentices you have on your waiting list, the combination of safety practices and the size of the building envelope means nothing can be expanded. There needs to be a lot of capital injection to address that.

In closing I will refer to a couple of points from a source I have come across. It is the summary of a literature review headed 'Are lower income families averse to financing post-secondary education by borrowing?'. It refers to a paper headed 'Is college affordable? Sorting perception and reality' by Gladieux and Swail, stating that they:

... suggest that while perceptions of cost dissuade many from attending ... university, students from low and moderate-income families are increasingly adversely affected by trends in tuition, family income, and student aid.

In an overview of this research the authors talk about the term 'aversion to debt' and the fact that there is a general unease about the increasing costs of education, especially when those increasing costs are compared with small increases in real income. The perception of the cost of post-secondary education is consistently underestimated, while its value is underappreciated. It is up to this government to take a long, hard look at the way it is treating the TAFE system and how it is treating the TAFE students of today and of the future, because there is a lot of selling it needs to do on the value of accessing education through the TAFE system and the benefits of that. Frankly the benefits statement is now threadbare.

I ask the government to take heed of the points my colleague Mr Hall has raised in his motion. These are important points, and I ask the government not to be intransigent and tetchy and resist them. I speak with authority from my experience of 10 years of practice, and Mr Hall's research commitment is evident to all of us.

**Mr VINEY** (Eastern Victoria) — I will make a brief contribution to this debate, because my colleagues Ms Pulford and Ms Darveniza have made fairly substantial contributions in terms of the government's position on investment in skills. However, I do not want to leave unresponded to some of the, frankly, nonsense that has been spoken today.

I sometimes wonder in these debates if we are operating in parallel universes, because you hear contributions from members of the other side suggesting some terrible devastation is occurring — in this case in the TAFE and skills training sectors of our economy —

and yet when I look at the government's investment I note its recent announcement of \$316 million in additional, new funds going into this sector, which is the largest ever investment package in Victoria's skills sector. An additional 172 000 training places will be created in Victoria, as indicated in this package. Fixing inequities and imbalances in the way fees have been structured, particularly in the TAFE sector, will mean the vast majority of students will be paying less. There are some sectors where students have been paying full fees, and those students will benefit from this package. What is most important, and this is linked to the debate coming up, is that these reforms are linked to this government's overall strategy of investment in jobs, manufacturing, industry and skilling Victoria for the modern economy.

I am not sure what notes and experiences some of the previous speakers have been referring to, but they are operating in an entirely different universe to what is occurring here in Victoria with the investment by this government. We are investing in our people across a whole range of areas, but in particular in the TAFE and further education sectors, skilling up Victorians for the jobs that are coming in the future and ensuring that we maximise the potential and resources of the people of this state.

I wanted to make a brief contribution to the debate in response to some of the complete misrepresentation by some members of what the government's strategy and investment in this area has been and their misrepresentation of the extent and substance of what the government is doing in relation to skills in Victoria.

**Mr DRUM** (Northern Victoria) — I want to make a brief contribution on the motion moved by Mr Hall in relation to skills reform and vocational training in Victoria. Many of the questions asked by Mr Hall are pertinent; they go straight to the issues surrounding where we are now with skills training in Victoria.

There is no doubt that at the moment the TAFE system is not performing to the degree the Victorian community expects. When you ask people in the TAFE sector about it in a very diplomatic way they say quite simply that the government is not resourcing the sector to enable it to perform at the expected level. In just the last two months the state has seen unprecedented anger from people in the TAFE system.

The teachers fear the government. It is just like the fear the government sends through every other government-funded department. The teachers are sick of it; they have had enough. The government refuses to come to the table and negotiate in a meaningful

manner, and any goodwill has gone out the window. Effectively what we now have is a militant uprising from teachers in the TAFE system. Their primary argument is that they want pay parity with the Victorian education system and with their interstate colleagues.

For the six years I have been in this job the state's contribution to the TAFE sector in Victoria has been running at about \$70 million to \$100 million behind the average of the TAFE sectors in other states. That impacts not only on recurrent funding but also on the sector's ability to maintain buildings and run the courses it wants to run. This government continually trumpets that education is its no. 1 priority, but in any way you investigate the claim you see that it is a lie. It does not matter whether you are talking about the run-down condition of our state schools or the lack of funding contributed by the government to the private, non-government sector or what it has done over the six years I have been in this job: we have a government that will not provide funding anywhere near to the average of other states.

Let us compare what this government spends on the TAFE sector to what all the other state governments do for their TAFE sectors. The government has come up with an answer to its underfunding of the sector by saying, 'Let us charge higher education contribution scheme style fees going forward'. Mr Viney claimed that the vast majority of students will be paying less, but that is simply not true. When you look at the new schedule of fees for the TAFE sector you see that the vast majority of students will be paying substantially more. There are only a small number of courses, encompassing a small number of students, who will pay less. In fact the cost of some courses has tripled, and the government thinks that by saying, 'We are going to offer you an opportunity to pay it back with a HECS-style debt' and deferring the debt — and the pain — it will appear as if there is no debt at all.

I will pick up on some of the issues raised by Ms Pennicuik in relation to the auditing and monitoring of RTOs (registered training organisations). I think she had a good point; I think it is something the government should be doing. I have long been advocating for an RTO called Skill Training Victoria, based in my home city of Bendigo. It has been offering on-site training for apprentices in the trade sector, and it does a brilliant job. It is highly regarded by the trades in the region, and its ability to offer on-site training is something we need to be aware of. We need to give the company an opportunity. If it can pick up areas within the training sector that the TAFE sector cannot pick up or if it is not as well equipped to pick up apprentices as

some of the RTOs, then it should be awarded the places to enable it to do that.

I do not care what the government says in trying to refute the claims, but at the moment we have over 200 young people in northern Victoria who have apprenticeships. They think they have achieved the major challenge in leaving school and getting into the apprenticeship system, but when it comes time to get their training, they cannot receive it. In effect they have to make a choice. Either they opt out of their apprenticeship and become a tradesman's assistant, which will consign them to a life of less income with less ability to create wealth throughout their lifetime, or they travel to Melbourne as 17 and 18-year-olds, although some of them are only 16 years old, of their own accord and pay to put themselves up for eight one-week blocks a year so they can get their training, if they are lucky, at a place in the foothills of the Dandenongs.

That is the system this government has overseen. It is a system the government is supposedly proud of — it says education is its no. 1 priority. It is not good enough. The current results in the training system are deplorable. We need a government that is going to back up the rhetoric with some real action, not simply throw the expense onto students. We understand very clearly that a large percentage of the people who are interested in taking on TAFE training courses do not have the funds to pay for them, and the government is saying it is going to have to pay it back at a later date. As Mr Hall asks: how is that going to introduce new students into the sector?

Mr Hall's motion asks a range of questions that the government needs to answer, including how it is going to achieve pay parity in the school system; how it is going to achieve pay parity with interstate systems; how it is going to improve the ability of RTOs to pick up the shortfall in all the trades and training positions they are able to cover; and how it is going to stop expecting TAFE colleges to raise as much money as private businesses in order to carry out their normal core function, which is to educate. Many of our TAFEs have had to turn themselves into money-making ventures just so they can carry out their core business, which is to educate.

There are a whole range of areas that have been run into the ground because of a lack of funding from the state government, and it is about time it came clean and acknowledged its failings in the tertiary education system and in the skills reform that needs to be done in the midst of one of our greatest ever skills shortages. We have a government that has turned its back on skills

training. It does not matter how it spins it, it has failed miserably in skills training in Victoria.

**Mr ATKINSON** (Eastern Metropolitan) — It is interesting that the government should consistently suggest that its no. 1 priority is education when you look at its approach to TAFE training and at the impost it now plans to place on students.

The concern of most, if not all, members of this side of the house, and certainly the genesis of this motion moved by Mr Hall, is the fact that the government has apparently established a blueprint for the TAFE sector to take us forward at what is a very critical time in terms of Victoria's economic position in the global market, but it is rather shy about the detail of its plan and explaining how it has arrived at some of the initiatives that have come out of that blueprint. The reality is that this ought to be a very well explained and well debated blueprint within a broad section of the community because it is one of the foundations of Victoria's economic opportunities going forward.

A number of speakers have spoken about skills shortages, and the reality is that there is a serious skills shortage in a range of industries at this time, in part because of training deficiencies and in part because of a lack of confidence among prospective students about going into certain training areas because they are not sure about the future of the industries that might employ them. There is a need to establish a confidence about the skills that might be acquired.

We have heard in question time in this house about the manufacturing statement. I lend my voice to some of the critics of that statement — that it is a rather underwhelming document that tries to cobble together a range of photographs and some accompanying text to justify the government's position in manufacturing at a time when there is a lot of pressure on the manufacturing industry and a wide range of retrenchments occurring. This TAFE plan is one of the foundations of our manufacturing future. This TAFE plan is crucial to the sorts of skills that this state's industries need to take us forward to compete in global markets.

Interestingly enough, whilst there is a skills shortage situation at the moment, which has been referred to by a number of members, my greater concern in terms of why this direction of the government might take us into some troubled waters is the fact that in the next 5 to 10 years there is going to be a very significant change of ownership, or at least an attempted change of ownership, of many of the businesses that currently operate in this state. If you look at the profiles of the

business community, you find that many of the owners of businesses, particularly established businesses with the larger payrolls in the small business sector, are businesses that are owned by people who are looking towards retirement; they are actually looking at exiting their industries. That is an issue for us, and I do not think the manufacturing statement looks at this at all; I do not think it is on the government's horizon.

It is crucial to this TAFE plan that that change of ownership generates two major issues. One of them is obviously the financing of that change of ownership. The people who want to retire and leave these businesses obviously need to fund their retirement. Most of their retirement capital is tied up in those businesses, and they need to unlock it. But with the global markets the way they are and — if some of the pundits are correct — the liquidity for business finance remaining tight for 18 months to 2 years or more, there will be implications over an extended period and beyond that forecast in terms of people being able to fund their way into buying those businesses and allowing the current ownership to leave.

Just as crucial is the fact that those owners are taking skills out of those businesses. Whilst they might have systemised their businesses and may well have employees with skills who are involved in those businesses, some of the management and ownership skills that are lent to those businesses and have ensured the success of those businesses, and in some cases, more importantly the technical skills, will be lost. Those people who come to buy those businesses will not necessarily be well equipped to take them over, run them successfully and ensure their ongoing viability.

It occurs to me that the TAFE sector is the critical element in supporting this business ownership change that is looming. The TAFE sector offers a very flexible area of training. It is vocationally based, and it is real world based in terms of business enterprises and occupational skills. In many cases the lecturers who are involved in the instruction of students are people who have had direct vocational experience of their own and have the tools of the job in running a computer company or whatever. They bring to the instruction they give in the class real-life skills, real-life experience and a knowledge of what it is like to meet a payroll and a customer's expectation every week. That does not happen in the universities at all.

The TAFE sector is a crucial area in terms of small business support. One wonders who the small business minister is these days. I visit his website from time to time, and, apart from giving out an occasional award to somebody, the site is bereft of any initiatives of this

government to support small business. He is not aware, it seems, of the importance of the TAFE sector in supporting small businesses throughout Victoria.

I want to say something else about the fees that are levied. It is a truism that every opposition can claim that the current government is the highest taxing government in history. One of the reasons oppositions are able to do that is that the inflationary factor involved in taxation revenue collections always means that the current government collects more than the last government. But the reality is that this government can actually take the cake as the highest taxing government because it has introduced new taxes. It is not just a matter of an expansion of the existing tax base. There are new taxes: things like the congestion tax, which is really just the parking levy; the land development levies, which were remarked upon by the Minister for Planning yesterday; and now there are fees for TAFE students. Effectively it is another tax. It is a tax on our best and brightest. It is a tax on those people whom we expect to deliver economic prosperity to Victoria by virtue of their enterprise and energy in terms of running successful businesses and enterprises, including public sector enterprises.

This tax represents a very real impost and a fairly dangerous move by the government at this economic time in terms of taking this education sector forward. The government relies on the blueprint and the work it did to arrive at a series of recommendations and policy positions to take the TAFE sector forward, yet when it is questioned on that blueprint — the substance of the findings and the conclusions it drew, upon which that blueprint has been based and indeed what a large measure of Victoria's economic future has therefore been based — the government says very little.

The questions put by Mr Hall previously to establish for the public record the government's position on a number of these critical issues in regard to the performance of the TAFE sector remain effectively unanswered. There have been scant, spin-type answers to some of them, and there has been almost total silence on others. When it comes to the TAFE sector the government ought to understand this is not a game. People such as Mr Pakula, from his union background, understand the importance of training. Mr Thornley, with his background, understands the importance of skills to take us forward globally. So too does Mr Viney. Minister Theophanous has indicated that he believes skills development is important. Yet when it comes to this crucial debate, the government is prepared to place an impost on the students coming forward.

We have heard from some other speakers about the hardship that will cause and that it is likely to mean some people will decide not to proceed with further studies. One of the interesting things about the TAFE sector is that even in the apprenticeship area many of the people who are going through are not young people straight out of secondary school but people who have had other jobs and — once they have a little bit of life experience under their belts after leaving school — have decided on a career change or decided they have an aptitude in a particular area and want to acquire the skills to undertake a different vocation. TAFE provides that opportunity, and this is crucial.

And yet in this government — for all the people who comment on skills shortages and argue about skills development and its importance — there is a lack of accountability as to what the meat behind the blueprint was, the decisions that have been made and the fact that one of those key decisions has been to introduce this financial impost on students that is likely to deter many people from upskilling at a time when the economy is likely to see a downturn and when retraining or reskilling is going to be of paramount importance to the self-esteem of those people, to the economic capacity of their households and to the prosperity of Victoria going forward. It will be of paramount importance to using our people effectively, ensuring that they have worthwhile and satisfying employment and ensuring that they achieve the sorts of skills that are going to take both them and this state forward.

This government ought to participate more fully in the debates on this issue, and it ought to provide greater accountability for its decisions. It ought not to have ignored, or treated fairly indifferently, the questions put by Mr Hall, which I think are not just the questions of Mr Hall or this side of the house but also the questions of many people in the TAFE sector throughout Victoria, the broader educational community, employers and the broad community of all Victorians. This is one of the fundamentals of our state's opportunities going forward. It is a critical point that we cannot be confident the sector is in solid hands and is well advanced by this blueprint, because the government refuses to provide the details it ought to have put on the public record to support its decisions.

**Mr KAVANAGH** (Western Victoria) — As a person with some experience of teaching in the TAFE sector I feel obliged to say a few words about the motion. Although I only taught in TAFE for a short time it was clear to me that TAFE students were extremely well motivated and were at a surprising level of academic ability. Perhaps people do not realise — I did not assume — that people who may have left

school earlier than some others are often nevertheless very good at studying academic subjects. TAFE catered to those students well as well as offering a large number of practical skills to young people. It was quite inspiring to look at a lot of people who went to TAFE after work — they did a full day at work and then went and studied at night to improve their skills base. I felt admiration for them, and I thought the TAFE system catered to their needs well.

I also noticed at the time and have noticed since that TAFE jobs seem to be conspicuous by their absence in terms of advertisements and so forth. Looking through newspapers you rarely see a job in TAFE, because there are not many available. TAFE seems to be treated as the poor relation in the education system of Victoria. Although many TAFE teachers are well skilled and experienced, they receive a rate of pay which is much lower than that of those who teach in secondary schools, even though their skill level and expertise in particular subjects is probably often higher.

It seems to me that this government undervalues, and has undervalued for a long time, practical skills in education. This is perhaps demonstrated by what the Kirner government did to technical schools in Victoria, which was to abolish them — much to the great cost of many young people, particularly those who were not especially academically oriented. TAFE does a great job imparting practical skills to many Victorians, and it deserves a lot better from the government than it has been getting.

**Mr HALL** (Eastern Victoria) — In summing up, first of all I thank those participants who have contributed to this debate. On 10 September when this motion was first moved, Ms Pulford, Mrs Peulich and Ms Darveniza made their contributions, and today we have heard comments from Ms Pennicuik, Mrs Kronberg, Mr Viney, Mr Atkinson, Mr Drum and Mr Kavanagh. I thank those members for their interest and participation in this debate. It has been a fairly lengthy debate spread over two separate sitting weeks, but the disappointing thing about the debate from my point of view is the fact that the government has failed to provide some response to many of the questions posed in the motion itself. Having listened very carefully to government speakers, and even having re-read the contributions from those who contributed previously, I have five answers, in part, to some of the questions that were posed.

In paragraph (4) of my motion I asked whether the \$139 million of contestable funding was new money. I was advised that this is new money, and I was pleased to hear that. I am very interested to look at future

budgets to see whether somewhere around \$800 million that the government currently provides for training in Victoria has been increased by that amount. We were also told, I think by Ms Pulford, that the revenue from fees would be directed to creating new places. We were not told exactly how much the government expects to raise by way of its implied increase in fees.

We also learnt that there has been no economic modelling done with respect to an income contingent loan scheme. We were told that the best estimate of those who have missed out on places in Victoria is somewhere between 7000 and 10 000 people. Again I repeat my assertion that I am not aware of any who actually missed out on a government-funded place, and Ms Pennicuik shared that view.

We were also told that concessions were no longer needed for diploma and advanced diploma students given that they will have access to an income contingent loan scheme. Mr Viney again repeated what Ms Pulford and Ms Darveniza said, which was a recount of exactly what was in the government's response to the skills reforms discussion paper. I mention two facts from that.

Firstly, that discussion paper suggested that there will be extra funding for 172 000 places in the training system. Given that there were about 500 000 people currently involved in the training system, both in the public and private providers — that is mentioned in the government's discussion paper, so it is a figure the government itself uses — that will be a 40 per cent increase in the number of training places made available in Victoria.

Given that there are only 500 000 people now, that we have to find another 172 000 places and that there are only 7000 to 10 000 people who are missing out on a place every year, it is going to take at least 20 years for us to fill the extra 172 000 places with the 7000 to 10 000 people who miss out on a place each year. That is why I claim that the figures presented in this document are a farce, or a furphy. There simply will not be the numbers to do it.

It is the same with the mention in the government's paper that by 2015 there will be a shortage of an estimated 123 000 diploma and advanced diploma students. Looking at the figures from Skills Victoria's website, there are 16 000 diploma and advanced diploma graduates each year. If we will be short of 123 000 students and we need to fill those by 2015, in those seven years we will have to double the output of diploma and advanced diploma students. This is almost physically impossible if you have only got 7000 to

10 000 students missing out on TAFE places per year. That is why I claim, and I claimed in my previous speech on 10 September, that these are unrealistic figures that will never be filled — certainly not with the package that the government has in place now.

A fair bit has transpired since the moving of this motion on 10 September, and some of the realities that I forecast are now coming home to roost. With respect to the increase in fees, will that deter people from embarking on a training program? I heard a story from one group of people about a young, unemployed, single mum who was going back into the system and enrolling to study for a diploma at a TAFE college. She was fine to start next year. It would cost her \$55 on a concession fee, which a young single mum was able to afford, but she could not enrol for the second half of 2009 because after 1 July 2009 the increased fees will kick in. For that student undertaking that diploma or advanced diploma course the fee would be \$1500, according to the government's own document and according to the TAFE institute to which this young lady applied. She has been deterred from doing that course, even though she may well qualify for an income contingent loan scheme. A single mum raising children by herself is not prepared to build that debt against her name; consequently with the uncertainty and the burden of debt that she would have to carry, she has not enrolled in that particular course. There will be many people in that category.

I also note from having a glance at one of the local newspapers which is now in my big, expanded electorate, the *Lilydale and Yarra Valley Leader*, there was a story on the front page of the 10 November issue which says:

A Montrose mother is angry at the state government over the axing of a TAFE course in Lilydale and Croydon for people with special needs.

She goes on to describe how her son, Tony McErvale, participates in that particular program run at the Lilydale campus. She was reported as saying:

Mr McErvale has attended certificate in general education for adults (CGEA) classes at Swinburne University of Technology in Croydon and Lilydale for several years. On 20 October he, along with the 41 other students, received a letter from Swinburne's access department informing him his course had been discontinued.

Swinburne's director of the school of social sciences, Robyn Jackson, said programs such as the CGEA class were better suited to the community sector.

'This was a decision made in response to a state government initiative "Securing Jobs for Your Future — Skills for Victoria" to refocus TAFE on vocational outcomes,' Ms Jackson said.

A program for people with disabilities offered through Swinburne has been axed because it is considered to no longer be appropriate or — probably — profitable for Swinburne to run. Now people with disabilities who accessed that program are being denied that opportunity. I suggest that this sort of story is just the start. I can see that TAFE institutions will have to cut their cloth pretty severely to meet some of the competitive demands that will be imposed on them with this skills reform package. As I said, what will happen is that the least attractive and therefore least profitable courses will be the first to go.

Another clear outcome of the skills reform program is the recent decision by Victoria University to close its Newport campus of TAFE. That means that 110 automotive mechanic apprentices who train in that facility will no longer be able to do so locally. With the campus closure, some of the spray-painting programs that are also run at that institute will be lost. The 110 or thereabouts motor mechanic students have been advised that if they wish to continue with their apprenticeships next year, they have to look for somewhere else. Their alternatives are to go down the road to the Gordon institute at Geelong or to the Kangan Batman institute campus at Coburg or — if they want to travel right across town — to transfer across to Box Hill or go to Ballarat. They are the four closest alternative training places for those young people. It will mean — and I am sure all the members representing the western region of Melbourne are concerned about this — that now in the western suburbs there will be no training whatsoever for students of automotive mechanics or spray-painting. That seems to be a shameful state of affairs when students who live in the western suburbs need access to such training facilities.

It has been suggested that the students drive over the West Gate Bridge to the Automotive Centre of Excellence that Kangan Batman TAFE is developing in the Docklands. It will not have the automotive section up in that development for some years to come. Meanwhile those young motor mechanic apprentices will, at considerable cost, I would think, have to use some of their \$220 — that is all they get each week as a first-year apprentice — to take public transport or their motor vehicle to Geelong, Ballarat, Box Hill or Coburg. They simply will not do that; many will drop out — and there is an indication that that is happening now.

It might be asked how this is related to the skills reform package. It is very much related because TAFE providers — and Victoria University is one of 18 in Victoria — will have to cut their cloth to meet the demands that the skills reform package will impose

upon them. It is disgraceful that this government has not consulted with and talked to Victoria University about that matter. If I were representing the western suburbs, I would be outraged at this decision, as I know Mr Finn is — and I am sure he will take it further.

Since this debate began, I noticed an article published in the *Age* of 23 September, which reads:

A state Labor MP has slammed the state government's overhaul of the TAFE system, saying fee increases will discriminate against poor and socially disadvantaged students. She said it will fail to fix key areas of skills shortage.

In a leaked letter to skills minister Jacinta Allan, outspoken backbencher Tammy Lobato issued a personal plea that the government she is a member of abandon its skills package. Ms Lobato argued that higher fees in many courses and HECS-style loans for students will act as a barrier to the most disadvantaged people, particularly women, studying at TAFE.

I say 'Hear, hear!' and 'Well done' to Ms Lobato for at least speaking out to her minister about this issue. The sentiments that have been expressed by and attributed to Ms Lobato in this article are the sentiments that I hold, as do I am sure my colleagues on this side of the chamber. It is not good enough. As I said, the government's response to the need for skills reform has been all smoke and mirrors, with it claiming to address the issue by throwing at it \$316 million that in reality does not have a hope of achieving the intentions and objectives, from even a pragmatic point or view. This is all a cruel hoax.

We see also in the TAFE sector that there is still no agreement with TAFE teachers on salaries. According to the skills document we will need at least another 900 TAFE staff and 500 support staff. Where will the government get them from, when TAFE teachers in Victoria are being paid \$13 000 less a year than schoolteachers? The government simply will not get them.

I have talked to some TAFE directors and managers from around Victoria. They are still confused about the implications of these reforms, including how they will impact on their operations. They are planning for 2009 with a high level of uncertainty, especially given that the huge fee increases will come in from 1 July next year.

It is appalling that today this government has refused to provide answers to the questions asked in a constructive way in this motion. I do not consider that we are any further down the track since I raised this on 10 September. We are probably deeper in the mire of confusion about how this whole package will be implemented. I am really disappointed that government members have not responded to the challenge to outline

clearly the answers to my questions, which were asked in a genuine way. It is extremely disappointing that the government has failed to respond to them in any meaningful way.

I hope many of the people on my left will concur with the sentiments expressed by their colleague Ms Lobato, because what she is reported as having said is what I feel, what I am sure many TAFE students feel and what I know certainly many teachers in the TAFE system feel. The outcome in this debate in terms of getting a response from the government has been very disappointing.

### House divided on motion:

#### *Ayes, 21*

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

#### *Noes, 18*

|                             |                                |
|-----------------------------|--------------------------------|
| Broad, Ms                   | Pakula, Mr                     |
| Darveniza, Ms               | Pulford, Ms                    |
| Eideh, Mr ( <i>Teller</i> ) | Scheffer, Mr                   |
| Elasmar, Mr                 | Smith, Mr                      |
| Jennings, Mr                | Somyurek, Mr ( <i>Teller</i> ) |
| Leane, Mr                   | Tee, Mr                        |
| Lenders, Mr                 | Thornley, Mr                   |
| Madden, Mr                  | Tierney, Ms                    |
| Mikakos, Ms                 | Viney, Mr                      |

### Motion agreed to.

## MANUFACTURING: INDUSTRY STATEMENT

**Mr DALLA-RIVA** (Eastern Metropolitan) — I move:

That this house notes that the 54-page document titled *Building Our Industries for the Future* is a compilation of previously announced government initiatives together with vague statements of future policy directions which took exactly 700 days to compile.

While I have previously read the document described in the motion it was interesting to review it in the context of this motion. Essentially it consists of re-announcements of previous government initiatives. Whether those initiatives have been successful or not, I think what we are finding is that the industry and in

particular the manufacturing sector has been looking for guidance for some time. We need to reflect on where this document emanated from, and the reason I have said in the motion that it took exactly 700 days to compile is that in this chamber on 21 December 2006 the then Minister for Industry and Trade indicated that he would be introducing a raft of measures through his ministerial statement on manufacturing and industry policy. In particular page 4 of that ministerial statement says:

To address the challenges in the manufacturing sector, the government will in coming months release and implement a number of manufacturing industry strategies and action plans including:

a Victorian manufacturing strategy ...

For those who have followed the saga of this issue, it is quite clear that we have been pushing for a manufacturing strategy. We in the opposition have been conscious of the importance of the manufacturing sector in this state. We see it as one of our key competitive advantages against any other state moving forward. However, the minister — I have to say, rather lazily — did not address these concerns.

In July the Australian Industry Group made a submission on the development of a new Victorian industry manufacturing strategy in which it implored the government to develop a range of initiatives. I will not labour too much on the statement that was proposed, the ministerial statement. The situation at the time was that the manufacturing sector was under enormous pressure, which it has been over a period of time, the Australian dollar was fairly strong against the US dollar and Victorian manufacturers were being overlooked, not necessarily by those overseas but by their own state government. I will go into some examples later.

As I said, I went through the Victorian industry and manufacturing statement, *Building Our Industries for the Future — Action Plans for Victorian Industry and Manufacturing*, which was released with much hoo-ha. Yesterday in question time we heard the Acting Minister for Industry and Trade gloating over the existence of this document. It is important to put this document in context. The main issue of concern for industry is the manufacturing sector, which is a significant sector in this state. What we see in what I will call the VIM — the Victorian industry and manufacturing statement — is a lacklustre compilation of previously announced initiatives, policy announcements or whatever you may wish to call them. It is important to note that page 2 says only ‘Message from the Premier and the Acting Minister for Industry

and Trade’ — that gets a whole page to itself. The message itself is on page 3. This shows the lengths the government has gone to try to filibuster this document. When you start to go through the document you will come to the executive summary. It says:

*Building Our Industries* is the next step by the Victorian government ...

The next step from what? The government has issued a ministerial statement talking about how it will do something. We have heard the Acting Minister for Industry and Trade, who is also the Treasurer, talk about how steps have been put in place. I guess he was pre-empting the release of this report. The government feels as if it has been doing a lot of things, but if I were a manufacturer in this state looking for the forward-looking outcomes that the government was hoping to deliver through the VIM, I would be sorely let down. It is just a rehash of what the government has already done, although some of the government’s claims about what it has already done are not necessarily true, which I will prove.

I will not go through the executive summary, because it is just a mishmash of what has occurred. The nuts of the glossy two pages of the executive summary is on page 5, which discusses the government’s action plan. In December 2006 the government said it would deliver an action plan, and it has been delivered. However, if you read the action plan, you will see that it talks about how the government has another plan for the actions it intends to take. It goes on and on. It is just spin doctoring. I have to say the government is an expert spin doctor. If you want to see where it has taken its model from, have a look at the Prime Minister, Kevin Rudd, who is engaged in the same process — and I will demonstrate that a bit later — regarding some of the federal inquiries that are under way, despite the fact that manufacturing is crying out for support.

Page 6 of the document is headed ‘Victoria’s industry and manufacturing story’. It talks about the importance of manufacturing and the historical issues, and I guess it is important to put it in context. Then on page 7 the document refers to the number of people who are employed in a variety of industry sectors. It talks about information and communications technology and telecommunications, tourism, biotechnology and pharmaceuticals, and education, all of which have their respective ministers, as well as defence, which is a federal issue. The sectors listed for which the industry minister is responsible are food, financial services, the automotive industry and aviation. Let us look at some of the stories behind that — for example, the food and automotive industries require a manufacturing minister,

but the Labor government removed the former Minister for Manufacturing and Export, André Haermeyer, who was previously the Minister for Police and Emergency Services. I have to say that he received some positive feedback. Although the minister was not factionally aligned with the current Premier, he worked with the right people in his role as minister.

**Mr Leane** — You are just making it up as you go.

**Mr DALLA-RIVA** — I draw Mr Leane's attention to the fact that André Haermeyer, the former Minister for Police and Emergency Services who was later Minister for Manufacturing and Export and Minister for Financial Services, was instrumental in removing the former Leader of the Opposition, who is the current Premier, in 1999 so that Steve Bracks, the former Premier, could have a go. The important role he played is no secret. He was not factionally aligned with the current Premier, which is probably the reason he has moved on to greener pastures.

*Honourable members interjecting.*

**Mr DALLA-RIVA** — The way members opposite play factionally is pretty obvious; they are more interested in the factions and who is in various positions than they are in supporting industry. Members on this side of the chamber are more interested in supporting industry, and that is why I find it fascinating that the financial services industry is featured on page 7. The government dumped the financial services minister, and it dumped the manufacturing minister and put in a Minister for Industry and Trade, who I have to say — even though he is not here at the moment — has failed to really deliver anything. Time and again there have been motions in this chamber demonstrating the lack of commitment he has shown, whether it be to the aviation industry, the manufacturing sector or the financial services sector. Strategies, plans and actions are all put out into the ether, but nothing has been delivered by this minister. It has taken the acting minister, the current Treasurer of this state, to do things.

Turning now to the major projects portfolio, for which Mr Theophanous also had responsibility, nothing has been delivered. Everything is going astray — the Melbourne Wholesale Fruit and Vegetable Market, the flower market and the fish market. They are the basics of what he should be doing under major projects. In fact there are very few major projects under his portfolio because, quite frankly, it is obvious that the government did not believe he was doing the right thing.

We are now in a situation where the Acting Minister for Industry and Trade has come in. He has been under

sustained attack since taking on the portfolio because, as he has realised, nothing has been done. What he has had to do is come up with a plan and a commitment. I guess he is lucky as Treasurer, because he can write himself a cheque for the industry. That is essentially what he has done. He has written himself a cheque and said, 'I can probably get it out of — — what is it, Treasurer's advance?'

**Mr Rich-Phillips** — Treasurer's advance.

**Mr DALLA-RIVA** — Treasurer's advance — Mr Rich-Phillips has helped me. The Treasurer has given \$244.7 million to a variety of different areas, and it is important to look at where that money is actually going in the industries that are seeking support.

We are up to page 7 of this document, and so far we have had an executive summary, lots of glossy pictures and one whole page dedicated to a message from the Premier and the Acting Minister for Industry and Trade. In case he cannot read it, that is one whole page of the 54-page plan of this government. It is very important the government has that one whole page there along with half a page of photos. The spin doctors are hard at work, and we think — —

**Business interrupted pursuant to sessional orders.**

## QUESTIONS WITHOUT NOTICE

### Budget: update

**Mr D. DAVIS** (Southern Metropolitan) — My question is for the Treasurer. Could the Treasurer confirm for the house that a whopping \$850 million in this financial year alone will be gouged from Victorian families through so-called own-sourced revenues and administrative variations to fill the hole in his mismanaged budget and that this \$850 million will come straight from the pockets of ordinary Victorians in higher fees, fines and charges for schools, students, public hospitals and motorists?

**Mr LENDERS** (Treasurer) — I thank Mr Davis for his question. We could spend hours describing what own-sourced revenue is, and I guess this is a case of the glass half empty — or the glass half full, to give you a different example. If Mr David Davis bothers to check the figures, he will find that own-sourced revenue goes to things that are extraordinarily successful, such as TAFE colleges getting more overseas students than they ever thought they would or VicRoads doing work over the border in New South Wales and making money for Victoria. He will see a lot of those types of things, including public hospitals treating private

patients and being paid for that by the health benefits funds. There are a range of things in that budget line.

The most significant thing I would say to Mr Davis is that we should have a serious discussion about budgets — —

**Mr Drum** — Yes, let's talk about it!

**Mr LENDERS** — Let us have a serious discussion about tax rates. If Mr Davis wishes to talk about gouging taxpayers, which is the word he uses, and if he wants to use a figure just to have some reflection on tax rates in this state — —

**Mr Drum** — Let's talk about regional Victoria and stamp duty!

**Mr LENDERS** — If we look at an issue like house prices and stamp duty, which Mr Davis and his loyal companion these days, Mr Drum — since the coalition parties have kissed and made up and are happy partners again — point to, we would find the average stamp duty and mortgage duty under during the Kennett government on a median house price for a principal place of residence were of the order of 4.5 per cent of the transaction cost. Under this government, as I speak, on a median house price for a principal place of residence, it is 4.17 per cent. Through prudent financial management over time this government has increased services so that we have 1400 more police, 8000 more nurses, 8000 more teaching staff and 2000 more doctors. We have quadrupled expenditure on infrastructure, and on a measure that I have just used the actual burden as a percentage has gone down by one-tenth.

Before Mr Davis talks of gouging he should reflect on the fact that he was one of the infamous members of this house who voted to increase land tax rates from 3 to 5 per cent under the Kennett government. He was one of the infamous group that voted to include superannuation in payroll tax — and therefore gouged small business over that — along with a litany of other areas where taxpayers were gouged. What did the taxpayers get for it? Slashing, burning, schools cut, hospitals closed, schools closed, teachers sacked and a lot of misery.

This government will continue to manage its budget prudently. In cooperation with the commonwealth we will deliver the services Victorians expect and we will build on infrastructure, because they are the things that make this state a much better place to live, work and raise a family.

*Supplementary question*

**Mr D. DAVIS** (Southern Metropolitan) — I thank the Treasurer for his answer and note that in effect he confirms he will gouge \$850 million of additional taxes and charges this year and every year into the future. I therefore ask him what his economic strategy is when this massive increase in taxes runs totally counter to the need to put more money into the pockets of ordinary people and consumers as growth slows and unemployment rises?

**Mr LENDERS** (Treasurer) — If Mr Davis actually bothered to read the budget papers and bothered to read the midyear budget update — —

**Mr Pakula** — Too much like hard work!

**Mr LENDERS** — Mr Pakula is correct — too much like hard work. If he did so, he would find the state of Victoria has injected \$5.9 billion in economic stimulus from the budget and onward measures.

If you talk about capital works, if you talk about drought relief and if you talk about the various other things that the state of Victoria has put into place since the budget, you will see there has been an economic stimulus. If Mr Davis had bothered to read the budget and the overview, he would have seen that we were forecasting that growth would slow. The slowdown has been steeper than we predicted, but we forecast that growth would slow. As a consequence of that economic stimulus and as a consequence of the budget, we have seen a \$300 million injection in skills and a \$300 million injection in innovation. We have seen injections into the economy from an industry statement and we have seen drought relief going forward. We have seen collaboration with the commonwealth and we have seen capital works which are fourfold the works undertaken when Mr Davis's party was in government.

We have a strategy: it is about building on the skills of our workforce, investing in infrastructure and making this state competitive to attract business to this state. That is what we are doing. If Mr Davis is saying that he wants us to further cut taxes now, then he needs to explain: does he want the taxes cut or does he want the infrastructure? Does he want a deficit or does he want a surplus? He cannot be all things to all people. His economic strategy is Kim Wells, the member for Scoresby in the Assembly, and that would have me worried.

**Questions interrupted.**

## DISTINGUISHED VISITORS

**The PRESIDENT** — Order! I wish to draw to the attention of the house our guests today, who are part of a delegation from China. The 17th delegation from the International Department of the All-China Youth Federation under the Asia Pacific Economic Cooperation banner is led by Ms Wang Lei.

**Questions resumed.**

### Budget: update

**Mr ELASMAR** (Northern Metropolitan) — My question is also to the Treasurer, John Lenders. Can the Treasurer advise the house of the midyear financial outcomes of the Victorian budget sector?

**Mr LENDERS** (Treasurer) — I thank Mr Elasmар for his question, which asks what the outcomes for the Victorian budget sector were for midyear. I am delighted to report to the house that we have forecast in the midyear budget update a surplus of the order of 1 per cent of revenue going forward and operating for the next four years into the forward estimates.

In the May budget we were forecasting a surplus of double that amount, so these are revised surpluses on the finances of the state to go forward. The reason we can do this is that despite the decline in stamp duty revenue from a slowing market and a net reduction in state revenue — —

*Honourable members interjecting.*

**Mr LENDERS** — We have just heard some fascinating interjections here, but what I will say to the house is that our forecast target was a surplus of at least 1 per cent. We had 2 per cent at budget, and that was to deal with a buffer if the economy slowed. It has slowed. Of course at budget those opposite wanted us to spend that all on their pet projects when they were being all things to all people.

We have maintained a buffer, a surplus, as we committed to, and of course every cent of that surplus goes into next year's schools, hospitals, roads and transport. In the budget this year we forecast a slowdown and made provision for it. As Mr Elasmар knows, because he listened to the answer I gave before to David Davis, that has meant we have been able to go forward and invest in the state by delivering services and delivering infrastructure in constrained economic times.

The global economic situation has affected all the developed world; it has affected probably Canada and

Australia less than other parts of the developed world, but it has affected everyone. We are forecasting growth into the future at a slower rate. But the financial figures Mr Elasmар specifically asked about today show continued surplus, which was our buffer. That will go into capital works for next year and the year after, which is important not just to deliver services to Victoria for the long run but also to help stimulate jobs as those projects are built.

It is worth noting that some of those projects are controversial and not easy. David Davis asked before our what economic plan is. It is hard to build a desalination plant, but a desalination plant means we are waterproofing Melbourne, South Gippsland, West Gippsland — a lot of Victoria — for a period of time, and not just waterproofing — —

*Honourable members interjecting.*

**The PRESIDENT** — Order! I know it is the last sitting week, but we still have standards to maintain. Those standards mean it is unsatisfactory for Mr Pakula to call out across the chamber. While I am on my feet I remind the house that eating in the chamber is inappropriate.

*Honourable members interjecting.*

**Mr LENDERS** — You have truly stolen my thunder, President. In concluding, a desalination plant not only waterproofs much of Victoria in a time of climate change, it also creates 3300 jobs during the construction phase — jobs for Victorian families.

**Mrs Petrovich** interjected.

**Mr LENDERS** — Mrs Petrovich might not care about 3300 jobs for Victorians at a time of global slowdown, but I do care. This government cares, and that is why we are building infrastructure projects for the future which deliver jobs today.

*Honourable members interjecting.*

**The PRESIDENT** — Order! If someone wants a break for early lunch, they will get it. That is my last warning.

### Budget: update

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — My question is to the Treasurer. Given that total revenue is forecast to increase by just \$160 million compared to the May budget, why has the Treasurer allowed expenditure to blow out to \$600 million over budget over the same period?

**Mr LENDERS** (Treasurer) — I thank Mr Rich-Phillips for his question. Mr Rich-Phillips loves these papers. He got quite excited when they were tabled this morning; they obviously made his day. What I will say to Mr Rich-Phillips —

**Mr D. Davis** — Were you disappointed when he read them?

**Mr LENDERS** — No, I am delighted Mr Rich-Phillips has read them. It is pleasant that someone reads them from cover to cover and makes a comment on the documents. Whatever else I will say about Mr Rich-Phillips, he does read his material and he is assiduous about it — he reads it. We might disagree with interpretations, but I will give him credit, he actually reads it, unlike others on the front bench opposite.

Mr Rich-Phillips talks about the issue of revenue versus expenditure. As Mr Rich-Phillips well knows, there are two things. Firstly, we have seen adjustments to revenue in the midyear budget update. Some of those adjustments have been made because state revenue has gone down, such as conveyancing duties, and revenue has gone up in other taxation areas — for example, payroll tax, land tax and other areas. There is a net offset or reduction in own-sourced revenue. There is obviously a reduction in revenue from the commonwealth through the goods and services tax, which is a direct correlation with the declining Australian economy. There are also offsets in a number of other areas.

To talk about revenue and offsets, we need to look at the whole picture. The commonwealth obviously gives money to the state at various times for various projects. At one particular time you may have the commonwealth giving money to the state — to use a recent example, for the first home buyers boost, which is a great stimulatory project from a Labor government to help the housing industry. The state of Victoria then needs to spend it over a period of time. These reports sometimes show an injection of revenue from the commonwealth, and the expenditure comes in at another period of time. At other times they show the expenditure from the state where the two do not correlate; it goes two ways.

What we see is a strong budget, a budget which is in surplus. There are adjustments to both revenue and expenditure, whether they be own-sourced revenue, whether they be commonwealth revenue, whether they be commonwealth pass-throughs, whether they be sales of goods and services or whether they be any of the other measures we use in a budget. But the bottom line

is unequivocal. The operating surplus for the state of Victoria is there. It is 1 per cent of budget surplus, which is money that next year will go into schools, roads, hospitals and other important infrastructure this state cries for in its development. Secondly, it will stimulate jobs growth in the interim.

*Supplementary question*

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — I thank the Treasurer for his response. Given that annual budget revenue is forecast to grow at just 1.6 per cent over the year while expenditure is forecast to grow at nearly 5 per cent, can the Treasurer assure the house that this is sustainable?

**Mr LENDERS** (Treasurer) — I can assure Mr Rich-Phillips that the budget is sustainable; obviously it is. This government has been committed to a budget operating surplus from day one. We have delivered it in nine budgets. The midyear budget update contains the forward estimates for the rest of this year and for future years, and that operating surplus will continue going forward. Mr Rich-Phillips asked if it is sustainable. We cut our cloth to suit what is in place. We obviously do. We believe in budget surpluses. They are important to build for next year and be the buffer. That is what this government's position has been all along.

We have seen revenue in some areas weakened and in other areas strengthened. What the Premier and I have both said is that it is our intention to operate surpluses. Over the last several weeks in Parliament the opposition has asked questions about there being a surplus and about bringing the budget update forward. If I recall, in asking about the budget update Mr Rich-Phillips and Mr David Davis asked what we were hiding.

The budget update is due on 15 December, after this Parliament has risen for the summer recess. We have brought the midyear budget into a parliamentary sitting week where there is scope for question time after question time. This is open, transparent and accountable. If we were hiding anything or concerned about anything, this would have been tabled on 15 December, which is what the Kennett government used to do when there was no Parliament sitting to scrutinise those reports. We are here for scrutiny. It is out there; it is sustainable. It positions Victoria in a good place at time of global economic uncertainty. Things are slower than we thought they would be in the budget, but we continue to have growth and we continue to have a budget that is strong enough to deliver all the services we need and deliver the

infrastructure into the future that Victorians need and demand.

**Budget: update**

**Mr SOMYUREK** (South Eastern Metropolitan) — My question is also to the Treasurer and it is also about updated budget figures. Can the Treasurer advise the house of any updated forecasts for the Victorian economy?

**Mr LENDERS** (Treasurer) — I thank Mr Somyurek for his question. This is a bit of a budget day. Yesterday we had industry day; it is budget day today, so I am delighted. I hope all 10 questions are on the midyear budget update —

**Mr Jennings** interjected.

**Mr LENDERS** — My colleague Mr Jennings would like some questions, but I am excited that they are all coming to me at the moment.

Mr Somyurek asked about the forecast for the economy. This is one of the most difficult questions for a minister to answer. A couple of weeks ago I spoke at the inaugural meeting of the Australasian conference of statisticians. I am sure that not many people in this room have spoken at a conference of the Australasian society of statisticians, but what was fascinating about the conference was learning about how to get a correct analysis of statistics. We can see the lag indicators of economies quite easily. Yesterday we saw the figures — and Mr Somyurek would have seen them — showing that retail sales for the month were up from the same period last year. It is a great measure of consumer confidence. Normally you would expect them to be higher than they were, but they were up.

Last week we saw — almost counterintuitively to the debate — that motor car sales were up on the same month last year. We saw an annual decline of more than 6 per cent, but we saw a month-on-month, year-on-year increase in motor vehicle sales.

We know — and I am answering Mr Somyurek — where the statistics are. We know there is a big issue around business confidence; we know there is a big issue around consumer confidence. If we look at the average Victorian family with a standard mortgage with our largest bank, we see there are now savings per month of \$633 from cuts in mortgage rates, cuts in petrol prices and income tax cuts from the commonwealth government compared with mid-July. For an average Victorian family with an average mortgage, the savings since 14 July are now \$633 a month.

Coming to Mr Somyurek's question about how we forecast it —

**Mr Guy** interjected.

**Mr LENDERS** — Mr Guy, I am not taking credit for any of this.

**Mr Guy** — You are.

**Mr LENDERS** — Mr Somyurek asked what our forecasts are. I am responding to Mr Somyurek and saying that one of the critical issues of forecasting is measuring business and consumer confidence. One measure we know is happening is that for an average Victorian family, because of a combination of federal government policy, international movements and a range of other matters, we are seeing \$633 a month less in costs because of changes since 14 July, regardless of who is responsible for them.

The relevance of that is that when we are forecasting, when consumer confidence kicks in is clearly a critical part of how we forecast. Four hundred and seventy statisticians will argue about what forecasts are, but what the Victorian Treasury is predicting is that we will have gross state product growth of 1.5 per cent over the next year, whereas previously we forecast 3 per cent over the next year. We are forecasting slower growth into the forward estimates period. We are continuing to forecast growth in employment. Our forecast of 1.5 per cent is down to 0.5 per cent, but we are forecasting continued growth in employment.

A range of these statistics are in the midyear budget update. In response to Mr Somyurek, there are brand-new statistics out. The opposition has been calling for them for months. They are out there; they are on the table. They are the Victorian Treasury's statistics, which I have signed off on, about where we are going forward. The significance of that is that the economy is slowing, but it is continuing to grow.

Australia and Canada are unique. Victoria is well placed in Australia because of the investment in skills, the investment in infrastructure, the business competitiveness of the state and the skills of our workforce to do this. It is a long answer to Mr Somyurek's question, but the data is out there in the midyear budget today. Forecasting is always difficult, but Treasury is forecasting growth into the future albeit at a slower rate than it was previously.

**Premier: National Press Club speech**

**Mr ATKINSON** (Eastern Metropolitan) — My question is also to the Treasurer, so he is on track.

Could the Treasurer advise the house if he or his department supplied the figures on GST revenues and the theoretical tax collection that Premier John Brumby used in his address to the National Press Club of Australia in which the Premier asserted that Victoria had been disadvantaged by the GST and in fact was \$4.2 billion the poorer between years 2000–01 and 2008–09?

**Mr LENDERS** (Treasurer) — I thank Mr Atkinson for his question. It is a very good question. I will say one thing about our Premier speaking at the National Press Club of Australia: our Premier is one of the greatest leaders we have had in a long time, not just in Victoria but in Australia. It is not just me, his successor as Treasurer, saying that. And it is not just the 19 members of the Labor Party here saying that. That is basically any serious commentator in this state. Anybody who goes around boardrooms in this state or goes around community groups in this state knows the Premier is prepared to make hard decisions for the long term and has a greater knowledge of the economy than anybody opposite.

Mr Atkinson asked about the figures the Premier used at the National Press Club of Australia for the GST. One thing we need to remember here is the context. Mrs Coote's great friend and former federal Treasurer, Mr Costello — she was his electorate chair for many years — used to talk of rivers of gold. His acolytes opposite, whether they are in his faction or not, continue to talk about rivers of gold from the GST. I give credit where credit is due. The Commonwealth Grants Commission is starting to remove many of the historic anomalies from the GST and Victoria is getting a fairer share than it did, so I give credit where credit is due. The Commonwealth Grants Commission is making those adjustments and the burden of subsidising the smaller states is progressively being shared not just by Victoria and New South Wales but also by Western Australia and Queensland.

However, having said all that, the GST was presented as a nirvana where the states would be much better off. Deregulating the economy has made the economy grow, but if you looked at the income lines — for example, the revenue from marketable securities, non-marketable securities and a range of other areas that state government forfeited in lieu of the GST — and extrapolate that revenue directly across, and there is a legitimate argument over what happens in changed economic conditions, and I concede that, from any state or territory Treasury, and I assume from the commonwealth as well but I am only assuming that, you would find that the states and territories would have more revenue if the change had not happened.

Having said that, there is an argument that the deregulation of the economy has encouraged growth, and I concede that argument. However, every Treasury would forecast that if you brought back the stamp duty on the buying and selling of shares — let me assure you, President, that there has been a bit of buying and selling of shares over the last year or two in this state and other places — it would go up, but that is the nature of the combination. Technically I have answered Mr Atkinson on that.

More deeply, what the Premier has said is unequivocal. Victoria has led the way on reform to grow our economy, and it is no coincidence that our economy is growing strong, because we have done the hard work. We have done the hard work with skills, which the opposition parties have all had issues with today; they have all been commentators and had a whinge about it. We make the hard decisions on skills because we want 172 000 more Victorians to be trained. Unashamedly we want more Victorians to be skilled, because it grows our economy. The four opposition parties have issues with it, and they are entitled to have issues, but that is leadership. That means we want human capital to be developed. We want our workforce to be skilled. We want to have the highest number of apprentices. We want to have the best skilled workforce, and we want it to grow.

Similarly, what the Premier will say is that the commonwealth should reward states when they undertake these initiatives, so we do not get to the weaselly effort of the Howard federal government where the states were rewarded under national competition policy. They were told, 'Reform all these areas to grow the economy and we will give you money for it', and suddenly the federal government took the money back and put it into pet projects in marginal seats. That is what the Howard government did. What the Premier is saying is the rivers of gold need to be qualified. There are pluses and minuses out of these arrangements, but let us not forget the fact that if it were unchanged — —

**Mr D. Davis** — Where did the figures come from?

**Mr LENDERS** — David Davis asks, 'Where did the figures come from?'. If he had listened to me before rather than interjecting, he would have heard me say every single state and territory Treasury agrees that uninterrupted that would have happened. I put the qualifier on it because we need to measure the economic conditions, but a straight extrapolation shows that is clearly the case. However, the more fundamental area the Premier raised is if a state reforms to grow the economy and boost people's skills, the commonwealth

should reward it. We should not hide behind the Peter Costello nonsensical rhetoric of rivers of gold. They are not there, and we need a balanced debate on this. I back the Premier 110 per cent. I wish he would go to the national press club even more often and maybe talk some more sense to other states and territories and around the area.

*Supplementary question*

**Mr ATKINSON** (Eastern Metropolitan) — The problem with the figures used by the Premier at the national press club is they used a time frame which was fudging the figures, as the *Australian* would say — in other words, the figures were manipulated. The federal government has also rejected the calculation put forward by the Premier, Mr Brumby. Therefore I ask: is the Treasurer in a position to say that the federal government, the *Australian* and all the economic commentators who assessed Mr Brumby's speech are wrong and the Premier and the Treasurer's own figures, given that he has supported them, are right?

**Mr LENDERS** (Treasurer) — What I will unashamedly and unequivocally say is the Premier, myself and every member of this government support Victoria having a better share of revenue. We are not apologists for Peter Costello. We want a better share of revenue. What I would hope is that opposition members would start barracking for Victoria, start wanting more revenue for Victoria, and not spend their entire lives reading Peter Costello's memoirs, reliving the rivers of gold and defending the outcome Peter Costello gave Victoria. We want a better share for Victoria. We can do a lot with it in Victoria. The opposition needs to get over it, stop apologising for Peter Costello and start standing up for Victoria.

**Planning: Armstrong Creek development**

**Ms TIERNEY** (Western Victoria) — My question is for the Minister for Planning, Justin Madden. Geelong is an important regional centre to the state of Victoria and is experiencing significant levels of population growth. Can the minister advise the house of the Brumby Labor government's actions to make sure Geelong accommodates this growth in a sustainable and responsible way?

**Hon. J. M. MADDEN** (Minister for Planning) — I welcome Ms Tierney's interest in this matter. I know she is very enthusiastic about the announcement the Premier and I made quite recently. It was a particularly important announcement for the Geelong region, and not only Geelong but also other areas of Victoria which rely so heavily on Geelong as a major centre. I had the

good fortune, with the Premier, John Brumby, to announce the major, in a sense master, plan for the Armstrong Creek development on the other side of Geelong.

This is a great announcement, because we have confirmed that the urban growth plan has been approved. As well as that, the Premier announced that we will apply what is known as the urban growth zone at Armstrong Creek, which is the first time this has happened in regional Victoria. This will assist in ensuring that land is brought to market more quickly. When you can bring land to market more quickly rather than have a cumbersome approach to the way it is rezoned, that ensures that the price of the land and the holding costs come down. We also know that when developers have to hold onto land for much longer than they would like, often that cost is passed on to the consumer. In this case we believe this will assist with affordability, the diversity of housing and in housing choice right across the board.

We have seen enormous growth, enormous development in Geelong. We will continue to see that growth. On the basis of yesterday's Victoria in the Future figures, we will also see that growth spread right across regional Victoria, but we are seeing a lot of it concentrated not only in the major centres of Melbourne and Geelong but also on the periphery of those centres.

This is a great announcement for the locals. Why would you not want to live in the likes of an Armstrong Creek area? I know there are members of this chamber who live in close proximity to it. You are close to central Geelong with the services, you are close to the western parts of Victoria so you have all those choices in terms of lifestyle and friends, and you have also got great surf down there. Looking at the other side of the chamber, I do not think there are too many surfers on that side — they do a different sort of surfing. However, if you live in that part of the world or you want to take up the opportunity to live in that part of the world, it is a great lifestyle choice. It is accessible to services, major centres and major transport routes. This is a great announcement. It will be a great buffer for those looking to acquire affordable housing in the region.

The good news does not stop there. Armstrong Creek will accommodate of the order of 50 000 people. That is about 20 000 jobs and of the order of 20 000 households. We look forward to seeing this new suburb developed. We look forward to seeing it add to the vibrancy and economic prosperity of the region to make sure that we continue to make not only Geelong

but Victoria the best place to live, work and raise a family.

**Melbourne Central City Studios: financial arrangements**

**Mrs KRONBERG** (Eastern Metropolitan) — My question is directed to the Acting Minister for Innovation. I refer to his decision to resume control of the Docklands film and television studios and to allow the Melbourne Central City Studios group to walk away from its contractual obligations to the state of Victoria. Given the specialised and creative nature of movie production, will the minister explain what qualifications he and his department have to produce films and why a further \$15 million has been allocated to prop up the faltering film and television studio in today's budget update?

**Mr Viney** — On a point of order, President, I refer you to the standing orders that deal with raising questions on matters that are currently on the notice paper, and I refer to the fact that today's notice paper contains an opposition general business motion relating to the film studios. I ask you to rule whether the question is in fact a breach of that standing order.

**Mr D. Davis** — On the point of order, President, I put it to you that there is no point of order because a budget update has been tabled today which contains specific figures, and the question is around the figures that were provided there.

**Mr Atkinson** — Further on the point of order, President, in my understanding that the standing order refers to anticipation of legislation. A matter listed on the notice paper as part of opposition general business is not legislation.

**The PRESIDENT** — Order! On both the original point of order and the subsequent points I refer the house to standing order 12.18, which deals with anticipating discussion. It states:

A member may not anticipate the discussion of a subject listed on the notice paper ...

This matter is listed on the notice paper — I think it is matter no. 3 — to be discussed later this day. On that basis I am of the view that the question is out of order. I have tried to think of a way to give the member some latitude to rephrase it, but the fact is that the whole subject is to be discussed later today, and therefore I am unable to do that. I rule the member's question out of order.

**Information and communications technology: government initiatives**

**Mr THORNLEY** (Southern Metropolitan) — My question is for the Acting Minister for Information and Communication Technology. Could the minister inform the house of how Victoria's ICT (information and communications technology) sector is contributing to the state's export performance amidst an international economic climate of uncertainty?

**Mr JENNINGS** (Acting Minister for Information and Communication Technology) — I thank Mr Thornley for the question. I am glad his question was next after the previous question, which I did not have an opportunity to answer because the President's ruling, quite correctly, prevented me from doing so. I can foreshadow to the house that I am happy to address that matter at the proper time according to the notice paper for today. There will be a slight delay in gratification for the chamber in relation to having that matter addressed.

Mr Thornley has provided me with an opportunity to talk about another important part of the Victorian industry base, the information, communications and technology sector, which plays a very significant role within the Victorian economy. The sector creates something of the order of \$24 billion worth of annual economic activity in Victoria, and 84 000 people are employed in it. It generates significant revenue in terms of our export potential and makes a real contribution to the economy. Indeed, as a proportion of the Australian ICT effort, we comprise somewhere of the order of 34 per cent of the national effort.

This sector has grown during the life of our government. There have been more than 12 000 additional full-time employment places within the sector, and we have seen significant investment from the private sector with more than \$1.7 billion worth of economic activity. As part of last week's statement, *Building Our Industries for the Future*, we identified the requirement for ongoing support for this sector, so a significant part of the investment package of \$245 million announced by the Brumby government is to make sure that we continue to drive investment and job opportunities in the ICT sector.

We do that in a variety of ways, including building on our skill base and making sure the skill capacity within our community is rising. More than \$1.8 million was allocated to provide additional support to drive a competitive ICT skill base. We also understand that we need to build on the major successes we have had in supporting the Victorian ICT industry to get exposure

through trade missions and trade shows where there is an opportunity to showcase its work and build market opportunities. That has been a very successful program. We have added to that program with an additional \$3 million. In the last couple of years more than 254 grants have been provided through the program, hopefully leading to a potential investment of about \$227 million worth of economic activity coming to Victoria. We can actually see the value of adding to that program, which we have been very happy to support.

We understand that Victorian businesses want to make sure, in terms of web-based opportunities and communications, that when people go to their web browsers they can find those businesses. We understand there is an important benefit in supporting the growth in new internet provider access so businesses can be found on the internet and can extend their locations, so that as their businesses grow — and their important economic activity — they contribute to the economic wellbeing of this community. We want to assist companies in moving to the next iteration of internet protocol version 6 to enable those businesses to grow and have additional addresses to support their growth.

We understand that there are many reasons to celebrate the great capacities and talents in the ICT sector, so additional funds of more than \$500 000 will be provided to support industry awards and create a hall of fame for those who have shown the way in terms of showcasing what Victoria can do. We have already put in place many programs, including the fibre link connections which Mr Vogels asked me about recently because he recognises the importance of rolling out that network throughout Victoria. That \$25 million is also supported by \$15 million going to the Collaborative Internet Innovation Fund. We understand that there are reasons to provide that infrastructure, to provide that support and to provide incentives for small and medium-size enterprises through the innovation statement and how to harmonise that with *Building Our Industries for the Future*. We understand the great contribution of the ICT sector now and into the future to the wellbeing of our community to make sure we are tapped into global economic trends so that we seize those opportunities and are an open economy.

The ICT sector will be an essential part of Victoria's future in industry and is something the Brumby government was very happy to support significantly in last week's *Building Our Industries for the Future* statement.

### Hazardous waste: Tullamarine

**Ms HARTLAND** (Western Metropolitan) — My question is for the Minister for Environment and Climate Change. It is in regard to the Tullamarine toxic tip, especially the cap. The design of the cap for this site was considered and approved during a works approval process in 2001. The community members of the Tullamarine landfill rehabilitation advisory group believe the cap is old-fashioned and will prove to be inadequate. Considering everything that has happened since 2001, especially the disaster at Brookland Greens, I would have thought there might be new technology that could be used to make this site safer. My question is: what is the minister going to do to keep the community safe into the future and to make sure the design of the cap accords with world best practice?

**Mr JENNINGS** (Minister for Environment and Climate Change) — There is an implied challenge in Ms Hartland's question: am I modern or old-fashioned? It is my intention to be as modern as I possibly can in terms of uniting my responsibilities as both Minister for Environment and Climate Change and Minister for Innovation. She has thrown out a challenge for me to make sure the Environment Protection Authority works with the local community to ensure that environmental protection standards are met now and into the future in cooperation with the company that operates that location. I understand this is something that exercises greatly the minds of the local community, the Environment Protection Authority and Transpacific, which owns the facility. She knows that; I know that. The community understands we want to continue to be conscious of making sure any application of environmental standards satisfies current or emerging environmental protection standards.

Whilst I do not have the technology with me in the chamber today or know what the technical solution to the issue may be, I can give her and the community an assurance that I am keen to see what is possible and what may be achieved on this site, to support the company to reach an understanding about the appropriateness of that technology and to make sure that the EPA provides a regulatory framework that supports its best application.

#### *Supplementary question*

**Ms HARTLAND** (Western Metropolitan) — The Environment Protection Authority refused to meet with the community groups in September this year. What does the minister intend to do to make the EPA meet with the community to address the issues? Over a two-month period the community group has asked

some 15 questions and requested some 10 documents, which the EPA has refused to answer and supply.

**Mr JENNINGS** (Minister for Environment and Climate Change) — I will talk to the Environment Protection Authority about the most appropriate way for it to engage effectively with the community. As the member knows, I have a track record of personal involvement in these matters when they prove to be intractable. I attended the meeting between the company and the EPA when the company announced its decision to close. If necessary, I will do so again. I am hoping my personal intervention is not required at every instance; however, I always have that opportunity in reserve. I hope there will be a meeting of minds that means that will not be necessary, but I will see how it goes.

**Information and communications technology: manufacturing and industry statement**

**Mr SCHEFFER** (Eastern Victoria) — My question is to the Acting Minister for Information and Communication Technology, Gavin Jennings. Can the minister explain to the house how the Brumby Labor government's *Building Our Industries for the Future* statement will further strengthen Victoria's thriving information and communications technology (ICT) sector?

**Mr JENNINGS** (Acting Minister for Information and Communication Technology) — Deputy President, I know you might think that is a similar question to the last question I answered from a government member. There is a high degree of similarity in terms of the concepts, but I want to restate how important the information and communications technology sector is to the state of Victoria and to note the degree of support the Victorian government has provided.

We know this is a growth industry; we know there is \$24 billion worth of economic activity, of which export activity is an important part. What does that mean in the context of ICT services? Victorian companies are developing expertise in software applications and hardware, which is being picked up around the globe by ICT providers to give them better information services, better communication and better education, such as the example I am about to share with the chamber.

Last week I had the good fortune of being present at a new agreement between Victorian-based company Acryn and Intel, one of the world's largest ICT companies, which will see the rollout of software that has been developed by Acryn in Victoria as it is picked up by the school sector in the United States. This

important program will extend the 'knowledge community' concept which has been developed by Acryn. It will be taken up by schools in the US, in the first instance in the state of Oregon.

*Honourable members interjecting.*

**Mr JENNINGS** — I am grateful, Deputy President, for the opportunity to engage with you and the members on the other side about the importance of this work. The state of Oregon has had the good sense to pick and apply the knowledge community concept in 1200 schools throughout Oregon. There is also the prospect that this technology will be picked up by the state of Alabama and then, at the rate it is going, hopefully permeate the school system right across the US. That represents some US\$35 million worth of US activity, which is the equivalent of A\$55 million at this point in time — that is the most recent currency rate — that has been generated and brought back to support Victorian endeavours.

I congratulate Cameron Clark, who is the chief executive officer of Acryn. He has shown great leadership and capability in his Victorian-based company. Great technology is being picked up around the world, and we should be proud of that capability in the Victorian community. We have people who are capable of producing technology of the highest order internationally. That has been shown by the success of Acryn's partnership with Intel in delivering this technology to the US school system in Oregon.

**QUESTIONS ON NOTICE**

**Answers**

**Mr LENDERS** (Treasurer) — I have answers to the following questions on notice: 3740, 3742, 3743, 3747, 3749, 3750, 3754, 3756, 3757, 3761, 3763, 3764, 3768, 3770, 3771, 3775, 3777, 3778, 3782, 3784, 3785, 3789, 3791, 3792, 3796, 3798, 3799, 3803, 3805, 3806, 3810, 3812, 3813, 3817, 3819, 3820, 3824, 3826, 3827, 3831, 3833, 3834, 3838, 3840, 3841, 3845, 3847, 3848, 3852, 3854, 3855, 3859, 3861, 3862, 3866, 3868, 3869, 3873, 3875, 3876, 3880, 3882, 3883, 3887, 3889, 3890, 3894, 3896, 3897, 3901, 3903, 3904, 3908, 3910, 3911, 3915, 3917, 3918, 3922, 3924, 3925, 3929, 3931, 3932, 3936, 3938, 3939, 3943, 3945, 3946, 3950, 3952, 3953, 3957, 3959, 3960, 3964, 3966, 3967, 3971, 3973, 3974, 3978, 3980, 3981, 3985, 3987, 3988, 3992–4, 4009, 4011, 4012, 4016, 4018, 4019, 4023, 4025, 4026, 4030, 4032, 4033, 4037, 4039, 4040, 4043, 4045, 4046, 4050, 4052, 4053, 4057, 4059, 4060, 4064, 4066, 4067, 4071, 4073, 4074, 4078, 4080, 4081, 4085, 4087, 4088, 4092, 4094,

4095, 4099, 4101, 4102, 4632-4, 4638-41, 4645-8, 4652-5, 4659-62, 4666-69, 4673-6, 4680-3, 4687-90, 4694-7, 4701-4, 4708-11, 4715-8, 4722-5, 4729, 4807-9, 4813-6, 4820-3, 4827-30, 4834-7, 4841-4, 4848-51, 4855-8, 4862-5, 4869-72, 4876-9, 4883-6, 4890-3, 4897-900, 4904-7, 4911-4, 4918-21, 4925-8, 4932-5, 4939-42, 4946-9, 4953-6, 4960-3, 4967-70, 4974-7, 4981-4, 4988-91, 4995-8, 5002-5, 5009-12, 5016-9, 5023-6, 5030.

**Ms HARTLAND** (Western Metropolitan) — I draw attention to the extremely overdue answer to question 1068, which was submitted on 11 March and to which I still do not have an answer. I have faxed a request for it.

**The DEPUTY PRESIDENT** — Order! Has Ms Hartland written to the minister?

**Ms HARTLAND** — I have. I have completed all the steps.

**The DEPUTY PRESIDENT** — Does the member know which minister is involved?

**Ms HARTLAND** — Minister Jennings.

**Mr JENNINGS** (Minister for Environment and Climate Change) — Question 1068 is not mine, but it goes through me. As Ms Hartland knows, I have raised this matter with the relevant minister. I will do so again at her instigation, and we can all hope the answer to question 1068 will emerge at the earliest opportunity.

## MANUFACTURING: INDUSTRY STATEMENT

### Debate resumed.

**Mr DALLA-RIVA** (Eastern Metropolitan) — I refer to the motion before the chamber:

That this house notes that the 54-page document entitled *Building Our Industries for the Future* is a compilation of previously announced government initiatives together with vague statements of future policy directions, which took exactly 700 days to compile.

The last thing I referred to was the message from the Premier and the Acting Minister for Industry and Trade which is shown on page 2 — a big, glossy half-page message containing 12 words. It is important because this is part of the future of manufacturing and industry in this state. We then have the glossies, as I indicated earlier. I know that the Acting Minister for Industry and Trade said that the number of pages in the document is not an indication of its depth — or words to that effect — but as you go through the 54 pages you are

looking for some form of substance, not a rehash of information.

Earlier I was looking at pages 6 and 7 and talking about information and communications technology and telecommunications. I think I was talking about the former Minister for Manufacturing and Export, André Haermeyer. He is a man I used to have challenges with in terms of our other portfolio responsibilities, but he did generate some level of support. I know people in the manufacturing sector thought that he at least had the drive to move forward and to understand some of the issues.

We know that it has taken the demise of the current minister, Mr Theophanous, who has taken leave of absence, for the Acting Minister for Industry and Trade, who is also the Treasurer of this state, to actually progress this plan. We have been calling for it for many days now. In fact it is 700 days since the government initially promised to release some form of manufacturing and industry plan. I do not know whether it is through good planning or just plain luck, but it has taken exactly 700 days from when this was announced to when it was compiled. I say 'compiled' in the motion because the document itself is not really forward looking. As I said, it rehashes a lot of historical events. Pages 6 and 7 talk about some of those areas.

Page 8 is headed 'Dynamic and evolving'. Again we have a glossy heading. The first paragraph talks about services. The second paragraph talks about manufacturing as important, and obviously we agree with that. However, if you look at the performance of manufacturing index from the Australian Industry Group for November 2008, it shows, not surprisingly, that under this government Victoria is ranked the second lowest, after Tasmania.

There will be comments made by the government about the resource-boom states. New South Wales leads in the index, then we have Western Australia, Queensland, South Australia and Victoria, with Tasmania at the bottom. Victoria is notable not only because it is the second lowest in the country but also because it is significantly low against the measure. The measure is 31.4. What does that mean? It says here in the notes:

An Australian PMI reading above 50 points indicates that manufacturing is generally expanding; below 50, that it is declining.

So not only is Victoria declining in the performance of manufacturing index, but it is the worst declining of any state. To be honest, Tasmania in the context of our competitive advantage is really nothing to be worried

about. What I am worried about is that our competitive advantage is being eroded.

We have waited and waited for something to come. Yet we are up to page 9 of the statement so far, which talks about the value of exports, stating that there is growth here. If you look closely, you will notice that the service industries have grown, which we applaud. The issue, however, is really the manufacturing sector. That is what it is about. Given its importance, concerns about that sector really have not been responded to in an appropriate manner.

Pages 10 and 11 of the statement are interesting. These are headed 'Delivering for industry'. They are delivering for it all right; they are delivering the worst outcome we could ever have. They are delivering no responsible minister — a minister who has been absent in terms of his portfolio responsibilities for a very long time — and now we have an acting minister who, with the greatest of respect, has the responsibility of being the Treasurer of this state. For him to take on this role of fixing up the mess that has been left behind for nearly two years is admirable, but it really fails to hit the nail on the head in terms of getting the right outcomes for this industry. The statement continues on page 10. Again, you need to look at this big glossy heading 'Delivering for industry' taking up half the page and then there are a couple of paragraphs down the bottom. I will pick out some of them.

The Victorian government has been providing the business environment and support to underpin industry's strong performance over the past nine years.

How has it done it? It says:

To reduce business costs and red tape, the Victorian government has been leading the charge on broadbased economic reform ...

It goes on:

... and numerous cuts to payroll tax and land tax.

I thought, 'Cuts to payroll tax and land tax; is that what they are saying?'. I thought I would look at the historical record because that is what we need to do. In terms of land tax, in 1998–99 actual land tax was \$378 million. In the forward estimates that were presented in the Public Accounts and Estimates Committee earlier this year it was \$1 billion. So there has been a 165 per cent increase in land tax. Yet here it says, 'numerous cuts to ... land tax'. In relation to payroll tax, it says in the Victorian industry and manufacturing statement that there are 'numerous cuts to payroll tax'. In 1998–99, just as Labor took office, payroll tax was \$2.1 billion. What do members think it

is now? In the 2008–09 forward estimates by the Department of Treasury and Finance it is \$4 billion — a 90 per cent increase. Insurance taxes have gone from \$532 million to \$1.2 billion, which is an increase of 126 per cent. Property stamp duty has gone from \$1 billion to \$3.7 billion, which is a 270 per cent increase. These figures are not made up. These are figures relating to what the government actually had put forward and what it anticipates in the future.

**Sitting suspended 1.00 p.m. until 2.03 p.m.**

**Mr DALLA-RIVA** — I will continue; this is the third approach on this motion. To refresh the memories of members, the motion is:

That this house notes that the 54-page document titled *Building Our Industries for the Future* is a compilation of previously announced government initiatives together with vague statements of future policy directions which took exactly 700 days to compile.

I was up to the background and going through the document, which I call VIM — the report has those initials on its cover referring to Victorian industry and manufacturing — to make things easier. I was up to pages 10 and 11. Page 10 speaks glowingly about the reduction in payroll tax and land tax when in fact they have gone the other way.

Page 11 gives a great historical background about what the government has allegedly done or has proposed to do. EastLink is claimed as one of the government's great projects, but it is in fact a public-private partnership. The list includes contributing to and facilitating the channel deepening, when we know the government has contributed only a small amount to that project. The Regional Infrastructure Development Fund is said to have generated \$1 billion in new investment, but I do not know about that. It goes on, and there is a whole page listing historical items that come to nothing.

Page 12 is headed 'Building our industries in a changing world' and again there is half a page of text. It talks about the global financial crisis, yet if you look back at the previous statement published in December 2006, you see that was not even on the radar as a consideration, but of course now this is a concern that goes on. I read pages 12 and 13 and wondered what on earth the government was trying to say. There are a lot of motherhood statements and a lot of things that have already been touched on, but I think members will be disappointed in pages 12 and 13 of VIM because they actually do not say much that is real. They talk about building competitiveness.

In the second paragraph on page 14 it says:

To cut more red tape, the government, via its Reducing the Regulatory Burden initiative ... (as measured on 1 July 2006) ...

And to backtrack, the first paragraph on that page says:

To keep cutting business costs —

and goes on to talk about the reduction in taxation, which is not quite accurate when you look at the real dollar figures.

In terms of improvements it says:

World-class service will also deliver new streamlined grant application and approval processes for Victorian businesses seeking assistance.

I understand a process already exists. In terms of cutting more red tape there are a few spelling mistakes such as 'reputing that Victorian businesses ...' and so on. If this is a significant document, it should not really have blatant spelling mistakes. Where is the money for this world-class service initiative? It lists as additional things that already exist.

Page 15 is amazing. Half the page is taken up by a picture of a boat and then a quarter of the remainder of the page talks about building infrastructure and says:

To ensure Victorian businesses have the infrastructure to rapidly move goods and services to domestic and international markets —

which I agree with —

Victoria has called for state and federal governments to make bigger investments in nation-building infrastructure.

I agree with that, but recently we saw the Premier's lack of success in securing it; that is virtually the whole of page 15, and it goes on to page 16.

I will be quick on this because I just want to demonstrate the real lack of it doing anything. On page 16 under the heading 'Maximising local market opportunities' it talks about government procurement and the VIPP (Victorian industry participation policy), which it says could be improved. Under the subheading 'Boosting compliance, transparency and simplicity' it says:

To ensure VIPP commitments are more rigorously implemented and reported:

VIPP commitments prepared by short-listed tenderers will be certified by the Industry Capability Network ...

On page 6 of the annual report on VIPP, which was tabled in this place recently, it says under the heading 'Industry Capability Network (ICN)':

Under the policy, ICN is required to certify VIPP documentation prepared by bidders for all projects ...

I think it is happening already, so I do not know what we are adding there. The government seems to be working on a few other things. On page 17 it says:

To simplify the administration of VIPP for bidders and government agencies alike, the existing VIPP statement and implementation plan will be simplified into a single VIPP plan.

I think that is an admission that it has not been working. The Treasurer has previously spoken glowingly in here about VIPP, saying how great it is.

On page 17 it refers to the national procurement policy. We support that as well. That is something I guess the current federal industry minister is at least doing something proactive about. Under 'Strategic projects' it states:

Major projects that meet certain criteria will be declared of strategic significance to the Victorian economy.

It makes motherhood statements about them, but it does not really add much. For the record — for what it is worth — I have to say we have a winner: page 17 is a full page without photos or glossies. It lists the requirements for a declared strategic project. It has taken 17 pages before we have got to some real nuts and bolts.

Page 18 is headed 'Building skills', and it is about a policy that has already been announced. I do not disagree with what is stated, that:

A skilled workforce, capable of responding flexibly to emerging challenges and opportunities, is fundamental to producing the high-value-added goods and services demanded by global markets.

Who does not agree with that? What is the government doing about it? It has announced again things it has already announced — nothing new, just as there is nothing new on page 19. There are motherhood statements. Page 20, headed 'Building innovation and value', has the subheading 'An innovation agenda'. We know that. The Minister for Innovation talks about it, and I think in question time there was more discussion about it. Again what is on page 20 has been announced already.

On page 21 there is the heading 'The importance of enabling sectors'. Again, we know that. This is classic — on page 21 it states:

To help Victorian industry add value through enabling capabilities, the Victorian government is delivering ...

In other words, there is nothing new, just ‘is delivering’. That is fine, but the statement was meant to be something that would help and support industry and manufacturing. Page 22, headed ‘Building sustainability’, again has nothing new. It talks about things that have been announced already.

On page 23 it talks about the energy technology innovation strategy, which I have picked out there. We understand the government is already doing that. In terms of the manufacturing sector and other industries where people are calling for something else, there is nothing there. It has nice photos of trees and what looks like the Yarra River or some other river.

On page 24 it says the government is undertaking two major pieces of research. That is fine. One is a study of the adjustment impacts of climate change, but that is already being undertaken. It refers to *Our Water Our Future — The Next Stage of the Government’s Water Plan*. We know that. There is nothing new on page 24.

Page 25 is headed ‘Building regional industry’. I know my colleague in the other place Peter Ryan, who is The Nationals spokesman on regional and rural development, has made note of the announcement of these government initiatives. They are not doing anything new. We know that currently manufacturing and various other industries are suffering, and these initiatives have been in the pipeline for a while.

If we go to page 27, headed ‘Taking action’, finally we have an action plan. We have had 26 pages of diatribe, repeated announcements of what has already been announced, a lot of colour photos and a whole page dedicated to a message from the Premier and the Acting Minister for Industry and Trade, which is probably something you would want to frame as a total waste of paper. Then on page 27 it states:

The Victorian government’s strategies to provide a better business environment, strengthen skills and innovation and tackle sustainability issues are about boosting industry competitiveness at the economy-wide level.

I think that has been written 23 times in this document so far in different ways. It states also:

To support industry sectors that currently face specific challenges ... *Building Our Industries* outlines action the Victorian government will take in:

manufacturing;

services; and

global engagement.

That is fine, but what is the state government going to do? It is going to influence the national policy agenda.

That is great, but what is the government doing? If you read pages 28 and 29, this is about saying, ‘Oh, look, it’s all too hard for us. We’re just going to push it to the feds now. Let Kevin Rudd and the minister, Kim Il Carr, deal with it. Hopefully they’ll do it through their reviews’ — and the government has listed the reviews. The Rudd government has exactly the same spin framework as the Bracks government had in 1999 when it came to power — that is, review everything and hopefully — —

**Mr Viney** — On a point of order, President, the member referred highly inappropriately to a federal minister, the minister for industry, and he should be asked to withdraw that.

**The PRESIDENT** — Order! The standing orders do not allow me to rule out of order the comment Mr Dalla-Riva made. However, there is a standard I apply in the house for the way members in other places, both state and federal, are referred to. I cannot force Mr Dalla-Riva to withdraw the comment he made about Senator Carr, but I ask him to consider what I am saying in reference to that.

**Mr DALLA-RIVA** — I must say I think Senator Carr is doing a good job. I say it with the utmost belief that at least he is understanding — —

**The PRESIDENT** — Order! Do I take it that the member is not going to accept what I am saying and he is just going to move on? That is all right; I am just asking for clarification.

**Mr DALLA-RIVA** — I am debating a motion and I am moving forward on the motion. The issue with the senator is that he is undertaking a number of reviews. What I was getting at was the fact that at least he is doing something in the process. Senator Kim Carr is a man who is undertaking a range of reviews. I have industry groups come to see me in relation to those industry reviews. The model that is applied by this government and that is now being applied by the Rudd federal government means that we will see a delay in terms of outcomes. What pages 28 and 29 of the industry and manufacturing statement say is, ‘Well, we’re now waiting for the feds. We’re now waiting for the federal industry minister to deliver before we make a decision’. That is exactly what it is. We have seen the success — or really the failure — the Premier had in his dealings at the Council of Australian Governments meeting recently.

At page 30 we finally get to the manufacturing plan: ‘Building manufacturing — \$122.7 million manufacturing action plan’. It took 700 days to prepare

a compilation of previously announced initiatives and vague statements. Now we get to the future policy directions.

The motion talks about vague statements because that is exactly what this document contains — vague, generalist statements about what the government intends to do. There are no outcomes, no time lines and no expectations of what the government will deliver, only statements that it is going to provide money. It is typical of this government to pump in more money without defining expectations and outcomes. We find that time and again. This is yet another example of this government putting in more money — in this case \$122.7 million.

**Mr D. Davis** — Or is it just re-announcements?

**Mr DALLA-RIVA** — We do not know. It might be re-announcements of re-announcements, but we will take it on face value that the government has put in this amount of money. If you go through the document, you find it really fails to deliver. Let us look at the great initiatives of the manufacturing action plan. Let us just say we rebadge the Manufacturing Industry Consultative Council, which has advised the Victorian government on industry initiatives, and we reinvigorate it and rename it the Victorian Industry Manufacturing Council. Wow! That is dynamic; let us rename a body.

**Mr D. Davis** — And we are not even allowed to know the members.

**Mr DALLA-RIVA** — We do not even know the members, Mr Davis. How much of this \$122.7 million is it going to cost to rebadge it and get new stationery and all the other things that go along with rebadging an organisation.

This is a typical Labor government approach. It did this in the early period after 1999. It rebadged everything. It is just to show that it is doing something, but it not really doing anything. This is an old Labor-style rehash. It is: 'We are going to put money in, but one of the initiatives is to rebadge an existing council and call it the Victorian Industry Manufacturing Council'. We do not even know which Labor mates are going to be on it. Who is on it? We do not know. What are they going to do? We do not know. What are their expected outcomes? We do not know. What are their expectations from industry? We do not know. That is just one example.

Page 34 shows that the state government is waiting on federal government initiatives. It states:

The Victorian government welcomes the commonwealth's *New Car Plan for a Greener Future ...*

Again the Victorian government is waiting. You read it and you think, 'What is the government actually doing? Where is it going with it? What is it actually proposing with its outcomes?'. There is nothing there.

I see there are a few case studies in the document. The case study on page 36 is headed 'Armoured for the future':

Australian Defence Apparel (ADA) has won an \$80 million contract to supply ...

I thought I would just go back and have a look. On 2 April 2008 Greg Combet, the federal Parliamentary Secretary for Defence Procurement went to ADA, but he also visited Thales Australia. If the name of that manufacturer sounds familiar, it is because it lost 50 jobs in November. The federal Parliamentary Secretary for Defence Procurement visited ADA on 2 April — and that is great — but he also visited Thales Australia on the same day, and it is now out of 50 jobs. What is the state government doing about it? It is relying on the feds again. That is what page 36 is about.

Page 37 concerns food. You just have to bring up the debacle with the Melbourne fruit, vegetable and flower market. Now we have a press release from the acting projects minister — at least acting ministers are doing something that the minister really did not get right — but even then it sets out an expression of interest notice for delivery in one week. The release gives companies one week to put in an expression of interest for a \$1 billion project. It is unbelievable — unless the government already has somebody in mind and just wants to make a good press release.

There is \$97.2 million for the services action plan. I looked at that and thought, 'Is that in terms of services or is it in terms of financial services?', because we know that in March 2007 the Minister for Industry and Trade promised in a media release a review of Victoria's financial services and said he was developing a strategic plan. Is this replacing that? It does not look like it is, because it is covering tourism, for which there is an existing minister, the international education sector, of which the education services minister would have oversight, and implementing collaboration skills and exports in the information and communications technology (ICT) sector. We heard Mr Jennings answer a question in respect of that today. There are only two real things for which the industry minister has responsibility: attracting air services to Victoria and developing a multifaceted financial services strategy. Is the money going to be for the industry portfolio or is it

going to be for the tourism portfolio or the ICT portfolio? What is it going to be for?

We know the success this government has had in attracting air services. It wants to shut down Essendon Airport. I found fascinating the statement on page 44 in relation to aviation saying that the development of Avalon Airport as Victoria's second international gateway is a significant priority for the government. I am sure Mr Koch would find that surprising. It is on page 44, if he wants to have a good laugh. The government has no interest in that.

Financial services are covered on page 45. Do not be excited if you are in the financial services sector, because I think it only goes for four paragraphs and commits \$1.2 million over four years.

**Mrs Peulich** — Is that the executive summary?

**Mr DALLA-RIVA** — I am enjoying this, because I just cannot believe what this government has put out.

Page 47 concerns ICT. The government actually has a minister responsible for information and communications technology. For those who do not know, page 2 has a message from the Premier and the Acting Minister for Industry and Trade. That is just in case someone cannot see it from Mars, because it is quite large.

I said I would speak for only 10 minutes. Can I say that this is a generalist motion noting that the 54-page document took 700 days to compile from the time the initial announcement was made. It is a mishmash of previous announcements made by this government, and you would have to question whether some of them have been implemented in full.

Apart from that, we look forward to seeing the outcomes from the Victorian industry and manufacturing statement and whether it delivers what the government proposes. I hope for the manufacturing sector in particular that it does, because it is the sector that is most in need of government support. If we wait for the federal government to deliver on the outcomes of its reviews, we may be too late. The government has to understand it needs to get a minister back onto this job full time. The role that the Treasurer plays as Acting Minister for Industry and Trade is a significant and important one, and I look forward to the Minister for Industry and Trade, upon his return — or somebody else — taking on the job of properly and coherently applying the Victorian industry and manufacturing policy, but I do not think I will be here to see it.

**Mr VINEY** (Eastern Victoria) — It is my recollection of my first year at university, now a long time ago, that students are frequently asked to write a short paper as a critique of a document. Over the course of their time in university students gain skills and learn how to do that. If the speech we have just heard were submitted for assessment in a university course, it would fail, because there was absolutely no analysis of the ministerial statement in that speech. The member demonstrated in his contribution that he had no understanding of how industry works, of the interrelationships between the service, manufacturing and finance sectors and of how exports operate. More importantly he demonstrated that he had no understanding whatsoever of the role of government in facilitating industry development, of how the relationship between industry and government can work for the benefit of industry and the creation of jobs. What compounds this is that he demonstrated — —

*Honourable members interjecting.*

**The PRESIDENT** — Order! If members wish to engage in rapid interjections, I will use the standing orders. We have had a long contribution from Mr Dalla-Riva that went by and large without interjection from the opposite side. I would think this is not the sort of debate that would encourage a great deal of interjection, but if members wish, we will play hardball.

**Mr VINEY** — The member also demonstrated that he had no understanding of how strategic documents are structured and the way that strategies are put in place.

**Mr D. Davis** — It is not a strategic document.

**Mr VINEY** — Mr Davis is starting to compound it. For a long period during Mr Dalla-Riva's address the only person in the chamber on the opposition side was his patron, Mr David Davis. That is the only support he has over there — the support of his patron, Mr Davis. No-one else on the opposition side had any interest in Mr Dalla-Riva's contribution.

I have worked and consulted with industry for a long time and have developed strategy plans. I point out that Mr Dalla-Riva did not get across the structure of a strategy plan and strategic document. The structure of a strategic document is that it outlines the situation you are in, sets some broad goals and then delivers on some proposed actions. They are the three basic components of a strategy document. That is exactly what this document contains. It outlines where we are in Victoria.

Mr Dalla-Riva raised a range of issues about a few jobs going here and there, and this government has been absolutely focused on jobs. The first few pages of the document demonstrate that the government has a few jobs in the bank. In the difficult times of this economic downturn there are, unfortunately, pressures on jobs in a range of industries, but we have managed to put a few jobs in the bank since we were elected in 1999. In fact, the total number of jobs is shown in the graph on page 7 of the document. The number of Victorians in employment rose from just under 2.2 million when we came to office in 1999 to just over 2.65 million in August this year — an increase in total employment of 400 000 to 450 000 people. That is an increase of around 20 per cent in the number of people employed since we were elected.

Over that same period business investment has been soaring. Quarterly business investment in Victoria has more than doubled in the past 10 years — from \$4.5 billion in June 1998, the year before we came to office, to more than \$10.6 billion in June this year. That is an average of 8.9 per cent growth per year.

The first thing you do in a strategic document is set out the situation you are in. The next parts of the document point out that there are many challenges and many things still to do. The document outlines quite clearly — although Mr Dalla-Riva could not get his head around it — the strong relationship that exists between the developing services sector, which I think makes up something like 80 per cent of the Victorian economy, and manufacturing. We are seeing a co-relationship grow in manufacturing with new developments in elaborately transformed manufactures. It is a new structure of manufacturing where there are significantly increased numbers of people in professional roles in the sector and manufacturing is transforming from a predominantly blue-collar workforce to a clear mix of blue-collar and white-collar workers. What this government has been doing — and we had this debate earlier in the day on the skills statement — is recognising that transformation and investing in the skills of Victorians.

Mr Dalla-Riva wants to criticise the document in its first stages because he does not like the pictures in it. He is unable to understand the words, so his criticism is that he does not like the pictures in it. I do not know what he wants. However, if his criticism of the document is based on it having colour pictures in it rather than on an analysis of the words, it says more about Mr Dalla-Riva than it does about the document.

The next stage talks about the important role of government in the relationship between the

development of industry and its export opportunities and job growth, and the important role and relationship industry then has to have with government in investing in things like the infrastructure of our state, such as the channel deepening project. Mr Dalla-Riva has criticised the inclusion in the statement of the fact that the government is currently developing a transport plan for Victoria — —

**Mr Dalla-Riva** interjected.

**Mr VINEY** — Mr Dalla-Riva might like to know that the business of government is maintaining the present position, pushing forward, moving forward, checking the next challenge and doing it again. It is about reinventing things, reviewing things, investing in things and making the changes where you need to make the changes. I say to Mr Dalla-Riva that the circumstances we face in 2008 are different from the circumstances we faced in 1999–2000. Who is surprised by that? If we were going to be in government and say, ‘We did all the plans when we came into government in 1999 and everything is right’, maybe we could do that with the whole Parliament. The laws are all right. Everything is right. Let us just close it down. We do not need to change any more laws; we do not need to make any more investments. I would be very surprised if that were the opposition’s approach to government.

In 2008 we are developing a new transport plan for Victoria, a massive infrastructure investment. It was this government that invested in the EastLink project to put EastLink on the map. It had been in *Melway* since 1967, which was the first time it appeared, when Henry Bolte was the Premier. Unlike Mr Dalla-Riva, I will refer to politicians by their proper names, even if they are dead. Henry Bolte did not build it when he was the Premier, Lindsay Thompson did not do it and nor did Dick Hamer. Jeff Kennett did not do it, nor did Joan Kirner and nor did John Cain. The person who put it in *Melway* as a proper green line instead of a little dotted line was Steve Bracks, and that was reinforced by John Brumby.

This is the sort of approach we have taken. If members opposite do not think they are important investments in the growth of industry, they are sadly mistaken. What we are seeing is the development of industry all the way along that link — the development of jobs and the creation of opportunities for people to get those jobs more easily. That is what we are seeing along that whole project.

There is the channel deepening, EastLink, the Narre Warren bypass, the Pakenham bypass and the massive

investment in Victoria's rail system. These are the things that you need to do to build infrastructure capacity, industry capacity and the manufacturing sector in this state. In addition to that, you need to set up some of the consulting forums that Mr Dalla-Riva was mocking earlier, like the Victorian Manufacturing Consultative Industry Council. He was mocking the development of forums and processes for government and industry to talk and communicate about the issues. On top of that, we have had a range of initiatives dealing with competitiveness. The Premier, John Brumby, when he was Treasurer, was bringing down the cost of business, bringing down land tax, bringing down a whole raft of taxes and charges on business. That approach has been reinforced by the current Treasurer, the Leader of the Government in this place.

We have also seen the Victorian industry participation program through which the government has been encouraging local industry by ensuring that, where tenders and bids are equal, consideration is given to the local employment contribution of the bidders. That has been a clear success in helping to grow Victorian businesses through their contribution to the Victorian economy. Of course that is now being reinforced by a new program relating to the designation of strategic projects.

I mentioned earlier that the government has announced an enormous program in relation to building skills, one of the biggest investments in skill training that Victoria has seen. We have also seen significant investment in our innovation sector. Just one of the iconic things that has occurred is the development of the Australian Synchrotron, which is providing and will continue to provide a great boost to the scientific and innovation industries in Victoria. It is one of the largest synchrotrons in the world and is already proving to be a great success.

We have put additional investments into sustainability and various industries associated with renewables. We now have strategies associated with the development of clusters; I draw the attention of the house in particular to the proposed cluster for clean coal technologies in the Latrobe Valley, which is part of my electorate. They are enormous opportunities that can make considerable contributions to the Victorian economy through the development of new industries. If we can get some of the clean coal technologies right, it will create a long-term secure future for the brown coal industry. Those technologies are able to be used in other countries and other economies around the world, so there are extraordinary opportunities in that.

It is this government that has been investing heavily in regional Victoria and regional industries. We did not come to government with a view that Melbourne was the heart and regional Victoria was the toenails, as one former Premier, Mr Kennett, referred to regional and country Victoria as. We took the view that it was important to grow the whole state. I do not think there would be a politician in the country who was more committed to regional development than the current Premier. When we were in opposition John Brumby identified the need for a stronger connection to and a stronger investment in regional Victoria.

**Mr Dalla-Riva** — You might need to go back to your polling days and do what you did for Steve Bracks.

**Mr VINEY** — Mr Dalla-Riva is going on over there about things that have nothing to do with the motion he has put before the house. He demonstrated clearly that he does not understand the relationships between government and regional development and industry. In his contribution he demonstrated that he has no comprehensive understanding at all of those relationships and the role that government can play.

To drive regional industry development the Victorian government is establishing and supporting 18 industry clusters across regional Victoria. These are delivering for Victoria and, as I said, the intention of the government with this statement is to build on that with new regional clusters, including an information and communications technology (ICT) cluster around Geelong that will build on the software industry presence that has been developing down there, and — as I just said — a clean coal cluster, based on the \$110 million investment this government has been making in clean coal technologies.

Having gone through the process of outlining the current circumstances and the broad strategic approach the government is taking, demonstrating that relationship between industry and government, the statement then goes through a series of three action plans: one covering manufacturing, one covering services and one covering global engagement. On top of that the Victorian government and this Premier have been at the forefront of influencing the national policy agenda in areas like infrastructure investment and the national reform program, through taxation reform and increasing the capacity of the Victorian and Australian economy to compete globally in this new environment.

The three action plans include building the manufacturing sector, which allocates \$122.7 million for the manufacturing action plan. It is about supporting

the development of the highly skilled workforce for this sector and, as I mentioned earlier, recognising that the nature of the manufacturing workforce is changing to a much stronger blend and overlap, if you like, between blue-collar and white-collar employees in that sector. It is about assisting businesses in the adoption of new competitive technologies. It is focused on helping businesses to expand their engagement with global supply chains and to grow networks of business contacts, and it is about implementing a range of sector-specific strategies and initiatives.

In the document — in which Mr Dalla-Riva struggled to get beyond the coloured pictures — are several pages of detailed strategies covering areas of investment. There is the \$28 million market demonstration and development program, which will help small-to-medium enterprises. It will deliver new forums for relationship building between government and the manufacturing industry, and it will develop skills and new supports for various sectors. It recognises the investments in the automotive industry that have been made at a national level and supported by quite considerable investments from the Victorian government. It recognises the great opportunities there are in the defence sector and a range of strategies will be put in place to assist the defence industries in this state, which are quite significant. Importantly it outlines what we are doing to assist in food manufacturing.

I did not hear Mr Dalla-Riva refer to the food industry and the food manufacturing sector once in his contribution. That demonstrates his complete lack of understanding of what is happening in the industry sector. In fact Victoria produced 30 per cent of Australia's food products from 3 per cent of its arable land and generated \$5.7 billion in exports. Victoria's dairy industry leads that whole performance. Victorian dairy accounts for two-thirds of national production, and 13 per cent of the global production of the dairy sector comes from Victoria. In his contribution Mr Dalla-Riva gave absolutely no recognition to this absolutely vital part of our industry in Victoria. The state government's investments in these areas are to help secure that future — right through to the investments in the food bowl project in northern Victoria, modernising an irrigation system that is over 100 years old.

Mr Dalla-Riva has demonstrated no understanding of the whole-of-government response that is required to support industry, to support manufacturing, to support the services sector and to support the development of the finance sector in this state.

In relation to the services sector, the strategy outlines the \$97.2 million for a services action plan. That is focused on targeting emerging international and high-yield niche tourism markets, developing a new strategy for Victoria's international education sector and continuing to advocate for and attract air services to Victoria — and that is an interesting one. Mr Dalla-Riva failed to talk much about the air services sector, except to mock what is happening at Avalon Airport.

Mr Dalla-Riva did not mention the fact that we have been attracting significant investment and new airlines to fly into Melbourne. Retaining airlines moving in and out of Melbourne has resulted in Melbourne maintaining its position as a major airline sector in this country, to the extent that there is now some massive rebuilding happening at Tullamarine airport. It goes down to the fact that the government has been able to attract new airlines into Melbourne. It has been able to attract Jetstar and Tiger Airways, and on top of that considerable investments are occurring in the support sectors relating to the airline industry. The strategy also looks at developing a multifaceted financial services industry and strategy and implementing a range of initiatives to build collaboration skills and exports in the ICT sector.

The tourism industry is a classic case of success in Victoria. We have seen considerable investment in the tourism industry. It is now worth about \$15 billion a year and employs about 179 000 people. That has occurred because of a whole range of programs that have been implemented by this government and supported by commonwealth government programs. We have seen, in particular, in regional Victoria tourism become a significant part of our regional economies around Victoria. There has been a significant investment in international education, which is now earning about \$4.5 billion in exports for Victoria each year. As I mentioned, there is the aviation sector where the government will allocate about \$8 million over four years to further boost its international marketing and air services attraction capacities.

The financial services sector has been a great success story for Victoria. It is probably true to say that it has been a success story because of its own initiative. It is not a sector that has needed an enormous amount of government support; nevertheless the government has been maintaining strong relationships with that sector and encouraging the sector's growth through a range of programs. I have also mentioned the ICT industry, which has been continuing to boom in this state. We now have the new Geelong ICT cluster.

The final of the three action plans is building global markets. There is a \$24.8 million action plan designed to assist the provision of information and market intelligence, identify and access overseas project opportunities and promote export clusters that provide critical mass and improve shared knowledge between local businesses within a sector. In terms of the exports, you should not underestimate the importance of the channel deepening project in Victoria to maintain this state's manufacturing and export opportunities.

Mr Dalla-Riva's criticism of this statement is a criticism of colour photographs. That is what his contribution boiled down to. It is a criticism that the government dared to use colour photographs in a strategy that has been developed to encourage and support billions and billions of dollars of investment and economic activity in this state. How dare the government produce a few coloured photographs in a document designed to encourage continued investment! Mr Dalla-Riva will apparently have the acting minister, the Treasurer and the Premier travel around the world with a photocopied piece of paper saying, 'Come to Victoria. Look, we have a little bit of photocopying here. It is only black and white'. This is in the day we can actually get colour photocopiers in an electorate office. We are actually able to produce a coloured brochure in our electorate offices, but Mr Dalla-Riva wants us to produce a black and white photocopy to encourage international business and economic activity.

Mr Dalla-Riva was incapable of doing any kind of critique of the total document. He did not, in any way, critique any of the programs that are outlined in this document. He did no analysis whatsoever of what he thinks of these programs announced in this document that I have gone through and outlined in brief. I have had to skim it. I have really had to skim the bits in the document in my 28 minutes. He has done no analysis as to whether any of those specific programs will contribute in any way to employment or would be negative. He has done no analysis. He has done no international comparison. He has not outlined anywhere in his contribution what happened anywhere else in the world or anywhere else in Australia for that matter. He has not been able to say this is better or worse than any other jurisdiction, because he has not done the work. He did not do any work on this. All he did was to come in here and say, 'This is another typical government spin document with glossy photographs'. That is what he said. All he did in his contribution of half an hour was to make criticisms of the style and presentation of the document. That is it.

There was no analysis of the jobs that might or might not be created by these initiatives. There was no

suggestion of what other things might be done. There was no suggestion as to what programs might actually work better. There was no constructive contribution to this debate whatsoever. All Mr Dalla-Riva did was criticise the style and presentation of the document. That is an absolute fail in any university course. In fact I do not think you would be able to produce it in a year 7, 8 or 9 paper. I do not think you would be able to produce what he said in his speech at that level. It will be a fail.

What this government is about is working with industry. It is working with the manufacturing industry, the services sector, the finance sector, the vital food industry and the dairy industry, and it is creating job opportunities.

As I said, these are difficult times, and unfortunately there is going to be pressure on employment in particular industries and in particular companies. But this government has a few jobs in the bank — 450 000 extra jobs in Victoria. There has been a 20 per cent growth on the base since we came into office in 1999. That is this government's record. It is important in any strategic plan to do some simple things: to state where we are, provide the overall strategy as to how we are going to move ahead and list the actions we are going to adopt to achieve those goals. That is what this document does. Mr Dalla-Riva's contribution said more about him than it said about the Victorian government's industry strategy.

**Mr KAVANAGH** (Western Victoria) — As one of the representatives in this chamber of Ballarat and Geelong, which are both regional centres of manufacturing in Victoria, I feel it is appropriate to offer a few comments about manufacturing. The first point to note is that manufacturing throughout Australia is under unprecedented stress. A study released last night has received widespread attention, but I do not know if it has been mentioned here today; I have not heard it mentioned here. It found that over the last several months manufacturing went through a degree of decline that is unprecedented in the last 16 years, and that that decline affected all aspects of manufacturing in Australia.

As a hub of manufacturing Victoria is particularly affected by a decline in Australian manufacturing. Although Mr Viney talked about increases in job opportunities, the proportion of the Australian workforce employed in manufacturing has declined from around 20 per cent in recent decades to about 10 per cent now — a dramatic drop. There are several obvious reasons for this. One of them is the rise in competition especially from Asia but from China more

than anywhere else. In addition, Australia has had very low levels of protection, and falling levels of protection, for our industries. In some cases there has been a lack of support for our industries.

This rise in competition in manufacturing can be seen even in the fresh food sections of supermarkets. Not only are Australians having to compete with fresh garden produce from overseas, but I notice that Safeway now is selling fresh Portuguese tarts. They are not wrapped up or preserved or anything like that; apparently they are flown in every couple of days.

**Mrs Peulich** — Tarts?

**Mr KAVANAGH** — Yes, Portuguese tarts out of Portuguese factories are in the bakery section.

Examples of the stress on manufacturing can be seen in Geelong with the difficulties Ford has been through. Only a couple of weeks ago the federal government got Ford to reverse its previous decision to end engine production in Geelong with a payment of more than \$600 million. Money from the government is welcome, but it may not be a very good basis for a healthy manufacturing industry in the long term. Over the past few weeks we have also seen John Valves, a 112-year-old company formed in 1896 in Ballarat, go to the wall. There are not many institutions or organisations in Australia that are that old, and yet this company, well over 100 years old, has now gone out of business.

It seems to me the government could take several actions to help manufacturing businesses in Victoria. Firstly, it could reduce, if not abolish, some of the punitive taxes levied on manufacturing in Victoria, in particular payroll tax, which seems to be a tax on employment. More importantly there is huge opportunity in the government's encouraging companies to share ownership with their workers in manufacturing industries and businesses in particular. Not only would it create incentives for people to work very effectively and efficiently because they would benefit directly, but it would abolish a lot of the contradiction in interest between workers and their employers, which is surely a great thing for everybody except those who have a vested interest in conflict. I notice in this respect that quite some years ago SPC was going under. It went to a system where the workers took over the company and shared in the profits, and that resurrected the company. It began to thrive. As I recall, that process was opposed by union secretary John Halfpenny.

We also have very weak antidumping laws in Australia. Over quite a few years this has allowed foreign companies to sell in Australia at below production cost with a view to wiping out their Australian competition. Those laws could be strengthened, and the Victorian government has a role to play in persuading the commonwealth to do so. Selective protection would help. The government could work out which industries would be viable with better protection and institute that protection, and encourage the commonwealth to do so.

I visited John Valves a few months ago. The manager told me that one of the biggest problems the company had was that although it was very easy for foreign companies to pay the tariff of about 10 per cent on the import of valves into Australia and sell their product, the tariff on valves being exported to other countries was much higher — that is, if you wanted to take valves into countries competing with John Valves, you had to pay a tariff that was three, four, five or six times higher than what companies from those countries were required to pay when selling in Australia.

We could encourage manufacturing industries to innovate to Australian conditions much better than we have done in the past — for example, as I have mentioned before, compressed gas vehicles would be ideally suited to Australia. They would be in demand in Australia once the infrastructure was established, and Australian manufacturers would have a huge advantage over foreign competitors. In short, there is a lot more that could be done than is being done, as suggested by the government's recent announcements of its policies.

**Ms TIERNEY** (Western Victoria) — I rise to make comment on the sad but so consistent comments made by the shadow minister for industry and state development, Richard Dalla-Riva. However, before I do so I would like to draw the attention of the house to this most recently announced manufacturing and industry policy, *Building Our Industries for the Future — Action Plans for Victorian Industry and Manufacturing*. It provides a comprehensive framework to advance one of the most important industries we have here in this state. It also allows for the integration of federal and state government policies that will provide maximum benefit for our communities.

The timing of this policy could not be better. We have now received a number of reports in relation to the manufacturing industry and the automotive industry. It is timely that the Victorian government has announced its manufacturing policy when it will be of maximum value to the industry. It is no news to people in this chamber that manufacturing is at the very heart of our

economy in Victoria, and indeed we are the lifeblood of manufacturing in this country. Manufacturing provides \$30.6 billion, which is 11.4 per cent of gross state product. It directly employs 326 000 people. By anyone's estimation it is an enormous industry. The \$245 million worth of commitments in the government's package deliver strategic leadership. The package provides policy and programs and will facilitate investment to help ensure that Victorian industry and manufacturing grow stronger in this state. This is the nature of our very strength. This government is taking action to assist industries critical to our future prosperity to survive and thrive in a time when global pressures are absolutely enormous.

This policy proposes a \$122.7 million manufacturing action plan which previous speakers have referred to, including a \$50 million industry transition fund. This fund is absolutely fundamental, and it complements what has been announced by the federal government. It sets the groundwork for future growth for firms with potential to move into new and emerging markets by investing in new technologies, developing skills and creating sustainability. This is an absolute demonstration of the fact that the state and federal policies do not need to be exclusive of one another.

The recently announced federal government's response to the Bracks inquiry into automotive manufacturing also tackled the need for industry transition arrangements. Both governments have focused their policy platforms around the need to have high technology and a high environmental thrust aimed at securing a sustainable future for industry and development. This new policy initiative provides further incentives for Victorian manufacturers to build on their strengths and to make the shift to what is required to meet our challenges now and in the future. Our state must continue to develop innovative new products and services for international markets. By doing this we will create more highly skilled jobs for generations of Victorians to come and a stronger, more prosperous and sustainable world.

I do not believe for a second that there could be anyone in this chamber who believes that key investment decisions — such as securing the Toyota hybrid vehicle in the face of fierce competition from Thailand and Ford's decision to reverse its decision to close the powertrain operations in Geelong — could have occurred without strong and robust intervention from the state and federal governments. The government's new policy announcements build on these already outstanding achievements and are at the cutting edge of policy.

A further \$97.2 million has been provided for a services action plan to position the services sector to develop new global opportunities and add value to the industry and manufacturing sectors. The services sector is often overlooked, but it is of crucial importance to the ongoing prosperity of industry, and it cannot be overstated. There is also a \$24.8 million investment in the global markets action plan to assist Victorian firms to develop export markets and to expand their export markets whilst integrating into the global supply chains. It is just another demonstration of the depth of commitment this government has to manufacturing.

With \$245 million worth of policy, which is aimed directly at encouraging further growth within the automotive sector — an area I am reasonably familiar with for obvious reasons — I would have thought the shadow minister would be solidly behind the Victorian government in this respect. You would think that as shadow minister he might have something positive to contribute, and he might at least point to the social benefits of sound industry policy and its potential for wealth distribution and employment generation above the party political plight that he continues to run with.

What is the basis of the Liberal Party's thinking that it is the party for manufacturing industry? Where does it get that sort of confidence? That is the question I asked when I saw this motion yesterday. It is certainly not its policy. It cannot possibly be the policy the Liberal Party took to the last election, because I found that last night. I searched the Liberal Party website looking for policies. It would be no news to this side of the chamber that essentially it was barren; it was a depressing sight. The supposed alternative Victorian government did not have a single new policy for the people of Victoria to assess. There was plenty of carping, whingeing and sniping in press releases, but sadly no new policy.

But persistence was rewarded last night when I discovered the Liberal Party's 2006 election platform document, which in the absence of any other policy being presented by the opposition I suppose will be the same sorry list that it takes to the next election. It is a very threadbare excuse for a policy document, but it is a bit of a ripper. It contains the word 'automotive' only once, but it does contain that precious word 'procurement', and I have noticed that it has become a fairly popular buzzword with the shadow minister in recent times. But I advise the Liberal Party that the word 'procurement' is only mentioned once.

The document is 10 pages in length and is full of assertions and feelgood statements. At the back I found the costings for the election commitments that the

Liberal Party put before the Victorian people. I wonder if members can guess what the huge amount of money was that the Liberal Party was going to contribute to manufacturing and exports over a four-year period. We have seen in its document that the state government has contributed \$245 million. Two years ago the Liberal Party went to the election saying it would contribute \$6 million over a four-year period. Forgive my sarcasm for a moment, but one would think that such reckless spending must surely have been approved at a high level in the Liberal Party.

But it gets worse when you go through the paltry 10-page document which shows a total investment commitment of \$29.6 million over four years. That is not just in terms of manufacturing and exports; it also includes industry employment — that is, Invest Victoria, the industry capability network and the brokerage service and employment programs. I have mentioned manufacturing and exports, but it also includes innovation, information and communications technology, the Office of the Chief Scientist, scholarships and a Victorian biotech advisory council. All of that was summed up as a magnificent commitment of \$29.6 million to those areas.

I put to the house today that the Liberal Party policy offers industry no hope, no future and no understanding of the complexities of a modern industrialised country. It has not provided even one-tenth of what the Brumby government has put in place. If Victoria is to continue to be the heartland of manufacturing and innovation, it requires real policies. It takes some intellectual heavy lifting — something it seems the opposition cannot bring itself to do.

Also last night I went a little bit further in my search for the Liberal Party's manufacturing stance generally. I thought the Bracks review into the automotive industry, being the biggest automotive review since the Button plan, would receive many submissions, and it did. It included everyone who is involved in the automotive industry. The government provided submissions, the unions did, the employers did, the academics did, and the general public made contributions as well. But the Liberal Party, including the shadow minister, did not make a submission. Liberal members did not even bother to pick up the phone. They did not indicate one element of being interested or engaged in the process. I put to the house that that is typical of an opposition and a shadow industry minister who just do not have a serious policy position when it comes to manufacturing in this state, because it is so much easier to just knock what the government is doing. The Liberal Party just takes the easy road. It takes effort to lead; it takes creativity. It takes time to develop really good policy,

and good policy means putting your neck on the line and thinking through issues for the long-term benefit of all Victorians, not just making populist, throwaway lines that come in handy at election time.

The opposition is just not up to it. Opposition members are just knockers; they have got no answers, they have got no suggestions, they have got no policy and, fortunately for the Victorian public, they have no future. The opposition is simply not an alternative government. It has no idea, and it brings nothing whatsoever to the policy table. It is on that basis that I urge the house to vote against what I consider to be an absolutely ridiculous motion.

**Mr DALLA-RIVA** (Eastern Metropolitan) — I am very pleased to sum up the motion. It is a very straightforward motion. It makes it very clear that the Victorian industry and manufacturing statement is more about style than substance. Mr Viney should probably be the minister, because he certainly showed the necessary passion for the industry. If Mr Viney were the minister, we would probably see a better outcome than what has been presented today.

I must also make comment on Mr Lenders, who was the acting manufacturing minister during the debate. Although he did not make a contribution, I appreciate that he was at least present. Mr Kavanagh raised a range of issues he has concerns about. I am glad Ms Tierney saw fit to review some of the things of the past, but we are about moving forward, and this document is not about moving forward. The final summing up should come from a certain person from the Australian Metal Workers Union. On the release of this document the state secretary of the AMWU said it is 'underwhelming'. For those reasons I suggest the house should support our motion.

#### House divided on motion:

##### *Ayes, 21*

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

##### *Noes, 18*

|                             |              |
|-----------------------------|--------------|
| Broad, Ms ( <i>Teller</i> ) | Pakula, Mr   |
| Darveniza, Ms               | Pulford, Ms  |
| Eideh, Mr                   | Scheffer, Mr |
| Elasmar, Mr                 | Smith, Mr    |

Jennings, Mr  
Leane, Mr  
Lenders, Mr  
Madden, Mr  
Mikakos, Ms (*Teller*)

Somyurek, Mr  
Tee, Mr  
Thornley, Mr  
Tierney, Ms  
Viney, Mr

### Motion agreed to.

## PUBLIC LAND: DEVELOPMENT PROCESSES

**Mr D. DAVIS** (Southern Metropolitan) — I am pleased to move:

That, pursuant to section 16 of the Ombudsman Act 1973, this house refers to the Ombudsman for investigation and report —

- (1) the probity of the Kew Residential Services development tender process followed by the state government; and
- (2) the probity of the St Kilda triangle development processes followed by the state government and the Port Phillip City Council.

This is an important motion. It comes directly from the report of the select committee of the Legislative Council on public land development. The committee did an enormous amount of work, and I pay tribute to the work of my fellow committee members and the secretariat and to the hundreds of submitters and supporters of the work of the committee. There is a genuine concern in our community about the way this government is managing our public land assets. Important assets — important pieces of public land that have heritage, recreational and other significance — are under threat. That is an important finding of the inquiry.

Today's motion takes further, or encapsulates, the motions and decisions of the committee in its findings and recommendations at the time that this inquiry's final report was tabled before the Parliament. I want to direct the Council's attention directly to the specific sections that this motion puts on the record. The first of these is recommendation 5.7:

The committee recommends that the Victorian Ombudsman investigate the probity of the St Kilda triangle development processes that were followed by the state government and the Port Phillip council.

Similarly, in relation to Kew Residential Services there was not only a finding that the development was not in the broader public interest but also a recommendation that the Ombudsman should look directly at the probity of the KRS tender development process. That is recommendation 5.3.

I want to make the point that the committee was deeply frustrated in its processes by the Attorney-General and Deputy Premier, a number of government ministers and a number of senior public servants. The government, by every stretch and by every movement, sought to frustrate the activities of the public land development committee as it tried to get to the truth about what had gone on in a number of these processes to develop significant public land assets. Two of those emblematic sites were the St Kilda triangle site and the Kew Residential Services site. They are both important for different reasons.

The Kew Residential Services site comprises 27 hectares of prime land of heritage significance, green wedge significance, biodiversity significance and great significance in terms of the management and assistance provided to people with disabilities, who deserve the housing and support that that facility had provided for many years. The government's decision to initially close the site and later, back-peddalling just a little, to keep a small number of residents on site, was a decision that was made in a non-transparent way and which, in my view, did not have the best interests of those involved at heart.

Many in the community have fought long and bitterly against the development at Kew Residential Services. It is also emblematic of the state government's Melbourne 2030 policy, which seeks to build high-intensity developments on major sites and to do so in many cases by bypassing the community — either through Victorian Civil and Administrative Tribunal appeals that are in accordance with the higher objectives of Melbourne 2030 in relation to residential and density consolidation or, as in this case, by the minister effectively taking over the planning processes and by fiat, as it were, making decisions about the future of the residents of the site, the future of the land, the future of the biodiversity values and the future of local residents and their access to the site.

In the case of the St Kilda triangle development, the site is a significant public asset, and the important and remarkable Palais Theatre is integral to that. It is a site that should have been developed for public purposes in a way that took account of its history and its potential. I do not believe the government put in place a mechanism to achieve that. I do not think it is necessary in the chamber today to go back over every part of the long discussion that the committee had, the reams of evidence that were collected under oath in hearings and the massive number of submissions the committee received from the community — other than to pay tribute to those who provided that evidence. I believe the committee's recommendations stand on their own.

They are backed up through that report by evidence, they are backed up by the transcripts and they are backed up by the enormous number of submissions from the community.

In the case of the Kew Residential Services site there is a smell, a stench, that hangs around those decisions made by the government that involved the intervention of former Labor Senator Graham Richardson and donations made to the Labor Party at several strategic points by the Walker Corporation — \$50 000 in the initial period when the government came to power and then a very large donation made strategically at the point at which decisions on aspects of the site were being made by the government. These donations left a terrible smell about the process, and the committee, despite uncovering a series of significant pieces of evidence, was only able to go a certain distance in coming to its conclusions.

I want to say something about those conclusions. Finding 5.1 reads:

The committee's ability to investigate the development of the Kew Residential Services site was significantly restricted by the less than full cooperation from the government.

This is a government that sought to cover up and block information at every turn, and the Ombudsman will have significant powers to investigate this. It is important to put on the record that the community understands the select committee's recommendations about the need for an independent, broadbased, anticorruption commission, which comes out in part of the process at Kew Residential Services. The evidence put to us by organisations like Save Our Suburbs and the Kew Cottages groups make it very clear that there is a very strong case for a broadbased, independent commission against corruption in this state. Victoria is now the only major state that does not have such a commission to enable a check to be kept on public servants, tenders and other commercial processes undertaken by government, and to keep a check on corruption.

There has been corruption in other states governed by Labor governments such as in Wollongong in New South Wales and in Western Australia. Indeed the Corruption and Crime Commission of Western Australia in recent weeks, and even in recent days, has announced a further series of charges involving no less than a member of the equivalent chamber to this in the Western Australian Parliament.

There is a very strong case for an independent, broadbased anticorruption commission, but the fact is that commission does not exist in Victoria today. Given

the frustration by this government of the committee's processes, the committee concluded that the Ombudsman should look at these matters. That is the reason why this motion has been moved in the house today. It refers to the Ombudsman under section 16 of the Ombudsman Act 1973. For the benefit of the chamber I will read the relevant section. Under 'Division 2 — Parliamentary Complaints' and under the heading 'Investigations referred by Parliament', section 16 states:

- (1) At any time —
  - (a) the Legislative Council or a committee of the Legislative Council;
  - (b) the Legislative Assembly or a committee of the Legislative Assembly; or
  - (c) a joint committee of both Houses of Parliament —
 

may refer to the Ombudsman for investigation and report any matter, other than a matter concerning a judicial proceeding, which that House or committee considers should be investigated by him.
- (2) Where a matter is referred to him pursuant to sub-section (1), the Ombudsman shall, notwithstanding anything to the contrary in this Act, forthwith investigate that matter and report thereon.

The Ombudsman shall send his report, if this motion is carried, to this house. The Ombudsman will have a significant suite of powers to investigate those matters. With this referral from this chamber he will have a greater suite of powers than he would otherwise have had. That is a significant point, because the Ombudsman will be in a position to go further in some respects than the parliamentary committee was able to.

We know that there was involvement by senior Labor figures that has been covered up by the blocking and obfuscation of the Attorney-General in this process of the select committee. The Ombudsman will be able to get to many of the key documents and key pieces of information about the meetings between Minister Theophanous and former Senator Graham Richardson and the meetings with other government officials, including those officials the committee was not able to get to appear before it. Sean Sweeney, the head of Major Projects Victoria, would not appear before the committee. It did not matter what we did and how hard we worked, short of dragging Mr Sweeney by the hair, in effect, we could not get him to appear before the committee. There were many opportunities and he should have appeared, because there were matters of detail about the management of important major projects that should have been put to him and discussions that should have been held in open

committee session to get to the truth and to get the facts of the matter.

On Kew Residential Services, I put on record as part of this debate today a number of the other findings. At finding 5.3 the committee said:

The process whereby the state government overrode the planning powers of the Boroondara City Council in relation to the KRS site has resulted in a lack of transparency and openness.

I have no doubt that is absolutely the case, and I have no doubt Mr Guy will say something later about this government's tendency to override local government and its increasing tendency to pull power away from local communities and prevent them from managing their own destiny. The Kew Residential Services and the St Kilda triangle, because of the complex mix in that case, are examples of this state government's tendency and increasing focus on pulling decision-making power away from local communities.

The committee also found that there exists an apparent, if not real, conflict of interest in the state government's roles as the site owner, joint developer, planning authority, regulator and beneficiary of the development. The novel and bizarre financial arrangement that was struck with Walker Corporation in this case, where the state government was the beneficiary as well as holding all those other roles I have just listed, could not but indicate a conflict of interest, and it certainly appears to be a conflict of interest.

At finding 5.5 the committee said:

On balance, the redevelopment of the KRS site has not been in the broader public interest.

It is important to be clear that whilst there may be some aspects that could be pointed to, it has not been in the broader public interest, and that matter continues. Even now there are questions being raised about Walker Corporation's management of the site, its management of the building processes on the site and its management of major heritage assets on the site, including trees. There is a strong belief at council level and in the community that Walker Corporation has put at risk a number of the key trees on the site. It has already been convicted in a court of law for illegally damaging heritage trees. Heritage Victoria people must take a stronger role in protecting these assets, rather than rolling over and having their tummy tickled by Walker Corporation. Heritage Victoria must stand up. There are issues about Heritage Victoria and its strength and capacity to protect a number of the key assets that are valued by our community.

I am focusing on the findings and recommendations in an attempt to be succinct, and these encapsulate the committee's thinking and concluding. Finding 5.6 is:

Evidence put to the committee indicates a strong public suspicion that the nature and timing of political lobbying and donations may have had an improper influence in the awarding of the tender to develop the Kew Residential Services site. On the basis of evidence received, the committee finds that:

1. Mr Graham Richardson lobbied on behalf of Mirvac on the development and played a pivotal role in Walker Corporation securing a change to the terms of the contract to develop the Kew Residential Services site; and
2. the community cannot be confident that donations made by Walker Corporation to the Australian Labor Party had no improper influence in the tender process.

I have to say that this smells to high heaven: the timing of those donations, the way the donations were directed and the decisions made by the then planning ministers, who hold very senior positions in the government today. I hope that the Ombudsman would not be fearful and would have the strength to push these questions and concerns to the highest level. It may be that some of those powers the Ombudsman holds are not sufficient to get to the root of some of these decision-making processes, but he does have greater capacity in many respects, if not all, than the parliamentary committee had.

Recommendation 5.1 is:

That issues relating to donations from organisations or individuals ... be referred to the electoral matters joint investigatory committee ...

There is some logic in that recommendation.

Finding 5.8 is:

The community is not aware of the full financial arrangements with respect to the KRS development.

The fact is that there are documents that we have not been able to release publicly, because Walker Corporation, under pressure, provided certain documents on the basis that they would not be released publicly. Respecting that, the committee did not release those documents, but it is my view that those documents should be in the public domain. People will be able to see what a raw deal the people of Victoria, including the people with disabilities in Boroondara, got out of this financial arrangement with Walker Corporation and the Bracks and now Brumby government. If all those documents were in the public domain, they could see what a raw deal they got. They should be in the public domain.

The committee has said also that the government should:

... publish the full financial arrangements and the probity report for the KRS development.

At a hearing I sought to ask the Minister for Planning to provide that report. He wobbled for a moment and looked like he might hand it over, but in the end the bureaucrats and the Labor Party got at him and he said, 'No, you cannot see that probity report'. I believe that, given the circumstances, that probity report on the tender processes at Kew should be in the public domain and that it is in the public interest that it is. In those circumstances, on the Kew Residential Services site alone, I believe there is a strong case to support this motion before the chamber today.

The St Kilda triangle development has been heavily debated publicly. There has been a clear community verdict on the decisions made by the then Port Phillip council, in cahoots with the state government, and the processes conducted in the city of Port Phillip at that time. Last weekend at the recent council elections members of the community spoke clearly about how they considered the probity and sense of the decisions made by the then Port Phillip City Council.

The committee's findings about the concern are, I think, agreed publicly. Finding 5.11 is:

Evidence put to the committee strongly suggests that the proposal should be renegotiated by the government, the Port Phillip council and developer in consultation with the community ...

The difficulty faced with both these sites now in terms of the future is that binding legal contracts have been signed. We need the state government to take a lead in each case and work with the council and the developer to find an outcome that the community and the developer could agree with. Deals and contracts can be renegotiated to mutual benefit. That is something that could be done in the case of Kew particularly because Walker may be looking for a way out of this contract, because they have so significantly botched the management of it.

Finding 5.12 is:

Evidence put to the committee indicates that the development plan as submitted by Citta Property Group does not conform with the St Kilda urban design framework, and as such the Port Phillip council may have erred in approving the development.

I am sure Ms Pennicuik will say more about this in a moment. All the evidence we saw indicated that the urban design framework, which did have community

input, was overridden by the council in its decision-making process. That needs to be a focus of examination. A council cannot lay out planning rules in a certain area and then just ignore them and head into terrain that suits the council because of its arrangements with developers. That is what in part concerns me about this process in the St Kilda triangle development.

In finding 5.13 the committee got to the essence of the unique and unsatisfactory nature of the process in the St Kilda triangle development. It is worth quoting this and making clear on the public record the constellation of issues that impacted on this bad decision making at Port Phillip. Finding 5.13 is:

The St Kilda triangle development process establishes a dangerous precedent for the development of public land in any suburb or regional town in Victoria in a number of ways because of the combination of:

the social and heritage significance of the site;

the unique process involving the passing of the St Kilda Triangle Act, which confers virtually all responsibility for the site from the state government to the Port Phillip council;

the multiple, conflicting roles of the council as proponent, planning authority and committee of management —

which is a formula we saw repeated at Kew, with that confusion of roles that has been at the heart of mistakes made here —

the lack of transparency in the tender process;

the removal of third party appeal rights; and

the commercialisation of public land.

Some of those matters may be acceptable in their own right or as part of a package on particular sites, but having them brought together on this site in that particular constellation meant that there was an outcome that has not been the best for the community and is a matter for real community concern, and that was expressed last week at the ballot box.

Recommendation 5.5 is that the committee encourages the Victorian government to work more closely with the relevant bodies to find some way through these issues.

Recommendation 5.6 is that the state government allocate sufficient public funds to deal with the heritage Palais Theatre. The issue here is what will happen on this site into the future. This is increasingly unclear. I note that in the past few days Citta is quoted in the paper as saying that things will go forward, but there is

real concern about that at community level and there is real doubt about aspects of the process.

Recommendation 5.7 is in essence the one that is being picked up in this motion. It is:

The committee recommends that the Victorian Ombudsman investigate the probity of the St Kilda triangle development processes that were followed by the state government and the Port Phillip council.

I urge the Council to support this motion. It will enable further investigation of these matters. The exercise of the additional powers that the Ombudsman holds may get documents and get to bureaucrats and ministers that the committee was not able to. This is required to restore confidence. If we can get the Ombudsman to look at these matters, he may well be in a position to indicate in which parts of the process the councils, the state government, Major Projects Victoria and ministers erred in the discharge of their duty. He may well be able to recommend a further improvement in the process beyond where the committee has gone with its recommendations. With those comments I commend the motion to the house.

**Mr TEE** (Eastern Metropolitan) — I welcome the opportunity to speak on this motion. I must say this motion will perhaps go down as the classic example of why increasingly Wednesday's opposition business program has resulted in the term 'Wasted Wednesday'. This motion is very much like the movie *Groundhog Day*. We have this debate ad nauseam. We are going around and around in circles covering the same ground.

Mr Davis refuses to accept that these unfounded allegations in relation to St Kilda and Kew Cottages are just that — they are unfounded. Mr Davis has refused to accept support for the St Kilda triangle project, particularly from his own party which supported the legislation that set up the process which he is now criticising.

I might for the record remind the house of the contribution that Mrs Coote made in this house when she spoke on the bill which set up the structure that we have in place now. She is reported as saying:

The City of Port Phillip was cognisant of the input the local people like to have into decisions about their foreshore, because not only is this segment of Victorian foreshore part of the tourist precinct for the state, it is the background and the backyard for all the people who live within the municipality of Port Phillip.

**Mrs Coote** — A great speech!

**Mr TEE** — Indeed it is. She continued:

The residents of the city of Port Phillip feel great ownership of the foreshore, but they also understand that they are to share this foreshore with all Victorians.

As I said, the City of Port Phillip put considerable work into the development of the St Kilda's Edge urban design framework. I would have to say that at that time it spent considerable time briefing me and other politicians, including ... Ted Baillieu ... The council really went into every possibility. I would have to put on the record my praise for and acknowledgement of the excellent work the City of Port Phillip did and continues to do in developing this plan.

... The Liberal Party is basically supportive of the redevelopment ...

As I said, the Liberal Party is not concerned about the redevelopment. I would like to say that I am particularly supportive of it. Because this is in my electorate and because I have understood the development and background to it, I am particularly keen to see this redevelopment go ahead.

**Mr Lenders** — No wonder there is a new deputy leader!

**Mr TEE** — The very same development that Mrs Coote supported with such gusto is now being trashed by Mr Davis. As Mr Lenders has suggested, is this no more than a blatant attempt to shore up the leadership position?

The motion is flawed in a number of other respects. If you have a look at the report and at the legislation which set up the process and which Mr Davis and his party supported, you will see that process essentially allows for the City of Port Phillip to undertake the development process. The select committee was quite clear — this is all at point 5.2.1 — that the City of Port Phillip is the committee of management which will manage the redevelopment on the long-term leases and that the role of this council is to call for and assess tenders and select the preferred tenderer. What you find in the report, and what Mr Davis would find if he read the report, is that the council really has responsibility for the development, and yet his notice of motion identifies the state government as being the party that he wants the Ombudsman to investigate. This really just emphasises the blatant political nature of this motion.

As I said, if you read the report from the Select Committee on Public Land Development, you will see that there were extensive investigations by the select committee. The committee had some 123 days of public hearing. The committee received evidence from 142 witnesses. The committee process, which went on for about 12 months, cost the taxpayer an estimated \$3 million. The committee advertised widely and the committee trawled deeply. It searched and searched for those 12 months, looking for any evidence of

impropriety. What did it find? When you read through the report, you find there is absolutely nothing of substance. All the committee did in all that time was rehash the same unfounded allegations. All you find in terms of the process and the outcomes was that the committee headed by Mr Davis became a headline-chasing parody. As I believe I said at the time, I do not think the work of the committee reflected well on the chair, the members of the committee or this house.

We have to remember that the committee had extensive powers. It had the power to subpoena witnesses, to compel the production of documents and even to refer this matter to the Ombudsman. The committee conducted an exhaustive investigation, and at the end of that process it had the option of referring the matter to the Ombudsman. It is worth re-reading the relevant section of the Ombudsman Act, section 16, 'Investigations referred by Parliament'. Section 16(1) says a committee of the Legislative Council may at any time refer to the Ombudsman for investigation and report any matter which that committee considers should be investigated by the Ombudsman. The committee had the power to refer any matter to the Ombudsman, including Kew Cottages and the St Kilda triangle development, but it did not, which is why we are here today.

One would have thought that the extensive process undertaken by the committee, which involved much consultation and came at great cost to the taxpayer, would be the end of the matter — that the members of the committee, having found nothing and having failed to refer the matter to the Ombudsman, would think they had had their opportunity — but it was not. If members read the motion of Mr David Davis, they will see that he is after another cheap headline and wants more taxpayers money to be wasted. It is nothing but a desperate grasp for relevance. Three months after the committee's report was tabled we are being asked to revisit the recommendations that the committee made regarding Kew Cottages and the St Kilda triangle development. There have been no developments in the interim, there is nothing new that would suggest to this house that we need to revisit the work of the committee or its conclusions or recommendations and there is nothing before this house to suggest that it should do what the committee did not do three months ago.

Instead of leaving it at that, Mr Davis has made a request, through his motion, to add to the meter — to add to the \$3 million we have already spent on this issue — by asking the Ombudsman to spend more taxpayers money chasing another cheap headline. This is another political stunt. I do not think this house

should be in the business of devaluing the role of the Ombudsman for the sake of a cheap headline. These desperate tactics should not result in a referral to the Ombudsman. The independent Ombudsman deserves better. He does not deserve the desperate tactics of a Leader of the Opposition who is worried about whether he will have a job after Christmas and wondering if he can grab another cheap headline on the way through. For the taxpayer, I ask members to reject this motion. There has been no new material presented to in any way suggest we should revisit the work of the committee.

**Ms PENNICUIK** (Southern Metropolitan) — I rise to support the motion of Mr David Davis that pursuant to section 16 of the Ombudsman Act 1973 this house refer to the Ombudsman for investigation and report the probity of the Kew Residential Services development tender process followed by the state government and the probity of the St Kilda Triangle development processes followed by the state government and the Port Phillip City Council.

It is always disappointing when we talk about anything to do with the inquiry that was carried out by the Select Committee on Public Land Development to hear Mr Tee use the opportunity to suggest this was a process of which the house should be ashamed and from which he as the deputy chair of the committee should somehow disassociate himself. I find that disappointing, because there were 136 submissions to the committee from people around Victoria who were passionately concerned about what was happening to public land in Victoria. As I have said before in response to Mr Tee, it does not help government members to make these remarks when they are talking about ordinary citizens who are concerned about the preservation, conservation, use and development of public land in their area now and into the future and who have made submissions to the committee in good faith so that it could look at this important issue. It is remiss of government members to take that approach.

It is good that in their minority report Mr Tee and Mr Thornley conceded that the committee did a lot of work, that there were many good findings in the report and that much of what came out of the submissions and the research conducted by committee staff will be valuable in informing us about how we should go forward in terms of the development, use and preservation of public land in Victoria. Over the next year or two I certainly intend to advance some of the findings and recommendations in this report in this place.

Mr Tee made the point that a lot of time was spent in hearings. I think he said we had 123 days of hearings, but I am sure he meant 123 hours, because 123 days is somewhere around a third of the year.

**Mr Thornley** — It felt like it!

**Ms PENNICUIK** — I do not remember sitting one day out of three in hearings. However, the point is that a lot of time was spent in hearings. Mr Thornley might say, 'It felt like a long time', but I remind him that we were listening to the people of Victoria telling us about their concerns.

The motion we have before us refers in particular to two of those concerns about which we have heard from many members of the community. These two instances of the development of public land are going on as we speak at the Kew Residential Services site and the St Kilda triangle site. They have attracted a lot of submissions and a lot of public concern about what has been going on and what continues to go on there. The committee made many findings about those two sites and some recommendations, and on both those sites the committee recommended that the Ombudsman look at the probity of the processes followed by the state government with respect to Kew, and by the state government and the Port Phillip City Council with respect to the St Kilda triangle site.

I will briefly remind members of the house about the Kew Residential Services site, which is basically a large tract of public land in Kew that had been set aside for use by disability services and has been used in that respect for around 100 years. Unfortunately the government took the view — I presume to make some money — that it could sell off some of that public land for housing and make money, and, as David Davis said in his contribution, finally the government conceded that some of the residents could stay on the redeveloped site. That was a somewhat arbitrary process about which we heard many concerns from the parents and representatives of the residents of the Kew site. That is one issue. The site, as Mr Davis said, has green wedge attributes. It also has heritage values, and those values have been overridden by the processes that have been undertaken by the government. The site is not now being used for the purposes which were envisaged. This is a concern that many community groups and individuals put to us as a committee about many sites around Victoria, some of which have already been lost.

Some of the submissions we received and the people we heard from were telling us about things that were gone. They had already lost their piece of precious public land. In these two cases there is still a window of

opportunity, even though there are contracts, the details of which we do not know. They involve land owned by the public — by the people of Victoria. It is somehow okay that the contracts signed for the disposal of that land and the taking over of that land by private developers are kept secret from the people of Victoria.

I think it is important and appropriate for the Ombudsman to look at these sorts of issues. Mr Davis has said — and I agree with him, as I said before — that what has happened at St Kilda and Kew does not bode well for the future development and use of public land. It is timely that these things are looked at in detail, and that is what the Ombudsman's office can do. The Ombudsman's office is able to examine the administrative processes and procedures that were followed and make findings about them.

In terms of the Kew Residential Services site, the committee received many submissions, as I said before, which raised issues such as the accommodation of the clients; possible conflict between the developer, the relocation of those clients and the state disability plan; the loss of the public open space on the site; and the protection of existing vegetation and natural environment. We know we have lost some significant trees on that site already. Although they were supposed to be protected by Heritage Victoria, they have not been. However, there is still time to save some of the remaining trees.

Other issues included the lack of local infrastructure supporting the new community; the lack of public consultation; the limited involvement of the Boroondara City Council in the planning process and the removal of the planning process from the Boroondara City Council by the state government — it just took that over itself; the lack of a developer contribution scheme; the density of the planned private housing; the lack of public disclosure over the finances of the contractual agreement between the government and the developer; and the state government's anticipated financial return to disability services.

Along with that there is the principle, to which I have an objection, that disability services in the state of Victoria should somehow be dependent on the sale of a parcel of land at Kew or anywhere else. Disability services should be funded from general revenue and not be dependent upon whatever windfall gain the government might have from selling off public land to private developers.

Other concerns raised were the lack of transparency in state government dealings with the Walker Corporation, the involvement of the Mirvac group in

the development, the role of the political lobbyist, former Senator Graham Richardson, and the possible influence of political donations by the Walker Corporation during the development approval process.

All these issues of themselves are concerning enough, but when they are all together and associated with the one site it goes to support the findings of the committee, such as finding 5.4:

There exists an apparent, if not real, conflict of interest when the state government is the site owner, joint developer, planning authority, regulator and beneficiary of the development.

That goes beyond just this site; there are many sites where this is occurring, but these are the key ones identified by the public land select committee.

Finding 5.5 is:

On balance, the redevelopment of the KRS site has not been in the broader public interest.

Despite Mr Tee having said that there is no evidence, I think the committee has uncovered enough evidence to suggest that a more detailed inquiry, such as an inquiry by the office of the Ombudsman, is required into the redevelopment of the Kew Residential Services site.

As I mentioned, there is a window in which the government could look again at what is happening there and salvage the situation. There has been a proposal — which the government has refused to look at, very unfortunately — to retain the existing disability services buildings on the site, some of which are only around 10 years old and have been purpose built for disability services. In this state there are not enough short-term respite services in particular. The site was reserved for that purpose, but it has been taken away from the people in Victoria who need disability services and sold off to a developer at a profit for people who can afford expensive homes in the suburb of Kew. That is all fine, but they should not be provided with those expensive homes in the suburb of Kew at the expense of people who need disability services and who should have those services provided at the site at which they have traditionally been provided and where the purpose-built buildings exist. That has been a travesty. It is appropriate that the Ombudsman look at this issue and at all the concerns raised and published in the final report of the Select Committee on Public Land Development.

With regard to the St Kilda triangle development, I have previously said publicly that this is an issue I followed before I came into Parliament. I am a local resident and have been involved in local environment

and community groups for many years, and in that capacity I was involved in discussions on the development of the urban design framework, which is the planning tool the City of Port Phillip developed with the community over several years to guide the development of the foreshore. It is a sensitive site. It is public land that is visited by a lot of people, but it is also the home of the people who live in the city of Port Phillip. The triangle site land has traditionally been reserved for public use and public benefit, and its use for more than 100 years has been basically as an entertainment precinct.

There have been many iterations there. The Palais Theatre has just celebrated its 75th anniversary. It is an iconic building, not only in St Kilda but in Melbourne, in Victoria and also in Australia, and it is in need of some tender, loving care and refurbishment. As I have said in this house, because the government owns that site — it is state government land or Victorian public land — it should chip in to assist with the refurbishment of the Palais Theatre. If that had been done, we would not have ended up with the inappropriate development proposal that has been put forward and has been accepted by the government and by the Port Phillip council. The problem with that development is that the government proposes to hand over the site on a 99-year lease to a private developer for it to plonk on that site something like 180 shops — things like banks, insurance agencies, a supermarket, gymnasiums and several licensed venues — and it is a very, very small site.

The public land development committee report accurately reflects the amount of community concern there has been since the development was announced in May 2007. As soon as the first development proposal was launched on an unsuspecting public in Port Phillip I stood up in this house and said that the people of Port Phillip were dismayed. The government pooh-poohed that and said it was a fantastic development and everyone would love it. But as time went on the community became more and more concerned, not just over the size and scale of the development but because it understood that it was a commercialisation of scarce and valued public land on the foreshore at St Kilda.

That disquiet grew to the point where the council received more than 8000 objections. At a meeting in February this year the planning committee of the council, which is really the full council, made a decision to accept a slightly amended proposal. More than 2000 people marched from the triangle site to the Port Phillip council and about 800 or 900 people squashed into the auditorium for that meeting of the council planning committee, such was the disquiet in

the community. Still the government would not listen. It said they were just a bunch of loud people who did not understand how fantastic the development was. Well they did understand it, and the recent Port Phillip council election has made quite clear that the community disquiet over this issue is real — of the four councillors who supported that decision only one has been re-elected; the rest have not been re-elected. That just goes to show that the government was completely wrong there.

The public land development committee final report outlines the concerns regarding this site. They include that prime land is being alienated for inappropriate commercial development, that the size and nature of the development is inappropriate for the site and that it does not comply with the urban design framework prepared specifically for the site by the council with community input over several years. Certainly that urban design framework did not envisage anything that contained a shopping precinct, a supermarket, a gymnasium, a TAFE college, a hotel with 73 beds and several large licensed venues. That was never envisaged for the site, and many times the council promised the community that that would not happen — but that is exactly what the people were presented with, which is why there was such a feeling of betrayal and dismay.

The concerns also include the failure to comply with the zoning of the area or the use of public land under the Crown Lands Act. We know that in 2006 the Land (St Kilda Triangle) Bill was passed in this Parliament. That is one of the reasons the proposed travesty is being allowed on the St Kilda triangle. The list of concerns also includes that changes to the development plan had not altered the balance between elements of the project, with retail and hospitality continuing to dominate and the destruction of the unique, 100-year-old, split-level beachside promenade — the Catani design of the Upper and Lower Esplanade, which stretches along the foreshore to the Catani Gardens at St Kilda West.

This is an important issue, because St Kilda has a certain look and feel about it which is going to be completely destroyed by this development. It will cut in half the vision from the Catani Gardens of the Upper and Lower Esplanade. The development also impacts on the integrity of the heritage Palais Theatre, because two rather tall and bulky buildings will be attached to the Palais Theatre. That is a heritage issue which has not been dealt with. Heritage Victoria has been remiss by not being stronger on this point.

Other concerns included the increase in the number of licensed venues on the site in view of the large number

of existing venues in the area and the removal of third-party appeal rights.

It is important to note that third-party appeal rights were voted away by the previous council — that is, the council before the one that was just re-elected. Though many people in the community objected to that and thought it was a bad idea, the council went ahead with it by reassuring the community that the urban design framework would be adhered to, but in fact that is not what happened. There were further concerns in relation to the planning and selection process for the development, including the conflicted role of the council as proponent, planning authority and committee of management.

The council is also the group that oversaw the tendering process. The tendering process was so secretive regarding this piece of public land. It allowed for the development, which was inappropriate, out of step with the urban design framework and other planning schemes in Port Phillip, to pop out at the end when no-one was suspecting it. People were of the view that they would be getting something that complied with the planning framework, but it did not.

For all these reasons it is totally appropriate for the Ombudsman to look at the processes followed by the state government and by the Port Phillip council in terms of the development proposal that has ended up before us regarding the triangle site. With those comments, the Greens will be supporting the motion.

**Mr O'DONOHUE** (Eastern Victoria) — I am also pleased to rise and make a contribution on the motion moved by David Davis, the Leader of the Opposition in the upper house. Following the comments of Mr Davis and Ms Pennicuik, I agree it is an appropriate motion. I hope the chamber passes the motion so that the Ombudsman can pick up where the select committee left off.

I take the opportunity to note that today is the International Day of Persons with Disabilities, so it is an appropriate time for this chamber to consider the KRS (Kew Residential Services) development, or the debacle which is the development of the former Kew Cottages site. As Ms Pennicuik said, disabled services should be funded from consolidated revenue and not be contingent on asset sales. Matters of such significant public importance with such a significant impact on individuals should not rely on asset sales.

Listening to Mr Tee you could easily be forgiven for thinking that the committee spent all its money — I dispute the figure he suggested; I do not know where he

got that figure from — and that the committee did all this work, made a report and that is the end of the matter. The committee did a lot of work. The committee heard from various witnesses regarding both of these projects — the KRS project and the St Kilda triangle development — and it made a number of recommendations. A select committee representing the Legislative Council does not intend its recommendations to disappear into the ether, be put in a top drawer somewhere and never be thought of again. Recommendations are made for government action.

Sadly, since the tabling of this report several months ago, it appears the government has done nothing. The significance of these issues has not changed, as Mr Tee acknowledged in his contribution. The importance of the issues raised by the committee in this report have not changed, but the government has done nothing. The issues that were raised were appropriate, and recommendations were made on those issues by the committee. In particular I refer to recommendation 5.3 on page 120 of the committee's final report:

That the Victorian Ombudsman investigate the probity of the KRS development tender processes.

Recommendation 5.7 on page 131 of the final report says:

The committee recommends that the Victorian Ombudsman investigate the probity of the St Kilda triangle development processes that were followed by the state government and the Port Phillip council.

Again, those recommendations were made by the committee, endorsed by the committee and the government has failed to act on them. It is appropriate that this chamber take whatever course it has at its disposal to cause a reference to be made to the Ombudsman so that a further investigation can take place. Ultimately the desire is to have a better outcome for the communities and people affected, because these are very serious issues.

I found Mr Tee's contribution most concerning in that he wanted to play politics with the serious issues involved. He wanted to criticise the opposition for moving the motion, but failed to mention the impact on individuals and the consequences of inaction. We have had no action on this issue. The government has failed to listen to the report of the select committee, has failed to move and to act. I congratulate the Leader of the Opposition for moving this motion. I hope the motion passes and leads to the action that is required.

**Mr THORNLEY** (Southern Metropolitan) — I will resist the temptation presented by some of the earlier speakers to recite in large part my speeches on receipt

of the various reports from the Select Committee on Public Land Development, because this motion is much more specific than that. Why people felt a need to relitigate ad nauseam the views they expressed on a range on issues in not one, not two, but three or four of the reports that committee delivered is not clear to me. However, what is clear to me before I even had the great privilege of joining that committee is that David Davis had been trying to get a headline out of the four-word phrase 'former Senator Graham Richardson'. He continued to try to do that with every release of every interim report, some of which had nothing new to say from the previous interim report.

We went through an extensive process. I remind the house that the opposition parties had clear control of that committee. They had control of its processes, and that is a fine thing. The committee was controlled by somebody who had made serious allegations of impropriety and who presumably had great political opportunity if he could prove those allegations. He had the resources and powers of that committee to call witnesses, to ask for production of documents, to subpoena if required and a range of other things if any evidence of any impropriety had been found in that 15-month long process, or whatever it was. None was found. One true thing that was said by Mr Davis, Mr O'Donohue and others is that having spent all that time and effort and having had all those powers basically unfettered and having found absolutely nothing, the committee decided that the only thing it could usefully do was recommend that somebody else have a look just in case, and recommended that the Ombudsman do that.

I am untroubled by that. Perhaps I am more generous in my disposition than my friend Mr Tee, but I certainly understand his perspective. I am untroubled by it because nothing is going to come from it. If there was any evidence of any impropriety in these situations, it would have been found by the committee. A huge amount of time and effort was put into that. I do not have a problem with that. These are serious allegations, and serious allegations should absolutely be tested. They have well and truly been tested by the committee; and if they are tested again by the Ombudsman, then so be it. But what we found when they were tested by the committee is, despite all of that, absolutely no evidence of any impropriety could be brought forward. The only conclusion that could be drawn was that this fellow flew down from New South Wales, did lobbying on behalf of a client, was not successful and flew home.

The committee spent time on the second issue raised here. Again, I think that is a good thing. As somebody representing the Southern Metropolitan Region and

therefore covering these areas, I share the concern of all members, both those representing Southern Metropolitan Region and members of the committee, about the impact decisions have on people. This government thought long and hard about what it was seeking to achieve in the redevelopment of the Kew Residential Services site, and I believe it is in the process of delivering a very good result.

In relation to the St Kilda triangle matter, we have been clear from day one that apart from creating an enabling environment, which as my colleague Mr Tee pointed out was supported by the opposition, for the council to pursue a program which everyone at the time seemed to agree on, this was not a matter that had much to do with the government. There clearly were local disputes about whether the ultimate design conformed or did not conform with the framework that had been adopted. The good news is we live in a democracy and those disputes were heard vigorously in the local community, as they should be, and they were effectively litigated through the council elections. The people spoke and gave their verdict on that and so be it. I think that is a fine thing. It is a good process. I think that is exactly the way things should work at a local government level. If residents are disappointed with the decisions their elected representatives make, they have the opportunity to express that disappointment at the ballot box. I think any reasonable observer would conclude that that is what they have done. So be it.

However, what is plainly apparent to me is that the purpose of this motion is not for people to recite at length the findings of the committee. Worthy as those findings might be, they have already been recited in this house four times now. The purpose is to refer matters to the Ombudsman specifically in relation to probity. People have not been able to evince in any detail what the specifics of the allegation are, but the allegation is there was some improper conduct on the part of this government in relation to either of these matters. As I said, if there had been I would have been surprised if the select committee had not found it and, having found it, trumpeted it from the rooftops. The fact that no such evidence was able to be found by the committee is evidence that no impropriety occurred, but if the Ombudsman is going to go through and look at all those issues again, so be it. We believe in the role of the Ombudsman. If people had serious allegations of impropriety, I would have hoped they would have been able to bring some evidence before this house before wasting the time of the Ombudsman on it. But if that is not what they are going to do, I guess we will find out in the fullness of time that the Ombudsman, like the committee, is unable to find any evidence of improper conduct or any breaches of probity.

I think it is instructive that Mr Tee quoted at length a speech Mrs Coote made in the house on this matter. As you know, Acting President, the rules of this house say you cannot quote from *Hansard* any matter that was debated less than six months ago. Unsurprisingly that tells us that that speech was made more than six months ago. These issues have been litigated and relitigated in this chamber and in the committee. They are important issues. They affect people's lives, and I am more than happy for us to spend necessary resources to make sure the good decisions are made. But what there has not been is any evidence of impropriety. There has not been any evidence brought forward that there has been any lack of probity on the part of this government. I am absolutely confident that that will be what the Ombudsman concludes if we as a house choose to pass this motion and have the Ombudsman spend time relitigating a matter which a committee controlled by this house has already well and truly investigated. I think that is about all the motion is worth.

**Mr GUY** (Northern Metropolitan) — What a pompous diatribe! It is amazing to see how sometimes members opposite will convince themselves that the world is flat. Unfortunately for Mr Thornley, people in this chamber and this Parliament do not turn up to present speeches, to jump through hoops and run through fire in the hope they get a 5 or a 6 or a 10 and it passes his vetting. Unfortunately people in this chamber roll up with serious issues and to talk about matters of probity, such as the motion in front of us moved by David Davis, which go to the very heart of governance in Victoria. While Mr Thornley may not have liked the speeches made by Ms Pennicuik, Mr Davis and Mr O'Donohue, the fact is they raised significant concerns.

Significant concerns have been raised about these contract arrangements from the very start. I simply say we have seen this all before; it is not new. To use the language of the people opposite, this is Groundhog Day. We saw this with the gaming licence review and the Select Committee on Gaming Licensing at the start of the year. The government constantly hindered the ability of the committee to do its work. The Attorney-General of this state constantly prevented that committee and the Select Committee on Public Land Development from obtaining documentation to ascertain the truth. The Attorney-General was elected on a platform of open, honest and accountable government, but he intervened time and time again to deny the Parliament of Victoria and a duly formed committee of this chamber the right to obtain documentation on matters relating to probity. Yet again we have a member opposite say the world must be flat, this is it and if you believe otherwise, you are mad. He

can go and sail off to the dragons or to whatever is at the end of the Atlantic Ocean, but the reality is that the committee was hindered from the very start.

Issues remain in relation to contracts at the St Kilda triangle site and in relation to Kew Residential Services which are unanswered. The questions remain unanswered because the government sought to hinder the operation of the committee from the very start. It sought to gag public servants; it sought to gag its own ministers; and it sought to usurp and interpret the terms of reference of the committee without any concern whatsoever about probity or good governance in this state.

If there is ever an example of why an independent commission against corruption (ICAC) in Victoria is so overdue, this is it. It is important that we have an ICAC in this state. A former Premier of Queensland, Peter Beattie, thinks so, and a former Premier of New South Wales, Morris Iemma, thinks so. As David Davis said in his contribution, every other mainland state of Australia has an ICAC or equivalent. Every other state in this country has an independent standing commission against corruption so that matters like the ones that are the substance of this motion can be fully investigated. If there is nothing in these matters that warrants any kind of accusation or represents any illegality, as members opposite say, then the government has nothing to fear from probity, but it has never been so important.

Whether it be about gaming issues, planning issues or further contractual issues all across the state, it is a theme of the former Bracks government and now the Brumby government that were elected on a platform of open, honest and transparent government. What we are getting is secret, sneaky government — a government that does its best to usurp community values. It is a government that treats communities as the enemy. It does not treat communities with respect, and it does not treat councils with respect; it treats them as the absolute enemy. If we look at the Kew Residential Services development, from the very start the government saw the community as the enemy. It removed the council's planning powers and it sought to have this development taken into its control and that of its mates without any thought or foresight about how it would impact upon communities in the long term.

There was no option for the probity audit to be released. The government denied it, and the planning minister denied it. I say again, if there is nothing to fear then the government should release it. I say to the government, 'If you have done everything right then release it. Show the community what you have done. If you have no fear of any of the processes you have engaged in in the last

year, then release the lot because you have nothing to fear. Prove the committee wrong, prove the Parliament wrong and prove the opposition wrong. You have the chance to do it very easily'.

Instead, what we have is the government trying to fight probity at every turn. You just have to look through the final report of the Select Committee on Public Land Development to see the votes in relation to probity issues, in relation to asking Walker Corporation to appear at the hearing, in relation to public land information, in relation to the government's own survey work, in relation to ICACs, and in relation to documents relating to Melbourne 2030 and smart growth committees. All the recommendations put by the committee were opposed by just one political party — the Labor Party.

**Mr Kavanagh** — The ALP!

**Mr GUY** — The Australian Labor Party. We begin to see a theme. The party elected on a platform of openness operates on a platform of secrecy. The development at Kew Residential Services is an example of the importance of transparency. We are not dealing with a \$5 million redevelopment; we are dealing with a \$1 billion fire sale of public land assets. This is not a small sale. It is one of the largest sales of public land in Victoria's history, and the government is constantly fighting the community when it seeks probity. It fights the council, the Kew Cottages Coalition, the Parliament, the opposition and the media. I say again: if there is nothing to fear, then let everything out.

You only have to look at the final report of the committee to see the pettiness of the Attorney-General in trying to usurp the operation of a parliamentary select committee established by this chamber, including the wording of its terms of references. The government knew about it from the very start; it even talked about it in letters from the Attorney-General. It related to people's contributions on the motion. On a number of occasions the Attorney-General said that second-reading speeches clearly were not relevant, and people's discussions were not relevant, when it was clear that the intent of the motion was to look at one specific example, which was the Kew Residential Services site, and how that site and the development taking place on it are utterly inconsistent with Melbourne 2030, the government's much maligned and now obviously discredited planning strategy for this city. Whether it is open space, access to transport or access to infrastructure, there are so many examples of that site being completely incompatible with the government's own planning policy. Why would it be chosen for sale? Why would the government choose the

best price? Because, as I said before, it is fully in keeping with Labor's view of a \$1 billion fire sale for that site.

I will not go through the heritage issues again, because Mr Davis put them very succinctly. They include Walker Corporation's propensity to completely disregard heritage issues at the site. It is a site that has significant heritage value which cannot be overlooked and which will be lost to future generations if it is overlooked now. Where has Heritage Victoria been during this development? Earlier this year a bill was put before the Parliament to beef up the powers of Heritage Victoria. It was far too little, too late because in many cases in Kew the damage was done many months ago.

I will turn briefly to the St Kilda triangle site. Again, it is an iconic development. Quite correctly, Ms Pennicuik said that the Catani vision a long time ago for the upper and lower esplanades in St Kilda was to make St Kilda a unique place in Melbourne. There are the upper and lower esplanades and the grasslands and the trees along the top of the upper esplanade. It is a beautiful image of Melbourne. It is one of the few images of Melbourne that is instantly recognisable: looking down on Luna Park and seeing a W-class tram rolling down, and seeing the line of palm trees. You can see the two levels of land, with the road on the upper level and the beach at the bottom. It is set to be demolished — destroyed — by this government for cash. Again, it is a short-term gain for a government with a short-term time frame; a 24-hour time frame.

There is a chance to build an iconic and visionary piece of architecture on that site for the long-term benefit of Melbourne. The government's attitude was to sit back and allow the council to be the responsible authority, the proponent, the beneficiary and the regulator, and to allow a proposal to be put forward that is in effect Chadstone by the sea. That is not in any way an exaggeration. In fact I am informed that Chadstone shopping centre has 137 000 square metres of commercial space, and the commercial space proposed for this site — and I suggest people visit it, because it is certainly nowhere near as large as Chadstone — is around 110 000 square metres, indicating there would be significant damage to that Catani vision of St Kilda.

The heritage issues are not just about the built form. The issue is not just about the heritage trees and vegetation, it is about the heritage image of Melbourne that would be lost by a government with a very short-term agenda. That could be seen with the 2006 presentation of the Land (St Kilda Triangle) Bill to this Parliament. The then planning spokesman and now Leader of the Opposition in the Assembly, Ted

Baillieu, said that the whole site was about 'mates, money, waste, mess, delays, deceit, bumbles and dodgy tenders'. He was right. Every bit of it is true. There have been cover-ups and legal tangles, and private property interests have been undermined.

The Leader of the Opposition said strings were being pulled by various members of Parliament on the government side behind the scenes. That is true. He was right. There have never been two better examples of planning put forward in this city where an independent commission against corruption has been so important and so needed to examine the details behind the contractual arrangements for the development of the sites. They are not sites somewhere out in an obscure part of town; they are development sites of immense importance both in terms of their location and the precedents they set.

We do not have an independent commission against corruption in Victoria, and we are not going to get one under the Labor government; we will not get one under the Premier, John Brumby. John Brumby does not believe in transparency, and his colleagues in this chamber hate questions of probity. They convince themselves that there are no questions to answer simply because the Attorney-General gags public servants, gags ministers and gags the department. The Attorney-General says no-one can answer questions, and when the sheep in the government departments and his ministers and their advisers subsequently come to the committees no evidence is presented. Then suddenly the claim there are no questions to answer becomes a fact. That is the kind of probity that would have made Eric Honecker proud in the German Democratic Republic back in the 1980s and 1970s.

While the Ombudsman does not have the powers of an ICAC, Mr David Davis's motion is spot-on in saying that he can investigate these issues. He has a range of powers that can look further and deeper than can the government's participation in this Parliament and this committee. He can examine the material that the government has denied the Parliament and the committee the right to see. It may present issues and answer the many questions that members of this community have. There is nothing to be feared from probity if you have done no wrong. I simply ask all members in this chamber to support this motion. If the government has nothing to fear, it will vote for this motion.

**Motion agreed to.**

## MELBOURNE CENTRAL CITY STUDIOS: TENDER AND FINANCES

**Mr D. DAVIS** (Southern Metropolitan) — I move:

That this house —

- (1) notes the report of the Auditor-General on public sector agencies in 2003 and its criticisms of the original tender process that occurred as part of the state government awarding the contract for the film studios at Docklands to the Melbourne Central City Studios group;
- (2) expresses its concern at recent developments at the Docklands studios; and
- (3) calls on the Premier and the Minister for Innovation to provide a full public explanation of the financial arrangements now in place, including an explanation of the continuing role of the Department of Innovation, Industry and Regional Development and what fees or other payments will be made by the state government for the management of the film studios and to whom these payments will be made and under what circumstances.

This motion turns out to be extremely timely. Not only have we had the announcements by the Minister for Innovation last week that he and the government would take over the film studios, in circumstances where it appears that either a negotiated arrangement has been made or that the tenderers who were successful with the tender in 2002–03 have been unable to fulfil the tender and have walked away, but now what we discover today, in table A.7 headed ‘Asset initiatives’ of the budget update 2008–09, is the allocation of an additional \$15 million this financial year for the film and television studios. I make the point that the budget update does not provide a full explanation as to what is to occur here. It makes some very short and inadequate comments under the heading ‘Film and television studio’, which I will quote for the benefit of the house:

Funding is provided to support the management of the Melbourne film and television studio.

This initiative contributes to the department’s sector development output.

I make the point that this is a new initiative. It is new money; it is not money that was committed previously. More than \$40 million has been spent at the Docklands film and TV studio already. Favourable arrangements have been entered into with the tenderer and those tender arrangements were the subject of criticisms by the Auditor-General in 2003. In his report on public sector agencies in February 2003 he made a number of important points about issues around the tender itself and the favourable arrangements that appear to have been given to the successful tenderer: the ability to refine the bid, which was not given to other tenderers,

and the ability to spend those extra couple of days with further information refining the bid — and then that tenderer won it. This is not good practice. This lays out a series of very concerning matters.

The probity auditor confirmed in 2001 that in all material respects and based on the probity framework the short-listing was undertaken in accordance with the guidelines and was defensible. The probity auditor was not appointed — and I make this point very clearly — until after the close of expressions of interest.

Consequently the probity auditor did not review the expressions of interest document before its issue, attend industry briefings or attend the receipt and opening of submissions. Independent probity advisers fulfilled that role throughout this period. However, there was one important meeting at which there were no probity advisers. I will quote from paragraph 5.471 in the Auditor-General’s report:

Key events that occurred during the tender evaluation phase included:

conforming tenders were received on 10 December 2001 from the three short-listed tenderers;

questions were issued to tenderers on 11 December 2001 to clarify their proposals and answers were received by close of business on 14 December 2001;

the evaluation committees received presentations from tenderers on 13 and 14 December 2001, with a supplementary presentation given by one of the tenderers (who subsequently became the preferred tenderer) on 18 December 2001;

the evaluation committees determined and recorded ratings for the tenders on 17 December 2001, prior to the supplementary presentation; and

a draft report was presented to the project steering committee on 19 December 2001.

According to the Auditor-General’s report, at paragraph 5.473:

The project’s probity auditor commented in his report, as a ‘point to note’ ... that this opportunity for a further presentation was not extended to the other tenderers and had previously indicated that it could be perceived as favouring that tenderer over the other two respondents.

This is crook. This is not the way public tenders should be conducted.

Further, the probity auditor noted that the probity adviser had not attended all the meetings with the tenderers during the tender phase and that not all of the public servants associated with the project had provided conflict of interest declarations.

That is a significant concern for public confidence in these matters. It was also the case that after the agreement with the successful tenderer was reached

further debate and further negotiation occurred. I notice at paragraph 5.488 the report states:

The department did not adopt the advice of its financial adviser as it allowed extensive negotiations with the preferred tenderer and alterations to the design to occur —

an opportunity I note that was not afforded to other tenderers.

The department did seek the views of their probity auditor on the most appropriate course of action to be taken given the proposed changes in the arrangements with the preferred tenderer. The probity auditor advised the department that it could ask the other short-listed tenderers to reconfirm the core elements of their submissions ... The other tenderers were not given the opportunity to revise their tenders during this period.

This is unsatisfactory. At paragraph 5.493 of his February 2003 report the Auditor-General said:

Extensive discussions occurred between the department and the preferred tenderer during the evaluation phase over the possible extent of required remediation and the acceptance of responsibility for any clean-up. Ultimately, it was agreed that the preferred tenderer would not bear any liability for groundwater remediation and would cap its land remediation costs at \$1 million for the studio complex site, which included preliminary work already done by the state to prepare the site.

Consequently —

in a change to the arrangements —

the state continued to bear the costs of managing any groundwater contamination that existed and any land remediation costs exceeding \$1 million ...

These were significant changes to the arrangements. One of the purposes of tendering out is to shift risk — to remove risk from government and to put it out to private sector groups that can manage the risk better and do it more cost effectively. That is not achieved in a contract where the preferred tenderer is able to get a favourable inside groove — an inside arrangement or a shonky arrangement — that allows it to renegotiate from its original position and slip down the scale of what risk it will bear, and for that additional risk to be borne by the Victorian community.

The Auditor-General says at paragraph 5.497:

The final agreed arrangements, while acceptable to the state, departed in some respects from the tendering conditions.

That is an indictment. The Auditor-General further talks about the structure of the consortium, which is a significant point now because the tenderer has not only walked away from the arrangements but the government has had to step in and pick up the pieces — including the additional risk that it sought to move off and the additional application of \$15 million, which we

discovered today. In relation to the structure of the consortium the Auditor-General makes the point at 5.498:

After extensive negotiations, which resulted in the changes outlined previously, the originally proposed corporate structure of the successful consortium also changed ...

That was done in a slippery way and was subject to questions in this Parliament in 2002. The report continues:

The state in September 2002 entered into agreements with a consortium comprising two companies —

not one company but two companies —

... both with the same board of directors, one of which will operate the film and television business (Central City Studios Holdings Pty Ltd) while the second will undertake the related commercial development (CCS Properties Group Pty Ltd). The consortium, hereafter referred to as the 'developer', has also indicated that further subsidiaries may be established to house businesses related to the studio or commercial activities as they develop.

It is now important to understand exactly what has occurred at Central City Studios. Which of these consortium companies has walked away, which remains and what are the ongoing arrangements? A key point that needs to be established is what contractual arrangements are held and whether the state government has the capacity and right to pursue compensation for the Victorian taxpayer.

It is important to use this Auditor-General's report from 2003 as a base, because it contains the facts we can establish and move forward with. I note in table 5Z, headed 'Estimated outlays by the state', the Auditor-General shows that \$46.8 million will be outlaid by the people of Victoria. This is from the report in 2003 and it relates to the contracts back then. There have since been additional allocations, and perhaps additional allocations over and above the \$46.8 million, as well as the allocation of \$15 million that we discovered today.

The Department of Innovation, Industry and Regional Development (DIIRD) has also devoted time and resources in its ongoing management of these issues. The outlays by the state in table 5Z show loan funding of \$31.5 million; land at \$8.5 million; groundwater remediation at \$1.4 million; interim studio costs at \$1.2 million; land tax for the core site of \$120 000 per annum over 20 years at \$2.4 million; and administration, tendering, consultancy and valuation costs at \$1.6 million. This is a \$46.8 million estimated outlay in 2003.

The Auditor-General also outlines many other aspects in his report. I put those key base points on the record so that the community can understand what is occurring at this studio as the government walks in and Minister Jennings becomes the Baz Luhrmann of Victorian film production. I know the minister was a former actor and I welcome his work in that field, but moving into the management of film and indulging in his earlier activities in this way is probably something he had not anticipated when he entered Parliament. He probably did not think he would become the Baz Luhrmann of Victorian film and television.

**Mr Jennings** — The Clint Eastwood!

**Mr D. DAVIS** — ‘The Clint Eastwood’, the minister interjects. I do not imagine the minister as Clint Eastwood.

**Mr Jennings** — I am older than him.

**Mr D. DAVIS** — No, I think there are some ideological differences, but to be fair, whilst I admire Clint Eastwood, I note the differences.

I also note in the DIIRD annual report at page 85 that footnote (ii) says:

A loan to Central City Studio Holdings is secured against its assets which are valued at approximately \$58.6 million.

Note (ii) on page 100 makes the point:

In relation to the film and TV studio land, the state accepts responsibility during the term of the agreement (20 years) for groundwater contamination, if required by law, unless made necessary by redevelopment, or change of use by the studio developer, Central City Studio Holdings ... The known state liability is \$0.6 million subject to reaching agreement with the Environment Protection Authority. In addition, the total estimated cost of monitoring groundwater contamination over the period of the agreement may amount to \$1.4 million.

There are other liabilities here; there are loans that have been guaranteed against the studio. The state government has put in around \$60 million, and it is probably much more than that.

I note also recent tenders for the purchase of goods and services have included a start date of 10 July 2008 and an expiry date of 31 December 2008 for the delivery of legal advisory services for the Docklands film and television studios. This is under investment and major projects for DIIRD, and is in fact seeking legal services. I seek an explanation from the minister as to what those legal services are and how they relate to the legal imbroglio that the minister and the government find themselves in with respect to the film and television studios and its unwise arrangements and structures that

were put in place in that period from 2001, 2002 and on from there.

Now in a sense, the chickens are coming home to roost. This is a mismanaged project. Let us be clear here: everybody supports film and television in Victoria and everybody believes there is a case for the support of these industries. Everybody, and I am sure it applies across the chamber, believes there is a solid position in having the film and television industry come to Melbourne, produce films here and employ Victorians — particularly when movies are made in the way we have seen in certain cases. There is a clear role for government leadership in that. But there is a series of questions about management, the wisdom of investments, the legal deals that have been done and the circumstances under which such deals were done. The community is entitled to ask where the chairman of the Melbourne Central City Studios, Sino Guzzardi, is heading now, how much of the money the community put into this project he has walked away with and what the financial circumstances of the studios now are. The minister must come clean on these issues. He must make them clear for the community.

In the very early period, as far back as 2002, questions were asked by the opposition seeking proper explanations about how the arrangements and loans would be put in place. I note that in March 2002 Mr Clark, the member for Box Hill in the Assembly, asked the then Minister for Finance, now the Premier, to look at the lending arrangements for the studios and the interest rates that were involved. The Premier was very active in putting out news releases left, right and centre. Every time another movie crew came to town, he went to town. I notice that he is now a lot quieter and a little reticent to associate himself with these film studios. In the sense of producing epics, these film studios are likely to become the subject of an epic in Victoria. It has the smell of some of those strange Victorian Economic Development Corporation kinds of projects we saw in the late 1980s and early 1990s under the Cain and Kirner governments. As the state got into financial difficulty, the state government took some strange industry steps to try to pick winners or favourites, and it did so in a very unsophisticated way.

As I say, and I want to be quite clear about this, the opposition is in agreement with support for film production in Victoria. Opposition members believe there is a case for public support of it; however, this appears not to be the model to use. At an earlier time a deal was done, but the government appears to have got into massive trouble and the arrangements that were entered into then have now come back to it — quite hard. We do not know how the massive additional

\$15 million allocation that became public today will be applied or who will get it. We know that now the minister and some of his staff will have to manage the studios. I am curious to know how they will manage the studios. I know that public servants have a very important role in our state, but they are not known throughout the land for their ability to produce films or choose the right people in some of these situations. Trevor Angst, who appears to be the manager there, has been a major player in the department. We need to understand precisely what role he and the other senior bureaucrats in the department have played and will play in the management of the studios as we go forward.

A number of issues still remain, on top of how the \$15 million will be applied and the questions surrounding the awarding of the original contract. John Brumby's cover-up must be exposed here. The community has every right to have the answers and to know how its hard-earned taxpayers money is being spent. We need to know the terms under which the Victorian government regained control of the operations of the studios. This information is claimed by the government to be commercial in confidence. How convenient that after the application of tens of millions of dollars and now another \$15 million more, the information is commercial in confidence. In my view members of the Victorian community are owed an explanation. Who are the interim managers and who will they be into the future? How will they be appointed? Will they be appointed by fiat of the secretary of the department or the minister? This is bizarre.

The full probity audit of the original corrupted expression of interest and tender process from 2001–02 should be released. That should be a public document so we can see the full extent of the process. I am respectful of the auditor's position here, but in these circumstances the community has a right to see the documents. The community should know also the true costs of the massive government subsidies provided to get this white elephant off the ground in order to understand exactly how much money has been paid. The community should know also why John Brumby's preferred tenderer was given additional opportunities — the supplementary tender and special time lines to meet the specifications — that were not provided to other tenderers. This stinks, this smells and this is crooked.

I can tell government members that if we had an independent, broadbased anticorruption commission, its members would be looking at this, at the tender arrangements, at who is who — the personnel involved — and at the closeness of the arrangements

and links between certain departmental people and the successful tenderers. Its members would look at why the final tenderer apparently relieved the Melbourne Central City Studios of all the obligations that were in the expressions of interest, such as the need to build the additional studio. They wound back the scale of the studio project. They won the tender, and then they said, 'Oh, no. We'll build only five studios instead of six'. That is a significant saving. That tenderer had the inside running, and the other tenderers did not get a chance to revise their bid. The winning tenderer got it and did the deal with the government, with their mates, and entered into an arrangement that probably would not bear deeper scrutiny.

I think the community is entitled to explanations of these matters. Why did the state government assume all those additional environmental risks and the fit-out expenses? Why did the state government take on those risks? The fact is that the government needs to run a clean tender process that absolutely ensures that there is fairness for those different tenderers, and the process needs to be free from corruption.

I say to the minister and to John Brumby: the time has come for this to be cleaned up and for the opening of the books. We need to have the books opened and those documents made public. We need to understand where the money has been spent, who it has been paid to and why. At this point we have to understand where the government intends to head with the studios. I have seen the minister's media releases and his comments reported in the press. None of that impresses me terribly, I have to say. As I said, the Baz Luhrmann of film production in Victoria is not a title I think sits well with the minister nor, indeed, with any of his bureaucrats.

It is the public money I am most interested in here. I am interested to know where this public money has been spent, what the government's plan is for the studios and why the government considers the public does not have a right to have the full information in this case, because I believe the public does have the right to know what has occurred here and how the public's money has been spent.

I call on the chamber to support this motion and to insist that the Premier and the Minister for Innovation provide full public explanations.

**Mr JENNINGS** (Minister for Innovation) — Acting President, I thank you for giving me the call so I can address many of the issues that Mr Davis has raised. I am sure that at the end of my contribution he will fall on his sword and withdraw his motion. It will

be pretty much redundant, because I will go through most of the substantive issues he has voiced a concern about.

There is no doubt that David Davis did his best to turn this into a blockbuster. He tried to add high drama at every turn in his narrative. But I will try to run through, probably in a documentary style, a straighter, linear narrative and to account for the issues and to report on what ultimately has been a huge success story for the film studios that were built in Melbourne in February 2004. They have an extraordinary track record of successes in terms of the number of films that have gone through the studios. More than \$250 million worth of film activity has been generated and more than 8000 jobs, which would not otherwise have been there, have been maintained during that period due to the efforts of the film studios. There have been many opportunities not only for actors, writers, directors, film crews, set designers and caterers; opportunities for on-location activities associated with those films have benefited broader cross-sections of the Victorian community. It is a very impressive list of achievements that have been associated with the film studios.

Instead of pillorying the government or Mr Guzzardi, who ran Melbourne Central City Studios, the community should be very pleased with what has been achieved at the film studio. Despite the dramatic, colourful, provocative way that Mr Davis outlines these issues, I think any dispassionate, reasonable appraisal of what has been achieved at the studios would be a very positive one. Mr Davis indicated in his contribution that the Auditor-General has looked at this process on a number of occasions and that a blind eye has not been turned in terms of public scrutiny.

**Mr D. Davis** — I complimented the Auditor-General.

**Mr JENNINGS** — Mr Davis interjects to say that he has complimented the Auditor-General. I think he will have ongoing reasons to keep on contributing to the scrutiny that the Auditor-General will apply to this process. I have appeared before the Public Accounts and Estimates Committee and answered questions in relation to this process, and I was very happy to do so. I was very happy to rise immediately at the conclusion Mr Davis's motion calling me to account. In terms of whether there has been any shirking of the issue or running away from it, I think, quite to the contrary, at every turn the government of Victoria and I as the responsible minister have been very happy to be accountable.

For the benefit of the public record I would like to outline briefly what has been achieved both in the construction of the five purpose-built, state-of-the-art studios that have been created at Docklands. They range in order of magnitude from 743 square metres to 2323 square metres. The reason I indicate to the house the importance of that is that the studios are meant to be able to support a flexible approach by the film and TV industry to using the range of studios at this location that is very close to the heart of the city. Not only has that enabled a number of footloose film productions from across the world to be attracted to the studios but it has augmented a range of local TV productions across this suite of studios.

To give a measure of the range of films that have been produced in the studios since 2004, they include *The Extra*, *Hating Alison Ashley*, *Last Man Standing* and *Storm Warning*. The production of *Ghost Rider* alone has grossed \$240 million from box office sales. *Nightmares and Dreamscapes*, which was based on stories from Stephen King, and *Where the Wild Things Are* were other outstanding productions. For almost the last year Melbourne Central City Studios in Docklands has had a 100 per cent occupancy rate for the major Stephen Spielberg and Tom Hanks production of *The Pacific*, which was a \$180 million production in its own right and contributed significantly to many jobs in the Victorian film industry. The extraordinary thing about the tale of woe and intrigue that Mr Davis tries to outline to the chamber is that it does not ring true with the effort and the degree to which these studios have been in full production and have been very successful at attracting that range of film productivity.

Mr Guzzardi wrote to the Victorian government in June this year and outlined that he had determined that he would prefer to relinquish his activity with Melbourne Central City Studios to pursue different business activity and commercial interests. He did so perhaps with a bit of a heavy heart, given his outstanding contribution to trying to establish and maintain a viable film industry in Melbourne. I think this committee and certainly the cinematic community should be very grateful for his efforts.

Between June and November Mr Guzzardi and the Melbourne Central City Studios were in negotiations with the Victorian government about the way in which we would conclude the contract with him as the operator of the studio, to find a way forward and maintain the asset of the studio in the hands of the Victorian people. As Mr Davis indicated in his contribution, the last report from the Department of Innovation, Industry and Regional Development noted the studio had a book value of \$58.6 million, which is a

tangible asset. We as a community can have the confidence that that asset has been maintained.

Despite the dramatic way that Mr Davis may try to lead the community to believe there has been a loss of assets or an erosion of the value of this asset to the people of Victoria, the reality is quite the contrary. That asset has been maintained.

The interim governance arrangements entered into on 19 November will maintain Melbourne Central City Studios under the management of Penny Hutchinson, the director of Arts Victoria; Elizabeth Eldridge, an officer of the Department of Justice; and acting chief executive officer, Trevor Angst, who is an officer of the Department of Innovation, Industry and Regional Development, as Mr Davis indicated. The intention is to ensure that we have an ongoing presence and that the film studio can maintain its book of screen activity to keep it going as an ongoing concern until an alternative operator can be found. That is the intention of the government — to try to make sure that we do not lose that continuity of effort, that we do not lose the asset and that production levels are smoothly maintained over time.

Mr David Davis made the wild assertion that I am a bit ahead of myself or above my station, acting like the Baz Luhrmann of the Victorian film industry. Whilst I have a number of professional attributes, I am quite happy to defer to the professional acumen of others.

Do not leave yet! Not that I would acknowledge anyone in the chamber, Acting President — —

**The ACTING PRESIDENT (Mr Finn)** — Or presumably in the gallery, Minister!

**Mr JENNINGS** — I would certainly not acknowledge anyone in the gallery. However, it was somehow conveyed to me through the ether that Mr Laurence Breuls, a performer and I believe a card-carrying member of Actors Equity who appeared in *Ghost Rider*, has spontaneously come into the gallery as a symbolic testament to the importance of Melbourne Central City Studios and the role it has played in supporting the film industry. It is quite extraordinary! It is a random and spontaneous but nonetheless significant demonstration of how important the studios have been to the Victorian community. I am grateful I had the opportunity to say that before the mass evacuation of the gallery, but if that occurs now, I fully understand it.

**Mrs Peulich** — And it is not even intermission!

**Mr JENNINGS** — That is right. They have run out of Jaffas in the gallery.

Ultimately I will rely on, and the Victorian community can rely on, the integrity, capability and good standing of Film Victoria to provide assistance, to advise and liaise with the interim managers at Melbourne Central City Studios to make sure that we maintain its production values and effort, maintain the asset and look at opportunities to develop the commercial cluster that was originally intended.

It is probably disheartening for Mr Guzzardi, who made the decision not to maintain his connections with Melbourne Central City Studios earlier this year at a time when the value of the Australian dollar was close to 95 per cent of that of the US dollar — which made the international attractiveness of the studios quite marginal — that the Australian dollar is today worth something of the order of US65 cents. In a sense the tragedy of this decision lies in the fact that the studio is now more competitive with US film studios than it was earlier in the year, when the value of the Australian dollar was pretty much the same as the US dollar.

I would be disappointed on behalf of Mr Guzzardi if anyone tried to imply anything inappropriate about his decision-making process. I think he based his decision on his commercial interests at the time and the alternative business he wanted to pursue. Those are pretty much the dimensions of the story. At the time he made his decision the Australian dollar was worth US95 cents; today it is far more competitive in terms of the potential for us to attract a book of international films to our shores on an ongoing basis.

We are happy to be accountable in this matter. The Premier and I are happy for the state of Victoria to have ongoing scrutiny imposed upon this process. We are happy that the arrangements under which the governance of the Melbourne Central City Studios will be conducted in a clear and transparent way. We will try to look for a new operator while we maintain Melbourne Central City Studios and its current level of production. In relation to scrutiny, I am pleased to report to the house that under the new governance arrangements, Melbourne Central City Studios has asked the Auditor-General to act as auditor and has opened its books so that the Auditor-General can immediately evaluate the status of the books, which will then be available for further scrutiny.

From the Victorian government's perspective, and certainly from my perspective, there is nothing to hide, nothing to be ashamed of and everything to be gained in maintaining the effort of Melbourne Central City

Studios to find a new operator so that it can operate as a commercial interest into the future. That is our intention, and that is the process I will embark upon. I call upon the auspices of the officers who have been dedicated to this task and the engagement of Film Victoria to guide our decisions and attract film into Victoria in the future. If in the next four years we can be as successful in attracting those productions as we have been in the previous four years, then we in Victoria will be very proud of the films and the opportunities we have created for the cinematic industry in the years to come.

**Mr ATKINSON** (Eastern Metropolitan) — I commend the minister for his preparedness, as one of the members of cabinet, to actually address issues that are raised in this house. Frequently other ministers try to avoid or ridicule matters that are brought before this house rather than engage in a fair debate. I congratulate the minister on that. It is an important aspect of his approach to his work and his respect for the Parliament.

Can I say at the outset that I have some concerns about a general attitude of me-tooism that led to the establishment of these film studios. The fact that there were facilities in Brisbane and Sydney had everybody jumping up and down here, and it had the government thinking, 'We really ought to have some in Melbourne. We do not want the other states to be running away with film production.' The premise from which we started on this project was probably not strong and positive, notwithstanding there was a real opportunity to establish a successful film studio facility here in Victoria and that Docklands was an appropriate location in which to establish that facility.

The government rushed too quickly into this facility. I do not think its engagement with the industry was anywhere near comprehensive enough. I am sure that there were a lot of people in the industry who provided feedback to the government about it being a good idea, but the reality is that the consultation and the scoping of that project was nowhere near the level it ought to have been at the time the project was conceived.

As a result there was substantial expenditure, which has been referred to by David Davis in his contribution to the debate. Expenditure on some facilities might not have even been appropriate to the needs of filmmakers as they approach their craft in this day and age. This is an industry that constantly changes because of technology, as much as any other industry changes, and I am not sure that the facilities provided were necessarily the best facilities going forward, simply because of the approach that the government took in

establishing the facility, which was at great cost to the people of Victoria.

Having said that, I would acknowledge — as I think everybody on this side of the house would acknowledge — and join with the minister in suggesting this state has a proud history in its creative arts, and particularly in television and film production. Whilst the minister has referred in his concluding remarks to the difficulties of the Australian dollar's value against the US currency in attracting international films, there have been some other significant issues that have affected the opportunities available to this facility in recent times. Perhaps one of the major effects was the screenwriters strike, which took a lot of film production out of the international market. In fact it has been not just the problem of the value of the Australian dollar, which has certainly made our facilities less attractive and has taken away one of the competitive advantages that we envisaged for this facility in attracting films from North America in particular, but the economic crisis has made it a lot more difficult for producers to obtain funding for projects.

Following the return to work by the screenwriters the work has diminished at any rate because there are fewer films in production. Some of the major production houses are indicating that their forward plans are considerably reduced on what they have been in recent years. That is disappointing for the industry overall. Interestingly enough, in times of economic downturn a lot of people rely on the cinema and the sort of entertainment value that it provides to both cheer them up and to encourage them, and to perhaps distract them from their personal miseries at different times. It is an interesting situation that at a time when you would expect the box office would be doing quite well, the funding of some of these films has been reduced by the liquidity crisis, particularly in the American financial markets.

I would not share the minister's enthusiasm for the success of this facility over the past four years. The general view of this facility is that its performance has been somewhat underwhelming, that in fact it has not booked anywhere near the level of productions that it had expected to book. A range of other circumstances have contributed to that as well, including a persistence by some of the purchasers of entertainment product, in particular the TV stations, to rely more on reality TV shows than on drama production or film production that would use these facilities. Apart from the Australian Broadcasting Commission, we have had a fairly indifferent performance from many of the companies that have historically been involved in film and

television production. That has obviously impacted on the facility.

However, there have been claims that the costs to take up those facilities on a regular basis, or to have made limited use of the facilities, have been prohibitive for productions. That is certainly something that needs to be looked at. One of the major achievements trumpeted by the government not so long ago was a Bollywood movie that came to the studios; whether or not there are other opportunities to attract further movies from producers besides those from North America remains to be seen, but that needs to be part of the agenda.

The government's announcement of the ending of the contract was an off-Broadway announcement, if we can go back to the theatricals. The announcement was an attempt to keep it as low key as possible and to not invite a lot of comment and consideration of the success of the studios to this point. I hear the minister's arrangements put in place for the short term to ensure the facility continues to meet its obligations to those people who are keen to use the facilities and to continue efforts to attract further production to those facilities. I agree with the minister that the change in recent weeks to the value of the Australian dollar is likely to again make the facilities a bit more attractive for production by certain centres, particularly North American producers.

I would be perturbed — and David Davis has also outlined this to some extent in his contribution — if these interim arrangements were in place for an extended period. Consistent with what Mr Davis was advocating, in terms of this facility and its track record it is important that any future process to install another operator ought to be very open and transparent and be aimed at establishing greater access to these facilities by a wider range of producers worldwide and also encouraging greater use by local producers. But this is clearly a facility that needs expertise. While the minister has an interim arrangement in place, we do not believe that management structure will be sustainable in the long term and be to the benefit of the facility. The minister himself acknowledged that in his contribution when he said that the government is keen to go out and find another operator. We would say that the process ought to be more open and transparent than has been apparent in previous dealings in regard to the facility.

It is true that the facility is also now in a better position, with the opening of Harbour Town and the new Southern Star Observation Wheel, and with the National Ice Sports Centre to be finally delivered in the Waterfront City project area. There is a greater bulk around the studios, which I think will help. From that

point of view we are certainly keen to see this facility succeed. But I share Mr Davis's concern about the sudden allocation of funding without an explanation at this point of exactly what that funding might entail, and there has been too little comment on the terms under which the contract was finalised for the previous operator of the studios. Given the extraordinary largesse of the government in initially allowing a 20-year contract and, as Mr Davis said, allowing some flexibility in the negotiation of the terms of that contract at the early stages, it is quite extraordinary that at this point there has not been a better and fuller explanation of what terms apply in relation to the end of the contract and of whether or not any of the money that appears in the budget tables now represents any sort of payment, compensation or suchlike to the operator.

I say to the minister that I notice there is a new initiative for a writers and ideas centre, which presumably also comes under his portfolio. I welcome that; it is an important initiative. Interestingly, one of the things about the studios is that if we were to focus more on scriptwriting in particular we would have an opportunity to attract more production to that facility. It is wonderful to have the Nicole Kidmans and Hugh Jackmans swanning around and doing their stuff as actors, but the fact is they have got nothing to act in unless somebody has produced a script to begin with. We have a tremendous technical capability for film production in this state, and that was one of the premises upon which the government decided to embark on this project in the first place and why it continues to support the project and suggest its importance to the people of Victoria, and that premise is supported by the opposition. We simply want to see the transparency; we want to see it working better.

We do not believe it has achieved what might have been expected of such a facility in the past four years. We do not share the minister's belief in that regard, but we share his optimism about the next four years. If we focus on some of the rudimentary elements of filmmaking, including the scriptwriting areas and perhaps creating a centre of excellence in scriptwriting in Victoria, maybe the films and film investment will follow and the facility will realise the ambitions the government set for it. The bottom line on this project, as Mr Davis rightly said, is that there be an open and transparent process in choosing a new operator. Perhaps it would be a good start for the minister to offer some further explanations in regard to the money that has come up in the budget now and what terms were associated with the termination of the contract at the time.

**Mr D. DAVIS** (Southern Metropolitan) — I am pleased with the way this debate has proceeded today. I

welcome the minister's forwardness and preparedness to step forward and contribute to the debate; his response in that sort of context is very different to that of a number of his colleagues. He has been prepared to answer questions — there are still many that I believe are not fully answered, but he has taken some steps towards explaining these matters today. I put on record my thanks to him for doing that.

I also want to thank the other contributor to this debate, Mr Atkinson, for laying out something of a vision for film production in Victoria and the importance of that industry into the future. We strongly support the industry and we strongly support the government's support of that industry, including financial support. But the future of the industry will be strengthened where there is full openness and full transparency. In this case the history of the Docklands studios has been grubby — there was a huge smell about the way that original tender was awarded — and there has clearly been an unexplained allocation. With the greatest of respect to the minister, more explanation is required of how the additional \$15 million will be spent, how it will be applied to the studios and how it relates to the previous moneys that have been spent.

The minister made the point that there is some asset value in the studios and correctly pointed out that I had drawn attention to that in the Department of Innovation, Industry and Regional Development annual report. It is true to say that the Victorian community is not without anything here; we have a film studio and that will play a critical role in the future.

Mr Atkinson correctly identified the need for a proper ongoing management arrangement. I do not want to be unkind to the bureaucrats or to the minister, as I have labelled him the Baz Luhrmann of film production in Victoria. I just do not think he and his bureaucrats have the capacity or the special skills that are required to run film production and to choose the right films, as it were, in a state like Victoria or probably indeed anywhere else.

That future has to be sorted out as well. The future of the industry and the expenditure of public money will be damaged, as the minister has outlined, if the Auditor-General looks further at this. I understand that the Auditor-General will have a role in examining the arrangements. I need to be a little clear on this: he will have a role in examining the current financial status of the studios, including what debts or other arrangements are involved. I would also be very keen for him to look at the legal issues that surround the early termination of a 20-year contract and whether the state has rights to successfully recover something from that. But these

decisions, I understand, will be looked at and I look forward to the Auditor-General's future reports to this Parliament on this matter.

I equally pick up Mr Atkinson's key point that in the future a new tenderer who has the capacity to push the film production industry forward strongly in Victoria will be to the advantage of the industry and the Victorian community more broadly. I urge the chamber to vote for this motion. I think it has been timely. I had no idea, of course, when this motion was put on the notice paper yesterday that a declaration of an additional \$15 million of expenditure would occur. With those comments, I thank those members who have contributed, including the minister, and I look forward to supporting the motion.

**Motion agreed to.**

## FUNDRAISING APPEALS AND CONSUMER ACTS AMENDMENT BILL

*Introduction and first reading*

**Received from Assembly.**

**Read first time for Hon. J. M. MADDEN (Minister for Planning) on motion of Mr Jennings.**

## TRANSPORT LEGISLATION AMENDMENT (DRIVER AND INDUSTRY STANDARDS) BILL

*Introduction and first reading*

**Received from Assembly.**

**Read first time for Hon. J. M. MADDEN (Minister for Planning) on motion of Mr Jennings.**

## WATER (COMMONWEALTH POWERS) BILL

*Council's amendment*

**Message from Assembly disagreeing with following Council amendment considered:**

Clause 3, line 29, after "economic" insert ", environmental".

**Mr JENNINGS** (Minister for Environment and Climate Change) — I move:

That the Council do not insist on its amendment disagreed with by the Assembly.

I think it is very important for members of the Legislative Council to pause and reflect on where we sit not only in the eyes of the Victorian community but, by now, in the eyes of the Australian community as to how we deal with this matter. Whilst there may have been some arguments and some disagreement about the ways in which the mechanisms of our referral legislation to the commonwealth may work — there has been some teasing out of the connection in terms of the harmonisation across Australia of this piece of legislation that deals with the interests of the Murray–Darling Basin — and whilst there has been a lot of scrutiny applied to the mechanics that underpin this legislation, the interlocking connections between the agreements which have been entered into, which have seen the creation of the Murray–Darling Basin Authority and the mechanisms by which that will be employed, and whilst there has been a lot of teasing out of the technicalities of how they shall work, there has also been a bit of sport associated with this.

Unfortunately the bit of sport that has been played has probably not been very successful. One by one jurisdictions are locking legislation in place to deal with this matter, to harmonise it across the nation and to make sure water allocations and arrangements rise up and meet the challenges that confront the Murray–Darling Basin and that the Australian community wants some action taken on. The Australian community wants decisive, consistent action to be taken by the states, the territories and the commonwealth to achieve better water outcomes. We are reaching a level of agreement that this nation has not been able to achieve until now.

What is currently standing in the way of that national agreement being reached is the Legislative Council of Victoria. The Senate deals with this matter tomorrow, and we are the last jurisdiction standing. In effect one word is standing in the way of resolution — the word added to the legislation yesterday in a committee of this chamber, even though the logic of that amendment was sorely tested. I contested at the time that it was being argued and proposed for symbolic reasons rather than to have a true effect on varying water allocations. It was done almost as a matter of one-upmanship. Interestingly enough that act of one-upmanship was supported by a rare coalition in this chamber yesterday. The amendment was moved by Mr Barber and supported by Mr Drum.

**An honourable member** — Keep talking and we will divide!

**Mr JENNINGS** — It was a pretty extraordinary thing that we got to that situation yesterday. If the member is indicating by his interjection that today we

are not going to divide, that today we are a united chamber and that today we are collectively representing the interests of the people of Victoria, then that is a good thing. If it is over, that is a good thing, because your interests — the Victorian community's interests — have been protected by the government's actions.

**Mr Drum** — In your opinion.

**Mr JENNINGS** — By the sounds of things, on reflection it is your opinion as well. If that is the case, that is a good thing. We will rise up and meet what has been the challenge facing all the jurisdictions to reach a level of agreement. If we have reached a level of agreement today in this chamber, then that is a good thing. If the motion I have just moved is supported unanimously across the chamber, then that is an act of maturity and political reflection that I would congratulate. If that is the case, I look forward to that being the outcome.

**Mr BARBER** (Northern Metropolitan) — I agree with the Minister for Environment and Climate Change to the extent that this is one of those times when parliaments, having debated and contested an issue until it is white hot, agree to disagree and in doing so move forward. It is my view, and the reason I moved this amendment originally, that the commonwealth is moving one tiny, baby step at a time when great strides are needed, because the crisis that is unfolding all around us is absolutely, blatantly obvious to everybody. I also believe that the impediment to that happening has been the fact that the Premier, John Brumby, knows water equals money, and he is not going to let anybody have it.

However, as we say, that is the debate that has been had. The contestation of these bills in both the state and federal parliaments has again brought that to the fore. It has meant the fate of the Murray–Darling Basin has filled the newspapers for quite a number of weeks while this process has been under way. I hope nobody would imagine that disposing of this particular piece of legislation means we will not find ourselves facing exactly the same contention again shortly, because this is an issue that is not going away; this has been but one small episode in it.

My amendment, as noted, was to add one simple word to an entire library of legislation, and that word was 'environmental'. That is what the entire debate has been about. That has proven to be, for various reasons, a bridge too far for the various players. Some have joined the cause at times and left it at other times. However, I can be pretty confident that we will have our chance

again very soon to put forward our views and hopefully all contribute to building some sort of momentum behind this issue. For that reason I will not oppose or call a division on this motion.

**The PRESIDENT** — Order! Before I call any further speakers on this matter, I remind the house that the debate will be restricted to the assembly's response. We will not be rehashing the original debate on this matter.

**Ms LOVELL** (Northern Victoria) — I indicate that the opposition will not be opposing the motion moved by the Minister for Environment and Climate Change. However, in doing so I note that the intergovernmental agreement was signed on 3 July. That intergovernmental agreement said each of the states must use their best endeavours to have the state legislation passed by November to allow the federal Parliament to deal with its legislation. I think it is arrogant of this government to bring the legislation in at the last minute. We were debating this legislation in December. It is a way of the government holding a gun to the heads of the opposition and the minor parties and saying, 'You can't amend the legislation. You can't have an opinion on this, because it has to be passed now'.

We have seen this happen before. In the last week of Parliament last year there was some negative publicity about a liquor bill that was referred to the Legislation Committee. The government requested that bill be referred to the Legislation Committee, and then it went out to the media and said the bill had been held up and laws would not be brought in by Christmas. The government needs to make sure that when legislation is brought into this place it is done so in plenty of time to allow for vigorous debate, for difference of opinion and for it to be dealt with without it having to be rushed through urgently.

**Mr VINEY** (Eastern Victoria) — Eureka! Finally the people on the other side of this chamber have seen that there were 20 people in the whole of Australia who were holding up this agreement. They are the members of the Liberal Party, The Nationals and the Greens. Twenty people in this chamber were holding up an agreement that every other jurisdiction has agreed to. They have taken it to the brink. It has taken until the 11th hour and 59 minutes before finally members opposite have said they will not oppose the government's motion.

We went through the process of members opposite using this chamber's time to insert a word that was never going to work. People want to see a vital national

agreement put in place, and 20 people in the whole of Australia were putting that at risk — and they are the members on the other side. Eureka! Finally members on the other side, in the extraordinary alliance we have seen in this chamber so many times between the Greens, The Nationals and the Liberal Party, who have caused so much stress and distress in relation to what we need to push on with in a national agreement in relation to this legislation that needed to be consistent across every jurisdiction and the federal — —

**Mr Koch** — On a point of order, President, I question the relevance of the contribution. We have heard Mr Viney repeat himself once. Is he going to repeat himself again?

**The PRESIDENT** — Order! The point of order is well made. Relevance is a relevant issue right now. Mr Viney has made his point on numerous occasions, and I ask him to wrap up his contribution.

**Mr VINEY** — Last night the Liberal Party withdrew the objections it was putting up in the Senate, and now finally under that pressure we see that members opposite have decided they are not going to oppose the minister's motion. I welcome that, but it would have been nice if it had been done in a better spirit.

**Motion agreed to.**

## HEALTH SERVICES LEGISLATION AMENDMENT BILL

### *Statement of compatibility*

**Mr JENNINGS (Minister for Environment and Climate Change)** 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 Health Services Legislation Amendment Bill 2008.

In my opinion, the Health Services Legislation Amendment Bill 2008, 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 bill repeals existing legislative controls in the Health Services Act 1988 (HSA) that apply to community health centres (CHCs). New provisions will regulate and govern community health centres. A key feature of the new framework is a voluntary registration system. CHCs that elect to be registered will be eligible for the same stream of funding

they currently access. To apply to register, a CHC must be a company limited by guarantee.

CHCs electing to apply for registration will be required to wind up in accordance with their rules, cancel their incorporation under the Associations Incorporation Act 1981, and incorporate under the commonwealth Corporations Act 2001.

The bill amends the Health Services (Conciliation and Review) Act 1987 (HSCRA) in relation to the terms of office of members of the Health Services Review Council. It allows members to be appointed for a term of up to three years, rather than for a fixed term of three years. It limits to a total of nine years the period a member of the council may continuously serve; there is currently no limit.

It further amends the HSA to enable a multipurpose service (MPS) to hold its annual meeting before the end of December following the relevant financial year rather than by the end of October.

### Human rights issues

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

The bill engages four human rights protected by the charter:

**Taking part in public life:** section 18 of the charter protects the right, and the opportunity, to participate, without discrimination, in the conduct of public affairs, and to have access to public office.

**Freedom of expression:** section 15 of the charter protects the right to freedom of expression, which includes the freedom to seek, receive and impart information and ideas of all kinds.

**Privacy:** section 13 of the charter provides that 'a person has the right not to have his or her privacy ... unlawfully or arbitrarily interfered with'.

**Freedom of association:** section 16 of the charter provides that every person has the right of freedom of association with others, including the right to form and join trade unions.

#### *Clauses 4 and 5: terms of appointment for Health Services Review Council members*

##### *Section 18: taking part in public life*

Clauses 4 and 5 of the bill amend the terms of appointment arrangements for Health Service Review Council members. Although the charter does not define 'public affairs' or 'public office', it might be argued that membership of the Health Services Review Council constitutes participation in public affairs or is a public office. This is because membership of the council is a statutory appointment and the functions of the council include advising the Minister for Health on the health complaints system and supporting the role of the health services commissioner.

It is considered that the proposed amendments do not limit section 18 as they do not restrict participation in public affairs or access to public office and do not unlawfully discriminate between people in their participation in public life. The cap on reappointment does not discriminate between existing

members; all members would be subject to the same continuous term limit.

Existing members who may now reach the cap would not be prevented from being appointed again after a break in membership. Once appointed, the right to have access to public office or to participate in public affairs (s 18) does not extend to protecting an appointed council member from the usual organisational procedures relating to, for example, terms of office or codes of conduct. This is as long as these procedures have a rational basis and do not discriminate against current or new members on the basis of an attribute set out in section 6 of the Equal Opportunity Act 1995, for instance on the basis of political belief. For example if a proposed member is to be appointed for a term of less than three years to bring that term into line with the terms of other existing members, and the realignment would permit the next round of reappointments to include a number of members, this would be a rational basis for the decision to appoint for a shorter term, and would appear to be compatible with the right to have access to public office.

It should be noted that creating a cap on the number of times a council member may be continuously reappointed allows other members of the public who meet the criteria for membership to be appointed, enabling them to exercise their section 18 rights under the charter. They can thereby participate in public affairs and have improved access to public office.

It is therefore considered that clauses 4 and 5 do not limit section 18 of the charter.

#### *Clause 8: new governance arrangements for CHCs*

Clause 8 of the bill provides for a new governance and regulatory framework for CHCs. An analysis of whether such changes are compatible with sections 18, 16 and 13 of the charter follows.

##### *Section 18: taking part in public life*

Membership of the boards of those CHCs which are incorporated associations and general membership of CHCs may constitute participation in public affairs for the purposes of section 18. It might also be argued that board membership of such CHCs amounts to holding 'public office', although this is less clear. Membership of these boards is currently regulated by statute, and their functions involve responsibility for handling large sums of taxpayers money, directing health-care delivery policy, managing professional and other staff, and discharging significant legal responsibilities. It is therefore assumed for the purpose of this statement of compatibility that board and general membership of the majority of CHCs which are incorporated associations, fall within the parameters of section 18.

Section 18 does not prescribe the ways in which the opportunity to participate in public affairs may be expressed. Nor does it guarantee that funding or regulatory requirements of the organisation through which a person exercises his or her section 18 rights will continue. The proposed amendments do not interfere with the internal workings of CHCs as community associations. Should they decide not to become registered CHCs, then they would still operate as community health organisations in accordance with their statement of purposes, but would not have access to the

funding stream currently available to them as registered funded agencies.

Whether or not to become a registered CHC is a decision to be made by the CHC membership, exercising its section 18 rights. The membership would also have to approve a winding-up proposal. Any member of the CHC could choose to stand as a potential board member once the CHC becomes a company limited by guarantee. Their opportunity to participate in the conduct of public affairs is not curtailed and changes to the way funding may be provided to a community organisation would not, of itself, constitute a breach of section 18 rights.

The governance models of a company limited by guarantee and an incorporated association are broadly similar: there are members, rules, directors, meetings, elections, financial and annual reporting, winding up. While financial regulation for a company limited by guarantee is via Australian Securities and Investments Commission (ASIC) and is more onerous, and application fees more expensive, members will still join and elect directors, and vote in annual general and other meetings. There will in fact be more governance flexibility for registered CHCs because there will no longer be such a strict statutory regulatory framework imposed over the top of that imposed by incorporation. One of the objectives of the amendments is to retain accountability while lessening the degree of overt control by government over CHCs.

Section 18 does not guarantee that once in office, a holder of a public office will continue to hold office indefinitely. The usual rules of organisations in relation to terms and conduct of board members would apply, and they would in this instance, where CHC members would vote on whether to wind up the CHC, and dissolve the organisation and its board. Should the membership decide to apply to be a registered CHC and form a company limited by guarantee to effect this, board members of the previous incarnation of the CHC can stand for office again.

The appointment process would no longer include the current requirement for a proportion of appointments to be made by the Governor in Council; instead all board members will be elected according to the agency's constitution. The HSA currently limits the board of management of a CHC to no less than seven and no more than nine members. A company limited by guarantee need only have a minimum of three directors and one secretary. However, there are no maximum limits on the number of directors or secretaries that the agency may appoint, meaning there may in fact be more opportunities to exercise section 18 rights with this governance model.

It is therefore considered that the change in governance arrangements set out in clause 8 does not limit section 18 of the charter.

#### *Section 16: freedom of association*

Section 16 of the charter provides that every person has the right of freedom of association with others, including the right to form and join trade unions.

This right means that all persons have a right to come together voluntarily for a common goal.

Under the proposals, stand-alone CHCs that are incorporated associations will, in effect, have three options: to remain an incorporated association, to become a company limited by

guarantee, or to amalgamate voluntarily with a registered funded agency (such as a public hospital) under the current provisions of the HSA or under the new provisions of the bill.

The proposal does not limit the right to freedom of association. If a CHC chooses the first or second option, members will still be able to exercise their right to freely associate either as an incorporated association or as a company limited by guarantee. If the members of a CHC choose the third option, they would no longer be associating together through an incorporated association.

However, the members of such a CHC who wish to continue to be involved in the community health services currently provided by that CHC would, in that event, have other opportunities to associate together, although they would not consist of formal membership and voting rights. This includes seeking membership on any relevant consumer and primary health committees operated for example by a public hospital with which a CHC may amalgamate, and being involved in volunteer community health activities operated for example by a public hospital. Individuals may also apply to be members of the hospital or other agency boards.

Moreover, in each case, it is the membership of the CHC which will decide which option it wishes to pursue. CHCs therefore have a number of options for determining how, and the extent to which, they will associate together in the future. As such, there is no limitation on right to freedom of association.

#### *Section 13: privacy*

If a CHC amalgamates with another agency such as a public hospital, there are potential privacy implications: the CHC's patient health records would be transferred to the public hospital, or other legal entity resulting from amalgamation.

In addition, the legal personality of the health service provider will change; staff will therefore be employed by a different employer, either the public hospital or a new legal entity arising out of the amalgamation. The same transfer of responsibilities would occur in relation to any contractual or other arrangements with third parties. Any personal information of these staff, contractors and others would, as a consequence, be held by the new entity or by the public hospital.

Some of these changes may have implications for the privacy of patients, staff, contractors and perhaps other third parties. This is especially the case in relation to the transfer of patient health records, and personnel records.

However, it is considered that any such impacts would not limit the right to privacy. Any such aspects of privacy would not be unlawfully interfered with. Any changes in the handling of health information or personal information, and any other related privacy impacts that flow from the change to a new entity as employer or contractor, would be the natural consequence of the cancellation of the incorporation of the CHC and the creation of the new amalgamated entity or the CHC becoming part of the registered funded agency. They would all flow from the amalgamation itself, and the relevant contract and other law effecting the transfer of all property and liabilities of the two bodies (which would include records) to the new entity.

There would be no arbitrary interference with privacy. Any amalgamation process would be developed as part of a

reasoned and rational process, with the consent of both organisations. Where any laws apply to the handling of information (such as section 141 of the HSA, the Health Records Act 2001 in the case of patient health information, and the Information Privacy Act 2000 regarding other personal information), or to other matters concerning employees and contractors, these obligations would generally apply to the new entity.

Further, the transfer of all responsibilities to the amalgamated entity or to the other organisation ensures continuity of services. It facilitates the ability of staff to work for the new organisation, and for patients to continue to receive health services without any loss of continuity or risk of harm that could result from receiving treatment or services without relevant clinical information being available. The transfer of all such information and relationships is to achieve the purpose of any amalgamation, which would be to better manage the provision of health services in that area. As such, there would not be an arbitrary interference with privacy.

It is therefore considered that clause 9 does not limit section 13 of the charter.

**Clause 10: additional time for MPS to hold annual meeting**

An analysis of whether the proposals are compatible with sections 15 and 18 follows.

Clause 10 amends the HSA to permit an MPS an additional two months to hold its annual meeting and present the report it prepares for the minister to its members and the community. This may delay making available that information to those members of the public who would attend the meeting. This may affect how a person participates in public life because potentially information cannot be accessed as quickly as it otherwise would be. It therefore engages sections 18 and 15 (freedom of expression) of the charter.

However, in practice the amendments will not delay when an annual meeting is held. An MPS already has the discretion to hold its meeting between 1 July and 31 October, and this can be extended with the secretary's written permission. In recent years this permission has been granted to enable the tabling of the annual report in Parliament before it is publicly released at the annual meeting. Once tabled an MPS can make the annual report available on its website in anticipation of presenting a printed version at its annual meeting.

It is therefore considered that clause 10 does not limit sections 15 or 18 of the charter.

**Conclusion**

I consider that the bill is compatible with the Charter of Human Rights and Responsibilities because these provisions do not limit human rights.

GAVIN JENNINGS, MLC  
Minister for Environment and Climate Change and Minister for Innovation

*Second reading*

**Ordered that second-reading speech be incorporated on motion of Mr JENNINGS (Minister for Environment and Climate Change).**

**Mr JENNINGS (Minister for Environment and Climate Change) — I move:**

That the bill be now read a second time.

**Incorporated speech as follows:**

The Brumby government is committed to providing effective, sustainable and well-managed health and community services for all Victorians.

It is well recognised that Victoria's community health centres are a key component of our health services system.

Community health centres deliver services predominately to the most vulnerable in our society, focusing on health promotion and illness prevention, as well as early detection and treatment of chronic diseases. Tackling chronic disease is a key priority of the Brumby government.

Our government invests more than \$250 million annually in community health centres. They are Victoria's main provider of state-funded primary medical, dental, allied health, and nursing services. There are nearly a million visits a year for these services.

Community health services also provide a range of other services such as home and community care, drug and alcohol and mental health services.

With the increasing prevalence of chronic disease and the contribution of lifestyle factors to poor health, community health services are growing in importance in the health system.

Today community health centres are leading players in primary care partnerships, and together with other local agencies, provide a comprehensive response to the health needs of their local populations.

The size, scope and nature of community health centres and the services they provide have changed significantly since the Health Services Act, which regulates them, was introduced in 1988.

Laws governing Victoria's community health centres have changed over time, resulting in the sector's operations, governance and management being significantly controlled by government through the Secretary of the Department of Human Services and the Minister for Health.

I am pleased to introduce this bill which provides a new framework for community health centre governance and accountability. It will not change the strong, collaborative partnership this government has established with our community health centres, nor the strategic position the sector occupies in advancing the government's health agenda. It will build on it.

The changes follow a review of community health centre governance and accountability which I announced in March this year.

Good governance is a critical part of building efficient and well-managed community health services. It strengthens community confidence in health services. It enables health services to perform efficiently and effectively, and to respond strategically to changing demands.

The review was supported by a consultation process with community health centres, peak bodies, such as the Victorian Healthcare Association, and unions to determine the best way forward for the sector.

Following from that review this bill introduces a new framework for community health centre governance and accountability.

The bill removes existing legislative controls over community health centres contained in the Health Services Act 1988.

This means that the government will no longer be involved in appointing community health board members or the CEO. It will no longer have the ability to direct the registered community health service to do certain things such as alter its constitution or amalgamate with another registered funded agency.

Instead, the new framework for community health centres will comprise:

- a voluntary registration scheme; and
- performance standards to ensure that quality services are provided to the Victorian people.

Given the sector's active involvement in the government's consultation process, we know they strongly support the new framework and that the vast majority will elect to register.

Specifically, the bill provides for a voluntary registration scheme for organisations that provide government-funded community health services — community health centres that register will be eligible to receive community health and dental funding and be subject to a new monitoring and governance framework.

Registration will be a one-off process, although the secretary may revoke a community health centre's registration under certain circumstances.

The Department of Human Services will manage the registration system, including assessing applications for registration against registration criteria provided for in the bill.

A key aspect of the new governance framework is a requirement that agencies registering must be companies limited by guarantee.

Companies limited by guarantee are subject to more rigorous reporting arrangements than incorporated associations. The vast majority of community health centres are currently incorporated associations.

This higher level of accountability is necessary because:

- Existing accountability and control mechanisms in the Health Services Act 1988 that apply to community health centres will be removed.

The state government invests significantly in community health centres: in addition to more than \$250 million in recurrent funding, community health centres are also eligible for capital funding. And about 60 per cent of the sector operate from Crown land or department-owned land.

The community has certain expectations about the accountability of government-funded agencies. Ensuring Victorians continue to have confidence in the way the sector is governed and managed is crucial.

The new regulatory framework sets performance standards for community health centres. These are determined by the Minister for Health and provided for in the bill.

The bill provides that if a registered community health centre does not comply with a direction by the secretary, funding to the agency may be stopped or its registration revoked.

The Minister for Health may appoint an administrator to manage part or all of the centre's activities in certain circumstances. This may occur where the registered community health centre is inefficiently or incompetently managed, has failed to meet performance standards or failed to continue to meet the registration criteria.

These powers will only be used in very limited circumstances. We know the vast majority of the sector will continue to deliver high-quality, well-managed services to the community, therefore maintaining compliance with the standards.

Decisions to refuse an application for registration, to revoke a community health centre's registration and to recommend the appointment of an administrator will be subject to review by the Victorian Civil and Administrative Tribunal.

Government is committed to ensuring a smooth transition to the new arrangements. A 90-day transition period is provided for in the bill once it is proclaimed, to assist community health centres to make the necessary changes to their governance and operations.

Government has provided funding to the Victorian Healthcare Association to assist community health centres implement the new requirements.

Existing community health centres may choose not to register. In this case they would no longer be eligible for funding from the department's community health and dental funding stream.

The bill will continue, however, to allow voluntary amalgamations with a public hospital or health service.

The bill also provides for two other amendments.

Firstly, it enables multipurpose services to hold their annual general meetings relating to the previous financial year any time before 31 December rather than 31 October, as is currently the case. This change will ensure there is consistency between the timing of annual general meetings of multipurpose services and those of other agencies such as public hospitals and public health services.

Secondly, the bill amends the Health Services (Conciliation and Review) Act 1987 to allow for more flexibility in the

appointment and terms of office of members of the Health Services Review Council.

I will now provide further detail in relation to each part of the bill.

Part 1 deals with the purpose and commencement of the bill.

Provisions relating to community health centres will come into operation on a day to be proclaimed, or at the latest on 1 July 2009.

Provisions in relation to multipurpose services and the Health Services Review Council will come into effect on the day after the day the legislation receives royal assent.

Part 2 makes amendments to the Health Services (Conciliation and Review) Act. It will allow for a person to be appointed to the Health Services Review Council for a period of up to three years, rather than the current fixed three-year term.

This part also limits the term of appointment to nine continuous years. This will ensure renewal of the council, and represents good governance practice that is reflected in other legislation.

Part 3 relates to new governance and regulatory arrangements for community health centres.

It details the criteria that will be used to assess applications for registration and provides that the Secretary of the Department of Human Services may impose conditions on registration.

It provides that the secretary may request further information from an applicant, and may refuse an application if this is not provided within a reasonable time.

It provides that an application may be refused if the secretary is not satisfied that the registration criteria have been met and sets out a process for this.

It empowers the Minister for Health to determine, amend or revoke performance standards. It details the matters that may be covered by performance standards.

Finally it specifies steps that may be taken by the secretary, and in some instances the Minister for Health, to improve compliance by community health centres with the Health Services Act 1988 if this is necessary. The bill allows specified decisions made under the act to be appealed to the Victorian Civil and Administrative Tribunal.

With the burden of disease shifting more and more to chronic conditions, Victoria's community health services, focusing as they do on health promotion and early detection and treatment, are becoming increasingly important in delivering the government's health agenda.

At the same time, the scope of community health services, their funding sources and funding levels have expanded significantly since the introduction of the Health Services Act 1988.

The amendments contained in this bill will position community health centres to respond effectively to the dynamic environment in which they find themselves, and to current and emerging health policy challenges.

I commend the bill to the house.

**Debate adjourned for Mr D. DAVIS (Southern Metropolitan) on motion of Mr Koch.**

**Debate adjourned until later this day.**

## TRANSPORT LEGISLATION AMENDMENT (DRIVER AND INDUSTRY STANDARDS) BILL

### *Statement of compatibility*

**For Hon. J. M. MADDEN (Minister for Planning),  
Mr Jennings 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 Act 2006 (the charter), I make this statement of compatibility with respect to the Transport Legislation Amendment (Driver and Industry Standards) Bill 2008 (Bill).

In my opinion, the bill 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**

The purpose of the bill is to amend the Transport Act 1983 (the Transport Act) in relation to accreditations and authorisations and licences.

Other minor amendments are made to the Working with Children Act 2004 in relation to exemptions for accredited drivers of public passenger vehicles.

#### **Human rights issues**

##### ***Industry and driver accreditation***

Clause 4 of the bill amends division 4 of part VI of the Transport Act, which deals with the accreditation of taxicab industry participants with the purpose of facilitating 'the provision of safe, reliable and efficient taxicab services that meet reasonable community expectations by ensuring that only suitable persons hold taxicab licences, operate taxicabs or permit them to be operated or provide taxicab network services'. Taxicab industry participants include providers of taxicab network services and taxicab operators who generally undertake services such as the receipt and dispatch of bookings or orders for the hiring of taxicabs or the provision for taxicabs through a central communications system.

Section 130A of the Transport Act defines tier 1, 2 and 3 offences. Relevantly, the bill amends section 130A of the Transport Act to provide that a reference in division 4 of part VI to 'a person who has been found guilty of an offence' includes people who have been found to be not guilty because of mental impairment. (This class includes people found not guilty because of insanity for offences prior to 18 April 1998; and all persons presently and in the future found not guilty because of mental impairment for offences since 1998 (under the Crimes (Mental Impairment and Unfitness to be Tried) Act 1997).)

Previously the procedure for people falling within this class was that the director could consider whether the person was not 'technically competent and sufficiently fit and healthy to provide the service' or did not satisfy the public care objective under s 164 of the Transport Act. The effect of the amendment is to allow the director to refuse the accreditation, cancel the accreditation, or take disciplinary action in respect of persons that fall within this category. Depending on the type of offence that has been committed, this might be a mandatory, presumptive or discretionary action.

Similarly, clause 3 of the bill makes the equivalent amendment to division 1, part VI of the Transport Act, which applies in respect of driver accreditation for commercial passenger vehicles and private bus services.

### ***Section 25: the right to be presumed innocent***

Section 25(1) of the charter provides that a person charged with a criminal offence has the right to be presumed innocent until proven guilty according to law. The right to be presumed innocent may have a direct application at the hearing of a criminal proceeding and also an indirect application to criminal proceedings by restricting public authorities from making public statements affirming the guilt of the accused, particularly where public statements may prejudice the outcome of the criminal trial: *Sabet v. Medical Practitioners Board* [2008] VSC 346.

In respect of persons affected by these provisions, the determination of criminal proceedings has been made and proceedings have been closed. Persons affected by the provisions are no longer charged with a criminal offence and no criminal proceeding is on foot in relation to them. The provisions do not amount to a determination of a criminal charge and nor would they result in prejudice to separate criminal proceedings. Accordingly, it is my opinion that the bill is compatible with s 25(1) of the charter.

### ***Section 8: recognition and equality before the law***

Section 8 of the charter is the right to recognition and equality before the law. It provides that every person is equal before the law and is entitled to equal protection of the law without discrimination. The charter aligns with the Equal Opportunity Act 1995 (EO Act). Section 3 of the charter provides that discrimination in relation to a person means discrimination within the meaning of the EO Act, on the basis of an attribute in section 6 of that act, one of which is impairment. The EO Act prohibits both direct and indirect discrimination (section 8(1)).

To amount to direct discrimination, there must be less favourable treatment of a person with a disability who is in the 'same or similar circumstances' as a person without a disability. Differentiation on the basis that a person has committed the physical element of an offence does not amount to direct discrimination, because the person is not being treated less favourably because of their impairment, but rather they are treated differently because they have committed the physical element (or actus reus) of the offence: *Purvis v. New South Wales (Department of Education and Training)* (2003) 217 CLR 92.

Under the Purvis approach, section 8 would not be engaged, because there is no discrimination on the basis of a person's impairment, or any other attribute in section 6 of the EO Act. There is no discrimination, because the comparator is one

who, like the person, committed the physical element of the offence.

It is important in this context to have regard to the purpose of the accreditation scheme introduced by the bill: to ensure the highest level of public safety through providing provisions in taxi industry accreditation and driver accreditation for commercial passenger vehicles and private bus services. When the driver accreditation scheme was originally introduced into the Transport Act, the provisions were drafted to align with the requirements of the Working With Children Act 2005, while still maintaining a stricter regime under the Transport Act due to the wider application of the scheme to the elderly, disabled and often vulnerable persons. The provisions outlined above support the purpose of ensuring public safety and also the right in section 17(2) that children are entitled to such protection as is in his or her best interests by reason of he or she being a child, through a strict system of industry and driver accreditation.

Further, only those found guilty of the serious offences described in the Transport Act as tier 1 or category 1 offences, are excluded from accreditation or suspended on a mandatory basis. Tier 2 and 3 offences trigger discretion on the part of the director, which must be exercised compatibly with the charter. Importantly, any person affected by these provisions may apply to VCAT for review of accreditation pursuant to section 169O of the Transport Act, and having regard to certain factors specified in the Transport Act, VCAT may make a decision to issue, renew or reinstate an accreditation. In relation to the jurisdiction of VCAT with regard to category 1 offenders, clause 15 inserts additional factors that VCAT must be satisfied of if it is to make such an order. It provides that VCAT must only make an order if it is satisfied that it is in the public interest to make the order and making the order would not pose an unjustifiable risk to the safety of persons using services. The provision provides a range of factors VCAT must have regard to, for example the nature and gravity of the offence, the period of time since the offence was committed and any other matter VCAT considers relevant to the application. Relevantly, the amendments do not remove the ability of persons to seek independent review of decisions made against them.

Accordingly, I consider that the bill is compatible with section 8 of the charter.

### **Conclusion**

I consider that the Bill is compatible with the Charter.

Justin Madden, MLC  
Minister for Planning

### *Second reading*

**Ordered that second-reading speech be incorporated on motion of Mr JENNINGS (Minister for Environment and Climate Change).**

**Mr JENNINGS (Minister for Environment and Climate Change) — I move:**

That the bill be now read a second time.

**Incorporated speech as follows:**

This bill tightens driver accreditation standards for taxis, hire cars and buses as part of a package of measures to strengthen public confidence in the safe operation of Victoria's public transport system.

A key focus of the bill is to maintain the integrity and effectiveness of the robust accreditation regime that the government has been implementing in the taxi industry over the past two years.

The central objective of the government's new accreditation regime is to provide for safe, reliable and efficient taxi services that meet reasonable community expectations.

The two complementary accreditation schemes — one for all drivers of commercial passenger vehicles, introduced from July 2007, and one for all other taxi industry participants, introduced from the start of this year — are fundamental to the government's extensive efforts to improve the safety and quality of Victoria's taxi services.

Driver accreditation regulates who is allowed to carry out the important responsibilities involved in transporting passengers on our roads as part of our public transport network.

Based on an explicit public care objective, the scheme is focused first and foremost on 'the safety of the travelling public'.

The reasons for this focus are absolutely clear. Drivers of taxis, hire cars and commercial buses provide an essential community service. They are working in positions of responsibility and trust, and public safety must be the paramount consideration.

Public confidence in these services is also crucial, so it is important that passengers have a perception of safety. This is especially true of taxis — the one motor vehicle we are expected, without question, to enter and ride with a stranger at the wheel.

The rights of an individual applicant cannot be the prime consideration in deciding who is a suitable person to be accredited to drive a taxi.

Greater weight must be given to the rights of the many people who need to use taxi services, particularly the disadvantaged or vulnerable and those who have little or no alternative means of transport. Considerable weight must also be given to the importance of maintaining public confidence in the safety of taxi travel.

That is why the existing accreditation schemes make it mandatory for the director of public transport to reject applicants who have been convicted of certain serious criminal offences, including murder, terrorism, rape and sexual offences against children. A conviction for any one of more than 120 criminal offences triggers mandatory refusal.

These amendments make it mandatory for the director of public transport to refuse accreditation if the applicant has been found not guilty of murder on the ground of insanity or mental impairment.

The government wants to make it absolutely clear to the community and the courts that a person who kills while

insane is, in almost all conceivable circumstances, not a suitable person to drive a taxi.

Extending mandatory refusal to such cases sends a clear signal to the regulator, the community and the courts.

However, the avenue of VCAT review remains available for all administrative decisions made by the accreditation regulator, both discretionary and mandatory.

The bill also strengthens the test to be applied by VCAT to refusals of accreditation taken on review by providing that VCAT can only grant accreditation where it is satisfied that:

granting accreditation does not pose an unjustifiable risk; and

in all the circumstances, it is in the public interest to grant the accreditation.

These changes reflect the government's determination to lift standards in the taxi industry and will support the efforts already well under way to improve safety for drivers and passengers.

Since the new commercial passenger vehicle driver accreditation scheme began 17 months ago, the VTD has received approximately 4300 accreditation applications from prospective taxidivers.

More than 200 applications from people wanting to work as taxidivers have been refused, while more than 220 existing taxidivers have had their accreditation cancelled or suspended over the same period.

Applicants are thoroughly assessed before decisions are made and only a tiny percentage end up at VCAT.

Over the past 11 months, the taxi industry accreditation scheme has been implemented progressively in parallel with the driver scheme. More than 2000 taxi licence-holders, operators and network service providers have been required to lodge applications for accreditation by the end of the first year.

Approximately 50 licence-holders or operators have had their accreditation cancelled in that time, and a number of new applicants have been refused accreditation or required to show cause why they should not be refused.

The past year has seen the VTD provided with substantial extra personnel and resources to ensure compliance with the accreditation standards and lift levels of safety and service in the taxi industry.

Major safety initiatives have included:

prepaid taxi fares between 10.00 p.m. and 5.00 a.m.;

compulsory availability of protection screens for all cabs, with the cost shared between operators and the government;

the current safety audit that will check every taxi in the state.

The government's intentions and actions make it abundantly clear that improving safety standards across the taxi industry is a high priority.

These efforts are directed at ensuring that people can feel safe when they get into a cab, and that drivers are as protected as possible every time they get behind the wheel of a cab.

The disqualifying offences regimes for the driver accreditation and taxi industry accreditation schemes provide that applicants for accreditation or those who already hold accreditation must be automatically refused accreditation or have their accreditation cancelled if they have been found guilty of specified criminal offences.

The bill strengthens the disqualifying offences regime for the driver and taxi industry accreditation schemes to cater for recent changes to the Crimes Act.

The bill elevates serious offences against the person, including those involving dangerous driving causing death or serious injury, and offences involving serious acts of violence.

These offences will provide grounds for the director of public transport to refuse or cancel accreditation.

A critical element of the accreditation schemes is the protection of children and vulnerable persons.

When it comes to protection of children, only the highest regulatory standards are acceptable. The government recently strengthened the working-with-children regime, with some disqualification offences being introduced or elevated in importance.

This bill strengthens both accreditation schemes to take account of recent changes to the Crimes Act and to further align them with the working-with-children regime.

The changes also cut red tape, eliminating the need for a person to apply under both accreditation schemes and the working-with-children scheme where the high standards under both regimes are clearly met.

Finally, the bill also makes a number of minor, miscellaneous and machinery amendments to commercial passenger vehicle driver and taxi industry standards matters contained in the Transport Act.

I commend the bill to the house.

**Debate adjourned on motion of Mr KOCH (Western Victoria).**

**Debate adjourned until later this day.**

**Sitting suspended 6.22 p.m. until 8.07 p.m.**

## CORONERS BILL

**Committed.**

*Committee*

**The DEPUTY PRESIDENT** — Order! I thank the committee for its patience. There have been some changes to proposed amendments that we are to deal with, so we are trying to make sure we have got them in the correct sequence. There are a number of

amendments that have been foreshadowed in previous debates on this bill and, in the case of Mr Rich-Phillips's amendments, that have also been circulated. However, revisions have been made to those original amendments since they were provided to members of the committee. I think the minister is aware of the different amendments, and when Mr Rich-Phillips gets to his feet he will request, as will Ms Pennicuik, that those new amendments be circulated to the committee at the appropriate time.

### Preamble

**The DEPUTY PRESIDENT** — Order! In my view the preamble to the legislation should be postponed at this point in time.

### Preamble postponed.

### Clause 1

**Ms PENNICUIK** (Southern Metropolitan) — My query is about clause 1(c), under the heading 'Purposes'. Here the bill states that one of the purposes of the act is:

to contribute to the reduction of the number of preventable deaths and fires through the findings of the investigation of deaths and fires, and the making of recommendations, by coroners...

I understand that although it is not a statutory requirement under the bill, a prevention unit will be set up. It would be better, from our point of view, if that prevention unit were actually a statutory unit established under the act. Can the minister explain why that has not happened, what the primary functions of the prevention unit are, how it will be resourced and how it will be established?

**Hon. J. M. MADDEN** (Minister for Planning) — I am advised that the parliamentary Law Reform Committee recommended this arrangement, but it also recommended, I understand, that it not be legislated as part of the enactment of the bill.

**Ms PENNICUIK** (Southern Metropolitan) — Can the minister address the questions of how it will be established and resourced and what its main functions will be?

**Hon. J. M. MADDEN** (Minister for Planning) — I am advised that it has recently been funded by the government as a pilot for the next four years and that it will be evaluated at the end of that four years.

**Ms PENNICUIK** (Southern Metropolitan) — After the four years, if the pilot were to be successful, what is

envisaged would happen? How would the prevention unit be established as a more permanent feature?

**Hon. J. M. MADDEN** (Minister for Planning) — I do not want to go into hypotheticals, but normally at the end of a review like that there is an assessment made on the basis of what the review indicates. Governments rarely go into extended pilot programs without the intention of making a long-term commitment. I do not want to pre-empt the results of any review or pre-empt any findings, but I would anticipate that it would go beyond the four years. But the review would inform what shape or form that might take and the improvements that might be part of any extension to that unit.

**Ms PENNICUIK** (Southern Metropolitan) — Could the minister briefly outline the key functions of the prevention unit?

**Hon. J. M. MADDEN** (Minister for Planning) — I am informed it is basically to assist the coroner in any prevention recommendations. That has not been the case for the coroner previously, I understand, in terms of recommendations. The depth and breadth of some of those recommendations has not necessarily been covered.

**The DEPUTY PRESIDENT** — Order! Is the committee to understand that it has an advisory role?

**Hon. J. M. MADDEN** (Minister for Planning) — Yes. The impression I get is that it has an advisory role. It is a pilot program, and there will be a cultural rapport, or protocols, established over time. I suppose the establishment of any organisation is a work in progress, and the ability to review that after four years will assist in clarifying whether that is successful and whether that needs to have more rigour, be more proactive or any of the sorts of things that could be assessed on the basis of recommendations that might come out of a review.

**Opposition substituted amendments circulated by Mr RICH-PHILLIPS (South Eastern Metropolitan) pursuant to standing orders.**

**Greens amendments circulated by Ms PENNICUIK (Southern Metropolitan) pursuant to standing orders.**

**Clause agreed to; clause 2 agreed to.**

**Clause 3**

**The DEPUTY PRESIDENT** — Order!  
Mr Rich-Phillips will move his amendment 1. I am of the opinion that that amendment is a test for his

remaining amendments 2 to 10. Mr Rich-Phillips may therefore formally move his amendment 1 and address any pertinent matters in regard to that amendment, recognising that his foreshadowed amendments also are related to the success of amendment 1. The reason it is a test is that all the amendments relate to the issue of stillbirth.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — I move —

1. Clause 3, page 4, line 6, omit “suspected death” insert “still-birth and suspected death and suspected still-birth”.

As the Chair has indicated, the subject of these amendments is the issue of stillbirth and suspected stillbirth. The current Coroners Act 1985 and the Coroners Bill before the house this evening explicitly exclude the coroner from considering matters relating to stillbirth. The definition for a death that is contained within the definitions in this clause specifically excludes a stillbirth as defined in the Birth, Deaths and Marriages Registration Act. The purpose of the amendments proposed by the coalition parties this evening is to give the coroner limited scope to consider the circumstances surrounding a stillbirth.

Our interest in this amendment and the reason we are bringing this amendment forward this evening relates, in large part, to a lot of advocacy undertaken by Karen and Andrew Kennedy and advocacy we have received from the SIDS and Kids organisation. The purpose of the amendment is to provide the mother of a stillborn child with the opportunity to seek the coroner’s investigation of the death of her stillborn child. The circumstances where this may arise would be where there has been medical intervention in the birth of the child and the child has subsequently died, possibly as a consequence of that medical intervention prior to its birth, and the mother is seeking to have that matter investigated by the coroner.

Concern has been expressed in various quarters that opening the issue of stillbirth to the coroner would give the coroner scope to consider the issue of abortion where a child is aborted prior to birth. It is not the intention of the coalition parties, and it is not the way in which this amendment would operate, that the coroner would be able to investigate a circumstance of abortion under this amendment. The key operative amendment, being amendment 9 proposed to clause 12, specifically restricts the coroner’s capacity to look at a stillbirth to circumstances in which the mother of the stillborn child requests the coroner’s intervention in the examination of stillbirth.

There is no capacity for a third party to make a referral or to request a referral by the coroner. There is no capacity even for the father of the child to request an examination of the death by the coroner. It is intentionally and purposefully restricted to the mother seeking investigation of the death by the coroner, so this provision can only be used in circumstances such as I mentioned before — of medical intervention going wrong or some other problem arising during the birth. It cannot be used to inquire into abortion matters. It is intentionally restricted and very tightly restricted.

The reason we are proposing this amendment is to give those parents, those mothers who have tragically experienced the stillbirth of a child, the opportunity to have their circumstances considered by the coroner. Where they believe the circumstances of that stillbirth warrant investigation by the coroner, currently they have no avenue because the Coroners Act specifically excludes consideration of stillbirth. The way in which the amendment is caged explicitly excludes a stillbirth as a reportable death, and that again is to prevent the consideration of a stillbirth being undertaken in circumstances other than where a mother refers the matter or requests the coroner investigate the matter.

As noted by the Chair in his introductory comments, the amendments I have circulated this evening are a substitution for amendments circulated yesterday. The difference between the amendments circulated yesterday and the amendments circulated today relate to proposed amendment 4, which is the definition of a stillborn child. Following consultation with members of the Greens, the coalition party has agreed to an alternative definition of a stillborn child — to one that would mean a child of at least 32 weeks gestation that exhibits no sign of respiration or heartbeat, or other sign of life, after birth. Following on from the amendments circulated yesterday, we have raised the period of gestation at which a child is considered stillborn and thus would be subject to referral under our provision, and removed the reference to a weight assessment of a stillborn child.

The change has clarified and simplified the definition of 'stillborn child' to a child of at least 32 weeks gestation. We believe these are sensible amendments. They will give considerable comfort to those mothers who find themselves in the unfortunate situation of having a stillborn child and believe an investigation is warranted. Our amendments will not give rise to any capacity for this provision to be misused with respect to abortion. We urge members of the committee to support this amendment as a test for the other amendments.

**The DEPUTY PRESIDENT** — I will give the minister the opportunity of responding to that now, if he wishes, or the committee can hear Ms Pennicuik and the minister can respond to both speakers. Which would the minister prefer?

**Hon. J. M. MADDEN** (Minister for Planning) — Unless Ms Pennicuik wants to follow that theme, I am happy to respond now.

Recognising the opposition's amendments, I am informed that the Victorian parliamentary Law Reform Committee recommended that stillbirths continue to be investigated by the Consultative Council on Obstetric and Paediatric Mortality and Morbidity (CCOPMM) and that the Coroners Act 1985 be clarified to ensure that its jurisdiction is clear in relation to stillbirths. The government has accepted the committee's recommendations.

I am advised also that the chair of CCOPMM, Professor Jeremy Oats, and the state coroner, Her Honour Judge Jennifer Coate, both agree that the issue of stillbirths is very complex and requires further thought and consideration and, if determined appropriate, should not be addressed in the form of a hurried amendment.

I believe that clarifies the government's position in relation to those matters, so I can let it be known that the government will not be supporting the amendments proposed by the opposition.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — I thank the minister for his response. In respect of the minister's reference to the parliamentary Law Reform Committee recommendations, I note that in that report there are a number of recommendations about the Coroners Act that the government has not elected to take up. To members on this side of the chamber it would seem that the minister is cherry picking the recommendations of the Law Reform Committee. It is not simply a case of the government adopting all the committee's recommendations, because that is clearly not the case. I am wondering if the minister can provide some elaboration of the government's reasons for not supporting this amendment?

Also, with respect to his comment that it is the government's understanding that the coroner, Jennifer Coate, and the chairman of the mortality and morbidity council, Professor Jeremy Oats, do not support this provision, I wonder if the minister could elaborate on the basis of his understanding of the coroner's view and the professor's view?

**Hon. J. M. MADDEN** (Minister for Planning) — Obviously there will always be recommendations the government decides to pursue and some it may elect not to pursue. Unless Mr Rich-Phillips wants to draw attention to any specific references, at this time I will make just a broad general comment on those.

**The DEPUTY PRESIDENT** — Order!  
Mr Rich-Phillips has also asked if the minister could elaborate on the views of both the coroner and Professor Oats with respect to their opposition to the proposal.

**Hon. J. M. MADDEN** — I do not have further detail of that in relation to what advice has been provided to me about their respective comments, but I am happy to seek to have that information provided to Mr Rich-Phillips from the respective minister, the Attorney-General, if it is deemed appropriate to provide that information. I am happy to seek that information, but I do not have any further detail in relation to those matters.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — The minister has asserted an opinion on behalf of the coroner and the chairman of the council. It would be to this committee's benefit to know the basis of the views that have been asserted on their behalf by the minister. Was the coroner asked about the amendments being proposed by the opposition and what was the nature of the question put to her by the Attorney-General — likewise with Professor Oats?

**Hon. J. M. MADDEN** (Minister for Planning) — I am advised that currently a review is being undertaken of the CCOPMM's functions and I understand that that is in accordance with the recommendation of the Victorian parliamentary Law Reform Committee. One of the issues that the evaluation of the CCOPMM that is currently under way will address is the role, function and powers of the CCOPMM to determine whether they are adequate to undertake a comprehensive investigation of stillbirths. I understand the evaluation seeks to determine the extent to which the CCOPMM has achieved its objectives and examine the potential implications of a changing working environment and cultural approach to safety and quality.

I am advised also that the evaluation will seek to identify options to strengthen the CCOPMM's operation and scope of activities in the future. I understand that this review will help ensure that Victoria has appropriate mechanisms to investigate stillbirths, where this is required. On that basis, I understand any reform in this area, as I mentioned previously, should be part of that review or potentially

an outcome of that review, rather than, as I mentioned also, those changes being part of or determined by a hurried amendment.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — That does not answer the question, which was: how does the minister purport to know the coroner's view on this matter?

**Hon. J. M. MADDEN** (Minister for Planning) — Any time I stand at this table I am provided with advice. On this occasion I am provided with advice that I understand has been taken from the words of the people I have quoted. I can give no guarantees other than that, except to seek to provide the member with the context in which that advice has been provided, not to me but in a sense to the source which I use on this occasion. I am happy to seek to provide those references or the means by which that information was referred to the government and seek to provide that to Mr Rich-Phillips.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — I thank the minister for his answer. Clearly the view of the coroner on this issue is significant in whether the form in which this amendment, if any, moves forward.

With your indulgence, Deputy President, I am wondering if, given he has two advisers here in the box, the minister is in a position to come back to the committee with the exact details on how the government or the minister purports to have received the views of the coroner, because it is rather central to the issue we are discussing.

**Hon. J. M. MADDEN** (Minister for Planning) — I am advised that there have been several discussions between the coroner and representatives of government in relation to these matters, and they are what that source and those references relate to.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — Can the minister inform the committee whether the coroner has been provided with a copy of these amendments?

**Hon. J. M. MADDEN** (Minister for Planning) — I am advised that conversations took place today in telephone calls between the coroner and representatives of the government, and those amendments were read to the coroner. I also understand and am advised that the coroner still reserved judgement in relation to those amendments as being of some risk on the basis of the reviews that are currently being undertaken.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — We now have two different versions of the coroner's opinion on this matter. One is she reserves her position on it and the other is the previous position that she did not support it.

**Hon. J. M. MADDEN** (Minister for Planning) — Can I just make my comments a bit clearer. In saying 'reserved judgement' I may have used the wrong form of language and may not have made that clear. The coroner did not support — and I make that particularly clear this time — the amendments, because she considered them a risk to the work being undertaken in relation to reviews.

As mentioned previously, the conversations were — and of course I was not party to those conversations, so I am only referring to the advice that has been provided to me — to the effect that adjustments should not be risked through the form of a hurried amendment, and hence matters were being considered and that process should be completed in order to make sure any amendments in this area are well considered and appropriately well thought through.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — Can I take it that the government or the minister does not have a formal written response from the coroner on this matter?

**Hon. J. M. MADDEN** (Minister for Planning) — I think, Mr Rich-Phillips, I have made it clear that, given these amendments were still being negotiated between opposition parties late today and that even in coming into this chamber today this minister was not able to get access to the exact detail of some of these amendments until only moments before this committee process, I would expect that, given that I have not been able to acquire specific copies of some of these amendments as printed, it was unlikely that the coroner was going to get those printed per se, but those amendments have been read to the coroner.

Given that this has been a bit of rolling feast in terms of the process that brings us to this committee stage, I refer to my previous comments where I suggested that discussions have occurred, telephone conversations have taken place and amendments have been read over the phone to the coroner. It is my understanding that the coroner did not support a hurried amendment but supported the process that is currently under way, which is the evaluation that is currently under way by the Consultative Council on Obstetric and Paediatric Mortality and Morbidity. The outcome of that evaluation might determine what adjustments to legislation may or may not take place in the future.

**The DEPUTY PRESIDENT** — Order! Just in a bid to clarify for the committee, would it be true to say that the coroner has not passed judgement on the merit of the amendments but has basically said that she would prefer the process put in place for a review to be pursued instead of the amendments to the legislation at this time?

**Hon. J. M. MADDEN** — I believe that is an appropriate form of words.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — To follow on from that comment, I assume from the minister's previous comment that the coroner was not fully informed or fully aware of the nature of the amendments. The minister himself just said some of them were circulated only minutes ago, so the coroner was not fully aware and informed when she expressed her view.

**The DEPUTY PRESIDENT** — Order! I will let the minister answer, but the reason I intervened was that I was trying to establish the position that the coroner had taken. I think I firmly established that, and I think that line of questioning was continued. What I was trying to do was truncate that line of questioning, because I think it is now fairly clear from the minister's response that in fact the merits of the amendments have not been judged by the coroner. However, the coroner has clearly enunciated a position to the government: she would prefer the review to proceed and possible amendments to come from that process. The coroner is focused on a process and has not judged the merits of the amendments. I think the committee is in a position to make its own decision from there without further questioning of that nature. In other words, the committee now understands that it can still judge its amendments, but the advice to the government is that the process ought to continue and that amendments might stem from that in the future.

**Hon. J. M. MADDEN** (Minister for Planning) — I think that is a pretty good summary of the point I have tried to make clear from my comments.

**The DEPUTY PRESIDENT** — Order! I do not wish to stop Mr Rich-Phillips if he wants to ask questions; I simply want the committee to understand a clear position.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — That clearly sets out the position the coroner was in when she made those comments.

**Ms PENNICUIK** (Southern Metropolitan) — I just wanted to make a couple of comments about Mr Rich-Phillips's amendment. He correctly stated that

he presented to us a first draft of the amendment proposing that the coroner would investigate stillbirths at 20 weeks or beyond. Basically the philosophy of the amendment was in response to the submission by the Consultative Council on Obstetric and Paediatric Mortality and Morbidity to the parliamentary Law Reform Committee regarding this issue.

Mr Rich-Phillips gave us a copy of that submission. In that submission the consultative council was talking about stillbirths of 32 weeks gestation or longer, which is why we initially said, 'If you should change that to 32 weeks, we would consider the amendment'. Certainly we take very seriously the issue of stillbirths, what the possible causes of stillbirths are and the distress that they obviously cause parents and immediate family. We undertook to seriously consider the amendment, and we did so. We also had discussions with the council and the department.

We have been informed that the Consultative Committee on Obstetric and Paediatric Mortality and Morbidity is currently undergoing a review, as the minister has outlined. This has come to be the case after it made its submission to the parliamentary Law Reform Committee. At the moment this is the body that looks into reported stillbirths. I am not in a position to judge whether it does the job properly. Some concerns have certainly been raised, and it raised concerns in its own submission. Now there is a review under way, and it would be wise for us to let that review be completed.

Most members would have received a letter from SIDS Victoria in support of a similar amendment to the bill. I have been advised that it will participate in the review — so its views will be heard — and that the report of that review will be available in the middle of next year.

As I said, we have taken this issue very seriously. We have spent a lot of time thinking about it, and we are also of the view that that review should be completed, that we should look at the report of the review and then take whatever action is required rather than voting for this amendment now, as important as the issue is.

**The DEPUTY PRESIDENT** — Order! The question is that amendment 1 moved by Mr Rich-Phillips be agreed to. As I indicated to the committee, I regard this amendment as a test of his further amendments 2 to 10.

#### Committee divided on amendment:

*Ayes, 18*

|                |               |
|----------------|---------------|
| Atkinson, Mr   | Kavanagh, Mr  |
| Coote, Mrs     | Koch, Mr      |
| Dalla-Riva, Mr | Kronberg, Mrs |

|                            |                                |
|----------------------------|--------------------------------|
| Davis, Mr D.               | Lovell, Ms                     |
| Davis, Mr P.               | O'Donohue, Mr                  |
| Drum, Mr                   | Petrovich, Mrs                 |
| Finn, Mr                   | Peulich, Mrs ( <i>Teller</i> ) |
| Guy, Mr                    | Rich-Phillips, Mr              |
| Hall, Mr ( <i>Teller</i> ) | Vogels, Mr                     |

*Noes, 20*

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

#### Amendment negatived.

**The DEPUTY PRESIDENT** — Order! I call on Ms Pennicuik to formally move amendment 1 standing in her name and to make any remarks in support of that amendment. I indicate to the committee that I regard amendment 1 as a test for amendments 5 to 9.

**Ms PENNICUIK** (Southern Metropolitan) — I move:

1. Clause 3, page 5, after line 8 insert —

*“immediate family* in relation to a deceased person, means spouse, domestic partner, son, daughter, parent, sibling, executor, personal representative or a person determined to be the senior next of kin under subsection (3);”.

The amendment is to clause 3 of the bill, which is the definitions clause. It inserts a definition of 'immediate family' into the definitions. Under that definition 'immediate family' in relation to a deceased person would mean a spouse, domestic partner, son, daughter, parent, sibling, executor, personal representative or a person determined to be the senior next of kin under proposed subsection (3).

The purpose of inserting this definition is to enable other provisions in the bill to refer to that definition of 'immediate family'. Those provisions are covered in my amendments 5 to 9, as the Chair indicated.

The first provision is amendment 8, which is an amendment to clause 21 of the bill. Clause 21 refers to the information that the coroner must provide at the commencement of an inquiry and to whom the information must be provided. That information is prescribed information so essentially it is not information that is outlined in the bill or established by the bill as a statutory requirement, which is another point I will refer to. It is information about what will

happen in the inquiry process and the rights of interested parties such as the right to participate, the right to legal representation et cetera. At the moment the bill only provides for that information to be provided to whomever is identified as the senior next of kin. It could be any one of those people who is encapsulated in the definition of 'immediate family' because that definition comes from the people already mentioned in the bill. At the moment the senior next of kin would be identified starting with a spouse. If there was no spouse, it would go to a son or daughter. If there was neither a son nor daughter, it would go to another person who could be described as a senior next of kin.

A coronial inquiry is conducted for only a small percentage of reportable deaths. The purpose of this is to make sure that all persons who are immediate family of a deceased person about whom the coroner is conducting an inquiry are informed of their rights and are provided with any information they are required to know. It does not mean that the coroner would need to engage with these people after the provision of that information.

I propose this amendment because I do not believe people will be able to participate fully or know that they can participate fully or know that they are entitled to legal representation or know that they are entitled to legal aid, for example, if they are not informed of their rights at the commencement of the inquiry. I do not think it is enough to rely on one person, the senior next of kin, to inform everybody who has a legitimate interest as an immediate family member. Given that one of the key purposes of the bill, as we canvassed in the second-reading debate, is to make sure the people who have to engage with the coroner's office at a distressing time of the death of a loved one are included in the process because part of the reason for the whole review of the act and the whole reason we are here with this bill is to improve that process for people, particularly at the commencement of the inquiry. To leave it to just one person, the senior next of kin, is not enough to support the aim of the bill, which is to make the process understandable and accessible to all who need to know. The clerks and members of the opposition know that there have been a lot of changes to my amendments to bring us to this point. I think we are up to version 9.

One of the other issues that comes into play with this clause is in terms of what constitutes a reportable death, and under clause 4 there are quite a number of categories of death that would fall into the category of a reportable death — a death that must be reported to the coroner. In looking through the bill we identified some classes of people who seemed not to be covered by

clause 4, and one of those in particular was a class of people who have been recently released or discharged from a mental health facility and who might die in whatever circumstance after release from a mental health facility. At the moment the bill talks about reportable deaths in terms of people who are in custody or care. We have mentioned that the inclusion of people in custody or care is a step forward in the Coroners Act because it comes from the Royal Commission into Aboriginal Deaths in Custody and covers those people. The bill talks about people who are in care, but it does not talk about people who have been in care and who have left care, particularly people who were in a mental health facility and who have been discharged or have left the mental health facility and might die a short time thereafter.

That is a gap in the bill. They are a vulnerable group and are not covered by the wording of the bill. The wording in the proposed amendment will capture those people. The amendment has been drafted so that the definition is of an 'immediate family', because the problem was, who was going to report the death? Could the duty be on the mental health facility?

**The DEPUTY PRESIDENT** — Order!

Ms Pennicuk is almost straying into a second-reading speech with some of this.

**Ms PENNICUIK** — No, I have nearly finished, Deputy President; I am just trying to explain the amendments.

**The DEPUTY PRESIDENT** — Order! Yes, fulsomely, which I appreciate to a point.

**Ms PENNICUIK** — Hopefully I am doing that.

**The DEPUTY PRESIDENT** — Order! But I think Ms Pennicuk also tracked over some of it a couple of times. I ask her to keep it fairly tight, because it is not a second-reading speech, as she knows.

**Ms PENNICUIK** — What I was going to say just then is that instead of a mental health facility having the duty to report the death, it would be that a member of the immediate family, as defined by 'immediate family' in my amendment 1, could report that death to the coroner. They would be the people who would know that someone had been released from a mental health facility and had died, and that there was a problem with the death so that it needed to be reported to the coroner.

**The DEPUTY PRESIDENT** — Order! I will call on the minister in just a moment. The clerks have had a look at the amendments, partly in response to the explanations that have just been given. It is suggested

that amendment 1 is a test for further amendments 5 to 8, and that we should put amendment 9 separately. That is what I intend to do.

**Hon. J. M. MADDEN** (Minister for Planning) — I hope I can do justice to the inquiries by the member. In relation to Ms Pennicuik's amendments 1 and 8, because they relate to each other, I am advised that in a real sense this is an unnecessary amendment that will have no legal effect. I am also advised that the amendment makes the bill less clear because it inserts an unnecessary definition. I also understand that clause 21 already creates an obligation on the principal registrar to provide certain information to 'any other person' who has advised the principal registrar that they have an interest in the investigation of the death and who the principal registrar considers to have a sufficient interest in the investigation of the death.

I am informed the replacement of the expression 'any other person' with 'the immediate family of the deceased person and any person' has no additional effect because a family member is a person. Appreciating the member's interest in this matter, in a practical sense it would have no legal effect and in many ways might just confuse the obligation in relation to that nomination of any person with an interest.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — The coalition parties will support Ms Pennicuik's amendment 1, for the insertion of the definition of 'immediate family' insofar as it is relevant to her proposed amendment 6 with respect to persons discharged from an approved mental health service. Obviously, as the Deputy President indicated, Ms Pennicuik's amendment 1 is a test of other amendments as well, which the coalition parties will reserve their position on. But certainly with respect to its relevance to amendment 6, we will support it as amendment 1.

**Ms PENNICUIK** (Southern Metropolitan) — I thank Mr Rich-Phillips for his declaration of support. I am wondering whether it would be amendment 7 as well, which sort of follows on from amendment 6.

I hear the minister's answer, but I do not agree with it because in the rare circumstances where a coronial inquiry is launched into a death, the coroner can take more proactive steps to make sure immediate family members are advised of their rights at the commencement of the inquiry. I do not think the bill does that at present, and I feel the spirit of the bill needs to be further advanced by this amendment.

**The DEPUTY PRESIDENT** — Order! Does the minister wish to make any further comment? If not, I propose to test the amendment moved by Ms Pennicuik. Amendment 1 standing in Ms Pennicuik's name, as I have indicated to the committee, is a test for her amendments 5 to 8.

#### Committee divided on amendment:

##### *Ayes, 20*

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

##### *Noes, 16*

|                                 |                              |
|---------------------------------|------------------------------|
| Broad, Ms                       | Pakula, Mr ( <i>Teller</i> ) |
| Darveniza, Ms ( <i>Teller</i> ) | Pulford, Ms                  |
| Eideh, Mr                       | Scheffer, Mr                 |
| Jennings, Mr                    | Somyurek, Mr                 |
| Leane, Mr                       | Tee, Mr                      |
| Lenders, Mr                     | Thornley, Mr                 |
| Madden, Mr                      | Tierney, Ms                  |
| Mikakos, Ms                     | Viney, Mr                    |

##### *Pair*

|              |             |
|--------------|-------------|
| Peulich, Mrs | Elasmar, Mr |
|--------------|-------------|

#### Amendment agreed to.

#### Amended clause agreed to.

#### Clause 4

**Ms PENNICUIK** (Southern Metropolitan) — I move:

- Clause 4, page 13, line 5, omit "circumstances." and insert "circumstances; or".
- Clause 4, page 13, after line 5 insert —
  - ( ) a death of a child that occurs in —
    - (i) a children's service within the meaning of the **Children's Services Act 1996**; or
    - (ii) a school or post-secondary education institution within the meaning of the **Education and Training Reform Act 2006**; or
  - ( ) a death that occurs in a refuge for women or young persons."

Amendment 2 in my name is a test for amendment 3, which also stands in my name, and which is a more

substantive part of my amendments. That amendment goes to the issue of reportable deaths and classes of people whom we believe are not covered under clause 4 in terms of reportable deaths. Those classes are the death of a child which occurs either in a children's service within the meaning of the Children's Services Act 1996, in a school or post-secondary education institution within the meaning of the Education and Training Reform Act 2006, or in a refuge for women or for young persons. As I mentioned earlier, there are categories of deaths listed in paragraphs (a) to (j) of subclause (2) of clause 4. This is another category of a class of persons that we do not think are captured under reportable deaths. That is why we have moved amendment 2. It is to make sure that these classes of persons are actually captured so that if there are deaths in these circumstances, they are reportable to the coroner.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — The coalition parties will not support these amendments. We certainly understand what Ms Pennicuik is seeking to do in expanding the definition and coverage of reportable deaths. It is our view that, while no harm is done by including these categories of deaths, there is any number of combinations and categories which could equally be included in this category. It is our view that in most circumstances — virtually all conceivable circumstances — where a death occurs at a children's service, as defined, or in an educational facility, as defined, the ordinary provisions of a reportable death, in particular a death which appears to be unexpected, unnatural, violent or to have resulted directly or indirectly from an accident or injury, is likely to cover any death which would occur within those facilities. As such, the coalition parties will not support amendment 2 or amendment 3.

**Hon. J. M. MADDEN** (Minister for Planning) — I appreciate Ms Pennicuik's interest in the proposition. But I am informed that the provisions are really unnecessary in the sense that those issues are encompassed or covered by the clauses that already exist. I am also advised that any death in one of these places is likely to be unexpected, unnatural, violent or to have resulted directly or indirectly from an accident or injury and is therefore already a reportable death.

It would already be captured under the terms of the bill and the relevant responsibilities of the coroner. In a sense the amendment is unnecessary. I am advised that the only time one could envisage additional deaths being captured by these proposed changes is, for example, if a child who is dying of leukaemia visits a child-care centre to see a sibling and then dies at that

centre. Alternatively it could be a person in hospital who is dying from terminal cancer.

I am advised that the boundaries of the coroner's jurisdiction are defined by public interest, which ensures that the coroner is able to investigate only those deaths which require independent and public oversight. This recognises that coronial investigations represent state intervention in the private experience of families and should be limited to appropriate areas. Unnecessary investigation, such as in the examples I have given, could potentially cause additional grief to families.

Whilst I am trying to provide some detail, basically the provisions already capture the intent of what Ms Pennicuik is seeking to do by providing for a more prescriptive definition of some of those issues.

**The DEPUTY PRESIDENT** — Order! The *Readers Digest* version would be that the government will not be supporting the amendment.

**Ms PENNICUIK** (Southern Metropolitan) — Again I do not agree with the minister. The purpose of these amendments is not that the coroner must undertake an investigation, it is that the death must be reported and be a reportable death. In many cases there would not be an investigation, but the death would be reported. There are opinions that these classes of people are not covered by the bill. That is why we have moved the amendments, even though the government does not agree with that.

**Amendments negatived.**

**Ms PENNICUIK** (Southern Metropolitan) — I have one more question on clause 4. Another category of persons was drawn to our attention as not being captured by clause 4 in terms of reportable deaths, and that is those held in detention under commonwealth law. There seems to be a bit of a gap because they are held under commonwealth law and there is no federal coroner to investigate a death in a commonwealth facility. I would like the minister to clarify that issue.

**Hon. J. M. MADDEN** (Minister for Planning) — I am advised that the member has raised some complex constitutional issues. However, I am also advised that there is an opportunity to cover these types of issues in the drafting of regulations in relation to these matters.

**Ms PENNICUIK** (Southern Metropolitan) — Just for clarification, does the state coroner have jurisdiction over commonwealth facilities or someone detained in such a facility in Victoria?

**Hon. J. M. MADDEN** (Minister for Planning) — I cannot give the member an absolutely qualified answer to that. I am not seeking to be evasive, but I am advised it is a complex constitutional issue. I understand it is being addressed and will be addressed, but that will be done through regulatory controls. I cannot give the member much more than that. I understand the point the member is trying to make, but even if she sought to move an amendment, there is no guarantee it could be covered because of those constitutional issues.

**Ms PENNICUIK** (Southern Metropolitan) — I thank the minister. I have already gone down that road, which is why we do not have an amendment before us. There appears to be a gap. I wonder if the minister could undertake to provide me with advice further down the line as to what might be done in terms of that issue.

**Hon. J. M. MADDEN** (Minister for Planning) — I am happy to seek to provide information to the member from the Attorney-General in relation to the details of the matter.

**The DEPUTY PRESIDENT** — Order! I wonder if the minister could make that information available to the chamber, given that he has indicated to the chamber in response to Ms Pennicuik that there are constitutional issues. It is interesting that they can be resolved by regulation and not by legislation, so I think it is a matter that might inform more members of the chamber.

**Hon. J. M. MADDEN** — I am happy to seek to provide it. I cannot guarantee I will get it to the chamber, but I can guarantee I will seek to provide it. Hopefully the Attorney-General will provide that information.

**Clause agreed to; clauses 5 to 7 agreed to.**

### Clause 8

**Ms PENNICUIK** (Southern Metropolitan) — I move:

4. Clause 8, line 16, omit “where practicable” and insert “as far as possible in the circumstances.”.

This amendment removes the phrase ‘where practicable’ at the start of clause 8 and replaces it with the phrase ‘as far as possible in the circumstances’. At the moment the clause states:

- 8 Factors to consider for the purposes of this Act

When exercising a function under this Act, a person should have regard, where practicable, to the following ...

It may seem like a small amendment, but the phrase ‘where practicable’ is used, for example, to qualify

duties of employers to provide a safe workplace in occupational health and safety legislation. It is quite a mechanistic term. This clause says the coroner or a person acting on behalf of the coroner should take into consideration a range of factors such as the fact that the death of a family member is distressing, that unnecessary or protracted coronial investigations may exacerbate that distress, that there are different cultures and that people should be kept informed of particulars and the progress of the investigation. This amendment stretches the provision beyond ‘where practicable’ and says that as far as possible in the circumstances the person should have regard to these things. I think that is more in the spirit of what we are trying to achieve with this bill.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — The coalition parties will support Ms Pennicuik’s amendment 4. We agree that the change in words is arguably semantics, but the amendment does, on Ms Pennicuik’s argument, provide a higher threshold test for the coroner to apply when considering the matters laid down in clause 8 of the bill. Importantly the primary structure of clause 8 provides that when exercising a function a person should have regard to those factors. Given that flexibility is maintained for the coroner by retention of the word ‘should’ in the clause, the coalition parties are comfortable with having the higher threshold test proposed by Ms Pennicuik’s amendment.

**Hon. J. M. MADDEN** (Minister for Planning) — I am advised that this amendment would not have any significant impact on the provisions, so we will not be supporting it.

**Ms PENNICUIK** (Southern Metropolitan) — Is the minister saying the government is supporting it?

**The DEPUTY PRESIDENT** — Order! The minister has said the government will not be supporting it.

### Committee divided on amendment:

*Ayes, 21*

|                            |                                 |
|----------------------------|---------------------------------|
| Atkinson, Mr               | Kavanagh, Mr                    |
| Barber, Mr                 | Koch, Mr                        |
| Coote, Mrs                 | Kronberg, Mrs                   |
| Dalla-Riva, Mr             | Lovell, Ms                      |
| Davis, Mr D.               | O’Donohue, Mr ( <i>Teller</i> ) |
| Davis, Mr P.               | Pennicuik, Ms                   |
| Drum, Mr ( <i>Teller</i> ) | Petrovich, Mrs                  |
| Finn, Mr                   | Peulich, Mrs                    |
| Guy, Mr                    | Rich-Phillips, Mr               |
| Hall, Mr                   | Vogels, Mr                      |
| Hartland, Ms               |                                 |

*Noes, 17*

|                             |                                |
|-----------------------------|--------------------------------|
| Broad, Ms ( <i>Teller</i> ) | Pulford, Ms                    |
| Darveniza, Ms               | Scheffer, Mr                   |
| Eideh, Mr                   | Smith, Mr                      |
| Jennings, Mr                | Somyurek, Mr                   |
| Leane, Mr                   | Tee, Mr                        |
| Lenders, Mr                 | Thornley, Mr ( <i>Teller</i> ) |
| Madden, Mr                  | Tierney, Ms                    |
| Mikakos, Ms                 | Viney, Mr                      |
| Pakula, Mr                  |                                |

**Amendment agreed to.****Amended clause agreed to; clauses 9 to 11 agreed to.****Clause 12**

**The DEPUTY PRESIDENT** — Order! I call on Ms Pennicuik to move her amendments 5 and 6. I indicate that I am of the opinion that amendments 5 and 6 are related matters and have already been tested by an earlier amendment.

**Ms PENNICUIK** (Southern Metropolitan) — I move:

- Clause 12, line 7, before “A person” insert “(1)”.
- Clause 12, after line 11 insert —

“(2) A member of the immediate family of a deceased person may report the death to the coroner if the person was a person discharged from an approved mental health service within the meaning of the **Mental Health Act 1986** within 3 months immediately before the person’s death.”.

Amendment 6 is the main amendment, which means that a member of an immediate family could report the death of someone who has been discharged from an approved mental health service within the meaning of the Mental Health Act within three months immediately before the person’s death. I have already gone over why.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — The coalition parties will support Ms Pennicuik’s amendments 5 and 6 with respect to persons who have been discharged from an approved mental health service. Ms Pennicuik referred to this in her earlier comments, but there is a history of people who have been discharged from such facilities having a higher-than-average incidence of death. These amendments do not impose a requirement on any person. They create an option for an immediate family member, as defined in the original amendment we dealt with at the start of Ms Pennicuik’s amendments. It was in respect of these particular amendments that we supported the adoption of the definition of ‘immediate family’.

These amendments does not impose an obligation on any family member. Likewise consequential amendment 7 does not impose an obligation on the coroner to investigate; it provides discretion to the coroner. In the view of the coalition parties these amendments do no harm. They provide a clear avenue for family members of a person who has been in a facility to refer such a death, and accordingly we will support them.

**Hon. J. M. MADDEN** (Minister for Planning) — These matters are already covered under the bill, so we believe the amendments are unnecessary. We will not support the amendments.

**Committee divided on amendments:***Ayes, 20*

|                              |                   |
|------------------------------|-------------------|
| Atkinson, Mr                 | Hartland, Ms      |
| Barber, Mr ( <i>Teller</i> ) | Kavanagh, Mr      |
| Coote, Mrs                   | Koch, Mr          |
| Dalla-Riva, Mr               | Kronberg, Mrs     |
| Davis, Mr D.                 | Lovell, Ms        |
| Davis, Mr P.                 | O’Donohue, Mr     |
| Drum, Mr                     | Pennicuik, Ms     |
| Finn, Mr ( <i>Teller</i> )   | Petrovich, Mrs    |
| Guy, Mr                      | Rich-Phillips, Mr |
| Hall, Mr                     | Vogels, Mr        |

*Noes, 17*

|                               |              |
|-------------------------------|--------------|
| Broad, Ms                     | Pulford, Ms  |
| Darveniza, Ms                 | Scheffer, Mr |
| Eideh, Mr ( <i>Teller</i> )   | Smith, Mr    |
| Jennings, Mr                  | Somyurek, Mr |
| Leane, Mr                     | Tee, Mr      |
| Lenders, Mr                   | Thornley, Mr |
| Madden, Mr                    | Tierney, Ms  |
| Mikakos, Ms ( <i>Teller</i> ) | Viney, Mr    |
| Pakula, Mr                    |              |

*Pair*

|              |             |
|--------------|-------------|
| Peulich, Mrs | Elasmar, Mr |
|--------------|-------------|

**Amendments agreed to.****Amended clause agreed to; clause 13 agreed to.****Clause 14**

**Ms PENNICUIK** (Southern Metropolitan) — I move:

- Clause 14, after line 7 insert —

“( ) A coroner may investigate a death reported to the coroner under section 12(2).”.

This amendment basically provides that the coroner may investigate a death reported to the coroner under new subsection 12(2), which was inserted by the

amendment we just made to clause 12 regarding a person discharged from a mental health facility.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — This amendment is the operative amendment for the previous amendment to clause 12, which we have discussed. For the reasons outlined the coalition will support it.

**Hon. J. M. MADDEN** (Minister for Planning) — As I mentioned previously, these matters are already covered under the bill. We believe the amendment is unnecessary, so we will not be supporting it.

**Committee divided on amendment:**

*Ayes, 20*

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

*Noes, 17*

|               |                                |
|---------------|--------------------------------|
| Broad, Ms     | Pulford, Ms                    |
| Darveniza, Ms | Scheffer, Mr ( <i>Teller</i> ) |
| Eideh, Mr     | Smith, Mr                      |
| Jennings, Mr  | Somyurek, Mr ( <i>Teller</i> ) |
| Leane, Mr     | Tee, Mr                        |
| Lenders, Mr   | Thornley, Mr                   |
| Madden, Mr    | Tierney, Ms                    |
| Mikakos, Ms   | Viney, Mr                      |
| Pakula, Mr    |                                |

*Pair*

|              |             |
|--------------|-------------|
| Peulich, Mrs | Elasmar, Mr |
|--------------|-------------|

**Amendment agreed to.**

**Amended clause agreed to; clauses 15 to 20 agreed to.**

**Clause 21**

**Ms PENNICUIK** (Southern Metropolitan) — I move amendment no. 8 standing in my name:

8. Clause 21, line 18, before “any other person” insert “the immediate family of the deceased person and”.

This is an amendment to clause 21 of the bill, which simply inserts the phrase ‘the immediate family of the deceased person’, which is the immediate family as defined in a previous amendment, before the phrase ‘any other person’, so that the coroner, as soon as an investigation is commenced, would provide to the

immediate family and any other person information about the investigation.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — It is the coalition’s view that the phrase ‘any other person’ by definition includes the cohort that Ms Pennicuik is referring to with a reference to immediate family. It is therefore is redundant and will not be supported by the coalition.

**Hon. J. M. MADDEN** (Minister for Planning) — That pretty much summarises the government’s position. These matters are already covered within the bill.

**Amendment negatived.**

**Ms PENNICUIK** (Southern Metropolitan) — I would like to ask a quick question of the minister. Under clause 21 the principal registrar should provide what is called ‘prescribed information’. That information, which is about what is going to happen and covers the rights of participants and so forth, we understand is going to be put in the regulations. I ask the minister why that information has not been put in the bill, why it will be put in regulations rather than in the bill?

**Hon. J. M. MADDEN** (Minister for Planning) — Often regulations are used as a more appropriate form of locating some of these issues in relation to any legislation and, if warranted, from time to time those things can be adjusted through regulation without the need for the time-consuming process of going through the Parliament.

**Ms PENNICUIK** (Southern Metropolitan) — Just quickly, I would have thought that the core information that needs to be provided to people at the commencement of investigations, such as their rights to legal representation, participation and so forth, would never change and that the information that should be provided would always be a right.

**Hon. J. M. MADDEN** (Minister for Planning) — I think we are arguing over semantics here. I would not expect that regulations of this nature are going to be changed or adjusted on a regular basis. The member would also appreciate that when it comes to regulation there is normally a fair degree of consultation and regard for the implications of any changes to any regulations taken into account, and on sensitive matters like this I would expect a fair degree of consultation in one form or another with appropriate bodies should any changes to regulations be warranted.

**Clause agreed to; clauses 22 to 54 agreed to.**

**Clause 55**

**The DEPUTY PRESIDENT** — Order!

Ms Pennicuik has a suggested amendment 1. Members would be aware of the limitations on the upper house in terms of passing amendments that have monetary implications for the government. Ms Pennicuik's amendment proposes that the act empower the coroner to order Victoria Legal Aid to provide legal assistance to any interested party. As such the amendment may have a financial implication and will therefore be treated as a suggested amendment from the house if it is carried.

**Ms PENNICUIK** (Southern Metropolitan) — I move:

That it be a suggestion to the Assembly that they make the following amendment in the Bill:

1. Clause 55, after line 19 insert —

“( ) order Victoria Legal Aid to provide legal assistance to any interested party, on conditions specified by the coroner, and the coroner may adjourn the inquest until that legal assistance is provided;”.

I move this suggested amendment because, in terms of the spirit of the bill, it will enable better participation by family members and enhance their right to legal representation, which is part of the prescribed information we have just been discussing that will go into the regulations. Part of that information is that family members or interested persons have the right to legal representation in a coronial inquest, and many of those people will not be in a position to retain their own legal representation. They would not be able to afford legal representation and would need legal aid to have such legal representation.

I move this amendment because the spirit of the changes to the Coroners Act is to enable full participation by family members in the inquest, with legal representation if they require it, and if there is no requirement to provide the legal aid to enable the legal representation, then the spirit of the changes to the act are not being fulfilled. Hence I move this suggested amendment to the Assembly.

**Mr RICH-PHILLIPS** (South Eastern Metropolitan) — The coalition parties are sympathetic to the issue that Ms Pennicuik has raised. It was raised in the second-reading debate by coalition members, and it was raised in the other place. There is an argument for legal aid to be made available to parties that are involved in coroners proceedings. However, we also accept that there are competing interests for legal aid funds. While there is no doubt merit in parties to

coronial matters receiving legal assistance, there are competing interests, and it is probably not the best mechanism for the coroner to have the capacity to direct legal aid, given that there will be matters outside the coroner's jurisdiction which will also require legal aid.

It is my understanding that there is only limited capacity for the levels of the judiciary to direct legal aid funding, which is appropriate because the decisions as to where that funding is provided need to be made having regard to all the demands on legal aid, not only those in one particular jurisdiction. Accordingly we do not support the suggested amendment.

**Hon. J. M. MADDEN** (Minister for Planning) — The government does not support the suggested amendment on the basis that the proposed amendment is inconsistent with the comments by the Victorian parliamentary Law Reform Committee, which did not support a shift in Victoria Legal Aid's resources to coronial cases. Victoria Legal Aid is a statutory authority with guidelines regarding who will receive assistance. The criteria are based on the type of legal matters that are likely to have success in the applicant's financial situation.

**Committee divided on suggested amendment:**

*Ayes, 3*

Barber, Mr (*Teller*)  
Hartland, Ms (*Teller*)

Pennicuik, Ms

*Noes, 34*

Atkinson, Mr  
Broad, Ms  
Coote, Mrs  
Dalla-Riva, Mr (*Teller*)  
Darveniza, Ms  
Davis, Mr D.  
Davis, Mr P.  
Drum, Mr  
Eideh, Mr  
Finn, Mr  
Guy, Mr  
Hall, Mr  
Jennings, Mr  
Kavanagh, Mr  
Koch, Mr  
Kronberg, Mrs  
Leane, Mr

Lenders, Mr  
Lovell, Ms  
Madden, Mr  
Mikakos, Ms  
O'Donohue, Mr  
Pakula, Mr  
Petrovich, Mrs  
Pulford, Ms  
Rich-Phillips, Mr  
Scheffer, Mr  
Smith, Mr  
Somyurek, Mr  
Tee, Mr  
Thornley, Mr  
Tierney, Ms  
Viney, Mr (*Teller*)  
Vogels, Mr

**Suggested amendment negated.****Business interrupted pursuant to standing orders.**

## ADJOURNMENT

**The DEPUTY PRESIDENT** — Order! The question is:

That the house do now adjourn.

### Gaming: licences

**Mr HALL** (Eastern Victoria) — Tonight I raise an issue for the Minister for Gaming. It concerns the distribution of gaming machines post-2012. Like other members, I am sure, I have been contacted by members of a number of community-based clubs concerning the proposed changes to the distribution and licensing of gaming machines post-2012. Those clubs in my electorate include the Lakes Entrance Bowls Club, the Bairnsdale Club, the Pakenham Racing Club, the Orbost Club, the Monbulk Bowling Club, the Cardinia Club, the Maffra Community Sports Club and the Traralgon Bowls Club.

The members of each of those clubs are concerned that their viability as an organisation and their ability to return benefits to the community could be seriously eroded. Their concerns relate very much to the fact that currently the rules for the acquisition and operation of licences are unknown. What we do know is that licences will be auctioned. In the absence of any measures to accommodate the circumstances of community-based clubs — and I might add I think also hotels in small communities — the viability of those clubs is in jeopardy.

Members would know that Clubs Victoria has advanced a model which seeks a minimum entitlement to current club operators. This model would give clubs some certainty as to the minimum number of machines they hold. I believe there is much merit in the proposal put forward by Clubs Victoria. However, whether it is this model or another, the viability of community clubs must be preserved. Given the very significant community benefits provided by the distribution by clubs of revenue gained through gaming machines, we need a system that ensures that these benefits are maintained. The last thing that local country communities want is deep-pocketed entrepreneurs buying all local gaming licences and relocating machines and revenue out of the local area or away from community benefit.

I cite as an illustration the Lakes Entrance Bowls Club, because recently when the house sat at Lakes Entrance members were hosted for lunch at the club. In the past six months the Lakes Entrance Bowls Club has been able to distribute something of the order of \$50 000 for local community benefits. If the club's machines are

not continued to be located at the club but are taken by others, that is the sort of community loss that will occur.

When finalising the arrangements for the distribution of gaming machine licences I ask the minister to give consideration to the position of community-based clubs and to implement a system that will allow small clubs to continue to serve their communities in the magnificent way that they do currently.

### Housing: quarterly rental report

**Ms LOVELL** (Northern Victoria) — The matter I raise is for the attention of the Minister for Housing in the other place, and it is regarding the Office of Housing's quarterly rental report. My request is that the minister immediately release both the June and September 2008 quarterly rental reports. The minister has not yet released the June quarter rental report, and it is now five months since the end of June.

A notice on the Office of Housing's website says that the June 2008 rental report has not been produced due to the source data from the Residential Tenancies Bond Authority not being available at this time. The notice states also that the Office of Housing will continue to update users on the progress of the situation. Unfortunately it does not appear that there have been any updates on the status of the report. The Residential Tenancies Bond Authority, the alleged cause of this hold-up, is a Victorian government authority that operates within the Department of Justice. Not only is the minister failing to provide the public with the latest private rental information but the government's Residential Tenancies Bond Authority has also fallen behind and for some unknown reason is not able to come up with the data needed for the report.

The June quarter rental report is now so late that the September 2008 quarter rental report is due out, but the minister has not released that either. Surely there cannot be problems with accessing data for both quarters. The Minister for Housing's appalling failure to ensure the timely release of the June and September 2008 rental reports suggests that he has something to hide and that the Brumby government wants to keep this information secret.

The last available rental report, for the March 2008 quarter, revealed an incredible increase in the cost of private rental accommodation in Melbourne. Private rents in Melbourne increased by 3.5 per cent in the quarter alone and leapt by 12.7 per cent in the year ending March 2008.

I request that the minister immediately release the June and September quarterly rental reports and stop hindering the public's access to this important housing information. If the minister is unable to produce the rental report for the June 2008 quarter, he should at least ensure that the report for the September quarter is released before Christmas, otherwise the December report will also be due, putting the government behind three quarterly reporting periods.

### **Boating: Patterson River**

**Mrs PEULICH** (South Eastern Metropolitan) — I wish to raise a matter for the attention of the Minister for Environment and Climate Change. It is in relation to a petition that I tabled today on behalf of people concerned with the proposed changes to the no personal water craft (PWC) zones on the north and south sides of the Patterson River mouth. They presented me with 600 signatures, of which I believe 500 or so were admitted because of the manner in which the petition was presented. This petition was collected in a very short period of time. It represents strong concern about the proposed boating review to remove the no PWC zones in the area as a result of the concerns about swimmer safety. In particular they were concerned about the limited time for and the lack of awareness about this review, which has a closing date of 5 December, the end of this week. I would like the minister to see what he can do to extend that period of consultation.

Many members of the local community were unaware of the review until very recently. The local member, the Speaker in the Assembly, Jenny Lindell, has belatedly written to residents and drawn attention to this particular review supporting the partial removal of the no PWC zone. However, the community wishes to see that entire exclusion and dispersal of personal water craft stand as it is.

**The DEPUTY PRESIDENT** — Order! I will interrupt the member for a moment. It is totally unsatisfactory for a member to raise an adjournment item, presumably to the minister as the only minister in the chamber, while the minister is transacting the business for tomorrow. That is an extraordinary discourtesy to the member. I do not even know if the minister knows which minister Mrs Peulich has raised the matter with or the item she has raised. We can wait while the minister organises tomorrow's proceedings, or we can complete the adjournment matters first and have the leadership group stay back a little later. But the member should not have to put up with that discourtesy. I ask that the clock be reset to 1 minute and 30 seconds. Does the minister know to which minister

the member has referred the adjournment matter and the item she has raised?

**Mr Lenders** — Yes.

**The DEPUTY PRESIDENT** — Order! The minister is aware of the minister the matter is referred to and the general substance of the matter.

**Mrs PEULICH** — Thank you, Deputy President, I appreciate that. The matter is in relation to the review of recreational boating zones for Port Phillip Bay and Western Port, in particular as it impacts on the mouth of the Patterson River. It is something that has been previously supported by the member for Carrum in the Assembly, Jenny Lindell, as well as the President of this chamber. There is a significant concern amongst users of the area, beach users as well as water users, about the suggestion that some sections of this no PWC zone would be removed. It is something that is not supported.

An indication of the level of concern is the fact that this group, including Ian Fox and Herb Baptist, were able to collect in excess of 600 signatures within about four days. First of all they were concerned that the government was not interested in listening to their views. There was concern that the community was not aware of the review taking place, nor the very short period of consultation.

I am asking the Minister for Environment and Climate Change, who is responsible for Parks Victoria, to extend this period of consultation to make sure that all of those concerns are noted, especially in light of serious accidents that have occurred there and other locations in the past and the very strong support for the existing exclusion zones. The date of 5 December is fast approaching. I ask the minister to make sure that all those views are taken on board and their concerns heeded in the final outcome of that review.

### **Pensioners: concessions**

**Ms HARTLAND** (Western Metropolitan) — My adjournment matter tonight is for the Minister for Senior Victorians, Lisa Neville. On 24 November I attended the Fair Go for Pensioners rally at the Melbourne town hall. This rally had been organised by a number of organisations such as retired union members, culturally and linguistically diverse pensioner groups and the Council on the Ageing (COTA). The main purpose of the rally was to call on the federal government to review the current age pension. However, in listening to the audience a number of state-related issues were raised, such as the low

concession received for council rates, electricity and gas bills. To give an example, I checked on concessions this week with the Maribyrnong City Council where average annual household rates are somewhere between \$1200 and \$2000. Pensioners receive a concession of \$178 from the state government and \$65 from the council. It was quite clear from the audience that older people who rely only on the age pension are in real trouble.

A full single pension is \$273 per week and for a couple it is \$457 per week. The COTA website has some startling statistics on the growing economic divide between retirees in our community. Most retired Australians are on a low income; for 75 per cent a pension is their principal source of income. Also, 48 per cent of retired people are among the poorest 30 per cent of Australians, and yet, on the other hand, people over 65 years head up almost half the deposits in the nation's financial institutions.

We are seeing two extremes of the rich and poor. The cost of living has rocketed recently. Many pensioners are struggling to afford what we would consider essentials, such as medication, fresh fruit, vegetables, petrol and telephone calls. The action I seek on this issue from the minister is to review the current pensioner concession programs for gas, electricity, water and council rates.

### **Firearms: licences**

**Mr O'DONOHUE** (Eastern Victoria) — My matter this evening is for the attention of the Minister for Police and Emergency Services. For members of the community to lawfully purchase and keep a firearm, they must obtain a licence. As I am sure the minister is aware, a firearms licence is similar to a drivers licence; it has a photo of the licence-holder and the licence-holder's name and address.

One of my constituents who has a firearms licence contacted me about his concern that if he were to lose or misplace his licence or if it were stolen and then obtained by people with criminal intent, they would then be aware that he has firearms on his premises and might use that information to steal them. I note that under current regulations pistols must be stored in a safe, but rifles can be stored in a lockable cabinet. It would be relatively easy for some people to break into such a cabinet and steal any firearms inside it.

My constituent suggested to me — and I think it is a very good suggestion — that the government should investigate an alternative way of recording on a licence the personal details of the licence-holder. Rather than

listing the licence-holder's name and address, perhaps a barcode could be used. It could be linked to a police database, which the police could read if and when required. This would increase an individual licence-holder's security and confidence that their personal details and the fact that they hold guns on their premises would not fall into the wrong hands, should they lose their licence.

I ask the minister to investigate the suggestion and report back to me.

### **Sale Common State Game Refuge: walking track**

**Mr P. DAVIS** (Eastern Victoria) — I raise a matter for the attention of the Minister for Environment and Climate Change. It is in relation to the Sale Common State Game Refuge.

**Mr Lenders** — Firewood!

**Mr P. DAVIS** — No, it relates to the Sale Common State Game Refuge, as I just said. The refuge covers approximately 300 hectares. Over 70 per cent of the refuge consists of a freshwater marsh offering refuge to a host of native birds which make the area their home. It is a wonderful resource for the community of Central Gippsland, and it has been enhanced by works to develop walking tracks throughout the refuge. It is part of the expansive wetlands of the Gippsland Lakes and is therefore a major contributor to the ecological welfare of those lakes.

Importantly works are being undertaken to enhance the public use of the area. I congratulate those involved with the community project — which has the support of the council, the Department of Sustainability and Environment, Parks Victoria and others — to establish the River Heritage and Wetlands Trail, stage 1 of which was formally opened on 22 April. Stage 2 of that approximately \$225 000 project is about to begin.

I am concerned about the maintenance of the existing tracks, in particular the track on the north-eastern edge of the common. It is designated as a walking track on most maps available from Parks Victoria; however, the most recently published map describes it as a summer access only track. My observation is that the track is never accessible, because it is not maintained. Although it is clearly designated on all the available maps, and now that is reinforced by the summer access only designation, the track is undefined and overgrown. It would be a hazard to walkers if they were to use it at the present time, particularly because the area is a wetland and there are lots of reptiles nearby.

I urge the minister to take an interest in this matter, given that the community has already enhanced access to these wetlands and is about to conduct another walking track project with the support of Parks Victoria. I ask the minister to ensure that Parks Victoria attend to the maintenance of the north-eastern walking trail on the Sale common.

### **Disability services: supported accommodation**

**Mrs KRONBERG** (Eastern Metropolitan) — My adjournment matter is directed to the Minister for Community Services. Today is the International Day of People with Disability, a fitting time to capture the minister's attention on the crisis in shared supported and permanent accommodation for people with disability in Victoria. There is still so much to be done, and the need is acute.

As the result of numerous interfaces, much evidence, many testimonies and a recent well-attended community forum, I am appalled by this government's poor management and patchy provision of permanent accommodation for disabled adults. Many such individuals desire a lifestyle independent of their ageing parents. In turn, the ageing parents are desperate to resolve this accommodation crisis for their often middle-aged sons and daughters before they themselves die.

The case of one family I met is particularly heart-rending. The parents, now in their late 60s, are caring for their 31-year-old quadriplegic daughter with cerebral palsy. This young woman is totally dependent and has no movement control or postural support. She is unable to speak, and feeding her is extremely difficult. She is intelligent and able to communicate her feelings and concerns, and her anxiety level continues to increase because she wants to establish herself in a place she can call her own. This is now of critical importance, because her ageing parents are exhausted by the 24/7 care regime they must maintain for her. This young woman has been on the department's emergency waiting list for six years. During this time her parents' health and wellbeing has been threatened as the result of unrelenting stress, both physical and mental. The mother is now physically incapacitated.

My request of the minister is that she undertake to attend to the permanent accommodation requirements of this disabled young woman as a matter of urgency. To expedite this case, alleviate the family's enormous suffering and protect the privacy of all concerned, I will provide the family's name and address directly to the minister upon request.

### **Clearways: Stonnington**

**Mrs COOTE** (Southern Metropolitan) — My adjournment matter this evening is for the Minister for Roads and Ports and is in regard to issues of parking in the Prahran Legislative Assembly electorate. I am getting to sound like a broken record in here about the clearways issue, but nobody seems to be taking any notice of it, particularly the government, which has ridden roughshod over the people in all these areas. Opposition members are cognisant of what is happening, but the government seems not to be understanding this issue at all.

**The DEPUTY PRESIDENT** — Order! Stop the clock. By her own confession Mrs Coote has raised matters in regard to the clearways on a number of occasions. Can I just establish that this matter tonight is not one she has previously raised?

**Mrs COOTE** — No, it is not. When you have been in the chair before, you have asked me a similar question, Deputy President. This is about parking, as I explained.

**The DEPUTY PRESIDENT** — Is the member aware she cannot ask the same thing again?

**Mrs COOTE** — Yes, I am.

**Mrs COOTE** — I think the Treasurer and I are in the same boat today — we have both been chastised by the Deputy President.

I have previously in this chamber presented 22 500 signatures on a protest petition to this Parliament about how unpopular this policy is in the community which in fact I share with the Treasurer, who is in the chamber at the moment. I have been contacted by many charities and not-for-profit organisations stating that they will suffer as a result of these clearways, and they claim that they will suffer from lack of revenue and loss of community volunteers as people have trouble accessing their premises — in particular I refer to the Armadale campus of the University of the Third Age.

I have raised similar issues with the Minister for Roads and Ports. He has volunteered in his answers to me that in fact they are going to be looking into some of these issues; he said they are going to be conducting surveys; and in fact, they have conducted surveys. The action I am seeking from the minister is to release the surveys he has undertaken and to explain to the community where the supposed significant numbers of car parks will be in Stonnington once the clearway policy is rolled out in full.

### Minister for Roads and Ports: correspondence

**Mr KOCH** (Western Victoria) — My matter is for the Minister for Roads and Ports and concerns his reluctance to sign replies to ministerial correspondence. Over recent months I have written to the minister on several occasions, making representations on behalf of individual constituents relating to matters within his portfolio.

On 1 August 2008 I wrote two letters to the minister about separate matters. The first related to traffic congestion and the need to construct overtaking lanes on the Princes Highway between Warrnambool and Port Fairy. On 3 November 2008 I received a response from the minister's office, detailing the Brumby government's improvements to the Princes Highway between Portland and Heywood, and its negotiations to secure funding for the duplication of the Princes Highway between Geelong and Winchelsea. Not only did the response fail to address the issue raised in my representations, but it did not even get the courtesy of the minister's signature.

My second letter of 1 August 2008 related to a VicRoads matter. I received a second-rate response on 22 September this year, which also did not attract the minister's signature. On 5 August 2008 I wrote to the minister on behalf of the West Wimmera Shire Council, seeking additional funding to widen narrow sealed sections of arterial roads within that shire. I received a response to this letter on 22 September 2008, but again it was not signed by the minister.

A further letter was addressed to the minister on 21 August 2008, following previous representations that failed to secure a satisfactory response to earlier issues raised on behalf of numerous concerned constituents about the deteriorating condition of the Henty Highway, particularly between Heywood and Warracknabeal. A response to this letter, received in my office on 17 November this year, indicated that VicRoads was to reconstruct and reseal some of the trouble spots — but alas, this response also failed to attract the signature of the minister.

In each of these cases there is no way of knowing if the concerns raised ever reached the minister's desk. Instead, each was signed by the minister's chief of staff who apparently has the authority to respond for the minister to members' personal representations on behalf of their constituents. Perhaps the minister is too busy to read all correspondence addressed to him or perhaps he sees the issues raised by his fellow Victorians as inconsequential and not deserving of his personal attention.

My not being alone in these matters, my request is for the minister to at least personally acknowledge the concerns raised in ministerial representations so that members writing on behalf of their constituents can be assured that these issues have been brought to his attention.

### Rail: V/Line services

**Mr DRUM** (Northern Victoria) — My adjournment matter this evening is for the Minister for Public Transport. Recently the minister announced a scheme to encourage Melburnians to visit regional centres by train. While the people of Bendigo, Ballarat, Echuca and Geelong and some local tourism operators within those areas are probably happy about this program, others are not. Certainly Swan Hill and the area around Kerang, for example, are not covered by this project.

The campaign is called 'See things differently' and these communities wonder why they have been left out. Certainly Kerang and Swan Hill wonder why they are being treated differently in the 'See things differently' program. I have received a letter from the very disappointed Swan Hill Rural City Council; it says it wanted it to be put on the minister's schedule.

The area has a lot to offer. Apart from attractions such as the pioneer settlement and the Murray River, Swan Hill itself is of interest to rail enthusiasts and is the longest rail trip possible in Victoria. Apart from this program completely discriminating against regional and rural Victorians, again from a Labor government that says it governs for all Victorians but consistently introduces programs and policies that favour Melburnians at the expense of country Victorians, this particular program now discriminates between different regions within regional and rural Victoria; and it discriminates between one regional city and another.

I call on the minister to look at all V/Line services not just away from Melbourne but to and from Melbourne which will offer a similar deal for regional Victorians as for Melburnians. I also call on the minister to look at extending this program past the major regional centres to ensure that all destinations within the V/Line system have access to the reduced fares on a non-peak time service that this project services.

**Mr P. Davis** — On a point of order, Deputy President, I refer to the failure of ministers to reply to matters raised on the adjournment. I have eight adjournment issues outstanding, on which I have written to all the relevant ministers. I have previously raised this matter in regard to some of the issues on earlier occasions.

I now seek an explanation under the sessional orders in relation to these particular failures to respond: on 11 June, the Minister for Regional and Rural Development regarding Mallacoota community centre; on 12 June, the Minister for Regional and Rural Development on regional and rural Victoria tourism initiatives; on 20 August, the Treasurer regarding VicForests' performance; on 9 September, the Minister for Public Transport on the Lindenow South level crossing; on 7 October, the Minister for Agriculture on the Melbourne Wholesale Fish Market closure; on 15 October, the Minister for Public Transport regarding the bus service to Buchan; on 28 October, the Minister for Senior Victorians, regarding rail travel for senior Victorians; and on 30 October, the Minister for Health on Box Hill Hospital patient services.

I request that the Treasurer, who is presently in the chamber, provide an explanation to the house and, if he is unable to do so, that he seeks that his colleagues provide an explanation, but more usefully provide the replies.

**Mr Lenders** — On the point of order, Deputy President, I will refer to those matters. In relation to two of the matters Philip Davis raised — one on 20 August to me as Treasurer and one on 7 October to the Minister for Agriculture, whom I represent in this place — I will certainly follow those through, particularly the one to me. I am disappointed if that has not gone to him, and I accept Mr Davis's comment that it has not. I will certainly follow up those two matters.

I can draw the other ones to the attention of ministers, but the general procedure on adjournment matters is that the minister accountable for them answers to the house for them. I can answer for those two; the other ones are in other portfolio areas.

**Mr P. Davis** — Further on the point of order, Deputy President, the sessional orders provide a mechanism for obtaining a response, and in good faith members come into this place and raise matters on the adjournment debate with an expectation that they will receive a response. It is appropriate that there is a formal procedure and the failure to respond can be dealt with by formal motion, but I do not think any members think that is the objective of the adjournment debate. The adjournment is a period when matters that are important to constituents and to the community at large can be dealt with by government ministers.

I simply restate the request to the Treasurer that, acknowledging that he has direct portfolio responsibility for some matters, in this case I am seeking that between now and when we return in

February he requests that these matters are dealt with and can be removed from the list that the Council papers office maintains as a record for the benefit of ministers and members.

**The DEPUTY PRESIDENT** — Order! I think the minister has effectively given that undertaking. I would point out that that was a bit of a stretch on a point of order. Given the circumstances and the fact that quite a number of members are in the same boat, I obviously allowed Mr Davis to continue to establish that. I now call on the minister to respond to the adjournment items raised this evening.

### Responses

**Mr LENDERS** (Treasurer) — Firstly, I have five written responses to adjournment debate matters raised between 19 August and 12 November: by Ms Darveniza on 19 August; by Mr Pakula on 20 August; by Mr Koch on 9 September; by Ms Tierney on 29 October; and by Mr Koch on 12 November.

Deputy President, I will initiate within government that we seek to be more prompt on responding to adjournment matters, but I remind Mr Davis and the house that we have 8013 questions on notice, and it gets quite difficult for the government. If the house wishes to direct ministers or suggest what our priorities should be — questions on notice or adjournment matters — I know my desire would certainly be to respond to adjournment matters to me, particularly from people who are not serial offenders on questions on notice.

Some direction from the house would be appreciated on what the priority is — adjournment matters or questions on notice — because 8013 questions on notice is an extraordinary administrative task for government departments. If the request of the house is that we engage more public servants to answer these queries and the adjournment matters, that is certainly something we will consider, but we need to prioritise. If the Legislative Council requests us to grow the public service, that is a debate we should perhaps have in this house.

There were 10 adjournment items raised by members this evening, and I will refer them on to the respective ministers.

**The DEPUTY PRESIDENT** — Order! The house now stands adjourned.

**House adjourned 10.38 p.m.**

