

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

**LEGISLATIVE ASSEMBLY
FIFTY-EIGHTH PARLIAMENT
FIRST SESSION**

Tuesday, 26 May 2015

(Extract from book 7)

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FIFTY-EIGHTH PARLIAMENT — FIRST SESSION**

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Deputy Speaker:

Mr D. A. NARDELLA

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Ms Kilkenny, Mr McCurdy, Ms McLeish, Mr Pearson, Ms Ryall, Ms Thomas,
Mr Thompson, Ms Thomson, Ms Ward and Mr Watt.

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The Hon. D. M. ANDREWS

Deputy Leader of the Parliamentary Labor Party and Deputy Premier:

The Hon. J. A. MERLINO

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The Hon. M. J. GUY

Deputy Leader of the Parliamentary Liberal Party and Deputy Leader of the Opposition:

The Hon. D. J. HODGETT

Leader of The Nationals:

The Hon. P. L. WALSH

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Ms S. RYAN

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Council — Acting Clerk of the Legislative Council: Mr A. Young

Parliamentary Services — Secretary: Mr P. Lochert

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FIFTY-EIGHTH PARLIAMENT — FIRST SESSION

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Batin, Mr Bradley William	Gembrook	LP	Naphthine, Dr Denis Vincent	South-West Coast	LP
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McCurdy, Mr Timothy Logan	Ovens Valley	Nats	Wynne, Mr Richard William	Richmond	ALP
McGuire, Mr Frank	Broadmeadows	ALP			

¹ Resigned 2 February 2015

² Elected 14 March 2015

PARTY ABBREVIATIONS

ALP — Labor Party; Greens — The Greens;
Ind — Independent; LP — Liberal Party; Nats — The Nationals.

Legislative Assembly committees

Privileges Committee — Ms Allan, Ms D’Ambrosio, Mr Morris, Mr Mulder, Ms Neville, Ms Ryan, Ms Sandell, Mr Scott and Mr Wells.

Standing Orders Committee— The Speaker, Ms Allan, Ms Asher, Mr Brooks, Mr Clark, Mr Hibbins, Mr Hodgett, Ms Kairouz, Mr Nardella, Ms Ryan and Ms Sheed.

Joint committees

Accountability and Oversight Committee — (*Assembly*): Mr Angus, Mr Gidley, Mr Staikos and Ms Thomson.
(*Council*): Ms Bath, Mr Purcell and Ms Symes.

Dispute Resolution Committee — (*Assembly*): Ms Allan, Mr Clark, Mr Merlino, Mr M. O’Brien, Mr Pakula, Ms Richardson and Mr Walsh. (*Council*): Mr Bourman, Mr Dalidakis, Ms Dunn, Mr Jennings and Ms Wooldridge.

Economic, Education, Jobs and Skills Committee — (*Assembly*): Mr Crisp, Mrs Fyffe, Mr Perera and Ms Ryall.
(*Council*): Mr Elasmr, Mr Melhem and Mr Purcell.

Electoral Matters Committee — (*Assembly*): Ms Asher, Ms Blandthorn, Mr Dixon, Mr Northe and Ms Spence.
(*Council*): Mr Dalidakis and Ms Patten.

Environment, Natural Resources and Regional Development Committee — (*Assembly*): Ms Halfpenny, Mr McCurdy, Mr Richardson, Mr Tilley and Ms Ward. (*Council*): Mr Ramsay and Mr Young.

Family and Community Development Committee — (*Assembly*): Ms Couzens, Mr Edbrooke, Ms Edwards, Ms Kealy, Ms McLeish and Ms Sheed. (*Council*): Mr Finn.

House Committee — (*Assembly*): The Speaker (*ex officio*), Mr J. Bull, Mr Crisp, Mrs Fyffe, Mr Staikos, Ms Suleyman and Mr Thompson. (*Council*): The President (*ex officio*), Mr Eideh, Ms Hartland, Ms Lovell, Mr Mulino and Mr Young.

Independent Broad-based Anti-corruption Commission Committee — (*Assembly*): Mr Hibbins, Mr D. O’Brien, Mr Richardson, Ms Thomson, and Mr Wells. (*Council*): Mr Ramsay and Ms Symes.

Law Reform, Road and Community Safety Committee — (*Assembly*): Mr Dixon, Mr Howard, Ms Suleyman, Mr Thompson and Mr Tilley. (*Council*): Mr Eideh and Ms Patten.

Public Accounts and Estimates Committee — (*Assembly*): Mr Dimopoulos, Mr Morris, Mr D. O’Brien, Mr Pearson, Mr T. Smith and Ms Ward. (*Council*): Dr Carling-Jenkins, Ms Pennicuik and Ms Shing.

Scrutiny of Acts and Regulations Committee — (*Assembly*): Mr J. Bull, Ms Blandthorn, Mr Dimopoulos, Ms Kealy, Ms Kilkenny and Mr Pesutto. (*Council*): Mr Dalla-Riva.

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Tuesday, 26 May 2015

The SPEAKER (Hon. Telmo Languiller) took the chair at 12.02 p.m. and read the prayer.

NATIONAL SORRY DAY

The SPEAKER — Order! I would like to note that as a sign of respect the Parliament of Victoria is flying the Aboriginal and Torres Strait Islander flag on National Sorry Day and throughout National Reconciliation Week, beginning 26 May. On behalf of the Premier, the Leader of the Opposition, members and staff, I would like to acknowledge the traditional owners of the land on which we meet today, the people of the Wurundjeri and Boon Wurrung nations, and pay my respects to their elders past and present.

Mr ANDREWS (Premier) (By leave) — I acknowledge the traditional owners of the land on which we meet today and pay my respects to their elders past and present. Speaker, I say that not because I have to but because I choose to, because the oldest continuous culture known to human history deserves nothing less.

Between 1910 and 1970 up to 30 per cent of Aboriginal children were stolen from their mothers, stolen from their fathers. That is 50 000 young Australians deprived of their family and denied their identity. Today we say sorry for the deeds that were done. We say sorry for the policies we designed, for the families we divided. We say sorry for the laws we imposed and for the lives that we impaired. We left behind a wound that we all must work together to heal.

It is our responsibility to end Aboriginal disadvantage. It is our duty to support Aboriginal self-determination. Aboriginal Victorians want to live a good, safe and healthy life. They deserve to do so by their own measure, on their own terms and in accordance with their own spirit. On this day, the government recommits to that objective.

Mr GUY (Leader of the Opposition) (By leave) — In paying respects to the Wurundjeri people, I rise on behalf of the Victorian coalition to make some remarks on this National Sorry Day. In September 1997 the Victorian Parliament moved and passed unanimously the following motion:

That this house apologises to the Aboriginal people on behalf of all Victorians for the past policies under which Aboriginal children were removed from their families and expresses deep regret at the hurt and distress this has caused and reaffirms its support for reconciliation between all Australians.

In 2008 our national Parliament passed a similar motion, recognising and apologising for these past practices on behalf of all Australians.

The past injustices to our Indigenous population remain a scar on our nation. It is a scar that we should seek to heal through respect, tolerance and recognition. There is no doubt that the past policies that broke up Indigenous families and forcibly removed children from their parents caused lifelong suffering and trauma. While today these practices are recognised and condemned, the hurt they caused will continue for those families for their entire lives. It is important that on National Sorry Day we not only recognise what was done to these families but affirm our deep sorrow and regret at these past practices on behalf of members of the Victorian Parliament.

Further, Speaker, I believe it is important to again reaffirm our respect for our Indigenous Australians and their culture, the oldest continual culture anywhere in the world. For past practices that caused so much hurt, sadness and trauma to so many Indigenous families, I am sorry.

Ms HUTCHINS (Minister for Aboriginal Affairs) (By leave) — I, too, acknowledge the traditional owners of the land on which we meet today and their elders past and present. As acknowledged, today, 26 May, is National Sorry Day, and it has been chosen to acknowledge the tabling of the *Bringing Them Home* report back in 1997. Almost 18 years on we reflect on the heartbreaking truths uncovered by that report and the truths that remain unspoken. We say sorry for all that was done. We acknowledge the sorrow and the suffering of the mothers and fathers whose children were torn away by a brutal system that showed no mercy and no compassion. They were forced to endure a legacy of pain, deprived of their land, deprived of their culture, deprived of their identity and deprived of their family — the very things that make us who we are and shape our being.

As a state we continue to support the services that reunite families, that piece together ancestral history and assist those affected on the path towards healing. Having an understanding of your history, knowing who you are and where you came from is fundamental to us all. The continued vibrancy of Aboriginal culture and identity is testament to the strength of that culture and that identity. On Sorry Day we come together to say we are sorry. We apologise and want to share the journey towards reconciliation and to ensuring a better future. Today together we acknowledge all that has happened and all that there is still to do.

Mr WALSH (Murray Plains) (*By leave*) — I am very pleased that we are taking this opportunity today in the Victorian Parliament to reflect on National Sorry Day and also National Reconciliation Week, which begins tomorrow. National Sorry Day has been a fixture on our calendar since May 1997, when the commonwealth Parliament's *Bringing Them Home* report was released with the recommendation that such a day of reflection and commemoration was important.

As we gather here today in Parliament House it is poignant to remember that this site had a long and important history, long before this building stood here. The traditional owners of this land are the people of the Kulin nation. The hill where this building stands was once covered by forest and was a traditional Kulin meeting place used for inter-clan gatherings and ceremonial events. I offer our very special acknowledgement to the traditional owners today on this national day of significance.

Like many country MPs, on Friday I will be back in my electorate, and I will be proudly attending the National Reconciliation Week flag-raising ceremony at Echuca. This will importantly be a whole-of-community event to mark the progress of reconciliation in our community.

In the last decade Victoria as a state and Australia as a nation have taken great steps forward in acknowledging the mistakes of our nation's past. We as a community have taken responsibility to heal the wounds inflicted by our predecessors. But as a regional MP who is fortunate to have a number of Indigenous clans throughout my electorate along the Murray River, I know that we must offer more than symbolic gestures. I take this opportunity to recognise the traditional clans and families of my area — the Yorta Yorta, the Bangerang, the Dja Dja Wurrung, the Barapa Barapa, the Wemba Wemba and the Wadi Wadi. I emphasise again my commitment to work with them on issues that foster reconciliation, which honour their special connection to our lands and which support and enhance our communities long into the future.

It is important that we stand here today to again emphasise that we as a nation are truly sorry for the wrongdoings, the forced removals, the ignorance, the bad policy and the true family tragedies that were the result. We must also remember that our actions today and beyond are equally as important as our reflections on the past.

Ms SANDELL (Melbourne) (*By leave*) — I too rise to acknowledge and celebrate the generations of Aboriginal and Torres Strait Islander people who have

lived on this land and continue to live on this land as custodians of this remarkable country, and who now share their traditional knowledge and ancient culture with the people who have come from all over the world to live in Australia. I rise to acknowledge that the sovereignty of this land was never ceded and that we still have much to do to right the wrongs that were done to Aboriginal and Torres Strait Islander people and to work towards justice. I rise today, on National Sorry Day, to say on behalf of the Victorian Greens: we are sorry. I am sorry. We acknowledge the terrible atrocities and injustices done to Aboriginal people by our forefathers and acknowledge that many injustices continue to be perpetrated today.

An apology will not undo the past, but National Sorry Day can remind us that we all have a responsibility to work every day for justice. Reconciliation is an ongoing and daily task, but one that we must be fully committed to, regardless of the challenges that it mounts. It should be founded on the principles of respect, justice and autonomy for Aboriginal people and not about decreeing the ways communities should run or how people should live. We need to work with Aboriginal communities to achieve self-determination and meaningful participation in decision-making, to sustain communities and culture and to protect heritage.

Unfortunately Australia is still a way off from achieving that, and in some ways we are going backwards. But I hope that today, on this National Sorry Day, Australians will use this opportunity to take a look at themselves, to challenge the current treatment of Aboriginal people and Torres Strait Islanders and to challenge the current policies and attitudes that lead to mistreatment, racism and inequality so that we do not need to look back in future years and make further apologies for our own actions today. Justice and reconciliation will not be easy, but we must commit ourselves — and recommit ourselves — to achieving them if we genuinely mean it when we say we are sorry.

Ms SHEED (Shepparton) (*By leave*) — On National Sorry Day we remember the mistreatment of Australia's Indigenous people and commemorate the stolen generation, the history of forcible removal and its effects. My electorate is home to Victoria's largest regional Indigenous community, making up about 5 per cent of the Shepparton district's population. In the Goulburn Valley the scars of government policies that saw the forced removal of Indigenous children are still visible, and the disadvantage that has beleaguered the community since colonisation continues.

Today local people are gathering at Shepparton's Monash Park to remember the mistreatment of Australia's Indigenous people and to acknowledge the stolen generation. Present will be Aboriginal leaders, school students and representatives of local government and welfare agencies and the Shepparton Region Reconciliation Group. At last year's ceremony the group's convener, Bobby Nicholls, said:

We still have Aboriginal people today who are living in two worlds and who are trying to find their identity.

So 17 years since the first National Sorry Day took place on 26 May 1998, one year after the tabling of the *Bringing Them Home* report, it is clear that there is still much to be done to enhance inclusion.

We acknowledge that football has been a powerful tool in reconciliation in my electorate, and the Unity Cup is an annual match between Rumbalara and Congupna football and netball clubs, which aims to promote social inclusion and the role of women in the community.

The Shepparton Art Museum has recently had an Indigenous resident worker appointed to work with the local community and promote and share knowledge with local visitors. Every initiative that we can possibly achieve to promote social inclusion and build relationships between Indigenous and non-Indigenous people is vital and should be supported. There is still much to be done.

DISTINGUISHED VISITORS

The SPEAKER — Order! I would like to welcome to the chamber the Honourable Shri Rajiv Pratap Rudy, the Minister of State (Independent Charge) in the Ministry of Skills Development and Entrepreneurship and Minister of State in the Ministry of Parliamentary Affairs; Ms Manika Jain, Consul General of India, a very dear friend of the Parliament and the state of Victoria; and members of Parliament and officials from India. I am pleased to welcome everyone to the Legislative Assembly. I look forward to our continued engagement in building a stronger relationship between our parliaments.

As we are privileged to have our friends from India in Parliament today, let me take this opportunity to pay tribute to Mahatma Gandhi, whose legacy to the world was his struggle against racism and sexism and the use of non-violent civil disobedience to achieve significant political transformation and lead India to independence from British rule.

Namaste! On behalf of the Premier, the Leader of the Opposition and members of the Legislative Assembly, welcome to the Parliament of Victoria.

MINISTRY

Mr ANDREWS (Premier) — I advise the house that I will be responsible for the portfolios of small business, innovation and trade, and that the Special Minister of State will have responsibility for those portfolios in the other place.

QUESTIONS WITHOUT NOTICE and MINISTERS STATEMENTS

Minister for Small Business, Innovation and Trade

Mr GUY (Leader of the Opposition) — My question is to the Premier. Can the Premier inform the house: have there been any allegations made against Minister Somyurek by government staff that involve physical contact or assault that the Premier has been made aware of?

Mr ANDREWS (Premier) — I thank the Leader of the Opposition for his question. As you, Speaker, and all members of Parliament know, this is a very serious matter, and appropriately I have asked — and he has agreed — the Secretary of the Department of Premier and Cabinet, Chris Eccles, to conduct an independent review, an investigation, into a complaint which was lodged and formalised with him last Friday. It is appropriate to stand the minister down while that important investigation is taking place. I do hope that that can be dealt with quickly, in weeks rather than months.

However, in having made that decision and having put that process into place, I am limited — and I think for good reason — to not running a commentary over the top of that process. I will, by way of answer to the Leader of the Opposition, indicate to him that these are serious matters and in the interests of all involved — both the minister and of course the staff member who has made the complaint — it is my intention not to run a commentary over the top of that process but instead, having set it up, to allow it to run its course. In the intervening period the minister has been stood down. That is the appropriate course of action. Public statements were made to that effect, and I act in the minister's stead in terms of his portfolios.

Supplementary question

Mr GUY (Leader of the Opposition) — The Premier said that his duty of care to staff is one he takes very seriously and that the allegations against Minister Somyurek are of ‘an intimidating, aggressive, threatening nature’ that might be a police matter — the Premier’s words. I ask: if that is the case, why has this matter not been referred to Victoria Police?

Mr ANDREWS (Premier) — I thank the Leader of the Opposition for his question. Each of us has a duty of care to our staff, and the leader of the government has a broader duty of care, and it is a duty of care that I take very, very seriously. I would make the point to the Leader of the Opposition that in the exercise of that duty of care it is my view, and I am sure it is the view of all members of this place, that every single Victorian worker should feel safe in their workplace.

Central to that sense of confidence is a proper complaints process, so that if a complaint is made, it is acted on properly. That is exactly what has occurred here. The process has been instituted by me, the minister has been stood down, the review will be conducted. If in the view of the Secretary of the Department of Premier and Cabinet, or in the view of the staff member making the complaint, a matter is deemed to be in need of referral to police, then that referral will be made.

The SPEAKER — Order! The Premier’s time has expired.

Ministers statements: Chief Commissioner of Police

Mr ANDREWS (Premier) — I am very pleased to be able to speak to the house today about the appointment of Graham Ashton, AM, as the 22nd Victorian Chief Commissioner of Police. Mr Ashton will begin his duties in this important role on 1 July, and his appointment will run for some five years. Yesterday I made the point, and I will again for the benefit of all members make the point, that Graham Ashton brings a strength of character, a steadiness of leadership and a wealth of experience to this role.

I think it is fair to say that no-one in the Australian law enforcement community has greater experience and expertise in the area of counter-terrorism than Graham Ashton. It is that reason and his many other considerable attributes that make him, in a very strong field, an outstanding choice as the chief commissioner for our time. I am very grateful for his candidacy; I am very grateful to all of those who put themselves

forward. It was a very important process, and I thank and congratulate my colleague the Minister for Police for his work over these last few months.

None of us expected Ken Lay to be forced to leave Victoria Police. We had an opportunity to honour his service. Yesterday we not only celebrated a new chief commissioner for a new era in our Victoria Police force but it was also an opportunity to thank and congratulate Acting Chief Commissioner Tim Cartwright. I can say as a new Premier, and on behalf of the government as a new government, that no-one could have asked for a better acting chief commissioner. Victorians have been well served by Tim Cartwright for more than 41 years. I congratulate Graham Ashton, and I sincerely thank Tim Cartwright.

Minister for Small Business, Innovation and Trade

Mr GUY (Leader of the Opposition) — My question is again to the Premier. Given that the allegations made against Minister Somyurek relate to his personal conduct, why do the terms of reference to investigate this complaint now include investigating the competence of every staff member within the minister’s office?

Mr ANDREWS (Premier) — I think that the Leader of the Opposition is misreading the terms of reference. This is a proper process instituted in good time, as it should have been, to deal with a very serious complaint, one that I believe has been appropriately handled.

The minister has been stood down, as you would expect, while these serious matters — serious for all parties concerned — are dealt with. I am not going to run a loose commentary over the top of that process and jeopardise a decent outcome, a fair, proper outcome, in the interests of all concerned. But again I am mindful of the duty of care that I have to every member of staff who is employed in my government.

Supplementary question

Mr GUY (Leader of the Opposition) — I ask the Premier if it is now government practice that when a government employee makes a complaint about the inappropriate behaviour of their boss that they then find themselves and their colleagues the subject of investigation into, in the Premier’s words, their capability and management practices?

Mr ANDREWS (Premier) — No.

Ministers statements: family violence

Ms RICHARDSON (Minister for the Prevention of Family Violence) — I rise to update the house on a very important new Andrews Labor government initiative that will provide a critically important tool for each and every one of us as we undertake the work to end the harm caused by violence in homes.

Last year, tragically, one woman per week lost her life as a consequence of violence; this year we are tracking at two women per week. Quite rightly family violence has been described as a national crisis or a national emergency. But the truth is the full scale of the harm is not known. Moreover, we have no clear way of telling whether over time the programs and initiatives that we are putting in place are actually reducing the harm and the impact of violence on our society. For example, the crime statistics that have been very useful and have helped raise public awareness cannot tell us about the impact of family violence on our court system, on our hospitals, on our community services and in our workplaces.

Moreover, family violence remains a significantly underreported crime. While there were over 68 000 reported family violence crime incidents last year and there has been a rise of over 70 per cent since 2010, we cannot say definitively whether that is due in its entirety to increased reporting or whether it may be partly due to an increase in violence.

In the same way that the road toll informs us about how we are performing on road safety, we need a measure to help us track our performance in tackling family violence over time. That is why our Labor government has announced a world first — the family violence index. It will include a range of datasets, including the crime statistics and datasets such as the rate of homelessness due to family violence, the number of children in out-of-home care, the number of intervention orders and other important sets of data.

Australia's National Research Organisation for Women's Safety has been commissioned by our government to undertake this important work, and it is our hope that it will be completed around the time the Royal Commission into Family Violence makes its recommendations next year. Nothing is more important than keeping women and children safe in their homes. This world-first family violence index will help us achieve that very important goal.

Minister for Small Business, Innovation and Trade

Ms RYAN (Euroa) — My question is to the Premier. In the Premier's press conference on Saturday he said that the complaint against the Minister for Small Business, Innovation and Trade, Minister Somyurek, related to 'a number of incidents'. I ask the Premier: when was he, his chief of staff or his office first alerted to any potential bullying issues within this office?

Mr ANDREWS (Premier) — I thank the member for her question. The staff member who has made the complaint, the chief of staff to the minister, approached my office last Thursday. I was informed of that on Thursday evening, and I then instructed that the complaint be formalised. It was formalised on Friday, and I received advice from my department on Friday evening. I then arranged for the minister to come to see me personally. I felt that a face-to-face meeting was the appropriate way to go. That occurred at around 10 o'clock on Saturday morning. I stood the minister down around lunchtime, and then I attended a media conference and issued a statement. That was the appropriate way to a serious matter — serious for all concerned.

We now have a process. The Secretary of the Department of Premier and Cabinet will run that process. I am confident that he will do so properly. It is important, I think, that all of us are mindful that this is a very serious matter and it should be allowed — this inquiry, this investigation, independent of this political process or any government or opposition process — to run its course.

Supplementary question

Ms RYAN (Euroa) — Again referring to the Premier's press conference about this complaint, he said:

The complaint has been made by the chief of staff to the minister and details, at least in her mind ... a pattern of abusive behaviour ...

I ask the Premier: what did he mean by the words 'in her mind'?

Mr ANDREWS (Premier) — I thank the member for Euroa for her question. I think if she were to read from the full transcript, the comment was 'in her mind and according to her' complaint — that is all that was meant by the term. She has made a complaint, and in that complaint she has alleged a pattern of behaviour and — —

Honourable members interjecting.

The SPEAKER — Order! Opposition members will come to order and allow the Premier to continue.

Mr ANDREWS — The matter is being taken very seriously because it is without doubt a serious issue and one that we need to not play politics with but instead make sure that we have a proper process, and that is exactly what I have instituted. The words as quoted by the member for Euroa are nothing less than what I have said, and I would refer her to the full statement and not her selective quoting of it.

Ministers statements: Adult Parole Board of Victoria

Mr NOONAN (Minister for Police) — I rise to inform the house of a new government initiative, which is the Governor in Council appointment of His Honour Judge Peter Couzens as the new chair of the Adult Parole Board of Victoria. The role of the parole board chair requires a person with a measured, independent, senior legal mind who will lead with energy, insight and care.

His Honour Judge Peter Couzens is the ideal choice for this demanding role. He has more than 40 years legal experience, including time as a solicitor, then at the Victorian Bar specialising in common law, personal injury and family law before being appointed as a magistrate in 1990. In his 23 years as a magistrate and then regional coordinating magistrate he sat at every metropolitan Magistrates Court and in virtually every country Victorian court. In 2013 he was appointed as a County Court judge and President of the Children's Court of Victoria.

The former Attorney-General indicated at that time that it was His Honour's 'broad and wideranging' experience that made him an ideal choice for such a challenging role. I would agree, and I add that it is this vast experience that also makes him an ideal choice for chair of the adult parole board.

Over the past year the adult parole board and the parole system more broadly have moved through substantial reform. Victoria now has the toughest parole system in the country. This means that parole is harder to get and more tightly managed in the community, and the consequences for breaches are more significant. The parole board is larger and better supported by more staff and better systems. The chair of the adult parole board leads this vital decision-making board of 40 members, all of whom hold community safety paramount.

I am absolutely pleased that His Honour's experience across Victoria at the coalface of the law will be brought to this most important work.

Renewable energy

Ms SANDELL (Melbourne) — My question is to the Minister for Energy and Resources. The government has recently announced its intention to introduce a Victorian renewable energy target (VRET), which I commend. However, the government has indicated that it will only introduce a VRET if the federal government removes section 7C from the commonwealth's renewable energy target legislation. If Abbott will not agree to change the law, will the Victorian government commit to introducing a VRET — —

Honourable members interjecting.

The SPEAKER — Order! Government and opposition members will allow the member for Melbourne to ask her question in silence.

Ms SANDELL — If the Prime Minister will not agree to change the law, will the Victorian government commit to introducing a Victorian renewable energy target that is not substantially similar to the commonwealth scheme to top up the RET, in a similar way to what the Australian Capital Territory has done?

Ms D'AMBROSIO (Minister for Energy and Resources) — Our government is absolutely committed to growing Victoria's share of renewable energy. We do so proudly because we were the first state to introduce a renewable energy target. We have challenged Tony Abbott, and in fact those opposite, to remove section 7C from the federal legislation, which currently presents a legislative constitutional barrier to Victoria introducing a top-up scheme through legislation to grow our share of renewable energy.

Unfortunately the Abbott government has done its very best to reduce the value of the federal renewable energy target at the expense of thousands of jobs in Victoria and billions of dollars of investment. We as a government have 19 wind farms that are ready to get started. They are worth about \$5 billion and would create more than 2500 jobs. They were approved by the previous Labor government in this state under the planning regime it introduced. We want to get these construction jobs happening and the investment flowing, especially to regional Victoria.

We expect Tony Abbott to get out of the way of the Victorian Labor government, to remove section 7C and to allow Victoria to commence a top-up scheme based

on legislation that we currently have in place in Victoria. We will not be sidelined and we will not be silenced by the failure of leadership by those opposite and their federal mates, who are doing their level best to kill off the renewable energy industry in this state.

We went to the last election with a clear commitment to introduce a renewable energy action plan. I remind the member for Melbourne that we made that commitment. We have commenced discussions with all of the key players in the renewable sector to do just that. We are on the way to releasing a renewable energy road map in the middle of this year, followed by a renewable energy action plan to grow our share of renewable energy in this state. We want section 7C removed, and we as a state government will ensure, one way or another, that we will grow our renewable energy sector mix in this state — and we will not take no for an answer. I can assure every single member sitting in this chamber to that effect.

Supplementary question

Ms SANDELL (Melbourne) — I thank the minister for her answer. Other jurisdictions have not let federal inaction get in the way of state action on renewable energy. Can the minister explain what policy options she has considered for a scheme that is not in conflict with section 7C of the commonwealth scheme in the event that the Prime Minister will not change the law? For example, has she considered a feed-in tariff or contracts for difference policy options or other policy options that are not in conflict with 7C?

Ms D'AMBROSIO (Minister for Energy and Resources) — I would like to answer that question by reminding the house that when those opposite decided to attack the then state opposition, the Labor Party, about renewable energy, they claimed that we needed to reintroduce the Victorian renewable energy target. I pointed out to those opposite and those in the other place that we had a constitutional barrier, and this is a lesson that I think the Greens are failing to acknowledge. There is a constitutional barrier in federal legislation called section 7C, which prohibits the same scheme being introduced in this state.

Nevertheless, as I said in my previous answer, this government will pick up from where it left off in 2010 with a world-leading and certainly a nation-leading renewable energy action plan that will take every opportunity and consider every way that it can grow our renewable energy target, and it will not be distracted from that.

Ministers statements: Hazelwood mine fire inquiry

Ms D'AMBROSIO (Minister for Energy and Resources) — I rise to inform the house of new information in relation to the reopening of the Hazelwood mine fire inquiry. Today I was very pleased to be joined by the Minister for Health to open the inquiry to get to the bottom of health concerns as a result of the fire as well as coalmine rehabilitation. The inquiry will address concerns of a spike in deaths following the fire as well as the options for mine rehabilitation, including the adequacy of rehabilitation bonds at all three coalmines in the Latrobe Valley: Loy Yang, Yallourn and Hazelwood.

Last month the government announced \$30 million in the state budget to implement all the recommendations of the 2014 Hazelwood Mine Fire Board of Inquiry. They include better quality inspections and audits, and funding a long-term health study in the Latrobe Valley to support the safety and wellbeing of members of the local community. Separate terms of reference will focus on recommendations to minimise the risk of fire at Alcoa's Anglesea coalmine, which closes at the end of August.

The Honourable Bernard Teague, who led the 2014 inquiry, will again serve as chair, and we thank him for his willingness to do so. He will be joined by Professor Emeritus John Catford and Anita Roper, who is a leading mining industry expert. The inquiry will deliver its recommendations on minimising fire at the Anglesea coalmine site by 31 August. It will report on the health effects of the 2014 coalmine fire and measures to improve health in the Latrobe Valley by December and deliver its findings into coalmine rehabilitation by March 2016.

We will stand with members of the Latrobe Valley community to help restore their confidence in government, and we will ensure that they start to get the answers to the questions they need answered. The coalition deserted the Latrobe Valley, but this Labor government will stand shoulder to shoulder with the community and get the answers that community deserves.

Workplace bullying

Mr MORRIS (Mornington) — My question is to the Minister for Finance. Can the minister confirm that WorkSafe's website, in particular with regard to its policy in relation to allegations of workplace bullying, workplace bullying that involves assault or threats of

assault, states it is to recommend that Victoria Police is also contacted and informed of the incident.

Mr SCOTT (Minister for Finance) — Unsurprisingly I do not have an encyclopedic memory of every element of the WorkSafe website, but I am happy to provide further information to the house.

Honourable members interjecting.

The SPEAKER — Order! The minister has completed his answer. Opposition members will come to order.

Supplementary question

Mr MORRIS (Mornington) — When the minister has a chance to check the website and finds out that the policy is in fact to require a report to Victoria Police, I ask him, and in light of his initial answer he may find this a little bit challenging: has he advised the Premier and his office of WorkSafe's policies around workplace bullying and what they require? And if he did not, why did he not?

Mr SCOTT (Minister for Finance) — Upon being made aware of the issues that have been dealt with both by the Premier and by this question, I sought advice from the Secretary to the Department of Treasury and Finance regarding the appropriate actions that I should take, because the people involved in these matters are well known to me. I was advised — and have acted upon it and have involved my office — to have a separation of any actions taken by WorkSafe or anyone else in this matter, because one of the persons involved is a friend of mine.

Ministers statements: level crossings

Mr PALLAS (Treasurer) — I rise to inform the house about the Andrews Labor government's action aimed at unlocking the value in our public assets to remove 50 of Melbourne's most dangerous and congested level crossings. In November 2013 the Victorian Labor Party released *Project 10 000*. It outlined our plan to develop a 21st century transport network, reduce congestion and create thousands of jobs — in fact 10 000 jobs.

Later today I will introduce into the Parliament the Delivering Victorian Infrastructure Port of Melbourne Lease Transaction Bill 2015. It will guarantee that the proceeds from leasing one part of our transport network will be invested in ensuring a continuing expansion and improvement of that network. It will build a foundation for sustained growth into the future. It will also be another demonstration that the Andrews Labor

government keeps its word. But I am happy to say that this policy enjoys bipartisan support, and we look forward to working with the opposition to deliver these results for Victorians.

Work on the level crossing removal program began on day one of the Andrews government. The Level Crossing Removal Authority has been established to oversee scoping, design and delivery of the removal of all 50 level crossings identified in *Project 10 000*.

The first 17 level crossings have been identified; 4 are already out to market. We have commenced market sounding on an additional 4, and 9 level crossings from Dandenong all the way to the CBD will be removed as part of the Cranbourne-Pakenham corridor upgrade. The delivering Victorian infrastructure bill will be another big piece of the picture that will be put in place.

CONSTITUENCY QUESTIONS

Caulfield electorate

Mr SOUTHWICK (Caulfield) — (Question 246) My question is to the Minister for Roads and Road Safety. I have been contacted by a family in my electorate who have a daughter with a disability, and the family has only one disabled parking permit. The daughter suffers from a muscle condition resulting in severe fatigue from movement and therefore must use a wheelchair. As there are different family members picking the daughter up from school and other locations during the week and weekend, there is great difficulty with only having access to one disabled parking permit. The family has spoken to VicRoads, which was unable to help resolve the matter. I ask the minister: what can be done to assist this family and others in a similar situation?

Yan Yean electorate

Ms GREEN (Yan Yean) — (Question 247) My constituency question is to the Minister for Education. After years of neglect by the former Liberal government the outer north is far behind in school infrastructure and school transport. The Liberals' cruel cuts have left students at times literally stranded, unable to get to school or a school close to home. Mothers — parents — are literally having to give up work just to get secondary school students to school. The issue of adequate school bus transport has also impacted seriously on students with a disability in my electorate. Their parents have told me that some of the children with autism are spending over 3 hours per day travelling to school. Can the minister advise what actions the Department of Education and Training is

taking to review school bus travel times and costs and what consideration is underway to reduce the education department's 2-hour travel time policy?

Euroa electorate

Ms RYAN (Euroa) — (Question 248) My constituency question is to the Minister for Roads and Road Safety. Constituents in my electorate have raised concerns about the government's decision to recklessly tear up the east–west link contract, costing Victorian taxpayers millions of dollars, and the subsequent Transurban proposal being considered by the government. I note that the RACV recently listed the completion of the Metropolitan Ring Road as its no. 1 priority. The project, which would link Greensborough to the Eastern Freeway and EastLink, has been on the drawing board since 1969. Given that the government is looking for new road projects, can the minister advise whether the government is considering options to complete the Metropolitan Ring Road?

Pascoe Vale electorate

Ms BLANDTHORN (Pascoe Vale) — (Question 249) My constituency question is to the Minister for Public Transport. My question concerns the construction of the Melbourne Metro rail tunnel and its potential to improve train services, particularly those on the Upfield train line. The Upfield line moves communities from Melbourne's north and inner north. It transports people to and from work, school and university. It connects people with their friends and family, and it links people to major service centres.

Melbourne's north has experienced rapid population growth in recent years, and this growth is forecast to continue into the future, placing increased pressure on the north's current public transport infrastructure. The Andrews Labor government's 2015–16 budget includes \$1.5 billion for planning, design and significant early works for the Melbourne Metro rail tunnel. The Melbourne Metro rail tunnel is a vital piece of infrastructure that will unlock capacity in the centre of the train system and enable major improvements in the reliability and frequency of services across the train network. I ask that the Minister for Public Transport provide an update to local commuters that details how the construction of the Melbourne Metro rail tunnel will improve the Upfield line.

Brighton electorate

Ms ASHER (Brighton) — (Question 250) The constituency question I have is for the Minister for Police, and I refer to the widely reported inquiry by the

Victorian Auditor-General in relation to protective services officers (PSOs). I understand that his investigation into PSOs will focus on crime and cost and the like. There are other reasons why PSOs were introduced, of course, such as to give people a sense of safety and security as they travel on trains at night.

I ask the minister if he will guarantee that PSOs will remain on the Sandringham line, which is a small, quieter line, as there is very good reason for PSOs to be on that line. I ask the minister to guarantee that in particular PSOs will remain on the following stations: Gardenvale, Brighton North, Middle Brighton, Brighton Beach and Hampton, which are in my electorate. PSOs provide an important service, particularly for women who travel at night.

Oakleigh electorate

Mr DIMOPOULOS (Oakleigh) — (Question 251) My constituency question is directed to the Minister for Education and relates to this government's commitment to Glen Eira College. There has been much misinformation spread by those opposite about the Andrews government's commitment to Glen Eira College. The Victorian budget allocated \$950 000 to Glen Eira College to commence planning works for the regeneration and rebuilding of the school, including new classroom facilities. The budget papers clearly state that the remainder of the funding will, as promised, be delivered in future budgets.

I note that the funding provided by the Andrews government to Glen Eira College far exceeds the capital funding delivered by the Liberal government, which, if memory serves me correctly, was zero. Could the minister put to rest the rumours and misinformation and confirm again that this government will deliver fully on its commitment to Glen Eira College within this term of government?

Ringwood electorate

Ms RYALL (Ringwood) — (Question 252) My constituency question is for the Premier. Dale, a constituent in my local community of Ringwood, is requesting a straight and honest answer to the following question: what is the Premier going to do to alleviate the traffic congestion for vehicles travelling from the east that is created by the abrupt end of the Eastern Freeway?

Narre Warren South electorate

Ms GRALEY (Narre Warren South) — (Question 253) My question is to the Minister for

Education and concerns St Kevin's Primary School in Hampton Park. St Kevin's is a wonderful Catholic primary school that has created a warm and welcoming environment where students are valued, praised and encouraged to have a go. The outstanding St Kevin's parish community and their priest, Fr Albert Yogarajah, have done much to create a happy and safe place for not only students but also the whole community. Principal Anni Miers and her staff continue to go above and beyond for their students each and every day.

Recently the school completed its master plan, which includes a new prep learning centre that would provide parents with a space to learn with their children. The school would also like to undertake refurbishments of its administration and staff buildings, as well as the junior and senior school classrooms. I know the minister played an integral role in handing down our first education state budget, and I was so pleased to see funding provided for capital works at independent schools. St Kevin's would benefit immensely from such funding, and I ask the minister to advise the school on how it may apply for a grant from this outstanding program in order to rebuild and refurbish this great local primary school.

Evelyn electorate

Mrs FYFFE (Evelyn) — (Question 254) My constituency question is to the Minister for Environment, Climate Change and Water. I refer to a recent article in the *Age* headed 'Bushfire burn-off targets to be replaced with risk-based strategy'. Just six years ago Victoria went through the worst bushfires it had experienced since Ash Wednesday. Recent long-range weather forecasts suggest that Australia is expected to see El Niño come back. This could trigger the return of the same hot, dry conditions and reduced rainfall that led to the Black Saturday bushfires.

On behalf of my constituents, I ask the minister what action will be taken to guarantee the safety of my communities, which will again be at risk and even more at risk with this government walking away from the recommendations of not only the 2009 Victorian Bushfires Royal Commission but also those of the Environment and Natural Resources Committee in 2008. That committee's recommendations had unanimous support from its Labor members, John Pandazopoulos, Joanne Duncan, Tammy Lobato and Matthew Viney, as well as the Independent member Craig Ingram.

Mordialloc electorate

Mr RICHARDSON (Mordialloc) — (Question 255) My question to the Minister for Public Transport is regarding the lack of car parking spaces around the Mentone railway station. I ask the minister to give consideration to a drop-off zone on the city-bound side of the station. Recently I had the opportunity to join with the Friends of Mentone Stations and Gardens group, which is passionately led by Dorothy Booth, to hear about its local priorities and challenges. Mentone station is a heritage-listed station and a local treasure for the Mentone community. The station was opened in 1881 as the Frankston line was extended from Caulfield through to Mordialloc.

One particular issue raised during my visit was the lack of car parking on the Mentone township side of the station. At present an extended bus terminal caters for up to three buses at one time, but it is rarely filled. There is currently no capacity for a car drop-off zone on the city-bound side, and many local residents have been fined for stopping in the bus terminal. This is a significant barrier for people with a disability or parents who are trying to find a suitable place to stop to allow their children safe passage to the station. I ask the minister to consider incorporating a drop-off zone, similar to the concept of the kiss-and-go zones used at schools, as a solution to support people trying to access the station.

DELIVERING VICTORIAN INFRASTRUCTURE (PORT OF MELBOURNE LEASE TRANSACTION) BILL 2015

Introduction and first reading

Mr PALLAS (Treasurer) introduced a bill for an act to authorise and facilitate the leasing of land in the port of Melbourne and disposal of assets of the Port of Melbourne Corporation to a private sector entity, to establish the Victorian Transport Fund, to make related amendments to the Transport Integration Act 2010, the Port Management Act 1995, the Marine Safety Act 2010, the Essential Services Commission Act 2001 and consequential amendments to other acts and for other purposes.

Read first time.

JUDICIAL ENTITLEMENTS BILL 2015

Introduction and first reading

Mr PAKULA (Attorney-General) introduced a bill for an act to modernise the processes and structures for determining salaries, allowances and conditions of service for judicial officers, to repeal the Judicial Salaries Act 2004 and the Judicial Remuneration Tribunal Act 1995, to make consequential and miscellaneous amendments to other acts and for other purposes.

Read first time.

Mr Pesutto — On a point of order, Speaker, I was interested in a brief explanation of the bill.

Ms Allan — The ship has sailed.

Honourable members interjecting.

The DEPUTY SPEAKER — Order! The member for Hawthorn was not sure when that was to occur. That is okay.

Ms Allan — You are being generous, Deputy Speaker.

The DEPUTY SPEAKER — Order! I am being generous, but that is okay. I ask the Attorney-General to give a brief explanation of the previous bill which has just had its first reading.

Mr PAKULA (Attorney-General) — I am happy to provide the member for Hawthorn with an explanation. The Judicial Entitlements Bill 2015 is introduced to modernise the structures of judicial remuneration. As the member may know, the current Judicial Remuneration Tribunal has not been constituted since February of 2011, and this is a method by which we will modernise that structure. I think members of the former government are well aware of some of the work that has been done in this field in the past.

**PLANNING AND ENVIRONMENT
AMENDMENT (RECOGNISING
OBJECTORS) BILL 2015**

Introduction and first reading

Mr WYNNE (Minister for Planning) introduced a bill for an act to amend the Planning and Environment Act 1987 to provide for the Victorian Civil and Administrative Tribunal and responsible authorities to have regard to the number of objectors to permit applications in considering

whether a proposed use or development may have a significant social effect and for other purposes.

Read first time.

**VICTORIA POLICE AMENDMENT
(VALIDATION) BILL 2015**

Introduction and first reading

Mr NOONAN (Minister for Police) — I move:

That I have leave to bring in a bill for an act to amend the Victoria Police Act 2013 and for other purposes.

Mr CLARK (Box Hill) — I ask the minister to provide a brief explanation of the bill.

Mr NOONAN (Minister for Police) — The purpose of this bill is to amend the Victoria Police Act 2013 to address defects in relation to certain authorisations of persons to operate breath analysing instruments, to carry out drug impairment assessments and to carry out oral fluid sample procedures.

Motion agreed to.

Read first time.

**CHILDREN, YOUTH AND FAMILIES
AMENDMENT (RESTRICTIONS ON THE
MAKING OF PROTECTION ORDERS)
BILL 2015**

Introduction and first reading

Mr FOLEY (Minister for Housing, Disability and Ageing) — I move:

That I have leave to bring in a bill for an act to amend the Children, Youth and Families Amendment (Permanent Care and Other Matters) Act 2014 and for other purposes.

Mr CLARK (Box Hill) — I ask the minister to provide a brief explanation of the bill.

Mr FOLEY (Minister for Housing, Disability and Ageing) — I thank the honourable member for his question. This bill seeks to amend the Children, Youth and Families Amendment (Permanent Care and Other Matters) Act 2014 by way of removing some of the current restrictions on the making of child protection orders from the Children, Youth and Families Act 2005.

Motion agreed to.

Read first time.

VICTORIAN LAW REFORM COMMISSION**Photographing and filming tenants' possessions
for advertising purposes**

**Mr PAKULA (Attorney-General), by leave,
presented report.**

Tabled.

Ordered to be published.

**SCRUTINY OF ACTS AND REGULATIONS
COMMITTEE*****Alert Digest No. 5***

**Ms BLANDTHORN (Pascoe Vale) presented *Alert
Digest No. 5 of 2015* on:**

Appropriation (2015–2016) Bill 2015

Appropriation (Parliament 2015–2016) Bill 2015

**Court Services Victoria and Other Acts
Amendment Bill 2015**

State Taxation Acts Amendment Bill 2015

**Wrongs Amendment (Prisoner Related
Compensation) Bill 2015**

together with appendices.

Tabled.

Ordered to be published.

SUPREME COURT OF VICTORIA**Report 2013–14**

**Mr PAKULA (Attorney-General) presented report
by command of the Governor.**

Tabled.

DOCUMENTS

Tabled by Clerk:

Commissioner for Environmental Sustainability Act 2003 —
Government response to the State of the Environment Report
2013

Crown Land (Reserves) Act 1978:

Order under s 17B and s 17D granting a licence and a
lease over Albert Park Reserve

Order under s 17D granting a lease over National
Rhododendron Gardens Reserve

Land Acquisition and Compensation Act 1986 — Certificate
under s 7

Mount Baw Baw Alpine Resort Management Board —
Report year ended 31 October 2014

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

Banyule — C103

Boroondara — C205, C211

Brimbank — C156, C171 Part 1

Buloke — C18

Darebin — C122, C127

Frankston — C101, C107

Glen Eira — C138

Greater Bendigo — C210

Greater Dandenong — C185

Greater Geelong — C297

Hume — C150

Latrobe — C83

Mildura — C81

Mitchell — C91 Part 1

Moonee Valley — C142

Mornington Peninsula — C151

Nillumbik — C94

Stonnington — C208 Part 1, C209

Wangaratta — C45

Whitehorse — C171

Whittlesea — C153, C174, C189, C190

Wyndham — C208

Yarra — C138

Yarra Ranges — C136

Statutory Rules under the following Acts:

Civil Procedure Act 2010 — SR 29, 34

County Court Act 1958 — SRs 34, 35

Magistrates' Court Act 1989 — SR 32

Planning and Environment Act 1987 — SR 33

Supreme Court Act 1986 — SRs 29, 30

Transfer of Land Act 1958 — SR 36

Victorian Civil and Administrative Tribunal Act 1998 —
SR 37

Wrongs Act 1958 — SR 31

Subordinate Legislation Act 1994:

Documents under s 15 in relation to Statutory Rules 29, 30, 31, 32, 34, 35, 36, 37

Documents under s 16B in relation to:

Transport (Compliance and Miscellaneous) Act 1983 — New Taxi-cab Licences: Notification of Annual License Fees to apply from 1 July 2015

Cemeteries and Crematoria Act 2003:

Southern Metropolitan Cemetery Trust Scale of Fees and Charges effective as of 30 April 2015

Southern Metropolitan Cemetery Trust Scale of Fees and Charges effective as of 5 May 2015.

STATUTE LAW REVISION BILL 2014

Introduction and first reading

Received from Council.

Read first time on motion of Ms ALLAN (Minister for Public Transport).

GOVERNOR’S SPEECH

Address-in-reply

The DEPUTY SPEAKER — Order! The Speaker presented to the Governor on 19 May 2015 the address of the Legislative Assembly, agreed to on 16 April 2015, in reply to the Governor’s speech on the opening of Parliament. The Governor was pleased to make the following reply:

Speaker and members of the Legislative Assembly:

In the name and on behalf of Her Majesty the Queen I thank you for your expressions of loyalty to Our Most Gracious Sovereign contained in the address you have just presented to me.

I fully rely on your wisdom in deliberating upon the important measures to be brought under your consideration, and I earnestly hope that the results of your labours will be conducive to the advancement and prosperity of this state.

ROYAL ASSENT

Message read advising royal assent on 12 May to:

- Domestic Animals Amendment Bill 2015**
- Jury Directions Bill 2015**
- Mental Health Amendment Bill 2015**
- National Parks Amendment (Prohibiting Cattle Grazing) Bill 2015.**

APPROPRIATION MESSAGES

Messages read recommending appropriations for:

- Court Services Victoria and Other Acts Amendment Bill 2015**
- State Taxation Acts Amendment Bill 2015.**

BUSINESS OF THE HOUSE

Program

Ms ALLAN (Minister for Public Transport) — I move:

That, under standing order 94(2), the orders of the day, government business, relating to the following bills be considered and completed by 5.00 p.m. on Thursday, 28 May 2015:

- Appropriation (2015–2016) Bill 2015
- Appropriation (Parliament 2015–2016) Bill 2015
- Court Services Victoria and Other Acts Amendment Bill 2015
- State Taxation Acts Amendment Bill 2015
- Wrongs Amendment (Prisoner Related Compensation) Bill 2015.

I am happy to make a few brief comments on the motion that is before the house. In addition to the bills that I have just read out that will be on the government business program for 5.00 p.m. on Thursday, there is also the bill that has just come down from the upper house, the Statute Law Revision Bill 2014 which will be considered this week as well.

I indicate to the house that it is the government’s intention to pass the appropriation bills at the end of this week, as I have clearly outlined in the government business program motion. However, tomorrow I intend to move a take-note motion that has become the practice in the past few years and will allow for members to contribute to the debate on the budget bill and express their views on the budget, which is an outstanding budget — the first budget of the Andrews Labor government. It is an excellent budget, and I know that many members are desirous of having the opportunity to inform the house of how the budget delivers on those important things for their local communities. Therefore, if members do not get the chance to speak on the budget bill by close of business at 5 o’clock on Thursday, we will have the opportunity through the take-note motion to come back to the budget next sitting week. It is a practice that has been used over the past few years, and I think it is quite sensible. If I remember rightly, it might have been the

former Leader of the House, the member for Brighton, who instituted this practice. In opposition we thought it was a good idea, and we seek to have the practice continue in this Parliament. With those few words I commend the motion to the house.

Mr CLARK (Box Hill) — Given the assurances being given to the house by the Leader of the House in relation to her intention to move a motion to take note of the budget papers that will allow an opportunity for those members who have not contributed to the budget debate in speaking on the appropriation bills to make their contributions on the take-note motion, the opposition will not be opposing the government business program.

As the Leader of the House indicated, the practice of introducing a take-note motion was commenced under the previous government at the instigation of the then Leader of the House, the member for Brighton. It ensured that all members who wished to had the opportunity of contributing to the budget debate. The member for Brighton made clear the view of the then government that it was important that every member should have that opportunity, and it is pleasing that that sentiment has been echoed by the current Leader of the House. I should of course say that on this side we do not view the budget with the same euphoria as the Leader of the House, and I know that members on this side are very anxious to draw the attention of the house to the wide range of concerns we hold regarding the budget and what it heralds for the future of Victoria.

I mention one small matter for the Leader of the House to consider when she brings forward her motion. I ask that she accompany it with a motion similar to that which used to be moved by the member for Brighton to ensure that members speaking on the take-note motion also have 15 minutes to make their contribution, in line with the time that is allowed for those speaking on the appropriation bill.

The other matter on which I will comment is to put on the record what I have already indicated by email to the government — that the opposition believes the State Taxation Acts Amendment Bill 2015, which is on the government business program, is in particular one bill that it is appropriate to consider in detail. We understand that a range of last-minute changes and adjustments to the bill have been made. There has been reference to guidelines that have not yet been published. There are a number of features of the bill that have not received much, if any, public attention and which seem to go beyond the scope of the government's initial announcement on the bill. For all of those reasons, and given that the bill introduces new

arrangements for collection of taxation under the heads under which it is being imposed, we think it is appropriate that the bill be considered in detail. Subject to those remarks, as I indicated, the opposition does not oppose the government business program.

Mr McGUIRE (Broadmeadows) — Given that the opposition is not opposing the government business program, I will keep my contribution succinct. The government wants to see the Appropriation (2015–2016) Bill 2015 pass the house this week. This bill has been extremely well received, and the opportunity will be provided to all members to make their contributions. We understand there are varying views opposition members might take to raise the concerns of their constituents, which is obviously their duty in this house, and to pursue the causes they want to pursue. I think it goes to the credit of the Leader of the House that there is a bipartisan way of allowing this to happen for those who are not able to make their contribution this week — that is, that they can do so next sitting week and will be given adequate time to do that on behalf of their constituents.

In terms of the other bills, the Appropriation (Parliament 2015–2016) Bill 2015 is non-controversial. The manager of opposition business has mentioned some elements of the State Taxation Acts Amendment Bill 2015 that he says will be contested. Among other bills on the program, I believe the Wrongs Amendment (Prisoner Related Compensation) Bill 2015 should be non-controversial. I therefore commend the government business program to the house and look forward to seeing the budget bill, which was extremely well received, pass the house this week.

Mr KATOS (South Barwon) — I take pleasure in rising this afternoon to make a contribution on the government business program. There are five bills on the program and, as the Leader of the House has said, a take-note motion on the Appropriation (2015–2016) Bill 2015 will be moved tomorrow. I believe that is a good move, and that is the main reason the opposition is supporting the government business program.

I firmly believe that any member should be allowed to speak on any bill in this house, but I think the two most important debates in which all members should be afforded the opportunity to speak are the address-in-reply and the appropriation bill for each year. I think it is very important, particularly for the appropriation bill, that everyone be able to stand and give their point of view on what it means for their electorate. As the manager of opposition business said, the bill is perhaps not as well received in some

electorates as it is in others. I will reserve my remarks for the debate.

As the manager of opposition business has also said, we will be seeking to have the State Taxation Acts Amendment Bill 2015 go into consideration in detail. There are a number of questions that opposition members have in regard to that bill which we would like to probe in a more fulsome manner. We would like to see that process as part of that debate. There is also the Statute Law Revision Bill 2014, so we will have a sixth bill. I confine my remarks to those, and I look forward to debating the bills in the government business program.

Mr PEARSON (Essendon) — I am delighted to join the debate on the government business program. What we have before the house this week is another solid program of legislation, which bears all the hallmarks of the Andrews Labor government. It has been discussed previously that the Statute Law Revision Bill 2014 will be coming down from the Council. We are looking forward to seeing that appear. The Wrongs Amendment (Prisoner Related Compensation) Bill 2015 builds on a previous commitment made by the then opposition last year. Again this demonstrates the fact that the government is getting on with the job of implementing in government those things that it promised in opposition.

The opposition has pointed out today that it would like to spend a bit of time on the State Taxation Acts Amendment Bill 2015. I think that is a fair request from the opposition. State taxation can be quite complicated and quite involved. I know that the Duties Act 2000 as a legislative act is in parts a very detailed and quite complicated piece of legislation an understanding of which can require very careful reflection.

As has previously been discussed, we will have the Appropriation (2015–2016) Bill 2015 before us this week, and we will be spending a fair amount of time on it. It is a great opportunity for all members from both sides the house to make a contribution or reflect on what the budget means to them and to their electorate. I also acknowledge that we now have the take-note opportunity for members who do not have the opportunity to speak on the appropriation bill this week to do so at a later stage. That is important, and it reflects that there is a need to ensure that the way in which this house operates reflects and takes into account changes which were instituted by the coalition government and auspiced by the former Leader of the House, the member for Brighton.

We have a solid program and schedule of work before us this week. In particular, having gone through two weeks of Public Accounts and Estimates committee hearings, I am looking forward to making a contribution on the appropriation bill. For those reasons, I commend the government business program to the house.

Mr HIBBINS (Prahran) — I rise to speak on the government business program. The Greens will not be opposing the government business program in this instance. As per usual practice, there are some concerns we have about some of the bills before us. As usual, we are reserving our right to move amendments in the upper house and therefore we will not be seeking to move amendments in the lower house, and we have not requested to go into consideration in detail on the Court Services Victoria and Other Acts Amendment Bill 2015 or the Wrongs Amendment (Prisoner Related Compensation) Bill 2015.

I note that everyone is going to get the opportunity to speak on the Appropriation (2015–2016) Bill 2015. I will reserve my comments on the budget for when I get to make a contribution in that regard. I understand that there are probably members who have sat through the Public Accounts and Estimates Committee hearings who would probably not agree, but I reckon there are a lot more questions to be asked regarding the budget and its specifics. I would certainly appreciate any opportunity to ask further questions regarding the appropriation bill. With those remarks, the Greens will not be opposing the government business program.

Motion agreed to.

MEMBERS STATEMENTS

Arts funding

Mr FOLEY (Minister for Creative Industries) — The Abbott government has again shown its disregard for the Victorian cultural sector with its second budget in a row cutting funding for the cultural and arts sectors. This year, over \$100 million in funding has been ripped away from the Australia Council, the principal arts funding body for the nation. These cuts represent a serious threat to the arts and culture sector in Victoria. Over 30 arts organisations in this state currently rely on a combination of state government and Australia Council funding, and many of these small-to-medium organisations will simply not be able to survive these substantial cuts, if they are delivered.

The Australia Council, still reeling from cuts it was told about only hours before the federal budget speech, has

as a consequence suspended its current funding round, for which it had received over 100 applications from Victoria alone. On top of this, these cuts represent a dangerous rejection of the principle of arms-length funding of the cultural sector, with the federal Minister for the Arts, George Brandis, moving funds away from the independent, peer-reviewed Australia Council into something called the National Programme for Excellence in the Arts, which appears will operate out of his ministry and at his discretion. George Brandis seems to have appointed himself the commissar of excellence.

I am proud to say that the Andrews Labor government delivered record funding for the creative industries in its first budget, and I am also proud to say that it believes in and will uphold independent, peer-reviewed arts funding in a democratic society. I call on those opposite and all members of this house to speak up for the Victorian cultural sector and call for the reversal of these cuts.

Solve Disability Solutions

Dr NAPHTHINE (South-West Coast) — I am honoured to have been given the position of patron of Solve Disability Solutions. Solve is a not-for-profit, volunteer-based organisation dedicated to making a real difference for people with a disability. Solve volunteers achieve this purpose through the design and construction of equipment, not otherwise commercially available, to improve the quality of life for people with a disability.

Solve volunteers, many of whom have expertise and skills in engineering, design and construction, are able to work directly with individuals with special needs and their families and carers to provide unique, specialised designs and modifications to make a real difference in the lives of people with disabilities. Solve volunteers also work closely with occupational therapists, physiotherapists and carers to deliver uniquely designed and safely built equipment to help people with a disability in their everyday living, sport and recreation, and in their workplace and the broader community.

Yesterday I had the pleasure of seeing a young boy enjoy greater independence through the Solve Freedom Wheels modified bicycle program. These are the sorts of programs that make a real difference to people with a disability, and I am very proud to be the patron of Solve Disability Solutions. I congratulate its chair, Mark Dohrmann, CEO Fiona Still and all the volunteers and staff at Solve Disability Solutions. I urge members to think of Solve when they are endeavouring to help their

constituents with disabilities to deal with their special needs.

Bentleigh electorate volunteers

Mr STAIKOS (Bentleigh) — The week of 11 to 17 May was both National Volunteer Week and Neighbourhood House Week, and it was fitting that the two celebrations coincided, given the shared aims of community engagement and development through volunteering. It is amazing to consider that around 6.1 million Australians are volunteers. We have some fantastic volunteer organisations in the Bentleigh electorate. It was an honour to celebrate the contribution of our volunteers at Bentleigh Bayside Community Health Centre, a treasured asset in East Bentleigh with more than 200 volunteers.

According to Volunteering Australia, the total number of hours volunteered each year is more than 700 million, and there are more than 600 000 not-for-profit organisations in Australia. In Victoria there are around 400 neighbourhood houses, two of which are in my electorate. They are Moongala Community House, which celebrates 35 years this year, and Godfrey Street Community House, which celebrates 30 years. These houses create community engagement and contribute to good mental health with the support of volunteers, who are critical in reducing the incidence of social isolation.

It was a pleasure working with these community houses to promote Neighbourhood House Week, which culminated in a successful open day at Godfrey Street Community House.

Level crossings

Mr STAIKOS — Last week I joined the Premier and the Minister for Public Transport at the McKinnon Road level crossing to announce that the government has signed contracts for the removal of the first four level crossings. They include the crossings at Centre Road, McKinnon Road and North Road. Construction work will begin before the end of the year. After four years of nothing under the previous government, this government is getting on with it.

Maffra District Hospital

Mr T. BULL (Gippsland East) — I wish to again raise the issue of Maffra District Hospital's need for a master plan. The previous coalition government committed \$75 000 for this purpose. This will allow for planning and business case development for the Maffra

campus to ensure that facilities are functional and fit for purpose for the community of Maffra and surrounds.

In response to an adjournment matter the minister has committed to visiting 'when she is in the vicinity'. Given it is now two months since I requested she visit the site to discuss the upgrade, I think it is a pertinent time to again ask when she may be in the vicinity of Maffra to meet with members of the board on site.

Timber workers memorial

Mr T. BULL — It is very pleasing to see work underway on the Victorian timber workers memorial project at Heyfield, which was supported with \$65 000 funding by the previous coalition government in partnership with the Wellington Shire Council and the community. It is important to acknowledge the great support from within the community and the industry to bring the project to fruition. Cr Malcolm Hole was a strong advocate, and the support of the council was important. I look forward to the memorial's completion.

Keyanna Hood

Mr T. BULL — I would like to bring to the attention of the house the achievements of Keyanna Hood, a young Indigenous lady from Bairnsdale, which is in my electorate. Keyanna recently won The Ricci Marks Award, which recognises outstanding achievement by Aboriginal youth. The \$5000 bursary will help with the costs of the paramedic course that Keyanna is currently studying. She is a lovely girl and spent some time driving for me in my electorate to get her hours up as part of her licence requirement. It is a real pleasure to see Keyanna doing so well with her study and inspiring other Indigenous students to follow their dreams.

Royal Commission into Family Violence

Mr McGUIRE (Broadmeadows) — Almost 150 women and men braved the wintry Wednesday night last week to talk about their experience of family violence and provide insights to help form a submission to the royal commission into Australia's most pervasive criminal justice concern, the Royal Commission into Family Violence.

I had the honour of organising and chairing the meeting with representatives of the three tiers of government at the Hume Global Learning Centre in Broadmeadows to ensure that the voices of families in Melbourne's north are not only heard but that their issues are also understood. A number of members of the public described abuse as not just physical; it can be emotional

and financial. It can even extend to newly arrived migrant men restricting their wives from learning English so they maintain control of the relationship. This resonated with many families in Broadmeadows, who come from more than 160 countries, forming a United Nations in one neighbourhood. Many such families have arrived here without being able to speak English.

Proposed initiatives included new courses in ethics and communications at primary and secondary schools to help boys and girls cope better with anger and frustration, diffusing these emotions before they turn into violence. I am also concerned about how boys and girls form their attitudes to each other, given access to hardcore pornography, which can expose children and adolescents to extreme sexual and violent behaviour at a susceptible age. I look forward to the royal commission addressing these issues concerning education and prevention as well as power and control, and I thank Australia's first Minister for the Prevention of Family Violence for attending the meeting and for her leadership.

Country Fire Authority station upgrades

Mr WELLS (Rowville) — This statement condemns the Andrews Labor government and the Minister for Emergency Services for outrageously claiming as their own previously funded and announced coalition government Country Fire Authority (CFA) brigade projects. The minister's recent press release dated 24 April boasts of the Andrews Labor government providing more than \$3.85 million to fund building works and other projects at CFA brigades across Victoria. The government's release further claims that new fire stations will be built in Walmer and Earlston and that upgraded facilities will be provided for the Barjang, Kyneton, Narre Warren, Yeungroon, Frankston and Welshpool brigades. The statement further claims that the Labor government will also give \$600 000 to Skye CFA and that Montrose CFA will receive \$30 000.

The truth of the matter is that the Napthine coalition government announced on 9 November last year that it had successfully fulfilled its \$125 million 2010 election commitment to deliver 250 new and upgraded CFA stations. As a result of good financial management the completed program saved \$5 million, which meant that additional stations could receive funding for essential works. The coalition allocated the \$5 million budget savings to a further 18 stations. Lo and behold, all the stations detailed by the Andrews government in its media release, except for Frankston, were on the list of 18 already funded by the coalition government.

City of Banyule volunteers

Mr BROOKS (Bundoora) — On 14 May I was privileged to attend an awards dinner to recognise the fantastic contribution of volunteers in the Banyule community. I commend the award winners and highlight the contributions of just a few of the nominees. Maria Welsh volunteers with Banksia Palliative Care Service and facilitates the bereavement support group. Irene Somerville and Judith Chivers give their time every week to help Diamond Valley Foodshare provide food parcels to hundreds of needy families. Lisa Commandeur has served for seven years on the committee at Bundoora Preschool, most recently as treasurer; Lisa juggles work and family commitments to help make this a great local preschool. Des Harris volunteers at Rosanna Fire Station Community House and the Hub in Heidelberg West, helping people to gain skills in computer use. Dianne Rogers has volunteered for 17 years at Bundoora Extended Care Centre, including 10 years running the lolly trolley, with sales helping to improve the centre; Dianne has also helped to raise 21 foster children along with her own 4 kids. Finally, Bert and Lesley Westerman have both volunteered at Araluen since 2009, working with people with intellectual disabilities to improve their literacy skills.

I commend all of the nominees for their selfless service to our local community. These wonderful people never seek any recognition for themselves. However, it is very important that we highlight their significant contributions. Well done.

Violence Free Families

Ms ASHER (Brighton) — I am delighted that the Minister for the Prevention of Family Violence is in the chamber, because I wish to draw the attention of the house to the very valuable work of an organisation called Violence Free Families. It is an organisation that was established by Rotary Club of Brighton, based on 14 years of charitable fundraising and knowledge in that particular area. I am delighted that a number of other Rotary clubs, including the women's rotary branch, are also supportive of Violence Free Families. I have met with this organisation on multiple occasions, and I want to congratulate David Smyth in particular for his dedication and for his approach, which he initiated many years ago, before it was fashionable, to look at men's behaviour change programs.

Brighton Rotary has funded a number of programs and activities. It is currently supporting research by Monash University to improve traditional men's behaviour change programs. It has also been involved in a trial of

a new online behaviour change program that is to be delivered over the web for men who cannot attend certain institutions or welfare agencies. That program was suggested to Violence Free Families by senior officers at Victoria Police. I believe Violence Free Families is also assisting the Victorian Women's Trust with the Be the Hero program. I bring this organisation to the attention of the house because of the fine and commendable work it does.

Shire of Golden Plains community facilities

Mr HOWARD (Buninyong) — Last week I was delighted to spend time at the Meredith and Ballan neighbourhood houses and at The Well in Smythesdale, when local residents were given the opportunity to raise with me directly important issues that affect their communities. Many residents came and raised issues ranging from concerns for the preservation of the local forest in the Brisbane Ranges and along the Moorabool River, issues associated with speed limits on some of our roads, pedestrian and bicycle safety right through to concerns related to wind farms.

In Ballan, Brian Barry, Ray Meadows and David Smith from the Ballan District Vintage Machinery and Vehicle Club shared with me their plans to create a vintage machinery museum centred around a collection of Ronaldson-Tippett engines that were built in Ballarat. The collection features one of every type of Ronaldson-Tippett engine built. The club currently has 170 members, and I can see that this collection will provide members with a fantastic opportunity to come together to maintain and restore these engines while preserving an important part of our local manufacturing history.

While on these visits I also took the opportunity to visit Meredith Primary School and to inspect progress on the fantastic new community hub in Meredith. In Smythesdale I was able to appreciate the facilities provided at The Well, the town's community hub, which also provides a home for the local historical society. It provides health services and also provides local community groups with great meeting spaces. On this point, I would like to acknowledge the work of Golden Plains Shire Council and its vision to deliver these great community facilities in partnership with state and federal governments.

MARS Gallery and Climarte

Mr HIBBINS (Pahran) — I recently opened two art exhibitions in Pahran. The MARS Gallery in Windsor partnered with Climarte to bring together a group of environmentally conscious exhibitions as part

of the Art + Climate = Change 2015 festival. This was a particularly inspiring exhibition, because at a time when the federal government is trying to dismantle every program and piece of legislation we have to fight climate change, when our country is going from leaders to laggards and getting in the way of climate action, it is understandable that the public can become disengaged from the issue of climate change. Exhibitions like this play a key role in engaging, informing and inspiring the community to consider their actions and to create a sustainable future. Well done to everyone at MARS Gallery and Climarte and to the artists for tackling this critical issue.

Toorak Village Sculpture Exhibition

Mr HIBBINS — The Toorak Village Traders Association once again hosted the innovative Toorak Village Sculpture Exhibition, which I had the privilege of opening this year. At this exhibition sculptures are placed in shop windows and along the footpath. Our shopping strips are the heart and soul of our communities, and they face increased challenges from major shopping centres and online retail. Creating unique experiences for visitors, like the Toorak Village Sculpture Exhibition, is critical to ensuring our shopping strips remain vibrant places that people enjoy. Congratulations to everyone at Toorak Village, including the association members, traders and artists, for another successful exhibition.

Wingate Avenue Community Centre

Mr PEARSON (Essendon) — I take the opportunity to recognise the great work the Wingate Avenue Community Centre provides to the people who live on the Ascot Vale public housing estate. Ably managed by Jan Thorpe and chaired by Renee Hancock, the Wingate Avenue Community Centre plays a significant role in providing training, education and outreach services to the many residents who call the estate home.

The centre operates a very important English as a second language program, as well as providing computer training to many of the residents. In addition to this the centre operates a series of community-based training programs, including cooking, that provide many people with the opportunity to learn valuable skills that can lead to employment. In an area where some 90 per cent of residents earn less than \$400 a week, these services are incredibly important.

I must confess that I recently attended the community centre when Foodbank delivered a food drop-off. The most recent food drop-off was published on Channel 7

news recently. I attended one last year, and to give members a sense of what happens, a pallet of food that is nearing its expiry date is loaded on a truck and transported to the centre. The distribution commences at 12.00 p.m. On the day I was there, people started queuing from 8.00 a.m. By 12.10 p.m., 400 people had queued, and that was the cut-off point. What happens then is that people work their way through to get some basic food supplies to get them through another week. To see it in practice, I must confess, is incredibly confronting, but nonetheless Foodbank plays a critical role.

Recently I also had the privilege of opening the Wingate Avenue Community Centre's Union Road Community Hub in Ascot Vale. This is an important development as it will allow the centre to broaden its reach and its brand into Ascot Vale and also obtain additional revenue that will improve its service offering.

I am proud to be a member of this place representing such a diverse community, and I will continue to work tirelessly to improve the quality of life of the people on both the Ascot Vale and Flemington public housing estates. It is true that politics is not for the faint-hearted, but fortune favours — —

The ACTING SPEAKER (Mr Carbines) — Order! The member's time has expired.

City of Traralgon Band

Mr NORTHE (Morwell) — Recently I was pleased to attend a farewell concert for the City of Traralgon Band as it embarks on its Tour of Remembrance around the United Kingdom and France. The tour will see the City of Traralgon Band be the first Australian band to compete at the Whit Friday Brass Band Contests in the UK and perform at services of remembrance on the Western Front battlefields in France. In what will be a most moving event, the band will visit the graves of and pay tribute to many of our local soldiers who made the ultimate sacrifice and did not return home. Local businesses and the broader community have shown enormous support for this important initiative, and I am sure band members will represent our region with pride. To Alan Wilson and the hardworking band committee, congratulations on making this wonderful idea come to fruition.

Looking Back

Mr NORTHE — On Sunday the *Churchill & District News* team held a launch for the fourth volume of the *Looking Back* series of books. The

books tell the stories of some of Churchill's first and early settlers, in addition to articulating the history of the town and its assets. After the success of the first three volumes, the *Churchill & District News* team has now produced volume 4 in the series. Congratulations to Ruth Place and the *Churchill & District News* team for keeping the history of Churchill alive.

Steve Lovison

Mr NORTHE — I acknowledge Steve Lovison for his outstanding community service in a range of areas over many decades. In particular Steve recently acquired 50 years of service as a justice of the peace. Congratulations to Steve on such sterling service to our local community.

Heidelberg West police station

Mr NORTHE — I am looking forward to understanding when the government will reopen the Heidelberg West police station.

Mill Park Heights Primary School

Ms D'AMBROSIO (Minister for Industry) — I am pleased to see that this year's budget provides \$6 million to replace Mill Park Heights Primary School's multitude of portable classrooms with a purpose-built permanent building. This school is 1000 students strong. Deborah Patterson, the principal, and her staff have done a fantastic job in advocating for the needs of this community, and I am pleased it was the Labor opposition that committed to replacing these multiple portable classrooms — about 12 in all — with a permanent building. We will deliver that through this first budget.

The school has an innovative learning environment and appreciates greatly the support of this government. I was looking forward to contacting the school, which I did once the budget was known, to announce the funding. The principal was ecstatic with the announcement. The school will benefit from other fantastic initiatives of the Labor government. For us, Victoria is the education state, and we will be providing additional funds for uniforms, breakfast clubs and IT for students who desperately need them. I know that my school and many others in my electorate will be great beneficiaries.

PenBus service

Mr DIXON (Nepean) — This week I will table a petition calling on the government to fund the PenBus service on an ongoing basis following a successful trial. PenBus takes students direct from the southern

peninsula to nearly 40 training and further education institutes in Frankston, Dandenong and Clayton. The service eases the tremendous cost of attending these institutes, whether by using current public transport routes, driving or living away from home. These costs are a key reason why so many young people from the southern peninsula do not take up post-school study. I know constructive work is being carried out by stakeholders with the government, and I encourage a speedy resolution before the trial finishes on 30 June this year.

Jetty Road, Rosebud

Mr DIXON — On another matter, I will also be tabling a petition asking the government to plan and construct an overpass at the current Mornington Peninsula Freeway terminus at Jetty Road, Rosebud. This project has been identified as a medium-term solution to ease traffic congestion and improve pedestrian safety on the peninsula. This study was carried out by VicRoads and funded by the previous government. The freeway currently terminates at Jetty Road, where there are three roundabouts within about 400 metres, causing traffic mayhem. Pedestrians, especially local schoolchildren, play Russian roulette with a high volume of vehicles, which are fast moving and constantly changing lanes. I join with the community in calling on the government to fund this important project.

National Volunteer Week

Mr RICHARDSON (Mordialloc) — Recently I had the opportunity to attend a volunteer appreciation event as part of National Volunteer Week. The event took place in Chelsea and recognised the important contributions of our volunteer organisations from the likes of the Edithvale Country Fire Authority, the Longbeach PLACE community centre in Chelsea, the Chelsea Church of Christ at Chelsea Care Works, the Chelsea and District Historical Society, Chelsea Community Support Services and the Chelsea Rotary Club. I acknowledge the speech that was made by Carrie Ewin, who is the City of Kingston's Young Citizen of the Year. She gave a fantastic account of the importance of volunteerism in our community.

Subsequent to that event I had the opportunity last week to join the Chelsea Church of Christ, a sub-branch of Chelsea Care Works, which offers a food bank and a breakfast each week on a Wednesday morning for people in our community. I acknowledge the work of Pastor Judi Turnham, who does an extensive amount of work to put that breakfast together. The breakfast brings people together from the community who might

be isolated or struggling a bit, and it has a great community atmosphere in the small but very workable building. Chelsea Care Works is looking to apply for grants to upgrade the floors in the hall over the course of the next few weeks, and I look forward to supporting it in those efforts.

Oaktree Anglican Church

Mr SOUTHWICK (Caulfield) — On Sunday, 24 May, I had the pleasure of attending the launch of the new Oaktree Anglican Church in the area of Caulfield and Elsternwick, following the merger in November 2014 of St Mary's Anglican Church in Caulfield with St Clement's Anglican Church in Elsternwick. I acknowledge the work of the senior pastor of the Oaktree church, Reverend Mark Durie. Mark has been a key member of the Caulfield community for many years, and at the launch he spoke about anti-Semitism in the community and how we must take a united approach to combat it.

AngelCube

Mr SOUTHWICK — On Wednesday I met with Benni Aroni and Adrian Stone from AngelCube to discuss the importance of fostering innovation, particularly in the business sector. AngelCube is a Melbourne-based accelerator program for tech start-ups that invests in start-ups into big ideas. There is an exceptional load of passion in this three-month program. Given that the Minister for Small Business, Innovation and Trade said last week at a Public Accounts and Estimates Committee hearing that the government had still not come up with a definition of what a start-up actually is, and as there is \$60 million to fund start-ups, I suggest the Premier and the government give AngelCube a call for some assistance.

Caulfield electorate volunteer awards

Mr SOUTHWICK — I recently had the pleasure of presenting Alan Samuel with a Caulfield Volunteer Award. Alan is one of the founding members of IMPACT. He does a great job in volunteering with this charity and assisting women and children fleeing extreme violence at home. I also had the pleasure of presenting David Michelson with a Caulfield Volunteer Award. David was one of the co-founders of JEMP and has done tireless work over many years to ensure that the Jewish community builds resilience, keeping it safe and promoting self-reliance and mutual support.

Milleara Road, Keilor East, pedestrian crossing

Mr CARROLL (Niddrie) — The Andrews Labor government has fulfilled a long-held promise in the electorate of Niddrie with the recent announcement in its first budget of \$410 000 in funding to create a pedestrian crossing on Milleara Road, Keilor East, near the Centreway shopping centre. It will be called the New Centreway pedestrian crossing. The Centreway shopping centre located to the east of Milleara Road is a major hub for the Keilor East community, with a range of small businesses and services located within it, including a chemist, a post office and a GP clinic. Yet for the past 50 years more than 1000 residents who live west of Milleara Road have remained cut off from this vital complex because there has been no pedestrian crossing, other than a crossing located some 500 metres away at Clarks Road.

This issue has garnered significant local media attention over the years. More than 500 local residents signed a petition calling for the crossing. Newspapers reported on the issue, with headlines including ones such as 'East Keilor crossing delay pushes residents away' in the *Moonee Valley Weekly Review* of 10 March 2012 and 'Resident groups double-crossed' in the same publication of 7 June 2011. A further article, headed 'A cross to bear for residents', was published in the *Moonee Valley Leader* of 14 November 2011.

I was very pleased to join the Minister for Roads and Road Safety on 11 May to announce the \$410 000 in funding. It was firmly welcomed by the local community. I put on the record my appreciation for Moonee Valley Neighbourhood Watch coordinator Trevor Sinclair and also Margaret Marshall of the East Keilor Sustainability Street community garden for their tireless advocacy and community work in making this crossing happen. After 50 years it will finally be delivered.

Mildura television news services

Mr CRISP (Mildura) — After 50 years of local news services WIN TV has ended its local news bulletin, leaving Mildura as the largest regional centre in Victoria without local news. This sudden announcement, made without warning or consultation, has struck at the heart of Mildura by denying us a connection with our community. It is with a great deal of anger that I see my community treated with such indifference. The failure of management to engage with community leaders over this decision is appalling. WIN TV should not be surprised if its advertisers treat the network with the same indifference it has treated the people of Mildura by taking their business elsewhere.

WIN TV's point of difference compared to all the other channels on the remote had been its local news service, but it no longer has that point of difference in the market. WIN is on its way to becoming just another network showing irrelevant advertising to disinterested viewers in Mildura. Despite the introduction of its *All Australian News*, which it claims is the only news service dedicated solely to news from around the nation and which calls on the resources of WIN's regional newsrooms, this action tells the people of Mildura that WIN is no longer the network for regional Victoria. It has chosen commerce over community, so who would blame the community for walking away from WIN? It is obviously only money that counts to WIN, not its advertisers and certainly not its viewers, but unfortunately WIN has failed to realise that in regional Australia all these things are interdependent. If WIN network CEO Andrew Lancaster continues to hide and believe that his decision does not affect the community, he has a lot to learn.

Royal Commission into Family Violence

Ms RICHARDSON (Minister for the Prevention of Family Violence) — I rise to update the house on the Royal Commission into Family Violence and to encourage every MP in this place to make a written submission to the royal commission on behalf of their constituency. Last Friday the commission concluded the last of its 38 community consultation sessions, which have been running over the past month in metropolitan Melbourne and in regional and rural communities. Chaired by Justice Marcia Neave, these consultations have engaged with over 800 members of the community and have heard from stakeholders and expert groups representing women with disabilities, members of culturally and linguistically diverse communities, representatives of Aboriginal communities, victims groups and men's groups. The commission is now entering the next stage of its inquiry, and it is expected to conduct public hearings between 13 July and 14 August. As outlined by the commission, the public hearings will focus on addressing statewide concerns and on establishing practical solutions to end the harm.

Those wishing to lodge a written submission to the royal commission are reminded that the deadline is this Friday, 29 May. Our government will be making a whole-of-government submission to the royal commission by this Friday, but I encourage each member of Parliament to lodge their own submission on behalf of their constituency and to highlight good service providers and practices, as the member for Brighton did earlier today, and any gaps and challenges their communities face. Family violence is a

whole-of-community problem requiring a whole-of-community set of solutions. I encourage every MP to engage with the royal commission by lodging a submission by this Friday.

Wonthaggi Neighbourhood Centre

Mr PAYNTER (Bass) — On 14 May I had the pleasure of attending the Wonthaggi Neighbourhood Centre at Mitchell Community House. Established in 1983 and known to locals as Mitchell House, this exceptionally well-run community organisation offers a wide range of activities and opportunities for lifelong learning, health and wellbeing. Through its many activities and programs Mitchell House is able to engage local people in local solutions. As such, it plays a critical role in community capacity building. Some examples include the men's shed program, internet and computer access for older people and the transgender support group. Mitchell House also provides much-needed support to asylum seekers. These program are focused on reducing isolation, increasing engagement and building social cohesion.

I take this opportunity to acknowledge the hard work and dedication of the volunteers and the committee of management. In particular I extend my thanks to Jan Bourne, who has worked with Mitchell House as coordinator for the past 13 years. Additionally, the legacy that has been left by Lorraine Mitchell and her husband, Ross, is one their families can feel very proud of indeed.

COURT SERVICES VICTORIA AND OTHER ACTS AMENDMENT BILL 2015

Second reading

Debate resumed from 6 May; motion of Mr PAKULA (Attorney-General).

Mr PESUTTO (Hawthorn) — It gives me pleasure to rise today to speak in the debate on the Court Services Victoria and Other Acts Amendment Bill 2015. I say at the outset that the opposition does not oppose the bill. The bill builds on substantial and historic reforms that were implemented during the last term of this Parliament and which continue down the path of establishing a truly independent administrative function for our courts and also for the Victorian Civil and Administrative Tribunal (VCAT).

The bill advances the previous government's reforms, which were instigated to vest responsibility in Victoria's courts for the management of their administrative functions, to make them answerable for

those functions to statutory accountability regimes and Parliament rather than to the executive government, and to give courts greater freedom to manage their operations efficiently, effectively, innovatively and in a way which suits the challenges and objectives they set for themselves. At the heart of the reforms the previous government introduced was the establishment of Court Services Victoria, an independent body, free of departmental or political involvement, which is charged principally with providing administrative services and support for VCAT and Victoria's courts. At a very general level, this reduces the potential for interference by executive government in the operation of our courts. It recognises that there is potential when responsibilities and functions are divided and remote that they can impede the ability of courts and VCAT to manage their own operations and implement the reforms and efficiencies they would otherwise identify.

Before I turn to the bill proper, it is worthwhile reflecting on some of the comments that the then Attorney-General, the member for Box Hill, made in this house when speaking to the Court Services Victoria Bill 2013. He made the point then, as I do now, that the independence of the judiciary is a fundamental tenet of our system of government and our rule of law. It underpins our free, open and democratic society, as the then Attorney-General made very clear. You can have independent courts and tribunals, as we have had for most of the history of this state, but only in the last couple of years have we managed to extend that independence to the administrative functions of our courts and tribunals.

As we know, in respect of the administrative side of their operations, courts and tribunals were previously under the control of and answerable to the secretary of the department, and ultimately, through the secretary, to the Attorney-General of the day and the government. That did not sit comfortably with the principle of judicial independence, although it did take a long time for governments to address the problem. The then Attorney-General in his remarks in the second-reading speech on the Court Services Victoria Bill 2013 quoted what the then Chief Justice of the High Court, Justice Murray Gleeson, said in 2005:

The impartial administration of justice according to law is a power and a duty of government ...

Independence of the judiciary asserts that independence is essential to the proper performance by the judiciary of its functions in a free society observing the rule of law. It affects both the quality of judicial performance and the acceptability of decisions. Confidence in the administration of justice depends upon a general assumption that judges act according to law, and free from pressure or interference of a kind that might deflect them from their duty.

That encapsulates rather eloquently the importance of an independent judiciary.

Before coming to office in late 2010 the coalition, then in opposition, made a commitment to the Victorian people that if it won the election, it would establish a new administrative body for our courts and VCAT to further and perfect that degree of independence that is so necessary to give effect to the eloquent comments of the then chief justice, His Honour, Murray Gleeson. A steering committee was established upon the coalition coming to government and headed by the Honourable Michael Black, AC, QC, a former Chief Justice of the Federal Court of Australia. That was followed by the establishment in 2012 of an advisory council comprising the heads of jurisdiction and chaired by the chief justice to oversee the transition towards an independent administrative regime to support our courts and tribunal in the form of VCAT.

That context is important. I should note before turning to the provisions in the bill itself that the Supreme Court's annual report for 2013–14 has been tabled in this house today. I will take the opportunity to note just a couple of things in this report. On page 2 I note that the Chief Justice of the Supreme Court observes about the establishment of Court Services Victoria, and I quote:

The Court Services Victoria Act 2014 received royal assent on 11 February 2014. The Supreme Court, together with the other courts and VCAT, worked closely with government in the development of this legislation to create an independent, judge-led administration for Victoria's courts and tribunals. The passage of the act was an important milestone in the state's history.

That is a fair summary of the impact of the establishment of Court Services Victoria.

I should also note just in passing that a recent bill that came before this house dealing with jury directions is also addressed in the annual report. I note on page 44 of the report a reference to the Jury Directions Act 2013 and that further amendments are to follow. I will quote from page 44 of the annual report:

The Jury Directions Act 2013, which commenced on 1 July 2013, is a major initiative aimed at simplifying the complex technical and lengthy nature of a judge's charge, and simplifying and clarifying the issues jurors must determine in a criminal jury trial. The reforms also aim to streamline criminal trials. The act is one of the most significant pieces of criminal law reform in Victoria's history. The new process has worked well, particularly the requirement that parties articulate on the issues and specify, with precision, the particular directions they require the trial judge to give in his or her charge. In most cases, the intended consequences of both simplifying and shortening the length of judges' directions have been achieved.

I think that is a very important reflection, albeit on a separate but related reform which commenced during the time of the last Parliament and which has proceeded, I am grateful to say, with the new government embracing the tenor of those reforms with further amendments in this house.

Against all of that, I turn to the particular provisions of the bill. I will not address them all but I will note just a few. The first provision I want to talk to is addressed in clause 4 of the bill. That deals with the chief executive officer of the Judicial College of Victoria. New section 35A(1) provides:

For the purposes of section 16(1) of the **Judicial College of Victoria Act 2001**, the Chief Executive Officer must employ a person, nominated by the Board of the Judicial College of Victoria, to be the chief executive officer of the Judicial College of Victoria.

I will not address the other provisions of that clause but refer next to proposed section 35B of the bill, which provides:

In performing his or her functions, the chief executive officer of the Judicial College of Victoria is responsible to, and must comply with any directions given by —

- (a) the Board of the Judicial College of Victoria in relation to the operation of the College; and
- (b) the Chief Executive Officer in relation to all other matters.

I want to spend just a moment on the structure of that clause and what is proposed for the CEO of the Judicial College of Victoria. Although those on this side of the house do not oppose the bill, I want it noted that the bifurcation, if I can use that term, of the duties of an officer, whether it be a CEO or other officer, often can seem to be clear on paper but sometimes not be as clear in practice. Whilst the proposed reform does appear to be sensible on paper it will be very important to manage the distinction that the CEO and the board of the judicial college must all be cognisant of and manage because in practice the boundaries are not always clear. We take it as an assurance that in consideration of this bill the heads of jurisdiction as well as the department and the government have given serious thought to how that might be managed in practice. As I said, we do not have any objection to that clause.

I note also that clause 6 amends section 28 of the Financial Management Act 1994 to ensure that the definition of 'department' includes Court Services Victoria (CSV). As a consequence of that, the Governor in Council will be empowered to make an order approving the allocation to Court Services Victoria of

amounts in addition to appropriations for the purposes of CSV in annual appropriations.

Similarly, I note that clauses 7 and 8 make amendments to the Financial Management Act to extend the definition of 'authority' to include Court Services Victoria. The amendment made by clause 7 gives the relevant minister the ability to determine an amount appropriated for CSV that is not applied in the financial year being available for application to CSV in the following financial year. The definitional change made by clause 8 provides for the temporary issue out of the public account of advances and special advances to CSV being authorised.

We do not have any opposition to CSV having greater budget flexibility. That is consistent with the principles I enunciated earlier around the need in our legal system for independent administrative control by the courts and the Victorian Civil and Administrative Tribunal. As with any public agency or body, it will be necessary to manage those new powers responsibly and to ensure that not only are the purposes of the judicial function established but that the expectations of government, Parliament and the Victorian people — in particular, taxpayers — are observed closely and managed in the best way possible. As I said, we on this side do not oppose the bill. It builds on substantial reforms that were commenced in the last Parliament. I commend the bill to the house.

Mr CARROLL (Niddrie) — It is my pleasure to rise to make a contribution to the debate on the Court Services Victoria and Other Acts Amendment Bill 2015. At the outset, I welcome the contribution by the member for Hawthorn. It is good that he is supporting the legislation. I acknowledge also the contribution by the member for Box Hill as the previous Attorney-General in establishing Court Services Victoria (CSV).

If members go back a bit, they can see how this new vehicle was established and that it was vital. From the Chief Justice of Victoria down there had been lots of commentary on the way forward for court services. The website of Court Services Victoria sets out very plainly and clearly the purpose of CSV. The legislation we are debating in the lower house today is very much strengthening the framework of CSV, which came into operation recently, and providing some parameters around the appointment of the CEO and dispute handling and a stronger framework around the Judicial College of Victoria.

The primary purpose of Court Services Victoria is to provide or arrange for the provision of administrative

facilities and services to the courts, the Victorian Civil and Administrative Tribunal (VCAT) and the Judicial College of Victoria. Section 8 of the Court Services Victoria Act 2014 states that its primary function is to provide or arrange for the provision of the administrative services and facilities necessary or desirable to support the performance of the judicial, quasi-judicial and administrative functions of the Supreme Court, County Court, Magistrates Court, Children's Court, Coroners Court and VCAT.

I want to highlight an editorial in the *Age* of 4 November 2013. It is headlined 'A better way to manage the courts' and states:

It has been a long-time concern of this newspaper that Victoria's justice system, with its rising burden of cases in a tough law-and-order environment, is at breaking point in terms of funding and administration. Last year, the *Age's* series 'Courts in crisis' examined the state of our outdated, cramped and under-resourced courts. Basically, there were many more cases and too few judges to hear them. If anything, the situation has worsened since then.

The problems include not only underfunding but how the courts are funded ...

That did lead to the establishment of Court Services Victoria. Previously the courts had been funded through a business model of the then Department of Justice. The editorial went on:

Supreme Court Chief Justice Marilyn Warren has rightly warned that this bureaucratic control poses a threat to the courts' independence, and weakens the judiciary 'because it controls neither sword nor the purse'.

I reiterate that the previous government fulfilled its promise to rectify this anomaly and established a new body, Court Services Victoria, to provide judicial services independent of the executive arm. The member for Box Hill introduced the legislation, which came into effect in July 2014. The new body was governed by the six heads of jurisdiction of the Supreme Court, County Court, Magistrates Court, Children's Court, Coroners Court and Victorian Civil and Administrative Tribunal, plus two non-judicial members.

I want to put that editorial in context by quoting a more recent one, given that it is timely to consider where we now stand. This editorial, also from the *Age*, is dated 9 May and is headlined 'Why our crowded jails have revolving doors'. I want to put on the record its first paragraph, which states:

When politicians are banished from the government benches to opposition, they tend to spend some time sulking and bemoaning their fate. Letting go of the reins can be hard. The most effective opposition teams, though, take the time to pause and reconsider their suite of policies. They recast their strategies, they learn to embrace the important role that

oppositions should play in probing and challenging government policies, while taking time to develop coherent policies that one day might win them the support of the electorate.

It goes on to talk about prisoner recidivism rates. If you look at where we have been and where we are now on this matter, commentary from the former government since becoming the opposition has been a bit inflammatory. I welcomed the member for Hawthorn's contribution to this debate as sensible and balanced, but this editorial really highlights the policy work that needs to be done by the new opposition. The actions of the previous government in establishing Court Services Victoria were commendable, and the current Attorney-General is now strengthening that original legislation. These amendments will improve the governance and operation of Court Services Victoria. It is important that we continue to respond to issues as they arise.

This legislation will amend the Financial Management Act 1994 to provide CSV with the same budget flexibility and management mechanisms as generally apply to other Victorian public sector bodies that receive a direct parliamentary appropriation. These mechanisms will allow CSV to take advantage of opportunities that arise in the current financial year to acquire benefits that will accrue or continue in the following financial year, enabling better expenditure across financial years and better managed cash flow within financial years. The consistent framework established by the previous government when setting up CSV will continue. These provisions will ensure that the management of CSV's finances is transparent and accountable, as is expected of public sector agencies.

Importantly, this legislation will also amend the Independent Broad-based Anti-corruption Commission Act 2011 to codify the authority of the chief executive officer of CSV in relation to complaints and investigations under the IBAC act concerning CSV and CSV staff. The bill also amends the Judicial College of Victoria Act 2001 to codify the role of the board of the Judicial College of Victoria in appointing, setting the terms and conditions of and, if necessary, terminating the employment of the CEO of the college. The amendments will formally record the duty of the CEO of the judicial college to act on the direction of the judicial college board. Finally, the bill will amend the Court Services Victoria Act to repeal the redundant definition of 'State Services Authority'. This definition is not used elsewhere in the Court Services Victoria Act, and in any case the State Services Authority has now been replaced by the Victorian Public Sector Commission.

In summary, this bill is important. While it largely makes machinery amendments to current provisions, there are three key areas where it improves the operation of Court Services Victoria. Firstly, it will fix up the redundant legislation and definition relating to the State Services Authority. Secondly, it will provide the Judicial College of Victoria with ultimate authority over decisions relating to the employment of its chief executive officer. Thirdly, it will amend the Financial Management Act to provide Court Services Victoria with the same budget flexibility and management mechanisms as generally apply to other Victorian public sector bodies, including bodies that, like Court Services Victoria, receive a direct parliamentary appropriation.

The bill amends legislation brought in by the previous government in relation to the Independent Broad-based Anti-corruption Commission to clarify the role of the CEO of Court Services Victoria to make it consistent with other agencies. The handling of complaints and investigations by IBAC needs to be transparent. There are two substantive changes to the Court Services Victoria Act, fixing up any redundant areas in the legislation and ensuring that the board of the judicial college is responsible for fixing the terms and conditions of employment of its chief executive officer and that those terms are clear. It also ensures that the CEO of the college is responsible to and complies with the directions of the board in relation to the operation of the college. It inserts new provisions into the Court Services Victoria Act to ensure the continuity of the employment of the current chief executive officer of the Judicial College of Victoria.

The Judicial College of Victoria is responsible for the management of the affairs of the college and may exercise the powers of the college. It is appropriate that the CEO be appointed on the nomination of the board and that the board determine the CEO's terms and conditions.

In relation to the legislation as it applies to the Financial Management Act, as I said earlier, it is important that Court Services Victoria have the correct authority and appropriation as well as the capacity to make any advances from the Treasurer in appropriate circumstances. Amending the Financial Management Act to give Court Services Victoria the authority and the mechanism in certain circumstances to make significant purchases in future financial years has been identified as an opportunity for better value for the taxpayer. It is important to ensure it has an improved budget. I also reiterate that separating the courts from being a business unit of the former Department of

Justice was a welcome move by the previous government. I commend the bill to the house.

Mr CRISP (Mildura) — I rise to make a contribution to the debate on the Court Services Victoria and Other Acts Amendment Bill 2015. The Nationals in coalition are not opposing the bill. The purpose of the bill is to amend the Court Services Victoria Act 2014 to provide that the chief executive officer of Court Services Victoria (CSV) must employ a person nominated by the board of the Judicial College of Victoria to be the chief executive officer of the college on the terms and conditions fixed by the board and to amend the Financial Management Act 1994 to provide Court Services Victoria with the same budget flexibility afforded to a department by the act. The third purpose is to amend the Independent Broad-based Anti-corruption Commission Act 2011 to include the chief executive officer of Court Services Victoria in the definition of a relevant principal officer.

This is a short technical bill designed to undertake some work that has been on the drawing board for a while. It was in the pipeline during the term of the previous government. It has also been picked up by this government, which means it is obviously good legislation, and that is why we are not opposing this bill. The member for Hawthorn went into great detail about the technical nature of the bill and in particular its history, which has been long. Given that is the case, I will be brief.

In not opposing the bill, we understand it vests responsibility for the administration of Victoria's courts in the courts themselves and makes this function answerable to Parliament and statutory accountability regimes rather than to control by the executive government. It gives courts greater freedom to manage their operations efficiently, effectively and innovatively to benefit court users and the broader Victorian community. Court Services Victoria is an independent body, free from departmental or political involvement, that provides administrative services and support to the Victorian Civil and Administrative Tribunal and Victoria's courts. This reduces the potential for the executive government to interfere in the operations of the courts and recognises that remote and divided responsibilities can impede the ability of courts to make their own decisions and implement necessary efficiencies and reforms.

A small number of clauses in the bill are relevant to and simply empower what we have talked about already. Clause 4 inserts a new division 2A, which provides that the CEO of CSV must employ a person nominated by the board of the Judicial College of Victoria to be the

CEO of the college. Clause 6 amends section 28 of the Financial Management Act to ensure that the definition of 'department' includes CSV. Consequently the Governor in Council will be empowered to make an order approving the allocation to CSV of funds in addition to appropriations made in the annual appropriations process.

Clause 7 amends section 32 of the Financial Management Act to ensure that CSV and the minister are able to find the amount appropriated to them for a financial year. Clause 8 amends the Financial Management Act to ensure that the definition of 'authority' includes CSV. Consequently the temporary issue out of the public account of advances and special advances to CSV can be authorised. Clause 9 amends the definition of 'relevant principal officer' in the section of the bill that is designed to make the CEO of CSV accountable under the Independent Broad-based Anti-corruption Commission Act 2011. Those are the mechanics of how this is going to work. It is a simple technical bill that is welcomed by all involved. I commend it to the house.

Ms RICHARDSON (Minister for Women) — I rise to speak on the Court Services Victoria and Other Acts Amendment Bill 2015. I welcome the support of members opposite, including the shadow Attorney-General, for the bill. I acknowledge the member for Box Hill, who in his role as the former Attorney-General introduced Court Services Victoria during the last term of the Liberal government. I also acknowledge the work that has been undertaken by the current Attorney-General, who has brought before the house some considered and detailed amendments to Court Services Victoria. He is building upon the framework that was established during the last Parliament, when the Liberals were in government. I commend the work that he has done to bring this bill before the house.

Firstly, the bill provides greater budget flexibility for Court Services Victoria by amending the Financial Management Act 1994. This will allow Court Services Victoria to obtain additional funds beyond what is provided in the annual state budget. This mechanism will be used, for example, when Court Services Victoria has to make a significant purchase in a subsequent financial year but where there is an advantage in bringing the purchase forward. This amendment enables the Attorney-General and the Treasurer to bring money forward to take advantage of a particular opportunity. I understand that these additional funds must not exceed 3 per cent of the court services annual budget or exceed 0.5 per cent of the total appropriations for the year for Court Services

Victoria. Secondly, the bill clarifies the role of the CEO of Court Services Victoria in relation to the Independent Broad-based Anti-corruption Commission. Thirdly, the bill codifies the arrangements concerning the appointment and terms and conditions, and termination arrangements, if required, for the CEO of the Judicial College of Victoria. The bill also repeals a redundant definition of 'State Services Authority' in the Court Services Victoria Act 2014.

I welcome these changes. As I said, the Attorney-General is strengthening the framework under which Court Services Victoria is operating. I guess in a sense I want to add to the debate with respect to commentary that has been referred to by the member for Niddrie and others with respect to our court services more broadly, because it is universally acknowledged that our courts need additional investment and improvements if they are to continue to fulfil their role in the state.

In the important area of family violence, in particular, which I represent as the Minister for the Prevention of Family Violence, we know our courts are often unsafe places for victims. In fact that is why in this year's state budget Labor has allocated additional funding to allow a safety audit of the Magistrates Court. We are conscious of the fact that courts are not the safest places to be if you are a victim of family violence. But of course other improvements need to be made to our court system. I have no doubt that the Royal Commission into Family Violence will make a range of recommendations about court services and the way we can improve our courts in the interests of victims of family violence.

In conclusion, can I say the strengthening of the framework for Court Services Victoria, its regulations, its relationship with other important authorities and its appropriation opportunities are important measures that are included in this bill. I commend the bill to the house.

Mr HIBBINS (Prahran) — I will speak very briefly on the Court Services Victoria and Other Acts Amendment Bill 2015. By way of background, the establishment of Court Services Victoria (CSV) on 1 July 2014 meant that judicial services became independent of the executive arm of government and Victoria's courts and tribunals became directly accountable to Parliament.

The Court Services Victoria Act 2014 established Court Services Victoria as a statutory public sector body to provide the administrative services and facilities for Victoria's courts, the Victorian Civil and

Administrative Tribunal (VCAT) and the Judicial College of Victoria (JCV). The courts and VCAT remain separate entities and maintain responsibility for directing their individual functions. Each jurisdiction has its own CEO, while the Court Services Victoria CEO has responsibility for managing CSV's day-to-day operation and staffing. The governing body of Court Services Victoria is the Courts Council, chaired by the Chief Justice of Victoria and comprising the heads of each jurisdiction, along with two appointed non-judicial members.

Now, six months down the track, this bill is introduced in response to issues identified during Court Services Victoria's first six months of operation. It aims to give CSV more budget flexibility and better management mechanisms. The bill also amends the Independent Broad-based Anti-corruption Commission Act 2011 to codify the authority of the CEO in Court Services Victoria in relation to complaints and investigations under the IBAC act concerning CSV and CSV staff.

The bill also amends the Court Services Victoria Act 2014 to repeal a redundant definition of 'State Services Authority' and codifies the role of the board of the Judicial College of Victoria in appointing, setting the terms and conditions for, and if necessary terminating the employment of the CEO of the JCV. The amendments will also formally record the duty of the CEO in the Judicial College of Victoria to act at the direction of the JCV. With that brief background and description, I indicate the Greens will be supporting this bill.

Mr PEARSON (Essendon) — I am delighted to join the debate on the Court Services Victoria and Other Acts Amendment Bill 2015. Like speakers who have gone before me, I want to acknowledge the role that the member for Box Hill, the former Attorney-General, played in the establishment of Court Services Victoria (CSV). There is a temptation for legislators to turn around and basically say, 'Look, do not mess with it. It is fine. Do not touch it. Leave it be. It will be fine'. It is always refreshing to have members of a government who are prepared to take a risk, take a chance and try something different to improve the overall quality of public administration. It is important when a bill like this comes before the house that we do recognise the former minister, who had the courage and was prepared to try something different.

I would also like to acknowledge the support of the opposition and the comments made by the member for Hawthorn. I sat here and listened to his contribution. The member researches well, thinks very carefully and

makes a very considered contribution to this house, which is welcome.

As has been outlined previously, the bill before us is fairly straightforward. It comprises largely machinery amendments or clarifications to existing provisions. It really comes as a result of Court Services Victoria having six months of operation under its belt. There is a need or requirement to make sure that we continue to refine, through an intuitive process, legislation and instrumentalities and make sure that we have that ability to improve and make those further changes. The reality is that when you start something new, you might start out with the best of intentions, but it is only as you go through and learn the lessons that you realise there is a need to make further improvements and changes. That is what this bill is about.

The bill is also about recognising that we need to have a very strong judicial system in place. Previous contributors to the debate have mentioned the statistic that if a person has something like six engagements with the justice system, then they are almost certain to develop a mental illness. Making Court Services Victoria operate more smoothly, efficiently and effectively will result in reducing that risk because a more efficient service will mean people will have fewer engagements. That will lead to better health outcomes for people, and that is important.

The bill amends the Financial Management Act 1994 to provide CSV with the same budget flexibility and management mechanisms that apply to other public sector bodies. These include mechanisms which will allow CSV to take advantage of opportunities that arise in the current financial year to acquire benefits that will accrue or continue in the following financial year, to better manage expenditure over financial years and to better manage cash flow within financial years. That is all very sensible.

I have worked in a small business. I come from a small business background and I have worked in that environment. You need to be able to plan your revenue and have some sense of what is coming through. You need to better manage your expenditure over the financial year. I believe most members would acknowledge the point that often if a program is to be cut or there is uncertainty about funding revenue coming into that organisation, your very best people tend to leave the organisation. If they get the sense that the funding may expire at the end of the financial year, they might think, 'I do not know whether there will be a job here for me. I will start looking and applying elsewhere'.

It is usually your best people in an organisation who start to look further afield and leave, so if you do not provide that level of certainty and security from a revenue perspective, you decrease the capacity of that organisation to better be able to operate. Similarly, by empowering an organisation like Court Services Victoria to have some sense as to planning its expenditure we are ensuring that we are looking at a better quality of public policy outcomes. We are also improving the overall quality of the organisation. Ensuring that CSV has the same power and opportunities that other public sector entities in the state of Victoria have is welcome and important.

The bill also amends the Independent Broad-based Anti-corruption Commission Act 2011 to codify the authority of the chief executive officer of CSV in relation to complaints and investigations under IBAC concerning CSV and CSV staff. Again that is sensible. The reality is that we need to make sure that CSV is responsive and that in the event that there is an inquiry or investigation required there is a clear delineation of responsibility and there is a capacity for the organisation to properly engage with IBAC at the outset. Often, as we have seen in the past, if you have blurred lines or there is no great certainty in terms of how to operate, it can compromise an investigation from the get-go. It is important that we try to reflect that.

The bill amends the Judicial College of Victoria Act 2001 to codify the role of the board of the Judicial College of Victoria (JCV) in appointing, setting terms and conditions for and if necessary terminating the employment of the CEO of the JCV. The amendments will also formally record the duties of the CEO of the JCV to act at the direction of the JCV board. That is all very sensible. You need to make sure that if you have got a board in place the board is empowered to be able to have some level of control over a CEO.

Like many members here, I have served on quite a few not-for-profit boards, and I was the chair of a not-for-profit board for a while. It is important that you have a very strong board that has got some clear direction over the CEO, that there is a degree of robust engagement and that there is that contestability so that the board is very clear in terms of its responsibilities and what is asked of it. The CEO can be sure that they need to work closely with the board. In his contribution the member for Hawthorn indicated that might be sensible on paper but you need to be careful when managing it in practice. With most of these things you often apply the common-sense test.

On any given day on most issues it is the board's responsibility to set the strategic direction of the organisation, make sure that the CEO is discharging his or her duties and make sure that the board itself is discharging its own fiduciary duties as an independent board. But in the event that something untoward or of great significance happens, then clearly that would be elevated to a higher authority for a response. In this case presumably that would be the Attorney-General. You want to make sure there is that capacity to have those reserve powers, as it were, for the Attorney-General to deal with some of those questions rather than have the CEO of CSV racing off to the Attorney-General every 5 minutes because something has happened or there is some concern or anxiety. It is not a good use of the Attorney-General's time, and that is why you should have that board there; so that is quite sensible. On most of the day-to-day matters the board should be able to deal with any issue that the CEO of the JCV cannot deal with, and if need be it would be elevated. As I indicated, it is important you have got that in place.

Similarly, it is important that the board determines the CEO's terms and conditions of employment. Certainly on the boards I have sat on that was your responsibility. You had to work out what the CEO should be paid and what terms and conditions they should have, and if they wanted to have greater leave rather than less leave, you had to work out how you would try to address that in the organisation. They are all fair and reasonable responsibilities that a board should have and be required to deal with. In ensuring that the board works closely with the CEO it is important that you have got that level of rigour in place.

The bill before us is like many of the bills that come before us: they are often technical in nature and quite specific and detailed. For example, I notice that the bill amends the CSV act to repeal a redundant definition of the State Services Authority because it now no longer exists and has been replaced by the Victorian Public Sector Commission. That is what we tend to do here often. We tend to deal with these non-controversial bills that to some extent are fairly procedural in nature, but it is important that we also run our eye over the bill and think, 'Does that make sense?'. This bill makes a lot of sense. It is about ensuring that organisations like Court Services Victoria reflect the mood of the moment and that as a result of the lessons learnt as we roll out an organisation like CSV it is refined and there is further tinkering. We must also make sure that we have got appropriate governance practices and structures in place to ensure that Court Services Victoria can get on with the job of discharging its duties to provide the most

efficient and the best judicial system we can have in Victoria.

Mr McCURDY (Ovens Valley) — I am delighted to rise to make a brief contribution on the Court Services Victoria and Other Acts Amendment Bill 2015. As we heard from the member for Hawthorn, the opposition will not be opposing this bill. It is a very straightforward bill; in fact some say there is not a lot in there.

Basically the bill addresses the employment and role of the chief executive officer of the Judicial College of Victoria. It is intended to give Court Services Victoria greater budget flexibility, and that helps it to run the business it does on behalf of all Victorians. Among the main provisions, proposed section 35A of the Court Services Victoria Act 2014 inserted by clause 4 provides that CSV — Court Services Victoria — now must employ a person nominated by the board of the Judicial College of Victoria to be the chief executive officer. Presently CSV is not subject to any direction in relation to the exercise of that power, so this bill will modify that.

There are a couple of other main clauses. Clauses 6 and 7 insert provisions in the Financial Management Act 1994 which attribute to the CSV the status of a department in order to facilitate the allocation of amounts in addition to those appropriated in the annual appropriations.

As I said earlier, the coalition does not oppose the bill as it advances the reforms instigated by the previous coalition government. Firstly, it assigns administration of Victoria's courts to the courts themselves; secondly, it make this function answerable to Parliament and its statutory accountability regime rather than to the executive government; and thirdly, it gives courts greater freedom to manage their operations efficiently to the benefit of court users and of course the broader Victorian community.

For clarification, Court Services Victoria is an independent body. We heard that stated by most members who have spoken on the bill, including the member for Hawthorn. CSV is free of departmental or political involvement and provides administrative services and support to Victorian Civil and Administrative Tribunal and the Victorian courts. This reduces the potential for executive government interference in the operations of the courts, and it certainly recognises that remote and divided responsibilities can impede the ability of courts to manage their own operations and implement necessary efficiencies and reforms.

I have already mentioned clause 4, which inserts a new division to provide that the CEO of Court Services Victoria must employ a person nominated by the board of the Judicial College of Victoria to be the CEO of the Judicial College of Victoria, on terms and conditions that are fixed by the board of the Judicial College of Victoria. It also makes clear that the CEO of the Judicial College of Victoria is subject to the direction of the board in relation to the operation of the college and to the direction of the CEO of CSV in relation to all other matters. I will not go into any detail on clauses 6 and 7, as I mentioned them earlier. Clause 8 is pretty straightforward. It amends section 36 of the Financial Management Act 1994 to ensure that the definition of 'authority' includes CSV. Consequently the temporary issue out of the public account of advances and special advances to CSV will be authorised.

This legislation allows for the smoother running of CSV. No concerns have been raised by members of the judiciary. I certainly wish the bill a speedy passage. As I mentioned, we are not opposing the bill and I commend it to the house.

Ms KAIROUZ (Kororoit) — I am pleased to make a contribution to the debate on the Court Services Victoria and Other Acts Amendment Bill 2015. As has been outlined by my colleagues, the overall objectives of the bill are to provide Court Services Victoria (CSV) with greater budget flexibility; to clarify the role of the chief executive officer of CSV in relation to complaints made to and investigations by the Independent Broad-based Anti-corruption Commission (IBAC); to codify arrangements concerning the appointment, terms and conditions, and termination of the CEO of the Judicial College of Victoria; and to repeal a redundant definition of 'State Services Authority' in the court services.

This bill will improve the legislation governing the operation of Court Services Victoria and is largely in response to issues identified during CSV's first six months of operation. While the amendments are largely mechanical in nature, or are amendments or clarifications to existing provisions, the legislation is important to Victoria's democracy. It ensures that CSV has the necessary level of independence from government while achieving appropriate accountability arrangements, including the managing of financial and other risks.

The independence of Victoria's justice system from the executive arm of government occurred with the establishment on 1 July 2014 of Court Services Victoria as a statutory public sector body to provide the administrative services and facilities for Victoria's

courts, the Victorian Civil and Administrative Tribunal and the Judicial College of Victoria. The creation of Court Services Victoria resulted in Victoria's courts and tribunals becoming accountable directly to the Parliament.

When in opposition, Labor did not oppose the legislation that established Court Services Victoria. Indeed we supported the bill because we on this side of the house are firm believers in judicial independence and in upholding the constitutional separation of powers between the Parliament and the judiciary. While those on the other side sponsored the bill to establish CSV, their commitment to judicial independence does not stand up to strong scrutiny. In the case of Victoria's prison system, we are now seeing the results of the removal of sentencing options in increased prisoner numbers and the need to build new prisons, all the while causing valuable resources to be directed away from building new schools, hospitals and vital infrastructure.

The importance of an independent judiciary is central to our rights and freedoms under the rule of law. In a speech given to the International Bar Association Human Rights Institute Conference held in Hong Kong in 1998 entitled 'Independence of the judiciary — Basic principle, new challenges', Justice Michael Kirby declared the independence of the judiciary as a fundamental human right. He stated:

It is not necessary to be a sophisticated investor in Hong Kong or a world-weary lawyer in Australia or the United States, to realise how important it is that a conflict, serious enough to come to formal decision-making in a court, should be resolved by a decision-maker who is 'competent, independent and impartial'.

He further stated:

Even a person living in a most primitive society will aspire to that objective when confronted with the need to approach a decision-maker. A judge without independence is a character wrapped in a farce inside an oppression.

Former Chief Justice of the High Court, Sir Gerard Brennan, AC, KBE, noted in a 1996 speech to the Australian Judicial Conference in Canberra that judicial independence is not something sought for the benefit of the judiciary itself; rather its beneficiaries are the citizens. He said:

The reason why judicial independence is of such public importance is that a free society exists only so long as it is governed by the rule of law — the rule which binds the governors and the governed, administered impartially and treating equally all those who seek its remedies or against whom its remedies are sought.

He further added:

That aspiration depends for its fulfilment on the competent and impartial application of the law by judges. In order to discharge that responsibility, it is essential that judges be, and be seen to be, independent.

The improvements to Court Services Victoria via the amendments that we propose in this bill will enhance both the appearance and the reality of the courts' independence. I note that the establishment of Court Services Victoria was an election commitment by the previous government. I further note that its bill took three years to materialise, so perhaps it is a sad reflection on the ineptitude of the previous government that even though it took three years, it still could not get it right. I am pleased to be part of a government that has a well-considered plan for the state of Victoria, a plan which will be delivered within the time frames that we committed to and a plan which realises our genuine commitment to making Victoria a better place. This commitment includes ensuring that our public institutions operate with best practice governance and administrative arrangements. These amendments ensure that this is the case, and I commend the bill to the house.

Ms THOMAS (Macedon) — I thank the member for Kororoit for her contribution to the debate and for the observation that as an election commitment it did take a rather long time for the now opposition to deliver this in its brief period of government. It is my pleasure to rise today to speak on the Court Services Victoria and Other Acts Amendment Bill 2015. I know that what the bill does has already been canvassed in the house, but as we look to wrap up this debate I might reiterate the importance of the key amendments, which can be summarised as follows.

The bill amends the Court Services Victoria Act 2014 to repeal a redundant definition of 'State Services Authority' and to provide the Judicial College of Victoria Board with ultimate authority over decisions relating to the employment of the chief executive officer of the judicial college. The bill also amends the Financial Management Act 1994 to provide Court Services Victoria with the same budget flexibility and management mechanisms as generally apply to other Victorian public sector bodies that, like Court Services Victoria, receive a direct parliamentary appropriation.

The bill also amends the Independent Broad-based Anti-corruption Commission Act 2011 to clarify the role of the chief executive officer of Court Services Victoria consistent with the role of other agency chief executive officers in relation to Independent Broad-based Anti-corruption Commission complaints and investigations.

As other members have already noted, the bill amends existing pieces of legislation to make certain that they function better and give the right delegations and authorities where they are required to ensure the independence of our courts. As we well know, and as others have already spoken about, Chief Justice Marilyn Warren welcomed the establishment of Court Services Victoria in 2013, when the bill was first in the house, and as others have already noted as well, the then Labor opposition did not oppose the bill. When the member for Lyndhurst, now the Attorney-General, spoke on the bill in 2013 he made what I think is a very important point. He said Court Services Victoria will have 'some effect' on the way the courts function, but:

... more important, will be the way those courts are resourced, the way legal aid is resourced and the way court waiting lists are able to be reduced — and it is extremely difficult to reduce them when matters are adjourned and when matters are not able to be brought before the court because of overcrowding in police cells.

All of these things impact and impinge on the functioning of our court system, so whilst Court Services Victoria will have some effect, what will be of much greater importance to the functioning of the court system and our justice system more generally in the years ahead will be the holistic approach that is taken to the system, from the police right through our court system, legal aid and our corrections system. No one part of the system will ever be a remedy or a panacea. The court system will stand or fall based on the resources put into it and based on the policy settings around which the justice system in this state revolves.

Having made those comments, it is important that we now look at how quickly the Andrews Labor government has moved to make sure that we are putting the appropriate resources into our court system, because judicial independence is vital and is integral to the operation of our Westminster system. But we must ensure that there is appropriate resourcing of the judicial system and our court system. It was fantastic to see that in the 2015–16 budget, our first budget delivered within six months of us forming government, we will deliver more support for those who need it most when dealing with the justice system, including victims of family violence, people suffering with mental health or cognitive impairment issues, and those facing financial hardship. It is a fantastic achievement by the Attorney-General.

The Attorney-General announced that the Labor government would invest \$2 million over two years in community legal centre assistance to support vital programs and services, including family violence lawyers and coordinators working on family violence and online services for rural and regional youth. A further \$1.2 million has been allocated for community legal centres so they can deliver additional family

violence duty lawyers to support victims in the Magistrates Court. Some \$2.1 million has been appropriated to fund free legal assistance for victims to ensure proper legal representation in family violence matters, and \$500 000 will allow the Magistrates Court to expand men's behaviour change programs.

The Labor government has also committed — and I note the contribution by the Minister for the Prevention of Family Violence — \$80 000 for a safety audit to assess the physical structure and operation of magistrates courts across Victoria. In my own electorate in Kyneton this is vitally important, as the Kyneton court is currently not a safe environment. The Attorney-General has now committed to visit Kyneton to have a look, and I am very pleased that he has committed to that. However, he requires Court Services Victoria to make a recommendation on funding for the Kyneton court.

The Labor government will also invest \$14.7 million over the next four years in improved technology at the Magistrates Court, with a major expansion to the videoconferencing network spanning key metropolitan and regional courts and delivering additional mobile units to meet booming demand. When last we sat we debated a bill to ensure the continuation of the assessment and referral court list, and I am delighted that the budget includes \$12.7 million to the assessment and referral court list to support people with mental health and cognitive impairment issues in dealing with the justice system. We have also allocated \$371 000 to save JobWatch, a really vital advocacy and legal service representing people who are disadvantaged in the area of employment law. JobWatch provides vital information on workers rights, unfair dismissal, discrimination, redundancy, termination, and bullying and harassment.

As I said at the beginning of my contribution, this bill seeks to make some amendments to existing legislation to ensure that the right delegations and the capacity for money to be appropriated are all in place. That is great and all well and good, but of key significance in having a highly functioning judicial and court system is having a government that takes the time and care to ensure that that system is well resourced and that emphasis is put on people being able to access justice. Those are certainly things that this government does and that our Attorney-General has at the heart of everything he does. The bill we have brought to the house is about ensuring that Court Services Victoria works as well as it can, but, as I said, it is vitally important that the system is appropriately resourced within the constraints of the budget and that there is a real focus on ensuring that

people can access our justice system. I commend the bill to the house.

Mr RICHARDSON (Mordialloc) — It gives me great pleasure to speak on the Court Services Victoria and Other Acts Amendment Bill 2015. It is great that we have some young students in the gallery to witness the proceedings of the house. While we could not give them a more exciting bill to talk on, maybe they will reflect on the fact that we are talking about the separation of powers and the importance of Parliament and its operations. I will try to make it a little lively!

The Court Services Victoria and Other Acts Amendment Bill 2015 is an important step in the progression of Court Services Victoria.

An honourable member interjected.

Mr RICHARDSON — Shame indeed! It is an important step in ensuring and contributing to the independence and the operation of the judicial system. I would like to reflect on some of the changes via an overview. Before I do, however, I merely state that one of the obvious, key principles here is the separation of powers — the separation between the executive, the legislative and the judicial arms of the state. That is a fundamental principle that goes a long way back in our democratic system. The essence of the doctrine of the separation of powers is the checks and balances in our system, and it is so important that, where we can, we improve and strengthen that system.

The reforms establishing Court Services Victoria (CSV) entailed the decoupling of the old arrangement where the then Department of Justice had oversight of the judiciary and its administrative functions and resourcing. To decouple them makes a lot of sense. The department may have had a political intention or a political reality that it had to face. It may have had a Treasurer issuing a direction saying, ‘We need to find savings’, which would mean courts were affected by the ebbs and flows in the department, which was not a good outcome. To have the judiciary overseeing its own auditing and other processes is a good outcome.

I turn to the bill itself. The original legislation was introduced by the former Attorney-General, and Court Services Victoria has been operating now for six months. This bill makes minor amendments to strengthen the work of CSV and continue its progression. The overarching intentions are to provide greater budget flexibility, and to clarify the role of the chief executive officer of Court Services Victoria in relation to Independent Broad-based Anti-corruption Commission (IBAC) complaints and investigations.

That is an important element — making sure that the chief executive officer is accountable and responding to the anti-corruption commission. As a member of the parliamentary committee with oversight of the operation of IBAC, I welcome that inclusion. It is important that we introduce reforms to strengthen the IBAC rules. The bill amends the definition of ‘relevant principal officer’. That is a key element. The bill also amends the Judicial College of Victoria Act 2001 to codify the role of the board in appointing and setting the terms and conditions for, and in terminating the employment of, the chief executive officer of the Judicial College of Victoria.

We come to a fundamental point here in what we are discussing in terms of legal resourcing. Resourcing is the elephant in the room in relation to legal services, and in this case the room is the parliamentary chamber. The need to push and progress the search for efficiencies would not be so critical if it were not for the drastic cuts that have been made to our community legal services, to our legal sector and to Victoria Legal Aid. The need to find efficiencies in our system and to make sure that every dollar is used appropriately could not be any more important than it is now, when substantial cuts have been made by the federal government to our community legal centres.

I had the chance recently to join staff at the Peninsula Legal Community Centre to hear about its challenges, particularly in relation to people who do not have access to justice and representation. I had the opportunity to sit down with them and talk about these challenges, and it was evident that those devastating cuts have made a big impact. That affects the whole system of funding allocation.

It is important to reflect on the oversight role of Court Services Victoria. It will provide administrative services to the Supreme Court, the County Court, the Magistrates Court, the Children’s Court, the Coroners Court and the Victorian Civil and Administrative Tribunal. That oversight is important. Court Services Victoria will be directly accountable to Parliament rather than the executive arm of government.

Another key element to note in this bill is that the governing body for Court Services Victoria and its make-up is the Courts Council. That body is chaired by the Chief Justice of the Supreme Court of Victoria and consists of the heads of each jurisdiction along with two appointed non-judicial members. This make-up provides the appropriate oversight. The Courts Council directs the strategy, governance and risk management of Court Services Victoria and appoints its chief executive officer. Today, as a key element of this bill,

we are enabling the CEO with greater budget flexibility and oversight.

It worth also reflecting on the contributions leading up to the development of this legislation, particularly those of Chief Justice Warren, who is quoted as saying:

The judiciary does not operate in a vacuum: the administrative and support systems are essential to its everyday functioning and efficiency, as well as ensuring justice is done fairly and swiftly.

It is not often that you hear of an organisation saying that having oversight and management of its resources is the best way to do things, but that can be said of members of the current judiciary, who are experts in their field. Changes in departments, changes in secretaries and changes in administrative staff lead to uncertainty and inconsistencies. The judiciary is in the best place to manage those resources because it knows which courts need what and what administrative support is needed and where it is needed. The greater flexibility provided in this bill strips away bureaucracy and allows for better operation of the system. That is a key point to make.

It is worth reflecting further on some of the comments made by Chief Justice Warren. They include the comment that this move was one of the most significant legal and constitutional developments in 180 years of court history. That shows the level of bipartisanship that is reflected in this bill. It was brought forward under the previous government, and we are following through with minor amendments that are being supported and worked through. This shows that a long-term policy focus and vision, getting on with things and really working over the long-term to achieve outcomes is very important.

It is also worth reflecting on some of the reports that were available at the time the legislation was being developed and which stressed that inefficiencies were being created. Chief Justice Warren said at the time that an example was the \$60 million being spent on case management and the inefficiencies that created. She pointed out that the funding was not going to be used for the greatest benefit, that there were some real shortcomings in that and that the courts themselves were best placed to operate and manage their administration.

In concluding my contribution on this momentous change introduced in the Court Services and Other Acts Amendment Bill 2015 it is worth reflecting on and considering the operation of the legislation more broadly from a federal perspective. I highlight comments made by the Chief Justice of the Family

Court of Australia, Diana Bryant, who last year stated in the media that she 'backed the establishment of a single independent body, controlled by the judiciary, to run the entire federal court system'. There are lessons provided in our Victorian system. We are providing examples of the efficiencies being achieved in Victoria and how their operation is strengthening our system to the federal Attorney-General that could be discussed at the meeting of attorneys-general.

It is also worth reflecting on the pressures on our system and the need for some of those efficiencies to be identified. I welcome the contribution of the Treasurer in a move spearheaded by the Attorney-General to deliver extra funding, particularly to community legal centres. In the family violence area there was an allocation of \$2 million. It is also worth noting that the Law Institute of Victoria welcomed the \$81 million provided for the Royal Commission into Family Violence. That is all about strengthening the system. There is going to be a big burden on our legal system with the advent of that royal commission and subsequently there will be a need for efficiencies to be achieved.

It is also worth reflecting that at the time of the media report I have referred to the legal fraternity was hoping for greater resourcing of our community legal centres, as was recommended by the Productivity Commission. Unfortunately I do not think that allocation was granted. I ask that the federal Attorney-General and the Prime Minister consider reversing some of the cuts they have made to community legal centres. I commend the bill to the house, and I welcome the bipartisan nature of this debate.

Mr DIMOPOULOS (Oakleigh) — This bill, as stated by other members, makes some changes to the legislation that are in some respects technical and minor but are nonetheless significant and important. Just for the record I will outline the significant ones.

There are three significant changes. Firstly, clause 4 inserts into the Court Services Victoria Act 2014 new division 2A, which makes it clear that the board of the Judicial College of Victoria is responsible for appointing a chief executive officer. This makes complete sense, and it is consistent with the way in which the CEOs of the other jurisdictions that constitute Court Services Victoria (CSV) are appointed. While they are appointed by the Courts Council, they are appointed with the agreement of the head of that particular jurisdiction. In the case of the Children's Court, Justice Peter Couzens would have to give the nod of approval for the appointment of the CEO of that jurisdiction before the council appoints that person.

That is consistent with all jurisdictions, so it is unusual that it was not the case for the Judicial College of Victoria when the initial bill to establish Court Services Victoria was put before the house. Nonetheless this bill rectifies that. It also makes it clear that the judicial college board is the setter of the remuneration package for the CEO of that institution.

Secondly, there are proposed amendments to the Financial Management Act 1994. Clause 6 inserts proposed section 28(5), which gives Court Services Victoria the same effective financial management rights that other government departments have. This will enable it to bring forward spending in appropriate circumstances. Clause 7 inserts proposed section 32(5), which allows CSV to carry forward unused appropriations, again in appropriate circumstances. Clause 8 inserts proposed section 36(3), which provides for temporary advances from the Treasurer in appropriate circumstances. This is nothing unusual; these are rights and obligations similar to those held by government departments. That obviously provides CSV with the ability to effectively manage its resources beyond one budget year.

Thirdly, clause 9 inserts into the Independent Broad-based Anti-corruption Commission Act 2011 proposed subsection 3(1)(d), which adds the chief executive officer of Court Services Victoria as a relevant principal officer for the purposes of that act. That puts it beyond doubt that that person has the responsibilities under that act for that organisation, making them the employer of all staff in that organisation.

These are the changes we are debating today. I too want to add my voice to the group of people who have commended the previous government and the then Attorney-General for bringing this to fruition. It was a historic move. The member for Hawthorn is nodding his head in agreement, but he will not be in a minute when I talk about some other things. It was a historic move for the former government to provide some administrative independence to the courts, because administrative independence also speaks to judicial independence in a very real way.

I have worked for Court Services Victoria, and I was an employee at a reasonably senior level when these changes went ahead. There was a lot of conversation about the impact of administrative independence and the consequences it can have in relation to judicial independence.

I turn to the current Attorney-General's contribution to the second-reading debate on the Court Services

Victoria Bill 2013. At that time, the now Attorney-General said that while this is generally a good move, we need to be really clear that it does not provide the courts with financial independence. The courts still have to come to the Attorney-General. At this point in time I do not see that as a particular problem, but I think it can be problematic. You can only work with the bucket of money you have. That comes from the executive, and while we may try to separate the judiciary from the executive, it is still the executive that gets to decide, through the Parliament, on the amount of money that the courts will be provided to operate with.

It is a sensible move to provide administrative independence to our courts and allow them to be judged by the Parliament and the Victorian people. We are only talking about a separation from the executive in terms of administrative independence. It is not a separation from community expectations. Members of the community still rely on good order in a courtroom. They rely on security when they walk into a court precinct, they rely on their cases being heard in a reasonable time and they rely on a whole range of other things that they expect of a modern democracy and a modern court system. There is no message in this bill that the courts do not have that responsibility. They absolutely do have that responsibility, but it is now a responsibility to the Victorian people through the Victorian Parliament, as opposed to being through the Department of Justice and Regulation, as it was previously.

In terms of financial independence, I am proud to have voted for a budget — the first Labor budget — that has increased funding to CSV and to particular key areas. There is a bit of an overlap between the services provided by the Department of Justice and Regulation and the services provided in house by the courts. Nonetheless there is an intersection of both of these, and I am proud that this government has provided dedicated funding to re-establish the Coroners Court death review unit. That is a really smart move. This unit has done extraordinary work in the past, and it provides a kind of framework for ensuring that we do not repeat the mistakes of the past in a whole range of areas. I have a limited understanding of how this unit disappeared in the last few years, but I think it was a casualty of a review of the Coroners Court, which found a preference for backlog work being given to every coroner or solicitor and funds being used up for that. Funds had to come from somewhere, and it is my understanding that the review unit was disbanded. It is fantastic that the budget brings back the unit. It will provide more financial muscle to Court Services Victoria through the Coroners Court.

In its recently announced budget the government talked about providing money for the Victorian court safety audit. My former colleague Gary Ryan, who looks after court security, will be very pleased about that. I imagine that would come back through CSV and probably the government for future funding to improve gaps in court security.

Obviously we continued the court integrated services program with its drug and alcohol programs, which assist offenders to avoid coming back through the court system — and they are well-evidenced programs — its men's behaviour change programs and a whole range of family violence support programs.

Mr Pesutto interjected.

Mr DIMOPOULOS — It is all part of Court Services Victoria's administrative ability to do its work, and I note the member for Hawthorn's interjection. I recall that when the Attorney-General fronted the Public Accounts and Estimates Committee hearings the other day he was asked a question by a Liberal Party committee member about providing in the budget for more community correction orders. The Attorney-General said, 'Of course, because the courts are making them and we need to be able to fulfil them'. When you talk about resourcing, you need to resource the Department of Justice and Regulation, instrumentalities and Court Services Victoria to do their jobs properly.

Enough on that. It has given me great pleasure to speak on this bill. It tidies up some things that perhaps should have been tidied up before. Court Services Victoria has been in existence for less than a year, and, under the great leadership of the Courts Council, it will clock in its first year on 30 June. We will see how it goes. I wish CSV well for the rest of this year and future years. I commend the bill to the house.

Debate adjourned on motion of Mr FOLEY (Minister for Housing, Disability and Ageing).

Debate adjourned until later this day.

WRONGS AMENDMENT (PRISONER RELATED COMPENSATION) BILL 2015

Second reading

Debate resumed from 6 May; motion of Mr PAKULA (Attorney-General).

Mr PESUTTO (Hawthorn) — What an exciting day it must be for the students of Clifton Creek Primary

School from East Gippsland who are visiting Melbourne. I think this is their fifth day touring — —

Mr T. Bull — They are here for five.

Mr PESUTTO — They are here for five days, and they have come, I hope, to see some of the traditional battles that go on in Parliament. Unfortunately today they are witnessing an outbreak of love, which we are all finding difficult to comprehend, because no legislation is being opposed. Therefore I call on members opposite to jump up, even if they have no good reason for doing so, and object to something so we can give the great young kids from Clifton Creek something to remember and to take home.

It is good to have them here today because this afternoon is a good example of the fact that Parliament is not always about two or more parties opposing each other. I think we would all agree that most of the business conducted in this house and in the Legislative Council is done largely with agreement. Probably 8 out of 10 bills that come through the chambers are not opposed. That does not mean there is not robust debate on measures that come before the house, but it does mean that, contrary to what people popularly believe about what happens in Parliament, most of what comes before the house is generally not opposed. Acting Speaker, you will understand why I called on members opposite to make a little bit of excitement for our friends from East Gippsland, and I wish them all the very best while they are in Melbourne.

Ms Thomson — On a point of order, Acting Speaker, I think the member for Hawthorn is always exciting!

Mr PESUTTO — I thank the member for her kind remarks. We have before us the Wrongs Amendment (Prisoner Related Compensation) Bill 2015. Within a very simple and small compass the bill gives effect to what I think all of us in this house regard as an important principle. Most Victorians would accept that people who have engaged in criminal behaviour should in some circumstances be restricted in what they can fairly expect in terms of compensation when claims are brought in particular circumstances. The coalition does not oppose this bill. We support strong measures that send a message to those engaging in criminal activity that there are serious consequences that flow from criminal wrongdoing. That does not mean this bill applies in a wide range of circumstances, I will come to the circumstances to which it does not apply in a moment.

This bill is a very narrow one. It tries to pinpoint precisely those circumstances in which most of us in the community would expect that some limitation should apply on what damages you can recover. Ultimately the safeguard is that the reduction in damages that might flow from an otherwise successful proceeding by a claimant for the most part will be in the hands of courts and juries, although there is a higher threshold barring damages in the case of profit-motivated offences, to which I will come to shortly. Where the bill does apply, it requires a reduction in the amount of damages awarded to a plaintiff who has earlier been convicted of a profit-motivated offence by any amount up to 100 per cent. That could be 0 per cent, 50 per cent or 100 per cent.

A harsher standard applies for successful plaintiffs who have been convicted of a profit-motivated offence, and for those plaintiffs, in the circumstances to which I will come in a moment, damages must be reduced by at least 90 per cent. That does not mean it will be 90 per cent itself; it might be higher than that, but it must be at least 90 per cent. That is because, as I said earlier, claimants who have profited from criminal behaviour should not expect to be able to exact damages from taxpayers for the mental harm that they have suffered because of the death or injury of, for the most part, persons serving prison terms.

The opposition is fundamentally committed to the principle of equality in the application of the law and believe that, consistent with this, involvement in criminal activity can mean the justification of an imposition and some restrictions on individual offenders.

Turning to the bill itself, the provision I come to first is proposed section 28LAE, which provides that:

This Part applies to an award of damages for non-economic loss in respect of mental harm if —

- (a) the mental harm is caused by the death or injury of a person who was, when the death or injury occurred, the subject of —
 - (i) a sentence of imprisonment imposed by a court; or
 - (ii) a preventative detention order within the meaning of the **Terrorism (Community Protection) Act 2003** ...; or
 - (iii) a detention order or interim detention order within the meaning of the **Serious Sex Offenders (Detention and Supervision) Act 2009** ...

That is the first proviso. The second proviso, which must be satisfied before the reduction provisions I

spoke about earlier can apply, is that the claimant or plaintiff, as an adult, must have been convicted of an offence. Unless those two things apply, then the measures in this bill will not apply to a plaintiff.

It is perhaps best to then address what sorts of offences we are talking about in this bill. ‘Offence’ itself is not defined, but it could take in, as the term suggests on its ordinary meaning, conviction for an offence. But there is a definition for ‘profit motivated offence’, and under the bill that is contained in proposed section 28LAD headed ‘Definitions’. ‘Profit motivated offence’ is defined to mean:

- (a) an offence referred to in Schedule 2 to the **Confiscation Act 1997** ...

and I will not read the rest of that subparagraph, or:

- (b) an offence that, at the time it was committed, was an offence referred to in Schedule 2 to the **Confiscation Act** ...

To explain what sort of offences might be covered by the definition ‘profit motivated offence’, such offences would include drug trafficking, extortion, deceptive recruiting for commercial sexual services, blackmail, armed robbery and handling stolen goods. The strong and unmistakable theme running through those offences is that they are characterised at their heart by a level of dishonesty and a level of brute force and intimidation, which are offences that sit in a class far above the many other types of offences which might apply in other circumstances.

Having regard to that definition, we then move to the next main clause that I want to refer to, and that is proposed section 28LAF, headed ‘Assessment of damages’, which provides:

- (1) In determining an award of damages to which this Part applies, the jury or the court if the trial is without a jury, must —
 - (a) consider the factors set out in subsection (2) ...

to which I will come, and:

- (b) having regard to those factors, reduce the amount of damages —
 - (i) in the case of a claimant who has been convicted of an offence other than a profit motivated offence — by a percentage that the jury or the court (as the case requires) considers appropriate;
 - (ii) in the case of a claimant who has been convicted of an offence that is a profit motivated offence — by a percentage that the jury or the court (as the case requires)

considers appropriate, being a percentage that is not less than 90 per cent.

That gives effect to the distinction I referred to earlier. For someone who is convicted, let us say for present purposes, of an ordinary offence, that person's amount of damages can be reduced to the extent of an amount lying anywhere between 0 per cent and 100 per cent; but in the case of somebody who has committed and been convicted of a profit-motivated offence, there is an initial or minimum threshold of 90 per cent, but it could be more than 90 per cent.

The factors that the court or the jury must consider are set out in subsection (2), and those factors are to be considered in all cases to which this part applies, whether the offence is an ordinary offence, as I have described, or a profit-motivated offence as defined. Those factors are:

- (a) the number and seriousness of the claimant's previous convictions; and
- (b) the nature of the relationship between the claimant and the prisoner including any agreement, arrangement or understanding with respect to criminal activity; and
- (c) the relationship (if any) between the conduct constituting an offence for which the claimant has been convicted and the conduct constituting an offence for which the prisoner has been convicted; and
- (d) the claimant's character, behaviour or attitude at any time, whether before, during or after the commission of an offence for which the claimant has been convicted, including any evidence of rehabilitation, remorse or subsequent offending; and
- (e) any other factor that the court considers relevant.

They are pretty broad-based factors, but we can see that were a claimant to satisfy all of those factors in that — for example, the convictions they have are serious, that they had a close and working relationship with the prisoner concerned in relation to criminal activity and the character and behaviour of the claimant, as well as any other factors — it would give you a fairly wide range of issues upon which to consider a reduction of damages.

Importantly, proposed section 28LAH would apply these provisions to any current and future litigation. As I said, the opposition does not oppose this provision. We have sought and we have been given, I think I can say, reasonable assurances that the provisions are sound in the way that they have been drafted. I do not say that as reserving our position. I just make the point that people would have an issue around some provisions and that on the advice I have been given I am certainly satisfied that those provisions are sound.

It is important to acknowledge also that there are obviously many circumstances in which the bill will not apply. It will not apply to persons held on remand or in police cells, and it will not apply to claims by minors or claimants with juvenile convictions. When you look at the provisions of the bill you can see that they will apply in only a very narrow range of circumstances.

We in the coalition are satisfied that this bill is consistent with the expectations of the Victorian public. We are satisfied also that the provisions of the bill have been soundly drafted and will achieve the purposes for which the bill has been introduced and, as I said, the coalition does not oppose this bill.

Mr CARROLL (Niddrie) — It is my pleasure to rise to make a contribution to the debate on the Wrongs Amendment (Prisoner Related Compensation) Bill 2015. At the outset, I thank the member for Hawthorn for his contribution, and I note the opposition's support for this legislation.

The bill gives effect to a pre-election commitment by the then opposition to review the Wrongs Act 1958 to see if it could be amended with respect to claims by relatives of offenders who are injured in custody. The bill amends the Wrongs Act 1958 to restrict the amount of damages that may be awarded for non-economic loss in respect of mental harm caused by the death or injury of a prisoner if, as an adult, the claimant has been convicted of an offence, and in particular a profit-motivated offence.

The Victorian community rightly expects that those who may have profited from criminal activity should not expect the state to compensate them to the same extent as others are compensated, especially in circumstances where their offending may have been engaged in with the prisoner in question. A similar principle is currently reflected in section 54 of the Victims of Crime Assistance Act 1996. The Victims of Crime Assistance Tribunal, known as VOCAT, in determining whether or not to make an award of assistance or the amount of assistance to award, is required to have regard to the character, behaviour and attitude of an applicant. In assessing character and behaviour, VOCAT may examine the applicant's past criminal activity and the number and nature of any findings of guilt or convictions and any other circumstances the tribunal considers relevant. This assessment is also made for applicants related to deceased primary victims of a crime.

The bill likewise amends the Wrongs Act 1958 so that a court or jury when awarding damages to a claimant for mental harm that arises in the context of the injury or

death of a prisoner must consider whether the claimant has criminal convictions. The court or jury must consider various factors, including the number and seriousness of the claimant's previous convictions; the nature of the relationship between the claimant and the prisoner, including any agreement, arrangement or understanding with respect to criminal activity; the relationship, if any, between the conduct constituting an offence of which the claimant has been convicted and the conduct constituting an offence for which the prisoner has been convicted; the claimant's character, behaviour or attitude at any time, whether before, during or after the commission of an offence for which the claimant has been convicted, including any evidence of rehabilitation, remorse or subsequent offending; and finally, any other factor the court considers relevant.

The bill provides that the court or jury, having regard to those factors and where a claimant has been convicted of an offence other than a profit-motivated offence, must reduce the amount of damages to be awarded to the claimant by a percentage the jury or court considers appropriate. While the bill provides that this reduction may be up to 100 per cent, the court or jury has appropriately broad discretion. In circumstances where the claimant has been convicted of a profit-motivated offence, the court or jury must reduce the amount of damages to be awarded by no less than 90 per cent. The greater reduction in damages for those claimants who have been convicted of a profit-motivated offence is appropriate, given the serious nature of profit-motivated offences.

Profit-motivated offences are defined by reference to the list of automatic forfeiture and civil forfeiture offences in schedule 2 of the Confiscation Act 1997. All the offences listed in schedule 2 relate to profit-driven criminal behaviour, a great deal of which is often associated with organised crime. Those offences include drug trafficking, extortion, deceptive recruiting for commercial sexual services, blackmail, armed robbery, and handling stolen goods. I note that the property offences in schedule 2 are subject to monetary thresholds of property worth \$50 000 or more. Minor convictions for theft or handling stolen goods are therefore not within the scope of profit-motivated offences.

The bill provides that where a matter is being heard before a judge and jury, the jury must decide the amount of the reduction in damages to be awarded. A jury, which considers matters of fact, is well placed to consider the factors set out in the bill, which include the claimant's criminal record. Juries perform a similar function in personal injury matters where contributory

negligence is in issue and a determination of an appropriate reduction in damages is required.

The bill is retroactive and will apply to any claims that were already on foot before the legislation commences. They will be subject to the bill's amendments unless the claim has been finally determined prior to the commencement of the legislation. I note, however, that the bill will not affect claims brought by minors or children and relates only to criminal convictions of an adult. A court will not consider whether a claimant has juvenile offences. I note further that the bill's provisions relate to mental harm arising from injuries or deaths of only prisoners. The provisions do not apply to people who are being held on remand or in police cells.

In conclusion, this bill reduces the amount of damages that may be awarded for those claimants who have made deliberate choices to break our laws for material gain. It is likely that this bill will apply to claimants in only a small category of offences, and it does not otherwise diminish the responsibilities of the state. I commend the bill to the house, wish it a speedy passage, and thank the opposition for its assistance with the passage of the bill.

Mr HIBBINS (Pahran) — I rise to speak in the debate on the Wrongs Amendment (Prisoner Related Compensation) Bill 2015. The bill restricts the amount of damages that may be awarded for non-economic loss in respect of any mental harm caused by the death or injury of a prisoner if as an adult the claimant has been convicted of an offence. Having looked at this bill in detail and consulted with stakeholders such as the Law Institute of Victoria, the Greens will be opposing this bill.

The main concern is in regard to the mandatory provisions in the bill. In his second-reading speech the Attorney-General said:

... the bill's amendments reflect community concern that people who have profited from criminal activity should not expect the state to compensate them to the same extent as others, especially where they have engaged in criminal activity with the prisoner in question.

That is a valid concern, but it can be achieved not by having mandatory provisions in the legislation but by reflecting what happens before the Victims of Crime Tribunal. In that tribunal, when awarding compensation to victims of crime, criminal history is a consideration as to whether an award of compensation should be made or what amount of damages should be awarded. A criminal history does not automatically mean that there must be a reduction in damages, nor is there any

specification on what reduction should be made for certain types of offences in a person's criminal history.

The Greens oppose the mandatory provisions in this bill because accountability in custodial and police settings is essential. This bill shifts attention away from the liability of the wrongdoer and reduces the state's duty of care for prisoners. As we have seen through the Royal Commission into Aboriginal Deaths in Custody and other reviews into deaths and injuries in detention in recent years, there is a history of authorities not putting in place measures to uphold a duty of care to prisoners. The role of the courts is essential to ensuring accountability and must not be diminished in any way.

Mandating that damages must be reduced where the claimant has a criminal conviction undermines the fact that the threat of liability of damages is a powerful means of ensuring that authorities have regard for the recommendations from reviews and royal commissions into deaths in custody and harm to prisoners in custody. This is highlighted by the report entitled *Indigenous Deaths in Custody: 1989–1996* prepared by the office of the Aboriginal and Torres Strait Islander Social Justice Commissioner for the Aboriginal and Torres Strait Islander Commission.

I refer also to the Victorian Ombudsman's review of deaths and harm in custody in March 2014, in which the Ombudsman found a number of problems within the prison system that increased the likelihood of deaths of and harm to prisoners. It included the finding that the likelihood of prisoners being physically or sexually assaulted and self-harming leading to death is greater now than at any time in recent years.

In the report on that review the Ombudsman also said that Corrections Victoria had been slow to implement changes to its suicide prevention strategies, continuing to allow prisoners identified as at risk of suicide or self-harm to access potentially dangerous items such as razor blades. Further, the Ombudsman said that over 22 years ago the Royal Commission into Aboriginal Deaths in Custody called for police and corrective services to carefully scrutinise equipment and facilities with a view to eliminating or reducing potential hanging points. Despite this longstanding recommendation, the Ombudsman's investigation identified many obvious hanging points in Victorian prisons and the Thomas Embling Hospital, placing prisoners and patients at risk of suicide or self-harm.

This bill undermines the principle of equality before the law. We could have a situation where someone with a past criminal conviction of a minor nature who has been fully rehabilitated still faces a mandatory

reduction in the compensation that they could be awarded. The concerns regarding compensation payments could be addressed in less restrictive ways, such as by making it only a consideration for the court to reduce damages where a person had a criminal history rather than its being mandatory and leaving it to the court's discretion to determine the extent of the reduction in all matters, including where a person had been convicted of a profit-motivated crime. The government should be focused on preventing deaths in custody and harm to prisoners rather than on bringing in a bill to reduce damages for prisoner-related compensation. The Greens oppose this bill and reserve the right to propose amendments in the other place.

Debate adjourned on motion of Mr FOLEY (Minister for Housing, Disability and Ageing).

Debate adjourned until later this day.

STATE TAXATION ACTS AMENDMENT BILL 2015

Second reading

Debate resumed from 7 May; motion of Mr PALLAS (Treasurer).

Mr M. O'BRIEN (Malvern) — It is a pleasure to rise to speak on the State Taxation Acts Amendment Bill 2015. I have to say at the outset that this is a very shoddy effort from this government.

The first point to make is that this government was elected after having campaigned on the commitment of no new taxes. The Treasurer — then the shadow Treasurer — on 27 November last year told 774 ABC Melbourne, 'We will introduce no new taxes', and so did the Premier. I quote the now Deputy Premier with Neil Mitchell on 3AW Mornings on 14 November 2014:

Mitchell: No new taxes?

Merlino: Correct.

Mitchell: No new fees?

Merlino: Yep.

Mitchell: No new bills, nothing going to sneak in on us?

Merlino: Nope.

Mitchell: Okay, promise?

Merlino: Yes.

This is a clear broken promise from a dishonest government. We heard so much bluff and bluster in the

Treasurer's budget speech about the government keeping its commitments. This was another Labor lie. We have new taxes and broken promises. The government does not like being reminded of the fact that it made a commitment to Victorians that there would be no new taxes and that this bill breaks that promise. I would love to see one member from the other side get to their feet in this chamber and defend it.

But of course we know that broken promises and higher taxes are in Labor's DNA, in its blood line — it cannot help itself. It is not enough that the government is forecasting an extra \$1.1 billion in taxes in 2015–16; this bill raises an extra \$333.1 million in new taxes over the next four years. Labor has driven Victoria's budget into deficit in just six months.

Mr Foley — Stay vaguely on the facts.

Mr M. O'BRIEN — The only way it is not actually in deficit — —

Mr Foley — So it's not actually in deficit!

Mr M. O'BRIEN — It is effectively in deficit. The only way Labor can stop the Auditor-General calling in the books is by refusing to hand back \$1.5 billion received for the east–west link. It is extraordinary to take money on false pretences. How can you take money to build a road, not build the road and then not send the money back? This government has damaged this state so badly in just six months that it needs to resort to over \$333 million in new taxes to try to prop up its shoddy budget. It is disgraceful. This government is selling this state down the river after only six months.

When this bill was released there was a shocked response from the development industry in this state, and not only because it was a clear broken promise but because of the damage that this botched and bungled tax grab would cause. While the Treasurer in his second-reading speech claimed that the bill supports housing affordability, you have to wonder: how do higher taxes on property support housing affordability?

Mr Nardella interjected.

Mr M. O'BRIEN — Thank you, Pauline Hanson. Thank you very much.

This new tax bill is a strong contrast to what the former coalition government did. We knew that in order to try to encourage housing affordability you release additional land to meet the demand of the market and you introduce a 50 per cent discount on stamp duty for first home buyers. That is what the coalition did. That is what I did as Treasurer: 50 per cent discounts for first

home owners. That is what it is all about. In addition to that, we created a \$10 000 grant for those buying a newly reconstructed first home. That is how you improve housing affordability, not through new taxes on property. Labor has only one answer to everything: higher taxes. That is what it is all about.

Here is what the deputy executive director of the Property Council of Australia said as reported on the Domain website:

'This new tax will add \$6000 to house and land packages in the growth areas and approximately \$19 000 to housing costs of an average home in the existing suburbs', he said.

'This cost will be passed on home buyers because of its scale and lack of implementation time for business to prepare.

'It will also act as a disincentive to foreign investment in Victoria, which is crucial to prosperity and job creation.

'The easiest way to improve housing affordability in Victoria is to stimulate the construction of new homes. This tax will discourage new home construction activity by making it more expensive to build.

That is not rocket science. It is pretty much common sense: if you put taxes on something and you make it more expensive to build, then it is more expensive to buy. It is not rocket science, but apparently it is beyond this government and it is certainly beyond this Treasurer.

This is a bill which sends fundamentally the wrong message on investing in this state. We want to attract investment into this state. We need to increase the supply of housing. We need a greater housing stock if we want to reduce pressures on housing affordability. This is a state with a growing population — nearly 110 000 additional people each and every year. We need additional housing stock to avoid putting more pressure on housing affordability. This bill makes the cost of purchasing and holding property higher. That is what it does.

Many new housing developments, especially apartment projects, need a substantial precommitment by purchasers before they can proceed. Frankly, the banks will not agree to lend money to developers unless there is already a significant amount of investment signed up at the start.

Honourable members interjecting.

Mr M. O'BRIEN — Members opposite do not understand this. Perhaps the member for Melton, who owns half of his suburb — the greatest landlord in this Parliament — knows a bit about property investment. He is pretty good at knowing a deal; he is pretty good at knowing rental yields. He has got quite a few titles

there, but even he will put the interests of his government before his own personal interests, so good on him for doing that.

Often it has been the foreign investors who have been the cornerstone investors of these large apartment developments, and if their money is not there, then projects do not go ahead. That means the jobs are not there and the housing supply is reduced. By having Pauline Hanson as its tax adviser the government is sending a message that foreign investment is not welcome in Victoria. It is going to hurt Victorians. It will hurt Victorian jobs, it will hurt Victorian housing supply, and it will hurt Victorian housing affordability.

It is not just me who has raised this concern; others have raised concern that there is a bit of a whiff of xenophobia about this bill.

Ms Thomas — That is a disgrace.

Mr M. O'BRIEN — I welcome the interjection, because I am going to read from some commentary on this. I am going to read some very interesting commentary. Here is one commentator, who said:

... I see this property tax as a reaction, not a solution ...

The additional taxes send a very near negative message to foreign investors ... There is no doubt that foreign investment in Australia's property market increases housing supply and at the same time creating more jobs.

The writer went on to say under the heading 'Does xenophobia still exist in Australia?':

While Australia and other governments around the world claim these foreign buyer property taxes are not aimed at a single nationality, I cannot help but wonder if this is the case.

He went on to say:

As an Australian of Chinese heritage, the Victorian government's newly imposed property tax on foreigners draws similarities to the Chinese Immigration Act introduced in 1855 during the Victorian gold rush. Responding to local miners, the Victorian government imposed a head tax of 10 pounds on every Chinese migrant entering a Victorian port. While times have changed, I cannot help but wonder whether xenophobia feelings specifically towards Chinese investment and migration remain in Australian society.

This was an article by Mr Jieh-Yung Lo, who is a councillor of the City of Monash — an elected representative. When we do a bit of googling and go to the *Sydney Morning Herald* we see an article headed 'On the campaign trail — the Asian-Australian story'. It says:

... Jieh-Yung Lo, the deputy mayor of the City of Monash and a Labor Party activist ...

When Labor Party activists, a Labor Party councillor, Labor Party elected representatives compare this bill to the Chinese head tax during the gold rush, you have to worry. What message is that sending in terms of Australia's and this state's investments and our economy?

Honourable members interjecting.

Mr M. O'BRIEN — You have to worry when people are interjecting and complaining that we are reading into the record comments of Labor Party activists.

It is also notable that another Treasurer has specifically ruled out following Victorian Labor's moves. This would be the Queensland Labor Treasurer, funnily enough. He said in his press release of 6 May:

We want to send out a very clear message that Queensland is open for business and that we welcome foreign property investment ...

We have a Queensland Labor Treasurer running a mile from this. He is saying foreign property investment is a great advantage for Queensland, and that it is a great policy for Queensland. But this Labor government in Victoria is sending the message that it does not welcome foreign investment.

This is not a good bill, and not even just from a policy point of view. When you actually look at the bill itself and the loopholes in it, you realise there are some amazingly inconsistent outcomes — for example, in this bill a discretionary trust with a single foreign beneficiary is treated as though all of the trust's landholdings are foreign owned. But instead of a discretionary trust, if you have a fixed trust with a single foreign beneficiary, that will only attract a pro rata surcharge based on that specified interest. Let me give the house a practical example. If an Australian family trust was set up to provide for family properties to go to the children of a family, and one of the kids falls in love with an American, goes to America and becomes a US citizen — which means they have to renounce their Australian citizenship — all of a sudden the family home in that trust is treated as foreign owned and the new surcharge applies. What a ridiculous position. I will give another example.

Mr Nardella interjected.

Mr M. O'BRIEN — I say to the member for Melton, maybe it is a gay Australian who has gone to Ireland to marry his Irish partner! Don't be xenophobic and homophobic. It is really not a good idea. This is a discriminatory bill, whichever way you cut it.

Let me give another example. In relation to the land tax surcharge, where an Australian holds 8 out of 10 shares in a company that owns the land, no surcharge applies, even though 2 shares out of 10 are held by a foreigner. But if an Australian holds an 80 per cent equitable interest in a title, then a 20 per cent surcharge applies. So basically exactly the same landholding by a foreigner is treated completely differently depending on the legal structure used. This is not a fair bill in the way in which it applies, because you would think the same foreign holdings should be taxed the same. They are clearly not under this bill.

Let us have a look at this supposed great saviour, the guidelines. Again, it is an example of how sloppy this government is that it is saying, 'Don't actually look at the bill itself. Don't worry about the letter of the law in the bill. We will get around that, and we will issue non-binding guidelines with no legal authority whatsoever. Forget the law; this is how we will actually make it work'.

It was interesting to note another backflip from the Treasurer. On 9 May the *Australian Financial Review* reports:

Mr Pallas initially held firm on the tax grab on individual buyers and developers alike, confirming it would apply to companies with majority foreign ownership, when questioned by the Weekend AFR during Tuesday's state budget lock-up.

That response prompted a storm of protest from Mirvac, Stockland and other developers who pointed out the sting would be passed through to local buyers as well.

Then it says:

Behind the scenes, major players in the property sector are furiously lobbying the Victorian Treasurer to carve out local players from the new tax.

There are concerns the new taxes — which include a separate 0.5 per cent land tax impost on absentee landlords — could scare some foreign buyers out of the state and into ... Sydney or Brisbane ...

Lo and behold, the pressure has obviously worked. The Treasurer has not had the guts, the courage or the wit to come in and say, 'This bill is a mess. I am going to amend the bill. I am going to fix up the bill'. No, he says, 'Forget the law. I tell you that I will apply it separately. I will apply it to some and I will not apply it to others'. He says, 'I will issue guidelines'. The guidelines are not legally binding. The guidelines are not instruments of this Parliament. The guidelines have no effect whatsoever. He is saying, 'I will issue guidelines' and 'Trust me, we will work out any problems'. What a joke! What an absolute joke to have this Treasurer, who cannot get the bill right, cannot get the legislation right, cannot get the law right, saying,

'Come in here and we will put guidelines around the actual letter of the law and we will decide how that actually works'.

There are certain discretions that treasurers have under tax law and they can exercise them — for example, there can be what are called *ex gratia* payments that a Treasurer can make to a taxpayer. But in order to make sure that the Treasurer is accountable, that the Treasurer acts in the public interest, those decisions have to be published. Those decisions have to be recorded and published — made public. But under these dodgy guidelines there is no publication whatsoever. In other words, taxpayers can be let off this new tax. They can be let off this new law if the Treasurer feels like it, and he does not have to tell anybody about it.

You can just imagine the next recruiting effort for Progressive Business: hey, join Progressive Business and we will get your application in front of the Treasurer for tax relief. I am sure that might make the Labor Party a lot of money as its grubby mates line up for special treatment by the Treasurer, who never has to disclose publicly to whom he is giving the exemptions.

Mr Foley — On a point of order, Acting Speaker, the government has allowed the first speaker for the opposition a fair degree of licence, but he is nowhere vaguely on the bill, and I ask that you bring him back to order and back to the bill.

Mr M. O'BRIEN — On the point of order, Acting Speaker, the Treasurer's own office provided me with a copy of the draft guidelines to which I am referring. Unless the Minister for Housing, Disability and Ageing is claiming that we should not be taking the Treasurer at his word and that in fact those guidelines have nothing to do with the matter before us, I believe I am acting in accordance with the bill.

The ACTING SPEAKER (Mr McCurdy) — Order! I will overrule the point of order. Certainly the state taxation acts legislation is fairly broad. I will allow the member to continue, because there is a fair bit of interjection from the government side as well.

Mr M. O'BRIEN — The point is that the Treasurer is saying, 'Give me this discretion, I will use it according to the guidelines' — guidelines which we have not seen in Parliament, guidelines which have no legal authority, and guidelines which have no requirement to publish what decisions are made. How are we supposed to know that it is not a whole bunch of grubby mates of the Labor Party, a whole bunch of Progressive Business donors, who are not lining up outside the Treasurer's office to have this exercise of

discretion used to look after their own business interests at the expense of Victoria's revenue? There is no accountability. There is no transparency. There is no legal authority. This is an absolute scam.

This is a government which cannot get the bill right in the first place, does not have the courage to fix it up, tries to come out with dodgy guidelines with no legal effect, and then will not even tell the public. The Treasurer will not even tell Victorians how he intends to use this power. This is appalling. What an appalling state of affairs.

The coalition wants to see this bill get the proper scrutiny it deserves, so I place on the record now that when it reaches the other place we will be referring it to a legislation committee for a proper review. We know the numbers are here to pass the bill. We know that the government will get this bill through this house, but we place on the record that we are very concerned that this bill will damage housing affordability instead of improving it. We are very concerned that this bill sends absolutely the wrong message about the need for new housing stock in this state. We are extremely concerned that there is a dodgy government with dodgy guidelines, which will not even tell Victorians how it is planning to exercise a multimillion-dollar discretion that the Treasurer is personally planning to exercise under this bill. This is another broken promise. This is another Labor lie. This shows once again why the budget is a bad budget and how this government is letting Victorians down.

Ms THOMAS (Macedon) — It is my pleasure to stand today to speak on the State Taxation Acts Amendment Bill 2015. While I am on my feet, I will take the opportunity to outline to the member for Malvern and keep him up-to-date with the opinions of key stakeholders in this debate. The Property Council of Australia and the Urban Development Institute of Australia (UDIA) have both welcomed the conversations and guidelines that the Treasurer has developed to support and supplement this bill.

The media release from the property council and UDIA today is unequivocal. It says:

Today's announcement is an important outcome for Victoria's development industry ... This is a great win for homebuyers and industry and [is] a clear sign that the government knows how to effectively engage with the business community.

What a contrast to what happened under the previous government, when there were secret side deals and no-one knew what was going on, whereas we have

been utterly transparent and have sought to engage productively with stakeholders.

Turning to the bill itself, it amends the Duties Act 2000 and the Land Tax Act 2005 to introduce measures announced in the 2015–16 state budget. This bill amends the Duties Act 2000 and the Taxation Administration Act 1997 to introduce improvements to the operation of Victoria's revenue laws. In terms of the duty surcharge for non-resident residential property owners, from 1 July 2015 a 3 per cent duty surcharge will apply to transfers of residential property to a non-resident purchaser.

Acting Speaker, I seek leave to incorporate the Treasurer's guidelines on non-resident duty surcharge.

Leave refused.

Ms THOMAS — Clearly we have an opposition that does not want to debate the issues at hand, does not want to debate the intent of the bill and does not want to recognise the work that has been going on to ensure that today we have a bill and guidelines that will ensure the certainty that the sector needs. What is more, it will tackle some of the key issues of housing affordability, but more importantly it will ensure that suitable contributions are being made to the livability of this wonderful city of Melbourne from people who seek to develop here.

I will now read the document headed 'Treasurer's guidelines — Non-resident duty surcharge' into the record. It states:

The Victorian government has introduced a duty surcharge of 3 per cent on the purchase or acquisition of residential property in Victoria by a non-resident purchaser from 1 July 2015.

Transitional arrangements are in place to ensure that the surcharge will not apply retrospectively. Therefore, non-resident purchasers who enter into a dutiable transaction (for example, enters into a contract of sale) or a relevant acquisition of an interest in a landholder that holds residential property (for example, enters an agreement or an arrangement for the relevant acquisition) before 1 July 2015, will not be subject to the surcharge.

A 'foreign purchaser' is defined as a foreign natural person, foreign corporation or a trustee of a foreign trust. In order for a corporation to be a foreign corporation, it must be either incorporated outside Australia, or have its controlling interest held by a foreign natural person, another foreign corporation or a trustee of a foreign trust. A trust is a foreign trust if the substantial interest in the capital of the trust estate is held by a foreign natural person, foreign corporation or the trustee of another foreign trust.

The Treasurer may exempt a person who has a controlling interest in a foreign corporation or a substantial interest in the capital of a trust estate of a foreign trust. A person who has an

exemption is taken not to have the controlling interest or substantial interest. The effect of this is that the foreign corporation or foreign trust will be exempt from the non-resident duty surcharge.

The persons that are intended to be exempted from the non-resident duty surcharge from 1 July 2015 are those whose commercial activities add to the supply of housing stock in Victoria (either through new developments or through redevelopment, where such development is primarily residential). All other duties that are usually imposed will remain in place. The intention to exempt from the non-resident duty surcharge remains at the discretion of the Treasurer.

The Treasurer will have regard to any one or more of the following general principles and circumstances for the exemption to apply:

(1) The nature and degree of interest or ownership and control

The degree of day-to-day control or input into the decisions of the corporation or trust a foreign person may have.

Whether the foreign person's interest in the corporation or trust only grant to them limited rights.

The remoteness of the foreign person's investment in the corporation or trust. For example, is it direct ownership or more remote through a series of other entities or investment platforms?

(2) Practical influence to determine, directly or indirectly, the outcome of decisions of the entity

Whether the foreign person acquired its controlling interest or substantial interest as part of an investment strategy solely for the purposes of obtaining an income stream.

The level of involvement of the foreign person in the investment decisions of the corporation or trust.

(3) The ability to influence the outcome of financial, operating and management decisions of the corporation or trust

Whether the directors of the corporation or trustee of the trust controlled or required to follow the directions of the foreign person.

The relationship between the persons responsible for the day-to-day operation of the corporation or trust and the foreign person.

(4) Any other relevant circumstances

In assessing other circumstances which would be relevant, the Treasurer may consider the following:

Impact on the economy

Whether the corporation with a foreign controlling interest or trust with a foreign substantial interest is actively investing in adding to the supply of housing stock in Victoria or purchasing existing property for redevelopment for the sale or use for primarily residential purposes.

Where land is acquired for development purposes, the extent and nature of that development.

The level of investment that is undertaken for development purposes and any relevant planning processes necessary to obtain approval for such development.

Competition

Whether the foreign corporation or foreign trust is able to compete fairly in the Victorian marketplace and whether there are wider consequences for Victoria.

Whether entities that are Australian based but foreign controlled will be at a competitive disadvantage in providing an equivalent service or product in Victoria compared to locally domiciled entities.

For example, in purchasing residential property for the purpose of adding to new residential supply, the Treasurer may consider the competitive advantage/disadvantage that a wholly owned Australian company may have compared to an Australian-based company with a controlling interest held by a foreign person/entity.

Impact on the community

The entity in question supplies residential stock to the Victorian market.

The level of Australian participation in the corporation that conducts its activities in Victoria with a foreign controlling interest or trust with a foreign substantial interest.

The level of use of Australian building contractors and other employees of the entity that conducts residential activities in Victoria.

Satisfaction of Foreign Investment Review Board requirements

Whether the Australian-based corporation with a foreign controlling interest or trust with a foreign substantial interest has notified the Foreign Investment Review Board (FIRB) for the purposes of purchasing residential property for development either as part of its 'annual program' or otherwise.

The nature of the approval that has been provided by the FIRB for the purposes of purchasing residential property for development.

Whether the FIRB has imposed any conditions on the entity.

Character of the controlling interest or substantial interest

The extent to which the corporation or trust operates in a transparent manner and the extent to which it is subject to adequate and transparent regulation and supervision.

The corporate governance practices of the entity.

Independence of management

The location of the entity's central management and the ability for the management to make decisions independent of the foreign person that holds the controlling interest in the corporation or substantial interest in the trust estate.

This fine set of guidelines makes the intention of the bill abundantly clear. Again, I make the point that those on the other side of the house would do well to keep themselves abreast of the developments and negotiations that this government undertakes with stakeholders to ensure that we present to this house the finest and best legislation and guidelines to ensure that, at all times, we protect the interests of the Victorian people and that, where possible, the right investments are being made in all those things that make our city so wonderful and so livable, be it our fine public hospitals, our schools or our parks. We must ensure that everyone is making a contribution, where appropriate, to all of those things that make this one of the world's greatest cities, indeed the world's most livable city.

This is a very fine piece of legislation. I commend the Treasurer for his work and for his ongoing negotiations with the property sector. Again, as the chair of the Property Council of Victoria has said, this is a government that will work with industry and is good to do business with. For all of those reasons I commend the bill and its guidelines to the house.

Mr WALSH (Murray Plains) — I rise to join the debate on the State Taxation Acts Amendment Bill 2015. I listened with interest to the contribution of the member for Macedon, who talked about the finest and the best legislation. I point out to the member that merely reading the guidelines into *Hansard* does not give them any status at all.

Ms Thomas interjected.

Mr WALSH — They are what you have said. The guidelines do not change one thing. Having the member for Macedon read them into *Hansard* does not give them any legal or legislative status at all. I commend the member for doing such a great job of reading them into *Hansard*, but they do not actually mean anything when it comes to legislation and the point of law.

I also point out to the member for Macedon, who talked about the finest and the best legislation, that this government realised the legislation was flawed before it was even debated. It does not actually work. It produces a perverse outcome and does not do what the government was proposing it would do. The simple fact is if government members want to have the finest and best legislation, they should amend their own legislation, admit they got it wrong, cop it on the chin and say, 'We got it wrong, let's amend it and put those guidelines in the legislation so that they actually have some status'.

I have some serious concerns that having guidelines that are at the discretion of the Treasurer to do as he sees fit gives the perception, if nothing else, that this could be open to rorting. I would probably phrase these guidelines as the Progressive Business guidelines, because if you pay to go to a Progressive Business function, if you put enough money on the table, that may just afford the opportunity — —

Honourable members interjecting.

Mr WALSH — It is about perception. I am not saying it would happen. But the way the legislation is structured — that is, the fact that the legislation does not contain the guidelines and that there is no reporting against them so that no-one would know who the Treasurer is giving exemptions to — means that there is the perception in the public's eye that this is open to rorting and corruption.

Honourable members interjecting.

Mr WALSH — Members on the other side might interject and make a lot of noise about it, but this is a very serious issue. If you are talking about, in the member for Macedon's words, 'the finest and the best legislation', this does not pass the sniff test. It is flawed legislation that the government has realised delivers a perverse outcome and now wants to fix with these non-binding guidelines. 'Non-binding guidelines' says to me that they do not have much status at all in this place or in the court system and that there is an opportunity for people to use these guidelines for their own personal gain.

As I said, we can call them the Progressive Business guidelines because it could be believed by members of the public that if you pay enough money to go to a Labor Party fundraising function, you may have the opportunity to sit at the table with the Treasurer and put your case forward as to why you should have a particular exemption to this.

That creates an issue in itself. Only the big players in property development would have the money to do that. The smaller developers may not have the money to pay the \$10 000-a-plate cost to go to a Progressive Business function and to then have the opportunity to potentially get exemptions under these non-binding guidelines.

This part of the legislation talks about the issue of housing affordability. I do not think we can have a debate in this place about housing affordability if we do not look at the whole issue of housing affordability. It supposedly addresses the issue of foreign buyers, which the shadow Treasurer put a very good case for in his contribution. When it comes to housing affordability,

the bigger issue is the cost of construction in this state. If we are serious about addressing the issue of housing affordability, we need to address the cost of construction, which is effectively dominated by the sweetheart deals that the Construction, Forestry, Mining and Energy Union (CFMEU) has with this government. The CFMEU has a very close relationship with the Premier of this state. The government needs to bring back a building code that gives developers in this state a reasonable chance of being able to control rogue unions, blockades and all those sorts of things that are happening. The issue around Boral Concrete is a classic example of where union power has gone too far and is adding to the cost of construction in this state. The people I talk to say that Victoria is not the place to do business if you want to build something, because the cost of construction is too high in this state.

This is not good legislation. It is not the finest and best legislation, as someone on the other side of the house described it; it is legislation that is flawed. The government already realises it is flawed and is trying to fix it with non-binding guidelines. I have set out very clearly the case for how that has at least the potential to be rorted or to lead to corruption in this state. But I think the key issue with this legislation is that the now Premier and the now Treasurer went to the election with a very clear commitment to the people of Victoria that there would be no new taxes. There would be no new taxes, there would be no new charges and there would be no increases in things to pay for this government's promises. What we have in the first six months of this new government is a major broken promise, with a new tax that adds to the cost of one part of society doing business, and it does not deliver the outcome that the government is proposing it will do.

As the shadow Treasurer clearly set out in his contribution, this legislation needs a detailed examination. We understand the government has the numbers in this house to put this legislation through, but when it goes to the upper house there is the opportunity for it to be referred to a legislation committee for that committee to have a serious look at it. If the government were serious about having good legislation, it would amend it in this house and put those guidelines into legislation or into regulations that are disallowable instruments and that have to be tabled in this Parliament so there is proper scrutiny. More importantly, the government needs to insert in those non-binding guidelines a proper reporting mechanism so that the people of Victoria can see when the Treasurer makes an exemption, who has been exempted and how much money that exemption has cost the taxpayers of Victoria. I would prefer to see proper structured guidelines so that it is clear and transparent.

I will finish where I started. This bill is flawed and leaves the perception in the eyes of the people of Victoria that it can lead to rorting and corruption. I will repeat what I said: I think we should name these non-binding guidelines the Progressive Business guidelines, because it will come down to those with the most money, who pay for the most meals at the most fundraisers for the Labor Party, who will get exemptions under these guidelines in the future.

Ms THOMSON (Footscray) — I rise to speak on the State Taxation Acts Amendment Bill 2015 before the house today. We have heard a lot of bluff and bluster from the members opposite about the state taxation bill before the Parliament — that this is a rort that we are going to perpetrate through our friends at Progressive Business. But it is not our side of the house that has a track record of doing this. It is the opposition that has the track record. We just have to look at what occurred with Ventnor to see how opposition members look after their mates. It is very important that we get on the record on this side of the house that we do things appropriately and properly but we are prepared to discuss with the stakeholders how legislation affects and impacts outcomes and we are prepared to make changes. That is an important difference between us on this side of the house and the opposition opposite, who did not talk to anybody, consulted with no-one and got a lot of its legislation wrong as a consequence.

I want to speak about the land tax surcharge for absentee owners. From the 2016 land tax year, absentee landowners will pay a 0.5 per cent land tax surcharge in addition to land tax already payable on their land holdings. I have with me the Treasurer's guidelines that reflect this, and I seek leave to table them in the house.

Leave refused.

Ms THOMSON — We have a piece of legislation that has listed discretion with the Treasurer to enable him to make exemptions. These guidelines put meat on those exemptions that are already in the legislation, and members opposite are not prepared to have those guidelines tabled. I want to say this: there are numerous pieces of legislation that are backed up by guidelines, including federal taxation law, for which there are lots of elements of guidelines that explain the taxation law and its implications and who it affects. This is no different. I shall read the document headed 'Treasurer's guidelines — Absentee owner surcharge' into *Hansard*. It states:

The Victorian government has introduced a 0.5 per cent land tax surcharge on land owned by absentee persons, to apply from 1 January 2016.

An 'absentee person' is defined as a natural person absentee, an absentee corporation and a trustee of an absentee trust. A natural person absentee is a person that is not an Australian or New Zealand citizen or a permanent resident of Australia, who does not ordinarily reside in Australia. An absentee corporation is a corporation incorporated outside Australia or a corporation in which an absentee person, or that person together with another absentee person, has a controlling interest. An absentee trust is a trust that has at least one absentee beneficiary.

The Treasurer may, in relevant circumstances, exempt an absentee person, who holds a controlling interest in a corporation, from being taken to have that controlling interest. The effect of this is that the corporation will not be an absentee corporation, and therefore will be exempt from the surcharge.

The exemption will continue to apply subject to there being no material changes to the circumstances that gave rise to the exercise of the Treasurer's discretion in relation to an absentee owner.

The persons that are intended to be exempted from the absentee owner surcharge from 1 January 2016 are those whose activities include the management of housing stock in Victoria (either through new developments or through redevelopment, where such development is primarily residential) and such management is conducted through an Australian-based entity. All other taxes that are usually imposed will remain in place. The intention to exempt from the absentee owner surcharge remains at the discretion of the Treasurer.

The Treasurer will have regard to the following general principles and relevant circumstances for the exemption to apply:

(1) The nature and degree of interest or ownership and control

The degree of day-to-day control or input into the decisions of the corporation that the absentee person may have.

Whether the controlling interest is predominantly held by one absentee person or whether it is fragmented among a number of absentee persons. If the latter, whether those persons are related or connected.

(2) Practical influence to determine, directly or indirectly, the outcome of decisions of the corporation

Whether the absentee person acquired its controlling interest as part of an investment strategy solely for the purposes of obtaining an income stream.

The level of involvement of the absentee person in the investment decisions of the corporation.

(3) The ability to influence the outcome of financial, operating and management decisions of the corporation

Whether the directors of the corporation controlled or required to follow the directions of the absentee person.

The relationship between the persons responsible for the day-to-day operation of the corporation and the absentee person.

In the case where the controlling interest is held by a number of absentee persons, the number of those persons and whether they ordinarily act together to influence the outcome of decisions of the corporation.

(4) Any other relevant circumstances

In assessing other circumstances which would be relevant, the Treasurer may consider:

Impact on the economy

Whether the absentee corporation's commercial activities include the development and management of housing stock in Victoria.

Whether the absentee corporation is withholding land from being made available for development or sale in Victoria and not actively adding value to the property.

Competition

Whether the absentee corporation is able to compete fairly in the relevant marketplace and whether there are wider consequences for Victoria.

Whether entities that are Australian based but foreign controlled will be at a competitive disadvantage in providing an equivalent service or product.

For example, where an Australian-based company with a controlling interest held by a foreign person/entity owns residential property and is renting or selling those properties, the Treasurer may consider the extent to which the property is managed by the Australian operations of a company with a controlling interest held by a foreign person/entity.

Impact on the community

The entity in question supplies or intends to supply residential stock to the Victorian market.

The level of Australian participation in the absentee corporation.

The nature and extent of the corporation's business activities in Victoria and the extent to which the corporation utilises local labour (employees or contractors) or local resources, such as materials or services.

Satisfaction of Foreign Investment Review Board requirements

Whether the absentee corporation has notified the Foreign Investment Review Board (FIRB) for the purposes of purchasing property for development either as part of its 'annual program' or otherwise.

The nature of the approval that has been provided by the FIRB for the purposes of purchasing property for development.

Whether the FIRB has imposed any conditions on the corporation.

Character of the absentee corporation

The extent to which the corporation operates in a transparent manner and the extent to which it is subject to adequate and transparent regulation and supervision.

The corporate governance practices of the entity.

Whether the corporation carries on a business activity in Victoria or whether it is merely a passive property investor.

Independence of management

The location of the corporation's central management and the ability for the management to make decisions independent of the absentee person that holds the controlling interest in the corporation.

People can have a look at it and read it in *Hansard*. The reality is that we need to build the infrastructure that keeps Melbourne the most livable city in the world and to do that we need everybody contributing. Victorian taxpayers already contribute to that process, so why should not those from overseas also contribute to the infrastructure from which they make a profit when they own those properties?

There will be exemptions for developers. When developers are making a positive contribution to the Victorian economy, there will be the capacity to exempt developers, and when they are adding legitimately to our housing stock, they will be exempt. In terms of not having guidelines and having people say, 'This is inadequate', I say no, this is well and truly adequate. These guidelines are adequate. They ensure that people who should be paying will be paying, just as every Victorian taxpayer already pays. It is important, and I know that Victorians welcome this piece of legislation because they know they need the infrastructure. We know we need the roads. We know we need the public transport. We know we need the parks and the community centres — the things that bring people together and the intangibles that make Melbourne the most livable city in the world.

We know that everyone should be paying their fair share and contributing to that, and that applies to those who buy and purchase property who do not reside in this state. They should do the same. Why should those from overseas be exempt from contributing to this economy, from contributing to the betterment of our infrastructure and to the social fabric of our community? That is why I commend this bill to the house and commend the guidelines to the house. I note that this has the support of the Property Council of Australia.

Mr MORRIS (Mornington) — The approach of government speakers in this debate is very much emblematic of the train wreck that has become state Labor taxation policy. This government's actions in

introducing legislation without, and now requiring the guidelines to be read into the record simply indicate the extent of the challenge the Treasurer finds himself faced with. The point about the words that have been read into the record is that if they are to be worth the paper they are written on, they need to be contained in the bill. They should have been in the bill that was introduced into this house two weeks ago. They should not now be read into the record by two members, one new, admittedly, but one who certainly has been around long enough to know better.

This bill is an integral part of the budget process, and as the budget papers clearly show, unemployment in this state under Labor will be higher and will last longer than was forecast just a few short months ago. It will be higher than forecast in the pre-election budget update. Under the circumstances you would think it would not be unreasonable for this government to take action to stimulate employment. You would think it would not be unreasonable for it to take action to lower the financial pressure that is now being felt by many members of the Victorian community. The course mapped out, however, by this bill — the course mapped out for taxation — is 180 degrees away from the direction promised by the government ahead of the election. The government promised to take action to create jobs, and it promised to take no action that would destroy jobs, yet this bill potentially does exactly that.

Specifically the government promised there would be no increases in taxes, there would be no increases in charges, there would be no increases in levies and there would be no increases in debt. A number of those are outside the ambit of this bill but taxes are certainly not, and introducing a new tax is exactly what this bill will do.

The shadow Treasurer gave a number of quotes in his contribution. I have many quotes from the Premier, the Deputy Premier and the Treasurer before the election saying, 'No new taxes. No increased taxes. We won't go there'. They have broken that absolutely core promise. This is a new tax, it is an increased tax, and it is an increased burden, not only on the targeted group but on the Victorian community.

The centrepiece of this bill is apparently the government's revenue strategy for this budget. It is not a reduction in stamp duty, not a reduction in WorkCover costs and not a reduction in land tax. It is a tax increase. That is a novel plan, I must say. I have never, ever seen a situation where increased taxes assisted in getting the economy moving again. Apparently Victoria is going to tax its way out of

economic difficulty — by increased stamp duty and increased land tax.

The government claims to have a justification for this strategy. In his second-reading speech the Treasurer said:

... while local families have contributed significantly to the funding of government services and infrastructure through state and commonwealth taxes —

and that is all correct —

foreign investors and absentee landowners do not contribute equivalently like those living and working here do.

Apparently it is about equity. They are the Treasurer's own words. However, the fact is that not only is this tax a broken promise, the government could not even get it right when it broke the promise. While some of the government's intended targets in this legislation will certainly be hit, many local families will also be hit. Although this bill claims to be protecting them, they will be hit and hit relatively harder.

As the Minister for Planning admitted to the Public Accounts and Estimates Committee, there are some 'unintended consequences'. That is, of course, a term beloved by some, but the translation is that the government has failed to think through the consequences of its actions. There are unintended and punitive consequences for Victorian families who are trying to purchase a home, often for the first time. You can go to Cranbourne, to Clyde, or to Mernda and buy a block of land at an average cost of about \$200 000 a block, and you get slugged an extra 3 per cent: an extra \$6000. That may not mean a lot to the Treasurer, but it certainly means a lot to families who are trying to get their feet on the home ownership ladder. They are going to be slugged \$6000, just because the block they want has been developed by Stockland, Mirvac or other companies that have similar ownership arrangements. They are companies that have extensive operations in Australia and employ significant numbers of Victorians, but they also have substantial foreign ownership. As a consequence of this bill, anyone who wants to deal with them, anyone who wants to buy land from them, will be slugged an extra \$6000. That is a great initiative for affordable housing!

The Treasurer has got this hopelessly wrong. The Treasurer has hatched his cunning plan to rip off Victorian families trying to get into a new home on the metropolitan fringe to the tune of \$6000. While he was planning that strategy he may well have consulted his colleague most closely concerned with this issue, the Minister for Planning. Ten days ago at the Public Accounts and Estimates Committee hearing I asked the

minister whether this plan was his idea or whether this new set of taxes was the Treasurer's idea alone. I asked him:

... can you release to the committee your department's assessment of the impact — intended and unintended consequences — in outer suburban areas?

The Minister for Planning could not provide the department's view of the impact that this new tax would have. He could not tell us what the effect was going to be on housing affordability. He could not tell us what the impact was going to be on Victorian families and he could not provide a copy of that advice to the committee. He could not tell the committee what the impact of this measure was, but it was not his fault. It was not because the minister was withholding information, it was not because he was negligent in not seeking advice on the proposal and it was not because his department was negligent in not providing that advice to him. He could not tell the committee what the impact was because neither he nor his department were consulted by the Treasurer in his rush to implement this tax — to bring this tax on. The Treasurer did not consult the minister responsible for the development of land in this state. That is an absolute disgrace.

The Treasurer was so desperate to prop up this dodgy budget that he decided he was going to throw his central promise of no new taxes overboard; this solemn commitment to the voters of Victoria was gone. Having made that decision one would think that he at least would consult on its implementation and that he would talk to the Minister for Planning. Apparently he did talk to his own office. On the testimony of the Minister for Planning, the Treasurer did talk to the Department of Treasury and Finance. However, he did not talk to the responsible minister and he certainly did not talk to the responsible department.

Now, as we are debating this botched bill, we see the flaws laid bare. We have heard about the clauses that should have been in this bill but are not. The Treasurer should now withdraw this bill and start again. Is he going to do that? No. The message is, 'Trust me, I am from the government. I am here to help'. We have the report in today's *Age*; and the member for Macedon and the member for Footscray have read many words from these non-binding guidelines into the record. Members of the house are now supposed to say, 'Okay, we will take that on trust. We will trust the Treasurer and trust these two members who have read these guidelines into the record'.

The bottom line of those guidelines is that the Treasurer has discretion. He has the discretion to grant dispensation and he can do it on a whim. There is no

transparency, there is no accountability and there is no guarantee that those powers he will have will be exercised in any way that will be available and open to the public. This bill is an absolute disgrace. With this bill, the Labor government in its first budget post the election has ditched its key election promise. It has botched an attempt to assist vulnerable Victorian families. It is ripping off people as they are trying to get a foot on the very first rung of the housing affordability ladder. It is an absolute disgrace.

Mr LIM (Clarinda) — I am very happy to rise today to speak on the State Taxation Acts Amendment Bill 2015. The bill amends the Duties Act 2000, the Land Tax Act 2005 and the Taxation Administration Act 1997. We are all aware that housing affordability has been a growing issue in this state for many years. Victorians are widely regarded as being unfortunate to live in one of the least affordable housing markets relative to other states and countries. Our ratio of debt to household income has reached uncomfortable levels, and recent warnings from the Australian Prudential Regulation Authority regarding lending has led to many of our major banks making policy changes to ensure we operate in a more responsible climate.

For some segments of the market prices have moved beyond reasonable reach. For many people yet to buy their first home the prospect of home ownership is becoming more distant as the price of housing continues to rise. Unfortunately in this hoo-ha and debate about the price of real estate going through the roof, some sectors of the community tend to point the finger at overseas buyers, blaming them for creating this situation where the price of housing, especially apartments, is going up and up. However, nobody seems to be pointing out the fact that the high demand from overseas buyers is creating a housing boom, and in the process overseas buyers are creating economic activity and employment. In fact, they are bringing prosperity to our state. To suggest that foreign buyers are creating problems for us is just ludicrous and most patronising and condescending to say the least.

The State Taxation Acts Amendment Bill 2015 aims to place Victorians in a more competitive position in the housing market. Recent data suggests that up to 20 per cent of new properties are being bought by foreign buyers. This has put pressure on supply, and it has kept many Victorians out of the market. I understand that. Non-resident and foreign buyers do not contribute to the funding of government services and infrastructure in the same way that ordinary Victorians do, and we can never forget that or get away from the fact. Many foreign investors do not even rent out their purchased investment properties; they are just absentee

landowners banking on the capital growth of the property.

I personally have been approached and asked to help with some absentee landlords, who have been absent for a long period after buying a property. I was asked to help deal with this problem in Waterways, which is in my neck of the woods. Some of these houses have been occupied by squatters, and the landlords get into trouble trying to evict them. It is incredible how difficult it can be for landlords to get squatters out of these brand-new houses. It is also a problem in that sense.

The capital growth that foreign investors aim to capitalise on is often a result of the services and infrastructure growth that has been funded by Victorians. The community has rightly expressed the reasonable view that non-resident and foreign owners of Victorian real estate should also make a contribution in these areas. This is only reasonable. As a result, the Victorian government will impose a 3 per cent stamp duty surcharge on the purchase by a foreign purchaser of a residential property in this state, effective from 1 July. This surcharge aims to lessen the impact of distortions created by the increasing foreign ownership of Victorian real estate. In addition, the bill introduces a 0.5 per cent land tax surcharge for absentee landowners to apply from 1 January 2016.

These surcharges will go some way towards addressing the price impact foreign purchasers and landowners are having on Victorian residential property. They also address the growing inequity between established home owners and portions of the community yet to buy their first home. The measures in the bill will lower the barriers to the housing market for first home buyers. I heard contributions from other members, especially those on the other side of the house, in which it was suggested that this creates a problem for first home buyers. However, the bill is quite clear that it will not impact on first home buyers, especially Australian residents. It will only have an impact on foreign buyers. That should be made clear; it should be understood and it should not be twisted around.

From my personal experience of dealing with overseas buyers, I think it would be an understatement to say that no matter what price or mark-up we put on real estate in this town, which is the most livable city in the world, buyers, particularly those from overseas, and particularly those from China, will still continue to flood to this state. The attractions of the state are just enormous. We have very clean air compared to Shanghai and the other main cities of China. We have the best management of traffic and congestion; we have blue skies; and the water quality and waste

management processes we have are not comparable in any city these buyers come from. The attraction is so tremendous that no matter what surcharge you put on real estate, they will still come. I believe very strongly that we will continue to attract them.

It is not only overseas buyers we have to think about. During the 11 years Labor was previously in government, Melbourne attracted the most migrants of all Australian capital cities. Although our population base is only 25 per cent of Australia, we attract more than 30 per cent of the migrants coming into this country. That speaks volumes about the fact that we will continue to have that population explosion — and of course we know that soon we will be surpassing Sydney in terms of the sheer size of our population. That also speaks volumes about the fact that we are the most livable city in the world. If we manage this right, we will continue to hold onto that title.

The bill also aims to support the small business community in Victoria. We recognise the contribution small business makes to our state through the economy, employment and the provision of essential goods and services. The bill reduces the cost of running a small business. There is no doubt about that. Under this bill, from 1 July vehicles classed as mobile plant or plant-based special purpose vehicles will be exempt from motor vehicle duty on the registration or transfer of registration of these vehicles. This includes vehicles such as excavators, bulldozers, tractors and other vehicles that are essential to the ordinary activities of some of our small businesses. Removing this duty will go a long way towards helping our people in small businesses.

The bill also makes amendments to the Duties Act to ensure that it will not prevent a person from accessing concessional landowner treatment as a result of technicalities within the act. Where the concession is intended to apply, the bill makes it easier for it to be applied. In contrast, the bill also aims to close a loophole around the definition of a private company to avoid the payment of landholder duty. I commend the bill to the house.

Ms STALEY (Ripon) — This bill provides for the imposition of an additional stamp duty of 3 per cent on the market value for foreign purchasers when they acquire residential property. I want to talk about three main areas that I have concerns about in this bill. The first is that it is a new tax, the second is that it discriminates against foreigners and the third is that it will not achieve the government's stated goal of improving housing affordability. I also note in passing that the bill is so poorly drafted that the government has

had to do a deal with industry and introduce discretionary guidelines to correct a major flaw in it.

Turning to my first objection, I understand that the shadow Treasurer may have made some remarks along a similar vein, but I just cannot resist referring the house to comments made on 14 November 2014 by the now Deputy Premier on Neil Mitchell's 3AW program. Mr Mitchell asked, 'No new taxes?'. Mr Merlino said, 'Correct'. Mr Mitchell asked, 'No new fees?'. Mr Merlino said, 'Yep'. Mr Mitchell asked, 'No new bills; nothing going to sneak in on us?'. Mr Merlino said, 'Nope'. Mr Mitchell said, 'Okay; promise?'. Mr Merlino said, 'Yes'. Not only do we have a new tax, we have a clear broken promise. The Premier, the Deputy Premier and all of those opposite need to recognise that. I know they do not talk about that very much, but this is a clear broken promise.

I will now move on to my second concern, and that is that by its nature the bill sets out to discriminate against foreigners. I would like to quote Dr Mikayla Novak from the Institute of Public Affairs, where I used to work.

Honourable members interjecting.

Ms STALEY — That is right, I say to those opposite — where I used to work. A media release of 5 May states:

'A lowlight of this budget is the shameless and xenophobic tax imposts on foreign home buyers, raising \$330 million over four years', says Dr Novak.

'This unconscionable measure will certainly make foreign investors think twice about purchasing properties here.

'It deprives Victorians of the opportunity to sell their homes to whomever they choose, and is an affront to Victoria's reputation as a tolerant, multicultural society open to all newcomers', says Dr Novak.

The government needs to be very careful that it is not seen as xenophobic with this legislation. I understand that the Treasurer would have been presented with a set of new taxes to fill the gap between the mountainous promises made and the need to at least give a semblance of a budget surplus. Somewhere on the list of things that Treasury would have come up with the Treasurer probably saw this and said, 'Oh, we'll do a tax on foreign property investors'. I suspect the Treasurer gave thanks and then the expenditure review committee gave thanks. Here was the answer: a nasty new tax. Sure, it broke the 'No new taxes' promise, but it was a tax on foreigners and they do not vote. I say again that the government needs to be very careful that it does not damage our hard-fought-for reputation in relation to being open to people coming here and

investing, because there are lots of things going on with property prices in Melbourne, in places like Balwyn, that have nothing to do with Shenzhen investors.

High house prices, which cause housing unaffordability, are largely because of a profound mismatch between supply and demand. We have had decades of high immigration with too low an infrastructure spend. Until the last government, when the then Minister for Planning, Minister Guy, opened up vast tracts of land for housing and took some pressure off property prices in the outer suburbs, we had not enough land given out for housing. It is a simple equation: if you have a lot of people here and a lot of people wanting housing, you need supply. The 11th Annual Demographia International Housing Affordability Survey puts Melbourne as the sixth most unaffordable housing market in the world. It costs on average 8.7 times the median annual income to buy a house. Until the 1980s that number was in the range of 3 times the median annual income. These high unaffordability rates have been with us for many years, since long before foreign investors became the bogeyman.

I am sure the house will be interested to know this, but back in 2007 I wrote, with Alan Moran, a report entitled *Locked Out — How Victoria's Land Supply Laws are Keeping Young People out of the Housing Market*, and I wrote that for the Institute of Public Affairs. In the report we found that the vast majority of Melburnians and Victorians value home ownership. This is what they want; housing affordability is incredibly important to them. But back in 2007 housing was unaffordable for ordinary families who were not already homeowners, and the cause of that was state government policies, especially restrictions on land release.

One of the other things that went on and still goes on is that those living near the centre in the suburbs that are regarded as having locational advantage have proved extremely adept at reducing if not stopping more development — median density development — closer in, so their prices go up a lot.

As I said, the former Minister for Planning, then a member for Northern Metropolitan Region in the Council, set out very deliberately to tackle this problem head on. He understood that the problem is supply. I repeat: the problem is supply. This government needs to get a handle on what it is going to do about supply.

Mr Richardson interjected.

Ms STALEY — I understand, it is difficult to hear the truth.

In conclusion, this bill is flawed in many ways, and I come back to the point about the attack on foreign investors. How we talk about who can come here and who can invest here and how we think about that are really important to who we are as a people. I am not sure that the government, in chasing the revenue it wants to fill its budget hole, has thought really carefully about the impacts on the kind of society we have here when it targets foreign investment as the problem. The people of Victoria are going to be extremely disappointed if this is being sold as the way to fix housing unaffordability. Housing unaffordability is a deep problem, but this is not going to fix it, and it runs the risk of sending messages to overseas investors and to overseas markets that we are not open for business and that we are not welcoming. I finish by quoting the member for Clarinda, when he said that to suggest foreign buyers are creating problems is ludicrous.

Mr PEARSON (Essendon) — I am delighted to rise to join the debate on the State Taxation Acts Amendment Bill 2015, which makes amendments to the Duties Act 2000, the Land Tax Act 2005 and the Taxation Administration Act 1997. Most of the debate today relates to the fact that this bill looks at introducing a 3 per cent stamp duty surcharge on the purchase or acquisition of residential property as well as a 0.5 per cent land tax surcharge on land owned by absentees, which will come into effect from 1 January 2016.

The reality is that we find ourselves in this situation because of the fact that significant wealth has been created in property in the last 20 years. There is a need to ensure that we have the best possible tax treatment in place and that it is applied to property to ensure that the state accesses some of this growth in capital gain.

To give an example, those of us who have been around for a while would remember 555 Collins Street, which was the Department of Human Services building, which was bought by Harry Stimoulos in 2002 for nearly \$41 million. It sold last year for \$78 million. If we look at the rough compound capital growth in that period of time, it is nearly 5.5 per cent. This initiative is important in that it helps in trying to take some heat out of the market, because when you talk with anyone who knows anything about property in Melbourne at the moment, including commercial property, they will say that the market is white hot. The reality is that there have been significant capital outflows from China into Australia in that time. The Greenland Holding Group, which is a state-owned enterprise, has four projects on

its books at the moment that are worth \$1.4 billion. It is only fair and reasonable when you have that level of capital inflow that the state have a responsibility to try to put a brake on that inflow by having a reasonable level of taxation to at least take some heat out of it and to smooth out that demand and smooth out that curve.

There is also the other point about the fact that people, ordinary investors, are buying these properties, but they are not contributing to the services that we require. To give an example, many of us would remember the Lacrosse apartments at Docklands, where a discarded cigarette butt on the eighth floor erupted into flames and burnt a significant proportion of that building. Most of us will remember seeing on the news the next night how hundreds of people were ferried out of the Lacrosse building to seek the help of the ambulance service or were moved away by Victoria Police and the Metropolitan Fire Brigade (MFB) crews that were brought in to put out the blaze. If the purchaser was a non-residential purchaser, and assuming that they had bought insurance on their property, which most reasonable people would do, they were making a contribution to the MFB, so they were paying their tax in that sense. However, they were not making any contribution in terms of, in that case, the ambulance or Victoria Police or any other ancillary service that was required to deal with the problem.

A modest measure such as this is important because it helps to ensure that there is appropriate taxation in place. We have also heard some of the hysterical contributions of those opposite saying that this is xenophobia; it is a throwback to the 19th-century attitudes during the gold rush. I listened to the contribution of the member for Malvern, and I thought that was interesting when I looked at the *Sydney Morning Herald* article in the business section of 11 October 2014 headed 'Chinese investors are pushing into Melbourne and Sydney'. There are a couple of important things to note about this article and one is contained in a quote which says:

Overseas property is a prized asset for wealthy Chinese keen to park their money and mitigate the economic and political risk of having it tied up in the People's Republic.

At one level you could say that this is just a sensible move where, if you have acquired significant capital in China where there is no rule of law and there is a risk that at 3 in the morning you will get dragged out and sent off to a labour camp and the state will take that money, then of course any sane, reasonable person in China would be keen to try to get that money out and come to a safe haven like Victoria. It is only fair and reasonable therefore that there is a price to pay for that, and you would accept it, as a modicum.

The other point to make about the article which I found fascinating was that there are charges from those opposite about xenophobia, but what would the Chinese do to us? What would the Chinese say to me if I said, 'I want to buy an apartment in Beijing'? They would say, 'You are banned from full ownership of residential property or land'. That would happen in mainland China. Moreover, if I happened to work in Hong Kong and I said, 'I have landed in Hong Kong with my wife and five kids, and I want to spend \$10 billion on an apartment' — —

An honourable member interjected.

Mr PEARSON — Five; count them. I rock up to Hong Kong, and I say I want to buy property, what would they say?

They would say, 'No, sorry. You have to work and study here for at least one year before you can buy a property in Hong Kong'. Do members know what the stamp duty is in Hong Kong? It is 15 per cent. We are saying 3 per cent and those opposite are accusing us of xenophobia, yet if I go to Beijing I cannot buy a property and if I go to Hong Kong I have to wait 12 months to buy one and the stamp duty on it would be an additional 15 per cent. There is just absolute lunacy in what those opposite have said.

I recall the hysterical contribution of the member for Malvern when talking about the changes in relation to family trusts. He said that if you have a family trust and one of your children decides to marry a foreign national, goes off to locate in another country and then marries overseas while still having a stake in a home here, that home would attract the new duty.

I remember when growing up in Wantirna in the 1970s talking to the bricklayers, carpenters, butchers, clerks and nurses. Not many of us had family trusts. Again, there is just the self-interest that we have come to expect from members of the Liberal Party in looking after their mates. They come up with the most bizarre examples. How many family trusts would there be in Victoria at the moment? How many beneficial recipients of a family trust who live in Victoria and are engaged or married to a foreign national are likely to emigrate? What nonsense. We are dealing with absolute hysteria from opposition members. It is completely and utterly groundless and makes a mockery of us all.

An important aspect of the land tax contribution, the additional levy, that I like is that it provides the state with a steady flow of income. The reality is that if you own an investment property and you make a land tax

contribution, it effectively becomes a de facto federal contribution for infrastructure. By that I mean that if you make a contribution for land tax, you deduct that from the overall income you require from that property and therefore that can be used for your own personal taxation benefits, but it also provides money to the state government at the expense of the federal government and therefore can be used for infrastructure. Again, it is important that we have a discussion about making sure that we have that steady flow of income to fund our infrastructure pipeline. It has to be paid for in some way. You have to pay for it either directly via the state or through some form of user-pays arrangement.

Another point I make in relation to this bill and which I do not think has been touched on by those opposite is that from 1 July all vehicles classified as mobile plant or plant-based special-purpose vehicles will be exempt from motor vehicle duty on the registration or transfer of registration of those vehicles. That includes equipment such as backhoes, excavators, bulldozers, headers, scrapers and tractors. This is important because it decreases the burden on the business inputs of the industries where those vehicles are used.

In the 1980s people were trying to slow down the economy by increasing interest rates. That blunt instrument was used to try to take the heat out of the economy. The reality is that in the current environment we have extremely low interest rates, but businesspeople are not spending because they are nervous and uncertain of what is before them. If you look at the sorts of initiatives and measures to encourage businesspeople to have the confidence that they can invest, including in property, plant and equipment, it will make it just a bit easier. In trying to stimulate the economy, reducing those burdens will make it easier to invest. The reality is that at the moment we have record low interest rates but the economy is sluggish. It is not growing at the rate that, say, China is growing at the moment.

As a state — and the federal government must do the same — we must try to find a way to encourage the private sector to be prepared to spend and invest, including in property, plant and equipment, in significant amounts. These changes are important because they provide that level of confidence and certainty. The measures are important, sensible, well thought out and timely. It is important that we spread the benefits of the boom.

Mr D. O'BRIEN (Gippsland South) — It is a pleasure to rise to speak in the debate on the State Taxation Acts Amendment Bill 2015.

An honourable member interjected.

Mr D. O'BRIEN — I was just invited by a member opposite to make my contribution funny. I certainly will not do that because this is not a funny business — and I could not make it any more of a comedy than the Treasurer has already created with this piece of legislation. If it were not so serious it would be hilarious. Before the member for Essendon leaves the chamber, I note that he, along with the members for Mornington, Oakleigh and Eltham, is a member of the Public Accounts and Estimates Committee (PAEC). I believe all the members of PAEC are here. We welcomed the Minister for Emergency Services, who is at the table, to the committee and she gave some great answers to our questions.

As a new member of Parliament and of PAEC, you are hoping that you will be able to get something in response when you are asking questions of ministers and that you will be able to dig into the details of the budget. I think it was two Fridays ago when we had the Minister for Planning before us and we asked him about this proposed legislation. The Minister for Planning was very quick to highlight that it was not his decision to introduce this bill. In fact his answer to our question, 'Were you consulted on this or was it a matter for the Treasurer?' was very succinct:

Mr Morris, this was an initiative that was generated by the Treasurer's office — the Treasurer's department.

But the Minister for Planning had the courage to actually come out and say:

Certainly what has arisen is a potential unintended consequence where in fact it may have caught up a range of construction and investment companies which may be majority overseas owned.

It was good that in the committee hearing the Minister for Planning acknowledged that the government had a problem.

I want to go back a step because there are not many members opposite who have not been in ministerial offices, and indeed I have been in a ministerial office. As the member for Ripon highlighted earlier in the debate, you can imagine the glee when the Treasurer's office got this little gem from the Treasury. They would have said, 'Here's an opportunity. How are we going to raise some more money? We promised we wouldn't raise any taxes. Ah, but here's one. We can say we're not raising taxes on Victorians. So, Treasurer, we'll be able to keep our promise. We're only raising these taxes on foreigners — and nobody cares about foreigners. They don't vote in the election, so we can

go ahead with this one'. You can imagine the excitement in the Treasurer's office when this came up.

But of course there are some unintended consequences, as the Minister for Planning told PAEC a few weeks ago. In his contribution the shadow Treasurer outlined very clearly that indeed there are unintended consequences. Now the government has been forced into some half-baked patch-up of this very poorly prepared legislation. We have had members opposite reading into *Hansard* the so-called guidelines that are going to fix the problem because the Treasurer and the government more generally did not have the courage to come in and say, 'Well, in fact we think we might have stuffed up on this one. We think there's a problem and we actually need to move an amendment'. I go back to what might have been the discussion in the Treasurer's office. I wonder whether there was a stuff-up or a conspiracy. We all know that when there is a chance that it is a stuff-up or a conspiracy, 9 times out of 10 it is a stuff-up.

We do not know the answer to that. Did the Treasurer think, 'Hey, here's a way we can actually raise some money and in fact we can get those greedy foreign nationals — the Mirvac's, the Australands and those others — that are developing much of our land'? Is that what people in the Treasurer's office were thinking or did they just not understand what they were doing? I do not know that we will ever know the answer to that, because we have not had the Treasurer come in and explain what went wrong and we have not had those opposite say, 'Look, we made a bit of a mistake and there are unintended consequences'.

We have seen an attempt today to fix this, with the Treasurer dropping to the *Age* the story that there will be case-by-case exemptions from a 3 per cent stamp duty surcharge on foreign property buyers. As the industry has argued, if this duty were applied to some of the foreign developers that are actually developing the land that we need developed to reduce the pressure on property prices and increase housing affordability, we would see somewhere between \$2000 and \$6000 added to the cost of blocks or houses in the growth areas of not just Melbourne but also those that are being developed by foreign-controlled firms throughout the state, including in regional areas.

We are not quite sure whether this was planned or whether the Treasurer has been caught out. The shadow Treasurer has highlighted the absurdity of what is now occurring in the government's position. Guidelines are being read in the Parliament that will apparently allow the Treasurer to exempt certain companies, and perhaps certain individuals, but we do not know whether these

guidelines provide for any transparency. Will the Treasurer be publishing a list of companies that have been exempted? Will this just be a special deal for Labor's mates? It is really important to have some clarity and transparency on this, and I understand the opposition will be moving for a review of this legislation in the upper house.

Previous speakers from the coalition, including the member for Ripon, the shadow Treasurer and the Leader of The Nationals, have highlighted what a broken promise this is. We had a commitment from the government when in opposition that there would be no new taxes, no new charges and no new fees. We had the now Premier say it on Sky News at the only debate, which was I think down in Frankston. We had the now Deputy Premier say it on 3AW — no new taxes, no new charges. But here we are, with the first budget of the new government, the first new tax and the first stuff-up. It highlights what we have been saying for many years on this side — that Labor simply cannot manage money. Even when it is trying to raise money, Labor cannot get it right.

This legislation has been botched from the start. I can imagine the shrieks of glee in the Treasurer's office turning to dust as the calls started to come in from the Property Council of Australia and the Urban Development Institute of Australia saying, 'Hang on, boys and girls, this is going to have an unintended consequence', and Labor realised it had a real problem on its hands. There would have been great concern, and I am sure some people's faces turned white. It is a real concern that we have this outcome so early in the term of this government.

Turning to budget paper 3, the revenue measures, we see that the government is planning to raise \$279.6 million from the land transfer duty surcharge on foreign buyers and an additional \$53.5 million on the land tax. That is \$333.1 million that the government has budgeted for. It is a significant amount of money. The question has to be asked: did the government understand when it was making these forecasts that it would be on Mirvac and the others, or were these exemptions factored in? We have to question whether the government's numbers are right. It is a significant issue, and \$333.1 million over the forward estimates is a significant amount of money. It is incumbent on the government and the Treasurer to explain whether or not the guidelines that have been introduced today will have a significant bearing on the revenue that will be raised from this tax and this botched process. As members opposite have outlined, we need the revenue to deliver the infrastructure and services that our state

needs, but it is really unclear at this point whether the government has got its figures right.

In conclusion, this highlights the fact that Labor cannot manage money. Even when it is raising taxes to try to find money, it manages to stuff it up somehow. In terms of financial management it would appear that the Labor government is in more trouble than Mick Malthouse.

Mr DIMOPOULOS (Oakleigh) — It gives me great pleasure to speak on the State Taxation Acts Amendment Bill 2015. I had arranged my contribution in a particular sequence, but I need to address the absolute rubbish in the contribution of the member for Gippsland South. I admire him a lot; we bonded — —

An honourable member interjected.

Mr DIMOPOULOS — Yes, we bonded at the Public Accounts and Estimates Committee very much. But to justify the statement that Labor cannot manage money I do not know how far back you would have to go. We had 11 years of Brumby-Bracks government budget surpluses and 11 years of AAA credit ratings, and then we had the federal Gillard-Rudd government, which took less taxation as a proportion of GST than the Howard government. Nevertheless, we are not here to convince people like the member for Gippsland South whose minds have been made up since they were three years of age.

There are a fair few things in this bill, but I will limit my remarks to two main aspects: the 3 per cent stamp duty surcharge on non-resident purchases of residential properties and the 0.5 per cent land tax surcharge on absentee landowners. The bill places a 3 per cent stamp duty surcharge on the transfer of residential property to a non-resident purchaser from 1 July. Further, it places a 0.5 per cent surcharge on land owned by an absentee owner from 1 January 2016. It will improve housing affordability for local purchasers by creating a duty surcharge and ongoing land tax rate that is much higher for non-resident owners. There have been reports of land banking — people holding onto properties without renting them out for pure capital growth — and it makes sense in my view that this measure should apply in those situations.

Why are we doing this? It has been said — and I would like to include it in my contribution on this bill as well — that people who have resided in this state — and they do not have to have been citizens — have paid taxes and fees over a long period of time to support infrastructure. That is not just roads and local amenities but also social infrastructure such as schools, kindergartens and a range of other things that continue

to make these places attractive to buyers. While some of that value is incorporated already in the sale price of a property, I think it is unreasonable for somebody who is only here for 5 minutes and who has no real connection to an area to be able to capitalise on the hard-won gains of others and to benefit from the improved value of a property based on other people's contributions.

So I think it makes eminent sense that we distinguish between resident and non-resident landowners for this purpose and bring them both up to an equal base. I dare say that the small amount, the small impost of this, still will not bring them up to parity in terms of the lifetime contribution a resident taxpayer would make.

I understand that between 10 per cent and 20 per cent of new properties are purchased by non-resident buyers. These investors in the residential property market have boosted prices, but as I have said, they have not contributed, so I think this makes absolute sense. I think the fine officers from the State Revenue Office (SRO) have done a good job. I think the government has also done a good job with this.

I just want to dispel some myths, as far as I can see them — —

Mr Burgess — You are a myth buster.

Mr DIMOPOULOS — That is right. You are the myth creator, and I am the myth buster.

In terms of the argument that this is a matter of revenue — for God's sake, honestly! — firstly, it is a very small proportion of the overall revenue that the government collects from stamp duty and land tax. I did some rough numbers — and I am not the Treasurer, so allow me some latitude here — and the forward estimates project expenditure of about \$250 billion and there is the forward estimates also project income from this small measure of \$330 million. The member for Gippsland South says that \$330 million is quite a lot of money. It is to you and me, but if you look at \$330 million compared to \$250 billion of expenditure over the next four years, you see it is less than half of 1 per cent. If you were in government and you wanted to have a revenue measure, surely you would make it more significant than that. You would not put your head above the parapet on an issue of 0.5 per cent of expenditure over the next four years.

The second myth is that of affordability. Another Public Accounts and Estimates Committee friend, the member for Mornington, was going on about affordability for home buyers. For God's sake, I do not know how much clearer the government and the Treasurer can make it:

this will not impact resident homebuyers. This has nothing to do with resident homebuyers. It is, as the member for Clarinda said, mischievous to say that. The Treasurer has consulted stakeholders, and it is very clear that developers, including Stockland and Mirvac and those who provide housing for Victorian citizens or residents, will not be impacted by this.

In fact do not take my word for it. We have very timely comments from the Property Council of Australia (PCA). This has probably been said before, but I am going to say it again: not only will this bill not negatively impact homebuyers, it is great news for homebuyers, according to the property council. The council says it is happy with the final outcome, and that it is a good win for industry and broadly. The PCA does not support taxes on property sectors but understands the community wants to see a greater contribution. In relation to discretion, the council is satisfied that the guidelines will ensure that homebuyers are not hit with additional fees. The council calls this a major win for homebuyers, and confirms these new taxes will not be passed on to them. So myth no. 2 is busted.

Myth no. 3 is that this is a broken promise in some way. I know this is a bit of a nuanced point, and I know the opposition likes to think in black and white, but I think the first order of relationship a government needs to have is with its citizens, the people who vote at the ballot box. Then there is another stakeholder interest, which is non-citizen residents. When former opposition representatives were making claims that there would be no new taxes, they meant it — they meant for the people who were listening to the station, 3AW, as someone mentioned, and those who go to the ballot box. They will not have any new taxes. This is not about taxes for Victorians. This is, as I said, about equalising Victorians who have made contributions for years with those who have not made those contributions yet who get to enjoy the benefits of those.

If those opposite were serious about housing affordability, they would have done something in the last four years about it. In terms of the scaremongering about fees and investment from overseas, I understand the Foreign Investment Review Board is increasing fees federally but there is no comment from the Liberal Party members in this chamber in relation to their commonwealth friends. My understanding is also that the investment has increased by double, from memory, so I do not think that is a real risk in terms of us turning foreign investment away.

I just want to conclude with a couple of points that caused me a bit of concern from the contribution of the member for Malvern.

Mr Richardson — His whole speech!

Mr DIMOPOULOS — His whole speech, of course. I do not think he can deal with complexity. The fact that we do something reasonable, which is to introduce guidelines, is anathema to him — ‘How could you possibly have discretion?’.

The guidelines do not provide the discretion; the discretion is provided for in the bill. It is in the bill; it is in the law if it is to pass this chamber and the upper house. All the guidelines do is give some sense and provide some transparency to the community about how the Treasurer will be exercising his discretion. I do not think the member for Malvern can understand that level of complexity or that governments cannot always have things black and white — you need to exercise some discretion. I also object to his reference to ‘grubby mates’. It has been said before, but the man who signed the side letter to sign away the rights of Victorians to a fair outcome then talks about ‘grubby mates’.

The last point the member for Malvern made was in relation to the bill being xenophobic. My lineage is Greek; ‘xenophobic’ is a Greek word. I can assure you that this is not xenophobic — and I have checked with my Greek friends and my Greek family. The reason I say that is that this is not based on race. It is based on resident status. I do not know how that could be xenophobic.

I think this is a good bill. I think it is reasonable. Even if it were not popular — and it is popular; it is definitely popular in my electorate — it is still good policy. I commend the government, I commend the Treasurer for putting it together and I commend the SRO for its diligence in working towards this. I commend the bill to the house.

Mr SOUTHWICK (Caulfield) — I rise to speak on the State Taxation Acts Amendment Bill 2015. We have in front of us another broken promise by the government. We have heard from the member for Oakleigh that this is not really a big figure in terms of taxation and that it is not a lot of money to worry about. In one part of the member for Oakleigh’s contribution he spoke about Labor being able to manage money, and said they are very good at doing so and that all of the examples that we have given in the past of Labor being absolutely incompetent when it comes to managing money are irrelevant.

What we have just heard from the fine member for Oakleigh has just validated that view. He has said that \$337 million is not a lot of money — there are billions

of dollars, so let us not worry about the \$337 million that this is going to raise because it is insignificant. Let me tell the house, that we on this side of the house worry about every single dollar. We will ensure that the good people of Victoria get the best services for the dollars that are raised, that money is not wasted, as we see being done by the government, and that we do not take for granted every dollar that is raised. This is a tax. Let us make no mistake, it is a tax. Labor went to the election saying it would not raise any new taxes, and guess what? Within 5 minutes here we have a new tax right in front of us.

Government members have spoken about housing affordability. There would be many members on all sides of the house who would be wanting to ensure that we have housing affordability. In my electorate of Caulfield there are many young people who struggle to afford housing.

Mr Richardson interjected.

Mr SOUTHWICK — We hear the interjection from the little boy in the back row, but let us just say there are people who are struggling for housing affordability. What this does is only add to the costs of housing for those people.

Let us just think about this for a minute. If you have an investor coming in and there is another \$6000 put onto the price, that investor will pay that \$6000 and all that will do at the end of the day is push up the price by \$6000, thus locking out those local purchasers and making sure housing is less affordable for the locals trying to get into the property market in their area. I know there are many young people in my electorate who choose to live in the local area for a whole range of different reasons, but they are forced out simply because of the skyrocketing prices.

Government members who spoke earlier said that if we cared about housing affordability we would do something about it. We did when we were in government. We freed up large parcels of land. We offered 50 per cent stamp duty discounts for first home buyers, and we provided \$10 000 grants for the construction of new homes. These were actually policies to ensure that something was being done around housing affordability — not a new tax, not more money, not more of a grab by the government that ultimately puts prices up, but a real strategy to ensure greater housing affordability.

The other concern that I have with this bill is that it sends a message to foreign investors that they are not welcome here in Victoria, so we will tax them more

than everybody else and they can go and invest somewhere else. That is not happening in the other states. The other states have woken up and said, 'No, we are going to try to attract the investment that we need'. It is not about the individual homes, because as I said earlier, the prices of the individual homes will be pushed up in those areas because ultimately the investors who want to live in those areas and are purchasing those homes will pay the \$6000 more. The question here is around the large property developments, those big developments that rely on foreign investment to actually get the property construction off the ground and ensure that there is money from many of those foreign investors to ensure that the apartments are built and ultimately made available to many Victorians.

It is really concerning when we send a message to those foreign investors that we will tax them additionally, that we will treat them differently, and also that we do not want them here in Victoria. These are questions that certainly need to be raised as part of the debate on this new bill. The tax benefits of off-the-plan purchases are reduced for foreign investors under this bill. A lot of questions are left unanswered when we look at this bill, both from the land tax perspective, which is a scheme to raise \$503.5 million over four years, and the \$276 million over the next four years for the property tax for foreign investors.

The last thing I want to mention in the debate on this bill is the haste with which it has been put together. It just shows that the government is absolutely running a million miles an hour in any direction, with no strategy and no focus. It has left it to Treasury, saying, 'Try to come up with a scheme that works here', and at the last minute it has tried to introduce guidelines as part of the legislation. The government has said, 'We do not actually know what we are doing. We have not made it part of the bill, but we have these guidelines, and it will ultimately be up to the Treasury to decide how it will treat them. And, because we were putting everything together at the last minute, do you mind if we just table it today? Or, because we cannot table it today, we will get a couple of our members to read the guidelines into *Hansard*. And if we read them in, then surely that must be enough because we can just rely on *Hansard*. And if somebody does not know, if a foreign investor does not know whether they are liable or not, they can just look up the speech of, say, the member for Footscray, who made a contribution about the guidelines, and find the guidelines there in black and white. And the member for Macedon read the guidelines, so if anybody is unsure about them, they can go to a government member's speech and find the guidelines in there somewhere and they can rely on those guidelines'.

Unfortunately, you cannot rely on the Treasury in terms of certainty, in terms of where this is going and in terms of ensuring that there is proper process, due diligence and clarity in those guidelines. What we are seeing here is something that is not transparent. The government spoke about transparency, but there is no transparency when you look at these guidelines, none whatsoever.

Ms Ward — We see through you.

Mr SOUTHWICK — Thank you. In fact, it is up to the Treasurer as to how he treats those guidelines and who does and does not get the dough. We have said before — and will continue to say it — this is a great opportunity for Progressive Business, possibly, to determine who may or may not get an exemption. The government could say, ‘You could come on up, have a bit of a meeting with us and determine that that is not a bad little project you have there, and we are sure it meets an exemption somewhere that we can help you out with. And guess what? We do not need to report it; we do not need to document it. Do not worry, we will just ensure that it is looked after’.

Ms Garrett — On a point of order, Deputy Speaker, I think we should come back to the bill now. In his contribution the member is wandering well off into territory that is completely unnecessary.

Mr Burgess — On the point of order, Acting Speaker, this has been a very wideranging debate and all speakers have been given a great deal of latitude up until now. It would not be fair to stop the speaker at this stage.

The ACTING SPEAKER (Ms Blandthorn) — Order! I ask the member to return to the relevance of the bill.

Mr SOUTHWICK — I am right at the relevance of this bill, because we are talking about the guidelines. The guidelines, which apparently exist because government members have read them into *Hansard* — we have not seen them yet, but apparently they exist — give discretion to the Treasurer. The Treasurer ultimately decides who gets an exemption and who does not. Again, when you give the power to a Treasurer to determine who will get these exemptions, there is no transparency in the process. The whole idea is that you would want transparency when you are talking about planning, development and property, but there is none whatsoever. We will certainly be looking at this very carefully in the future. I suggest this will provide a great opportunity for examination by IBAC and others.

If the government were serious about this matter, it would ensure that there was transparency as to who should and should not be paying this new tax. This is a new tax, make no mistake. It is a tax, although the government said it would not introduce new taxes. It is now introducing one and thereby breaking its promise. It is a poor lot of work from this government.

Ms KILKENNY (Carrum) — It is my pleasure to rise today to contribute to the debate on the State Taxation Acts Amendment Bill 2015. What we have heard from the nimby — that is, not in my backyard — crowd is utter hypocrisy when talking about land releases.

We have seen land releases where developments have occurred, but no infrastructure is put in place for the residents moving into those areas. We have heard about racism. We have heard about xenophobia. The irony of having those economic vandals opposite try to give us a lecture on economic management is beyond belief. It is a myth I want to see busted that those opposite are better economic managers than us on this side of the chamber.

Let us get this in perspective. No-one is saying that non-resident investors are creating a problem for Victoria. On the contrary, foreign investment in Victoria is great for Victoria’s economy. It is great for jobs. It is great for homeowners here. I am not going to quote from the Institute of Public Affairs, but I will quote from Enzo Raimondo, chief executive of the Real Estate Institute of Victoria. He says he does not expect these taxes to have a negative impact on the demand for investment properties. He also agrees that everyone should contribute to the provision of amenities and transport in Victoria.

This is not about rorting. This is not about racism. This is not about xenophobia. On the contrary, this bill is concerned with fairness and equity. It is also a bill that is concerned with housing affordability. For me in Carrum this is an issue that came up time and again. Many people, particularly younger Victorians, are concerned about housing affordability. Younger Victorians have been watching the housing market and finding it just that little bit beyond reach, and it is getting worse for them. I have spoken to many young people in my electorate. We have got high school students, university students, tradies, apprentices and young families who just want to get into the property market to buy a house for their future.

This bill will not address housing affordability, but it aims to make the local housing market more competitive. As I said, the bill is about making the tax

system fairer. We want to see everyone contribute their fair share to the funding of government services and infrastructure in this state. I am not going to focus on the technical amendments in the bill, but like others who have contributed in this chamber my focus is on the two key budget measures that are being introduced to address this issue. The first is the stamp duty surcharge of 3 per cent of the purchase price of residential housing payable by non-residents of residential property. The second, which this bill introduces, is the 0.5 per cent surcharge on land owned by absentee owners.

Since 2011 foreign investment in new residential property has jumped from 5 per cent to more than 30 per cent. In 2013–14 foreign investment in all residential real estate in Victoria totalled \$14 billion. This was up from \$5.8 billion in 2012–13. Foreign Investment Review Board data indicates that foreign investment has doubled in the last 12 months. This is not a bad thing: foreign investment is great for our economy. As I said, this bill is addressing the fairness and equity in our tax system by ensuring that those who benefit from capital growth through investing in investment properties in Victoria are contributing their fair share to the funding of government services and infrastructure. It is unfair that some investors are reaping the benefits of capital growth without contributing to the costs of infrastructure and services. In the interests of fairness, this bill will assist in addressing that inequity. It is appropriate to impose a surcharge on those investors and landowners. This will include foreign corporations and foreign trusts, and these tax measures are designed to alleviate some of that distortion in the property market. It is about getting the balance right.

They are modest surcharges requiring foreign investors to contribute to infrastructure and services. In this way, contrary to what we have heard from those opposite about who is a better economic manager of this state, this commitment by the Labor government to require non-resident investors to contribute to the funding of government services and infrastructure is responsible economic management, and I applaud the government for introducing this measure. It is about proper and responsible economic management for delivering investment in infrastructure and services in this great state of ours. This bill should not be taken to be critical of foreign investment. Foreign investment has a very important role in this state. As I said, this bill is about fairness.

I come now to the first of two budget measures, the stamp duty surcharge. It is modest at 3 per cent, and it will be calculated on the dutiable value of the

transaction and payable by non-resident purchasers of residential real estate in Victoria. It will apply in addition to any stamp duty already payable. It is estimated that this measure will raise \$279 million over the forward estimates period. A surcharge of 3 per cent for this type of purchaser is considered appropriate and in line with the need to generate revenue and to right the imbalance in the equity and fairness issue in funding government infrastructure and services across Victoria.

We have heard from members opposite about the guidelines that have been introduced — that is, guidelines that we sought to table today. Those guidelines were produced in consultation with the Property Council of Australia and the Urban Development Institute of Australia. This government always was and always will be keen to work with the industry in a productive and consultative manner. I should add, as others have indicated today, that the Property Council of Australia said, ‘We’re happy with the final outcome. This is a good win for industry’. It has also said that this will not add costs to residential purchases of property in Victoria, and that is a good thing for young families who are seeking to enter the property market in Victoria.

The second budget measure that is to be introduced is the 0.5 per cent land tax payable by absentee owners. Members have spoken in some detail about that measure. Again the legislation provides for discretion to be exercised by the Treasurer, and that is important because the exemption will apply to persons whose activities include the management of housing stock in Victoria conducted through an Australian-based entity. Again these guidelines have been prepared in consultation with the relevant stakeholders and the industry.

I stress that this government is always prepared to work with industry to address these measures. In summary, the surcharges on stamp duty and land tax are designed to make the system fairer for all Victorians. It is not about singling out particular investors; it is about ensuring that all contribute in a fair and equitable manner to the infrastructure and the services that are available in this state and in this most livable city of Melbourne.

We value foreign investment in Victoria. It creates jobs, it adds investment and it is always good for our economy. At the same time non-resident purchasers and absentee owners are enjoying capital growth on their investments without contributing to the funding of government services and infrastructure, and that is just not fair. This bill is about fairness and equity. It is about

proper and good economic management. It absolutely busts the myth that those opposite try to portray that they are somehow better economic managers of the state. I commend this bill to the house, and I commend the Treasurer for his work in preparing the bill.

Mr EDBROOKE (Frankston) — I rise to speak on the State Taxation Acts Amendment Bill 2015. Right off the bat, let us get a couple of things straight. We have heard about xenophobia, about racism and about Elvis being alive today. What other stories could those opposite make up? It is pure storytelling.

I want to quote from Josh Gordon, a guy we all know. On 19 March he wrote an article in the *Age* headed 'Liberals are not better economic managers' with the subheading 'New details suggest the Liberals rushed to close the east–west link deal for political reasons, exposing us to unnecessary risk'. The article states:

You'd be hard placed to find a poll in this country that does not put the Liberal Party ahead of Labor as the party most trusted to handle the economy.

But it's time to abandon the rhetoric from the Liberals that they are the better economic managers, certainly in Victoria, where the handling of the east–west link shows they exposed taxpayers to greater financial risk than they needed to, ostensibly for political reasons. That's not good economic management, that's economic sabotage.

The Property Council of Australia issued a media release headed 'Homebuyers dodge affordability bullet'. It states:

The exemptions outlined in the government's revised guidelines —

which were not put on the table today —

will ensure that Australian homebuilders with full or partial international ownership will not be forced to pass on the new taxes to future homebuyers.

Victorian Property Council executive director Jennifer Cunich said the changes we have secured will save aspiring homeowners thousands of dollars by exempting homebuilders from the government's new international investor taxes.

We heard before from those opposite that it was going to cost our homebuyers and that they would struggle. But the experts, the Property Council of Australia, tell us otherwise. Josh Gordon is a guy who deals with politicians every day, and he tells us that Liberals are not better economic managers.

The Property Council of Australia media release continues:

Danni Addison, the chief executive of the Urban Development Institute welcomed the result achieved today with the Andrews Labor government.

...

'This reworked, common-sense approach is both a win for the property development industry and a win for Victorian families seeking their first or next home.

Again she does not seem too worried that it will cost people more money.

'The proper use of discretionary powers established today will ensure that companies which positively contribute toward the affordability of Victorian housing will be able to continue to confidently invest in this state', said Ms Addison.

Those on the other side of the house are trying to arc up a misnomer that the credibility is gone and some dodgy things are happening. The independent Property Council of Australia does not think so.

The bill involves a number of quite technical amendments that are designed to ensure that the laws operate as intended. I will focus my contribution today on the 3 per cent stamp duty surcharge and the 0.5 per cent absentee surcharge. Non-residential purchasers are mostly investors who enjoy capital growth from their investments, which adds to their own personal wealth. We know from an article on 2 May in the *Herald Sun* that Singapore has slapped a 15 per cent duty tax on foreign investors. In the 2013–14 period foreign investors to Australia were worth \$14 billion, but the writer of this article believes that the surcharges are small and will not deter foreign buyers. This is not a problem for our house buyers and first home owners in Victoria. It is not a problem for people coming from overseas. The only people who have a problem with this piece of legislation are those opposite, because they spent four years doing nothing. It was four years of bad government. That is why they are taking us on this journey, to take the focus away from four years of nothing and four years of terrible government.

Mr Richardson — Sitting on the pine.

Mr EDBROOKE — Sitting on the pine indeed!

These foreign investors do not contribute as local families have done through many years of paying state and commonwealth taxes which fund government services and infrastructure. It is time to give families — like the families in Frankston — a break. It is these services and the growth of these services and infrastructure that drive capital growth for these investors. It is therefore appropriate that a surcharge be imposed to assist in redressing this inequality and to provide a fairer tax system.

We heard earlier what the Institute of Public Affairs had to say but I will take the house back there. Let us go to the Abbott federal budget, which although sugar-coated started to stink pretty quickly. The latest Labor modelling, which was brought to us by Jenny Macklin, shows that low-income families bear the brunt of the federal budget. A single-income family earning \$65 000 a year loses \$21 000 over a four-year period.

We all know that savings must be made here and there, but making cuts that affect hundreds and thousands of low and middle-income families is not the way to do it. In Victoria a 3 per cent duty surcharge on non-residential buyers will help to ensure that all property owners contribute to funding the infrastructure and services that contribute to their growing property values, which is only fair. People buy in Victoria because they know their properties are going to grow in value and provide them with a real asset. This legislation is an example of the way Labor manages the economy very well. It is important to note that the tax burden on Victorian residents is not being increased.

There are residents in Frankston who already find it difficult to keep their heads above water, and they find it hard to pay their rates as well. Another responsible piece of legislation introduced by the Victorian government to help with this is on rate capping. 'Hear, hear!', I hear members say. At least the Andrews government is keeping people at the heart of its policies, unlike the federal government and members on the other side of the chamber. This measure is also consistent with the government's commitment not to fund its election commitments through increased taxes. In an article in the *Australian Financial Review* of 4 May Michael Bleby said, 'Other states were likely to follow Victoria's lead' because the legislation is that good.

There are two elements to this legislation. One is the 3 per cent land transfer stamp duty surcharge on foreign buyers of residential properties, which is applicable to any individual who buys residential property in Victoria who is not a citizen of Australia or New Zealand or is not a permanent resident of Australia, including foreign corporations and trusts. The second is the 0.5 per cent land tax surcharge on an improved value applicable to any landowner who does not currently reside in Australia — for example, foreign purchasers, permanent residents and Australian citizens who own property in Victoria but do not live in Australia.

We know that foreign purchasers of residential properties are getting the benefits of owning property in Melbourne through increased property values resulting from efficient government services and infrastructure.

But they are not contributing to funding the initiation of these services and infrastructure because they are not paying taxes and charges. Property owners get the benefit of an increase in their property values and they should be paying taxes. That is only fair.

As the Treasurer has made clear, this is a surcharge designed to ensure that people contribute their fair share. The availability of services such as health, education, infrastructure and the law contributes to overall livability and to the capital growth of property. The Treasurer has discretion to exempt corporations that are already contributing to the tax base from paying these taxes. That is fair, and we have heard from the Property Council of Australia that it thinks there are sufficient guidelines in place to make sure that the government is covered.

We have considered a large range of factors and these are outlined in the guidelines, which were not tabled today because leave was refused. Critical to whether someone is a developer is a determination that the corporation is actively investing in adding to the supply of housing stock in Victoria or purchasing existing property for redevelopment for the sale or use for primarily residential purposes. Further, if a corporation is actively involved in the management of housing stock or housing property, we will make sure they are not captured by the absentee surcharge.

The government has reviewed this fiscal strategy to more closely align it with its priorities to provide services and infrastructure for all Victorians in a fiscally responsible manner, not just for the top end of town. I commend the bill to the house.

Mr WATT (Burwood) — I rise to speak on the State Taxation Acts Amendment Bill 2015. I have a number of concerns with this bill, mostly based on trust and honesty but also based on its application. I also have concerns about what this bill says about Victoria and how we feel about people from other places. I specifically have concerns about the application for exemptions under the supposed guidelines, and this is an issue I want to comment on further. I note that the member for Footscray attempted to table the guidelines today. However, I also note that the Speaker made a very clear ruling in the last sitting week in regard to the tabling of documents and when documents can or cannot be tabled. Given the Speaker's ruling, it would not have been possible for the member to table the guidelines in that form. I counsel those on the other side of the chamber to speak to the Speaker if they are unhappy about being unable to table documents. His ruling was very clear.

When we talk about the guidelines, it is my understanding that any decision to exempt corporations or taxpayers from paying the extra taxes introduced by this bill would be at the discretion of the minister. Those decisions would not necessarily be published so that people would not know who was exempted from paying these surcharges. If a company or taxpayer happened to be a member of Progressive Business, we would not necessarily know that because we would not know who was exempted. That is a serious concern for me. A number of members on this side of the chamber have raised serious concerns about probity issues with regard to exempting certain taxpayers.

The shadow Treasurer pointed out in his contribution that there are measures in place to ensure there is probity around other tax decisions that are made but apparently not with these taxes. That is of concern to me and also to other members, particular those on this side of the chamber. I know that in their heart of hearts members on the other side will also be very concerned about the possibility of the Treasurer making arbitrary decisions without some probity around them. I suspect that all members are concerned about probity, but only members on this side of the chamber have managed so far to speak up about those probity issues in regard to this bill, and that is of concern to me.

I mentioned at the start of my contribution that one concern I had was around trust. We only went to an election some six months ago and in the lead-up to the election there were discussions about taxation and whether or not particular parties could commit to not increasing taxes. I remember hearing those debates, and I remember the now Premier and the former Premier both commit to not increasing taxes beyond CPI and not introducing any new taxes, fees, fines or charges. This bill very clearly is a breach of trust. The now Premier said there would be no new taxes, but quite clearly there are new taxes in this bill. It was not just the now Premier who said it; we also know that the now Treasurer said on ABC radio 774 on 27 November last year that Labor will introduce no new taxes. Clearly the Labor Party has breached the trust that the people of Victoria placed in the now government.

I also note that on 14 November last year the member for Monbulk, the now Deputy Premier, was interviewed by Neil Mitchell. I know other members have mentioned this before, but I will say it again. The conversation went as follows. Neil Mitchell asked, 'No new taxes?'

Honourable members interjecting.

Mr WATT — It may be the third time it has been said, but you are still introducing new taxes and it is still a lie. Mr Merlino said, 'Correct'. Neil Mitchell asked, 'No new fees?'. Mr Merlino said, 'Yep'. Neil Mitchell asked, 'No new bills — nothing going to sneak in on us?'. Mr Merlino said, 'Nope'. Neil Mitchell asked, 'Okay, promise?'. Mr Merlino responded, 'Yes'.

A very clear promise was made — not by one person, but by three of the most senior people in the new Labor government. It is a very clear breach of trust and that is a very serious concern I have with this bill. The shadow Treasurer also mentioned some issues he had with this bill.

One of the things I particularly want to raise is the bill's application to trusts, especially the way in which it treats discretionary trusts from the way it treats fixed trusts. I want to pick up on the point made by the member for Essendon, who said only Liberals cared about family trusts. After looking at the *Register of Members' Interests*, which contains a summary of primary returns for 2015, I counsel the member for Essendon to speak to his colleague the member for Bentleigh. I do not think the member for Bentleigh is a member of the Liberal Party, but I note that the member for Bentleigh has a trust beneficial interest: the AZNA Pty Ltd family trust. I am not sure that it is just Liberals who have family trusts.

Honourable members interjecting.

Mr WATT — Let us go through the *Register of Members' Interests* again. Why not try Philip Alexander Dalidakis, a member for Southern Metropolitan Region in the Council? He just happens to have a trust beneficial interest in the Dalidakis family trust. So when the member for Essendon stands in this place and talks about members having family trusts he should probably have a look at his colleagues and ask them whether or not they are affected by this bill. I note that both those members probably have family members who may be living overseas who potentially could also have interests in these trusts and potentially could be affected. I think the member for Essendon needs to be very careful about casting aspersions on people who have family trusts, because members on his own side are caught up or potentially caught up in this. Members should be very careful about smearing some people when it comes to having family trusts, because it is not just Liberals who care about them. Clearly the member for Bentleigh also cares.

I make another point. It is not only the Liberal Party that is concerned about this bill. It is not only the

Liberal Party that is clearly concerned about how this bill reflects on Victoria in terms of its multicultural community. I say clearly that in my electorate, north of 10 per cent of people were born in China.

Ms Ward interjected.

Mr WATT — I hear the member for Eltham chiming in with some conversation about members who are multicultural. Let us talk about one particular person who is clearly a multicultural individual, who is clearly a member of the Labor Party and who is clearly a representative of the people in my area. I know that shadow Treasurer talked about the Cr Jieh-Yung Lo, and I note that the member for Oakleigh would also know that councillor very well, having served on council with him for some time. I make the point that the Labor councillor for the Mount Waverley ward in the City of Monash, which covers part of my electorate, is deeply concerned about how this bill is seen in the light of words such as ‘xenophobia’ — and I note that the member for Oakleigh talked about xenophobia.

This bill certainly casts aspersions on quite a number of people from different migrant backgrounds. People in my electorate are concerned about the fact that aspersions have been cast on them just because they may have a particular background that those in the Labor Party do not like. Jieh-Yung Lo is very concerned about this bill and very concerned about how this reflects on certain migrants.

Honourable members interjecting.

Mr WATT — Those opposite should be ashamed of themselves for the way they are treating people. Those opposite should be ashamed of the fact that they are introducing a bill which is a blatant broken promise. They said they would not do it. They lied. They should not be doing it, and it should not be happening.

Mr RICHARDSON (Mordialloc) — It gives me great pleasure to contribute to the debate on the State Taxation Acts Amendment Bill 2015. I will go easy with the type of flamboyant rhetoric that was used by the member for Burwood, who has become a bit of a class clown of the Parliament over the last few months.

Mr Watt — On a point of order, Acting Speaker, I ask the member to withdraw.

Mr RICHARDSON — I withdraw.

I want to touch on some of the inflammatory comments around xenophobia made by those opposite. They must have been sitting in their caucus meeting this morning, thinking, ‘Geez, we’re really light on this week, really

light on. Maybe we could talk about xenophobia. Maybe we could talk about targeting individuals’. What an absurd comment about xenophobia the member for Malvern made.

The thing about this measure is that it cannot be seen in isolation, and neither can the Victorian budget. This is one element of the Victorian budget that is aiming to deal with a number of challenges that our state and our community are facing. In terms of infrastructure challenges and the pressure that would bear down on our community over time, Infrastructure Australia guides us as to exactly what those challenges might be. I would like to draw the attention of the house to a very important document that will inform us about some of the infrastructure challenges over the next 15 years.

Infrastructure Australia says congestion threatens economic growth and living standards and estimates it could cost Australia \$53 billion by 2031. The point that is relevant there and that goes to the heart of this bill relates to the services and infrastructure demands of the future. The aim of this bill is to have those who are investing in Victoria, those who are putting money into Victoria but who are not necessarily Australian taxpayers, pay their fair share. That is what we are asking — that they pay their fair share and contribute to a growing Victoria. As these non-residents do not pay tax year after year after year, as the average resident individual does, they will pay a fair share, a surcharge of 3 per cent, to acknowledge that they are deriving the benefits of a growing economy and a growing community and that those benefits needs to be reflected in that surcharge.

In terms of some of the entertaining comments of those opposite, I note that the Leader of The Nationals referred to rorts. I think he should be careful not to throw stones in glass houses. The Office of Living It Up still has not gone through its full investigation, and some of his comments — some of the analogies he drew — were absolutely outrageous. When we are talking about paying our fair share, comments about rorts are absolutely absurd. Then we had the member for Ripon eloquently say we should just be building in the green areas and just keep developing and developing. If she had travelled down the Monash Freeway out to areas from Berwick to Pakenham in the growth corridors, she would have seen that you cannot keep putting people out there without creating local jobs for local people and delivering the infrastructure needs of the future.

It is not just about putting more people out towards Warragul; it is about asking what services they need and realising that when unemployment is rising in those

areas we have a ceiling and a cap that we need to address. To go further than that, there is over 50 years of developable land in the outer south-east, so where on earth do we get to the point of saying, 'Just release more land'? That is short-term politics and there is no innovation or vision in that kind of a statement.

If we are talking about areas that are shut off from development, you just have to look at the lack of leverage on the Sandringham railway line. I heard the member for Brighton today say that the Sandringham line is a quiet old railway line. That should not be the case. We should be leveraging our train lines and developing along them. No-one should be locked out from development; everyone should be putting in their fair share. That is the element of this Victorian budget and the bill before the house.

I want to quickly touch again on the broader economic issues we are facing and the real pressure on our infrastructure into the future. The chairman of Infrastructure Australia, Mark Birrell, summed it up perfectly when he said that Australia must act now before these demand pressures affect our living standards and economic competitiveness. We have to find fair revenue sources, and this bill is a way of trying to deal with some of those pressures.

I bring to the attention of the house some of the population challenges our nation faces over the coming years. The population is projected to grow from 22.3 million in 2011 to 30.5 million in 2031, an increase of 36.5 per cent. Almost three-quarters of this growth, or 72 per cent, is projected to be in the four largest capital cities of Sydney, Melbourne, Brisbane and Perth. We therefore have that increased demand pressure that we have to address. These are startling findings from Infrastructure Australia that go to the heart of how we find the revenue source.

Infrastructure Australia is a peak review body that has had absolutely no respect from those opposite. When it was put forward that the Melbourne Metro rail tunnel was the major priority seven years ago and funding was put into that budget by the previous Brumby Labor government to then invest, nothing was done. In fact the project was scrapped, even though it was set to return a \$1.90 economic benefit for every dollar invested.

When we look at elements of the bill it is important to reflect particularly on the surcharge and the comments made by a range of stakeholders and experts in this field. I would like to draw the attention of the house to some of those comments. Grattan Institute chief executive John Daley touched on this very point and

was very favourable in his comments. He is reported as saying that:

... there was also a legitimate argument for taxing absentee owners because non-occupying users in effect pushed up the cost of residential property ...

This goes to the heart of housing affordability. Mr Daley also welcomed the attempt to try to introduce that surcharge in relation to affordability. This is something that affects my community in Mordialloc where the median property price has increased by well over \$150 000 over the last few years. This is crunching people who have lived in that area for decades and now cannot afford the rates. At the other end of the scale you have first home buyers who simply cannot enter the market.

It is also important to note — and I know one of my colleagues reflected on this — that the chief executive officer of the Real Estate Institute of Victoria, Enzo Raimondo, said that he did not expect the taxes to have a negative impact on the demand for investment properties and agreed that everyone should contribute to the provision of amenities and transport. That goes to the heart of what this bill is all about. It is about a fair and equitable contribution, and that should not be too much to ask for. We have touched on some of those service pressures and demands.

I do not make a habit of this, but I want to put forward a quote from the Prime Minister, Tony Abbott, who said:

Yes, foreign investment has been very, very good for Australia but it's got to be the right foreign investment under the right circumstances, properly policed and it can't disadvantage Australian home buyers.

That is something we have to take into consideration as well. The federal government is doing it, but those opposite clearly have not talked to their federal colleagues about this matter. We need to consider it in Victoria as well.

Finally, in terms of some of the third-party references, the Property Council of Australia said — some members have already mentioned this but it is worth reflecting on in terms of the guidelines that have been put forward:

The proper use of discretionary powers established today will ensure that companies which positively contribute towards the affordability of Victorian housing will be able to continue to confidently invest in this state.

That is important. Another important thing to note, which goes to the heart of this bill, is the thought that foreign investment might just cease, which would be completely against trends and surveys that have been

undertaken. A survey by the National Australia Bank showed that foreign demand for new properties in Victoria has leapt from 5 per cent in 2011 to more than 30 per cent by the end of 2014. Non-residents invested \$14 billion in Victorian property last financial year, up from \$5.8 billion the previous year. Some of the challenges we are facing as an economy have been stimulated and propped up by the property industry, but what we are saying is that with this boom in demand for investment in property there should be a proper accounting of some of the infrastructure demands. When you think of a \$53 billion hole in investment, you realise that is more than the budget of the Victorian economy for one year. That is a significant amount of backlog across Australia that we are confronting.

We have the federal government investing less in Victoria as a share of gross domestic product. We are also getting less of a good outcome in GST distribution, and that is another challenge Victoria has to face. With all of these challenges and the scarcity of resources a fair share contribution is something that could significantly support attempts to address that problem.

In conclusion, I welcome the work of the Treasurer in this area. I welcome the measures in this bill, which is a snapshot of the Victorian budget. You cannot look at these things in isolation and you cannot look at the Victorian budget in isolation. This bill gives a broader narrative on what this budget is all about. It is about fairness, equality and getting the right outcomes for our state. I commend the bill to the house.

Ms WARD (Eltham) — I join my colleagues in rising to speak in support of the State Taxation Acts Amendment Bill 2015. I have to say that I would have thought that with the age and experience of those opposite there would have been more maturity in this debate and a more considered approach, but no, we are back to smoke and mirrors. It is a complete circus. I cannot believe the silliness. It was astonishing to listen to the former Minister for Side Letters. I have to say he reminds me of Lord Farquaad from *Shrek*. Why do I make this comparison? He comes in on his trusty steed, full of oomph; his colleagues lift him up off the horse; they put him down and — guess what — he has no legs. He is absolutely irrelevant. Like everything members opposite say, it is all just smoke and mirrors. All he talks about is fairytales. In all seriousness, he does not have a leg to stand on. What I find particularly objectionable is this idea that suddenly the Labor Party, the party that has championed human rights for decades, is xenophobic. Suddenly Labor members have all turned into Pauline Hanson. I fail to see how that is relevant to this debate.

I know that members opposite sometimes play silly games. They sit in the gutter, and they do things like playing the race card on the good members of the Labor Party in this house. They fail to see the ethnic diversity that we bring to this place. They fail to see the ethnic diversity we represent in this place and the ethnic diversity we have championed for decades.

Let us remember that the Australian Labor Party introduced the human rights charter in this place. It was the Labor Party that in 1975 introduced the Racial Discrimination Act. The magnificent Gough Whitlam came in on his charger and did something real. He did something that changed the landscape of this country and changed it for the better.

Let us also remember recent history regarding the Racial Discrimination Act. Let us remember what the federal Attorney-General, George Brandis, said. What was it that he said? He said everyone has the right to be a bigot. Let us talk about xenophobia. Let us talk about the Prime Minister, who in backing up his Attorney-General said:

Sometimes free speech will be speech which upsets people and which offends people.

What was the context of this conversation about bigotry? It was the federal government wanting to repeal sections of the Racial Discrimination Act. Why did it want to do that? To protect its mate, Andrew Bolt, who had said outrageous things in the newspaper about the Indigenous community. This is also the Prime Minister who thinks that the first peoples do not have the right to live where their people are. Please, bring on the conversation about xenophobia.

In 1986 Labor brought in the Australian Human Rights Commission. We have a very good record when it comes to defending equality. It is absolutely outrageous for those opposite to pretend otherwise. It just shows you how shallow and meaningless their argument is. All they can do is make useless pot shots like that, which do not actually speak to the bill but instead try to degrade and denigrate the work that the good people on this side of the house are doing — real work that will bring about fairness. This is exactly what this legislation will help to do.

As the member for Frankston said before, this is about families and individuals who work in their community. They do volunteer work, they contribute at their schools, they pay taxes and they invest in small businesses. And what do they do? They help improve their community. Their investment, their time and their money that they put into their community make a good community and it increases housing prices. It creates

value. Then investors come in wanting to buy in those communities. They want to buy in those communities where things are happening. They want to buy in those communities where families and individuals are working hard, paying their taxes and improving amenities. Why should foreign purchasers not also contribute to that good work? They should contribute. They should help improve those amenities.

It interesting to look around and go to places like realestate.com.au, which advises buying properties that have good amenities. It advises buying properties where there is good access to transport. It advises buying properties that have good access to schools. It advises buying properties that have good access to health and health facilities. Who helps to pay for those things? Governments — usually Labor governments. Where does that money come from? People who live here and pay their taxes. That is exactly where that comes from. Those overseas investors want to buy in places where there are good amenities, and it is our government taxation that pays for those amenities. Local families and local businesses work hard and put their money and effort into improving their communities and making them better.

I have some interesting quotes. If you go to yourmortgage.com.au, you will find the top 10 tips for a buying location. Tip no. 5 is ‘Follow the infrastructure’. Lisa Parker, the buyers advocate from Parker Investment Properties, says:

Infrastructure drives property prices, which is why experienced investors follow infrastructure trends.

Again, who pays for that infrastructure? Governments — generally Labor governments. It comes from the effort of those hardworking families, local businesses and individuals. Ms Parker also suggest that investors should look at where the government is upgrading infrastructure, as it is a sure sign of an up-and-coming hot spot.

Foreign investors should contribute, and I bet you that the western distributor is going to go gangbusters in the western suburbs. Foreign investors want to go where government is investing, they want to go where government is building things and they want to go where government is making things happen. Foreign investors will profit from Labor’s investment in communities, they will profit from families’ investment in their communities and they will profit from local businesses’ investment in their communities, so why should they not also contribute? They should.

If we go back to realestate.com.au, we see there is an article from only a few days ago, 22 May, which says

that you should buy a house near a school and that it is one of the smartest investments you can make. It says that whether you are going to live there or not, you should buy near a school. I am happy to say that in my electorate of Eltham I have the best schools in the state. I have absolutely fantastic schools. I have people who do not sell their houses; they stay, because it is such a fantastic place to live. The article states:

Whether you have kids or just a bit of extra cash in the bank, buying property near a school is a smart investment.

It further states:

A lot of investors look for infrastructure — hospitals and schools.

It is pretty simple: we all invest to make things better. Labor invests to make things better. There is no reason why foreign investors should not come to the party and contribute just as everybody else in this community is contributing to improve infrastructure, to build things and to make things happen.

We know that members opposite are conservatives. We know that they do not like change. They are scared of things that are different. We understand that. That is okay, but they should not get in the way of making things happen that improve the lives of people. They should let Labor get on with the job of building things, of growing things and of making things happen. Let us get on with the job, which is exactly what this legislation does. It is another step on Labor’s journey of getting on with it, getting on with its job, building things and making things happen. Frankly I find it ridiculous that we have a bunch of people on the other side of the house making a huge song and dance and saying that the sky is falling because we want foreign investors to contribute to the community in which they want to invest. I commend the bill to the house.

Debate adjourned on motion of Ms RICHARDSON (Northcote).

Debate adjourned until later this day.

APPROPRIATION (PARLIAMENT 2015–2016) BILL 2015

Second reading

Debate resumed from 5 May; motion of Ms ALLAN (Minister for Public Transport).

Mr MORRIS (Mornington) — I am pleased to rise to support the Appropriation (Parliament 2015–2016) Bill 2015. The crux of this bill is outlined in schedule 1, which is headed ‘Parliament department votes’, and an

examination of those figures identifies funding for the Legislative Assembly, the Legislative Council, the investigatory committees, the Department of Parliamentary Services and also the operations of the Victorian Auditor-General's Office (VAGO). Funding for the Auditor-General himself is dealt with by special appropriation outside this measure. Unlike most figures in the budget, which we will be addressing later this week, in this bill the funding estimate for the Legislative Council is down 3 per cent and for the Legislative Assembly it is down 0.7 per cent. The joint investigatory committees and the Legislative Council committees will carry a heavy load in this Parliament, but their funding estimates are also down 0.7 per cent. Parliamentary Services funding is up 1.7 per cent, but again in real terms it is either a zero increase or a slight decrease, while the funding estimate for VAGO itself is up some 2.5 per cent.

For my sins I sit on the Public Accounts and Estimates Committee, and — I am not making a political point — I have observed over the last five years some concerning long-term trends with the parliamentary appropriations. I will refer to some of those trends in this contribution. For the Parliament as a whole, with the exclusion of VAGO so we get a better perception of the operations of the Parliament, there is an annual appropriation of \$84.7 million in operating revenue. If you add the capital asset charges and depreciation costs, there is a further \$16.9 million, so a total of a little over \$101.6 million. But then you need to add in the special appropriations, and that takes it to a total of \$140.4 million. To put it in different terms, it is a little bit more than \$1 million per member. However, when you look at the cost of running comparative parliaments around the country and around the world, Victorian taxpayers pretty much get a bargain.

There are some issues — I indicated I would come back to this — and the starting point is the impact of the general efficiency dividend imposed on the Parliament and on departments across the public sector. In the Parliament you have in absolute terms a small unit relative to general public service standards, and in imposing the general efficiency dividend, in trying to squeeze more and more out of an organisation that has largely fixed expenses, then the only outcome will be a decline in standards. Unfortunately that is a challenge that needs to be addressed.

In terms of the proposed budget, the Presiding Officers identified some highlights in their presentation to the Public Accounts and Estimates Committee. There is almost half a million dollars allocated for the security upgrade and additional expenditure of almost \$300 000 for Legislative Council committees. It also is interesting

to look at the breakup of the costs. The operation of the Department of Parliamentary Services is about 25 per cent of the total, the capital asset charge and depreciation charge is a further 15 per cent, the Legislative Assembly is 4 per cent, the Legislative Council is 3 per cent, the committees is 7 per cent and the balance is largely member related; as I said, a relatively lean operation.

We tend to think of elections as events that involve ourselves as candidates and other candidates who want our places, but they also have an impact on the Parliament, as do the recent electoral boundary changes. In this budget, 10 office relocations are proposed as a result of those changes. To put that in perspective, I understand that there were 37 office relocation requests. While 10 relocations have been provided for — and that is a pretty good effort — it means almost three times as many requests were not able to be accommodated. There are also decommissioned offices as well.

As I mentioned, the general efficiency dividend is \$2.3 million in 2015–16 and \$3.1 million in the out years. I said I would come back to that, and just to amplify that point, there are some useful figures that have been supplied by DPS. It is instructive to look at particular aspects of parliamentary costs. The Parliament is under pressure in a number of areas. For example, if we look at electorate office rents, in the period from 2005–06 to 2017–18 — and these figures are based on the agreements that are in place — in dollar terms there is a 68 per cent increase over that time. Yet the Department of Treasury and Finance (DTF) escalation — the amount that is allowed to cover for those increases — is only 31 per cent, so there is about a \$2 million gap there. The impact of that \$2 million gap means that the sorts of areas that are available for members that are easily accessible for their constituents are declining. Offices are moving further and further away from the main street in order to accommodate that gap.

One of the other considerable pressures is the cost of not only utilities but also the precinct rent — and by the precinct, I am really talking about 55 St Andrews Place. Again for the period 2005–06 to 2017–18 there is an increase in the DTF escalation factor of 32 per cent, yet there is a real increase of 236 per cent — and that is another \$2 million gap. There is a \$4 million gap in respect of two items on a budget of not much more than \$100 million, and that imposes substantial pressure. In relation to IT and leasing, the gap is much smaller over the same period. It is about \$500 000 now. The reason that gap is much smaller is because there has been the opportunity with the changeover of equipment and so

on to drive costs down while maintaining or increasing the level of service that is provided. Those opportunities have been there, and when you look at the final slide that was provided in terms of electorate office salaries and on costs, you see that it has gone from 16.2 per cent to 25.79 per cent, so again there is a substantial variation in that area.

There are other impacts of the election, as I mentioned, such as relocations, and in the year that has just been completed, as a result of the substantial changes to the make-up of the houses, some 94 electorate offices were separated — to use the official term — and 40 members of Parliament either moved between the houses, retired or involuntarily retired leading to substantial changes there as well. That led to a requirement to induct and arrange 109 new electorate officers. There was pressure on the budget in that regard, but one would have to say, all in all, this is a well-run operation.

In terms of the house — this building that we work in — every year we get an update on the progress that has been made in catching up on years and years of incomplete maintenance work, or work that was not completed to the standard that it needed to be. It is certainly a fantastic place to work, and it is a great privilege to be able to come into this chamber. When you consider the history that is in this room, its time as both the Legislative Assembly and the House of Representatives, you realise that it is quite a room to be in. It is well maintained, but we all know there are many other parts of the building that have not been looked after as well as they could be. In part because of that, and in part simply because of age, some parts of the building do not necessarily meet the standards of a 21st-century workplace.

In making those comments, I should say that I do not in any way undervalue the tremendous amount of work that has been done, certainly during the entire time that I have been a member of this house. The ancillary facilities have changed enormously and improved enormously for the better. Every time we go away for a while and come back substantial work has been done, most recently in the corridor downstairs. That work — the security work that has been done most recently — has been done in a very cost-effective way as well. However, when you have a building some parts of which are almost 160 years old, and even the newest parts are 90 years old or rapidly approaching that —

Ms Thomson interjected.

Mr MORRIS — The interjection is about the chook house, and it is quite right, but I am not sure that we

really want to spend too much money maintaining that, apart from necessities. Hopefully it will not find its way onto the heritage register.

I should say that the new part of the permanent building is rapidly approaching 90 years of age, but the point is that if it is not maintained, it cannot function as it needs to. The terrific work that has been done over the last few years and is now being done will, I am sure, make the Parliament building serviceable for years to come; for the next 100 years or so.

Finally, when we talk about parliamentary appropriations, it is an opportunity to remind ourselves of all the terrific work that so many people do around this building to look after us and make it possible for us to undertake our work as legislators. In the Assembly we now have more hours of sitting time but in a more condensed period, and while that has had some impact on the refreshment rooms, I know it has also been a challenge for the staff. I think they have risen to that challenge magnificently.

I acknowledge the work, not only of the refreshment rooms staff, but also of our attendants — or the tour guides, to use the correct title — the clerks and all the people who work with them; Hansard, and I am certainly aware of the pressure that is placed on Hansard during the Public Accounts and Estimates Committee hearings, and it is exactly the same during every sitting week, so we also recognise the great work they do; the security staff; and all the committee staff as well. They all support us exceptionally well, and to the extent that it can be a pleasure to be here in this place doing what we do — which is for at least 95 per cent of the time as far as I am concerned — they make our life worthwhile. I commend the Appropriation (Parliament 2015–2016) Bill 2015 to the house.

Ms THOMSON (Footscray) — I rise to speak on the Appropriation (Parliament 2015–2016) Bill 2015. I do so knowing that the majority of Victorians, who are cynical about politicians and what we do, would probably consider this an overly generous budget and would not want to see us getting anything at all by way of appropriation.

Mr Morris interjected.

Ms THOMSON — Yes, that is right. We should be paying for the privilege. The reality is that our democracy is important. We see more and more countries that fall foul of democratic processes falling over, and what replaces them is anything other than an ideal situation. We need to value our democracy, including what we do in Parliament. We need to respect

what has come before us and we need to be preparing for what will come after us. As the speaker before me has mentioned, in this appropriation bill we are recognising the history of this building and of this Parliament. We are recognising that funding for the maintenance of this old building takes a great deal of the budget. Those of us in the chook house are in an office environment that is not an ideal place in which to be the most productive. However, it is nice to have some sunlight and to be able to open the windows and have some fresh air, so that is a plus.

In all seriousness, we all take the work of this Parliament very seriously. We take our roles in this chamber seriously, our commitment to our constituents seriously and the work we do on committees seriously. The legislative program that comes before the Parliament really tries to deal with the issues we are confronting in our communities now and hopefully addresses some of the issues we will confront in the future. It is important that an adequate budget is put aside to support the work done in this Parliament.

The people behind the scenes who make this Parliament tick were mentioned by the previous speaker. They are the library staff, who help prepare information packs and provide us with other information when we need it; the catering staff; and Hansard. I do not think I have ever sounded so good. I hate to think what I would sound like if it were not for Hansard, so a special thankyou to the Hansard staff. There are people who stay back when we go home and are here before we arrive, getting this place ready for us. There are the clerks and their staff and the attendants — or tour guides. There are the people who clean this place, and it must not be the easiest place to clean. There are the electricians, the gardeners and other people who keep this place looking beautiful and who make sure that we can turn on a light when we get to our offices. All those people are paid from this appropriation and it is important to remember that.

Our electorate office staff often have to deal with the brunt of a constituent who walks through the front door of an electorate office and is abusive. Our staff who need to be able to deal tactfully with that person are paid for out of this appropriation. They all help us to be able to perform and do our jobs. I am going to thank the IT staff. I know that some people have issues with IT in our electorate offices. As soon as we get rid of Lotus Notes I will be happy. The IT staff try very hard to make sure that they support us in maintaining our IT systems by keeping them up to date and keeping us switched on. All these people and things are paid for out of the appropriation.

I want to talk a little bit about the committees. The work of the committees is incredibly important because often the very best of parliamentarians in action can be seen in the work of the committees. We can address some of the big issues we are going to have to confront in more detail and, you would hope, in a bipartisan way. The committees that work well end up providing the material for legislation that meets future needs, so the work of the committees is very important. The staff who support the committees work very hard and diligently to ensure we get the best outcomes from the work done by the committees.

This is an important bill. We can talk about whether we need more money. However, we need to ensure that we are maintaining a standard of excellence in addressing legislation that comes before the Parliament and in making sure that we are best equipped to do the jobs that we have to do as MPs. I commend the bill to the house.

Mr ANGUS (Forest Hill) — I am very pleased to rise this evening to speak on the Appropriation (Parliament 2015–2016) Bill 2015. As has been mentioned, this bill provides appropriation for the Parliament. It is a very important bill, certainly for all of us in this place. Clause 1 outlines the purpose of the bill. It states:

The purpose of this Act is to make provision for the appropriation of certain sums out of the Consolidated Fund for the Parliament in respect of the financial year 2015/2016.

What an important role the Department of Parliamentary Services has. First I think of it organising and operating 128 electorate offices, employing all the staff and running the IT systems and so on. The bill also provides for the ongoing works here at Parliament House as well as the management of the committees and the funding of the Auditor-General, who is undertaking a range of financial and performance audits. A great job is being done by all the parliamentary staff in running the Parliament. They include the clerks, chamber attendants, tour guides, Hansard staff, library staff and those in security, catering, cleaning, maintenance and gardening. The MPs who serve in this place are the beneficiaries of the hard work that is being done by the many employees I have just mentioned.

Schedule 1 to the bill begins with the estimates summary for the various departments. The 2015–16 budget for the Legislative Council is \$3.1 million, for the Legislative Assembly it is \$4.6 million, for the parliamentary investigatory committees it is \$7 million, for parliamentary services it is \$86.9 million, for the

Auditor-General it is about \$15.8 million, and the total appropriation is \$117.4 million.

The split of that budget can be seen in a good document that was presented by the presiding officers at the recent hearings of the Public Accounts and Estimates Committee. A pie chart outlines the various allocations. It can be seen that the members' administered budgets account for about 30 per cent and the members' electorate offices and committees and training budgets amount to about 14 per cent. The various units of the Department of Parliamentary Services amount to 25 per cent; the committees about 7 per cent; the capital asset charge and depreciation about 15 per cent; the Council, 3 per cent; and the Assembly, 4 per cent. That gives a comprehensive overview of the funding.

On some of the challenges that have been faced, in the past year or so we have had the impact of the electoral boundary changes. It has been noted that in 2015–16 there has been a relocation of 10 electorate offices, amounting to a cost of about \$1.3 million. There have been continuing cost pressures in various other elements, including electorate office rent, precinct rent and utilities, IT leasing and data communication, and electorate office salaries and on-costs. The continuing upward pressure on costs is an ongoing challenge.

Business interrupted under sessional orders.

ADJOURNMENT

The DEPUTY SPEAKER — Order! The question is:

That the house now adjourns.

East Beach, Port Fairy

Dr NAPHTHINE (South-West Coast) — The issue I raise is for the Minister for Environment, Climate Change and Water. The action I seek is for the minister to visit Port Fairy and examine the coastal erosion problems along the northern end of East Beach, meet with the Moyne Shire Council and other key stakeholders and agree to a partnership approach involving the state government, the Moyne shire and the local community to deal with this significant erosion problem.

I note that the previous government was working with the local shire to help better understand and tackle this erosion problem at Port Fairy. Indeed the previous government provided funding of over \$300 000 in 2011, 2013 and 2014 to assist the shire in that work. I also recognise the work the Moyne shire has undertaken. It has been working hard and effectively to

protect local beaches, dunes and community assets. However, two significant challenges continue to cause concern. These are the old nightsoil site and the old tip site, which unfortunately were both in the past located in the primary dune just to the north of the popular Port Fairy East Beach. In recent times each of these sites has been exposed by large tides and erosion, causing great concern in the community. In May 2014 the council constructed a wave energy dissipation structure at the old landfill site and a wattle and wire fence at the nightsoil site. While both of these measures have been very helpful in reducing erosion, more work is needed at both sites and across the coastal area.

The action I seek from the minister is that she inspect these areas and work with the local council and local community to secure these sites and protect this vital asset for Port Fairy and the broader Victorian community. We know Port Fairy is a popular tourist destination, and East Beach is one of its major features. It is inappropriate to have the community exposed to an old nightsoil site, with discarded nightsoil cans, and an old tip site, both just to the north of East Beach. I recognise the great work that has been done by the Moyne Shire Council. I also note that the previous government was working in partnership with the department and the shire to deal with this issue, but further work is needed. I ask the minister to come down to Port Fairy, to meet with the key stakeholders and to continue the work of protecting these areas, in particular the tip site and the nightsoil site.

Whittington early years hub

Ms COUZENS (Geelong) — My adjournment matter is for the Minister for Families and Children, who is also the Minister for Youth Affairs. I ask the minister to advise what opportunities are available for the local council and community to apply for funding for an early years hub for Whittington. I have had the opportunity to attend the official openings of a number of these community hubs in the Geelong region. These hubs are impressive and greatly needed. They provide services to their communities. It has been a real pleasure to see the excitement in these communities with the opening of these hubs, and there are more to come.

However, Whittington in my electorate has very limited services, even though it is one of the most disadvantaged areas in the Geelong region. Whittington does not have a maternal health centre. It has a growing unemployment rate, the highest rate of unskilled workers and the lowest rate of people over 15 years of age who have completed year 12 in the Geelong area. Whittington also has the highest rate of people without

post-school qualifications across the Geelong region. With such a high level of disadvantage, the Whittington community deserves our attention.

I am pleased that the Minister for Education fulfilled my request for him to visit Whittington Primary School a few weeks ago. The purpose of the visit was to discuss our commitment to rebuild the school. There is genuine excitement in the Whittington community about the rebuilding of the school. There is also a desire to have a community hub alongside the school, and this was raised with the Minister for Education during his visit. It was agreed that a community hub would be a vital addition to services in the Whittington community. I am determined to work with the relevant ministers, the City of Greater Geelong, Whittington Primary School and the broader community to address this inequity that exists in my electorate. Therefore it is important to the Whittington community to know what opportunities are available for funding.

Jewish Holocaust Museum and Research Centre

Mr SOUTHWICK (Caulfield) — I raise a matter for the Minister for Multicultural Affairs regarding the Jewish Holocaust Museum and Research Centre. The action I seek from the minister is that he visit the Jewish Holocaust centre with me with a view to providing additional funding for the centre's much-needed redevelopment.

The world-renowned Jewish Holocaust Museum and Research Centre was established in 1984 as a small, grassroots initiative by a group of Holocaust survivors. It encompasses a museum, a research centre, an educational institution and a memorial place. The centre is a special place of memories and learning. Its programs and exhibitions are a tribute to the survivors and volunteers who have contributed to its development. The centre still has over 30 Holocaust survivors who actively volunteer in programs, and each student who visits the centre gets to share in their stories. Unfortunately it is becoming harder to get the volunteers to the centre, and many of their stories are being digitally recorded in order to ensure that their memories live on.

Over the past five years the centre has experienced a significant increase in student visitation, with 20 000 students from over 750 schools across Victoria now visiting annually, and growth of 20 to 25 per cent is projected over the next five years. The centre is absolutely bursting at the seams. Of the 20 000 students who visit the centre every year, 80 to 90 per cent come from schools across Victoria, and most of those are

from non-Jewish schools. In these times of extremism, the sorts of programs offered by the centre around social cohesion and inclusiveness are more important than ever.

We need to get these stories out to students from all backgrounds. I have had the privilege of hosting a number of members of Parliament from both sides of the house over a number of years on visits to the centre. I understand the minister has been to the centre a number of times himself with his family and that he understands the important work that the Holocaust centre does.

The redevelopment would include new classrooms, a display for middle school students, an upgraded main auditorium, commemorative and contemplative places and an additional facility for temple exhibitions. Under the former government we had a commitment of \$500 000 to help the further development of the centre. The centre is going to need millions of dollars for its initial redevelopment, but a contribution from the government would certainly help the centre. It would help it raise the further dollars that are much needed, and it would ultimately benefit every Victorian by assisting with the redevelopment of the centre. I look forward to the minister's response to my invitation to visit the Holocaust centre in the future to see the great work it does and to hear about the future plans it has.

Family violence

Ms KILKENNY (Carrum) — My adjournment matter is for the Minister for Police, and the action I seek is for the minister to join me on a visit to my local police station, Carrum Downs police station, to meet with officers and to hear from them about the challenges they are facing, particularly in dealing with family violence, and about the good work they are doing to support victims of family violence, particularly women and children in my electorate. Over the past five years reported family violence incidents have increased by 70 per cent to over 68 000. Local police are seeing this firsthand and are at the front line, along with other agencies and organisations, in responding to incidents of family violence. My electorate of Carrum is not immune. Family violence is everywhere; it is our greatest challenge.

The Labor government, I am pleased to say, is taking action to address family violence with an \$81.3 million package in the 2015–16 Victorian budget. The package includes funding for the Royal Commission into Family Violence to continue its investigation into this national emergency. The Labor government has also created a \$16 million fund to deal with urgent or unforeseen

demand for services arising from the royal commission, including funds for crisis support and counselling, and I know this will be very welcome relief in my electorate.

Local police in my electorate are working hard to respond to incidents of family violence and to protect and support women and children who are victims of this epidemic. I know local police at Carrum Downs police station would be keen to meet with the minister to let him know what challenges they are facing and to hear from the minister on what action is being taken by the Andrews government to address the issue of family violence in our local communities. I ask the minister to join me on a visit to Carrum Downs police station, and I look forward to showing him around.

Maroondah Highway–Cave Hill Road, Lilydale

Mrs FYFFE (Evelyn) — My request for action is for the Minister for Roads and Road Safety, and the action I request is for him to instruct VicRoads to install ‘keep clear’ signage on the road at the intersection of Maroondah Highway and Cave Hill Road in Lilydale. Currently there is inadequate signage advising motorists to keep clear and allow a space for motorists exiting Cave Hill Road onto Maroondah Highway. Traffic is often banked up for quite some distance as a result of delays caused by trains pulling in and out of the Lilydale station terminus.

While we all hope that fellow motorists display good driving etiquette and wave eager exiters through, during peak hours some drivers are less generous and they need a reminder to give way to other vehicles. Cave Hill Road is one of the main feeder roads to the very busy industrial area in Lilydale. There is a lot of traffic going in and out, a lot of trucks and a lot of deliveries. I have heard many accounts of accidents and near misses at the intersection as motorists become increasingly frustrated at not being able to exit in a reasonable time frame, causing them to engage in risky behaviour.

However, perhaps the more pressing reason for the government to take action is that the Lilydale police station is situated on Albert Hill Road. It was a curious location that was chosen by the Brumby government as it is notoriously difficult for cars to enter and exit, particularly during emergencies. For the benefit of those who are unfamiliar with the location, the entry point to Albert Hill Road is from Maroondah Highway, and the exit point is via Cave Hill Road. Although it is a brave person who fails to give way to a police car, the police sometimes find themselves stuck in traffic far longer than is reasonable, waiting for stationary cars to provide space to merge while the boom gates are down. There is a simple and effective solution to this problem.

By painting a ‘keep clear’ sign on the road at the Cave Hill Road and Maroondah Highway intersection, motorists will be prevented from blocking the Cave Hill Road entry and exit points, so vehicles can move freely while the traffic is stationary. I ask the minister to have VicRoads take immediate action to review the intersection with a view to having a ‘keep clear’ sign painted on the road as soon as possible.

Romsey pedestrian crossing

Ms THOMAS (Macedon) — The matter I raise is for the attention of the Minister for Roads and Road Safety and concerns the much-needed pedestrian crossing at Romsey that was funded in the 2015–16 Labor budget. The action I seek is that the minister visit Romsey as soon as possible to meet with local community members and representatives of the Macedon Ranges Shire Council to provide further information on the delivery of the crossing. Romsey is a fast-growing community. It is home to many young families. Meeting the infrastructure needs of these communities can be a challenge, but it was fabulous to welcome the member for Narre Warren North, now the Minister for Roads and Road Safety, to Romsey in August last year when he announced that a Labor government would improve pedestrian safety in Romsey, building a new crossing across one of its busiest roads, which is Main Road in Romsey. For those members who know the electorate, it is the Melbourne-Lancefield Road.

The Macedon Ranges Shire Council had lobbied for this new crossing for over three years, but the previous government did not listen. It was deaf to the needs of the communities of the Macedon Ranges. Indeed there were three priority pedestrian crossing projects and none of them was funded by the previous government. It was fantastic to have the now Minister for Roads and Road Safety come out in August last year and make the announcement that if elected Labor would deliver this pedestrian crossing. It is vitally important in the community of Romsey. The students at Romsey Primary School will be able to use this pedestrian crossing. There are just over 400 students at the school. It is a fantastic government school, and I am delighted that, on Friday, 22 May, the new principal, Loren Peavey, got the children to participate in Walk Safely to School Day. It was fantastic. The principal will be able to encourage many more children to take up Walk Safely to School Day when we have this much-needed pedestrian crossing in Romsey.

The action I seek, which I am sure the minister will be very pleased to take, is for the Minister for Roads and Road Safety to visit my electorate, come out to

Romsey, let us know the progress on delivery of the pedestrian crossing, meet with the community and with local representatives of the shire council and deliver this much-needed infrastructure that the previous government neglected to provide.

Bushfire prevention

Mr McCURDY (Ovens Valley) — My adjournment matter is for the Minister for Environment, Climate Change and Water, who is in the chamber this evening. The action I seek is for the minister to visit the north-east sometime in the near future and meet with community members regarding planned burns. It is really important that we continue to keep the conversation going about planned burns. Fuel reduction is very important in our region. At no stage is anybody wanting to reduce or eliminate planned burns or fuel reduction; it is just about the stakeholders being able to have a say through the process. It is a difficult matter and a delicate balancing act to get right, but it would be important for the minister to come up and hear about a few of the concerns from my constituents, particularly those from King Valley, Myrtleford, Bright and Harrietville. It is not just the communities in those main regions that have concerns, though; the area encompasses the Buckland Valley, the Hotham resort, Edi, Cheshunt, Myrree and Carboor. It is really important that those communities are heard.

There are particular issues around planned burns in the King Valley, which is a key agricultural and tourism area of the Ovens Valley electorate. The burns put the livelihoods of some local grape growers, wineries and tourism operators at risk. Each year the valley is impacted by smoke from planned burns. On behalf of Wines of the King Valley president, John Darling, I request that burns not start until after Easter, when the harvest, which runs from February to April, is nearing completion. I know there is a delicate balancing act in all of that. The smoke can impact on the quality of grapes, and it is also off-putting to tourists when the picturesque valley they choose to visit is covered in smoke haze.

Growers and the wider community support the need for fuel reduction but believe it is possible to achieve this while at the same time accommodating the needs of important local industries. At the La Fiera Myrtleford festival on Saturday I spoke with other tourist operators who would like a more balanced approach to planned burns. We can have a win-win situation.

Certainly the government's recent approach of removing cattle from the high country has provoked many questions — in fact more questions than answers

at the moment. But it is imperative that our communities have a greater say on planned burns, and on the timing more than anything, rather than becoming the last to know, which has happened on recent occasions. Bright residents have issued similar requests.

As I said from the outset, do not get me wrong: the communities want fuel reduction and planned burns; it is just a matter of getting that delicate balance right. It might even take encouragement of the minister to come to the King Valley to sample the produce of some of the wineries that we have up there to entice her to come along and enjoy some of the great — —

Honourable members interjecting.

Mr McCURDY — No, we do not deliver. You need to come to the King Valley to enjoy that.

Dandenong & District Aborigines Cooperative facilities

Ms WILLIAMS (Dandenong) — On this National Sorry Day I wish to raise a matter for the attention of the Minister for Aboriginal Affairs. I ask the minister to join me in meeting Andrew Gardiner from the Dandenong & District Aborigines Cooperative to discuss some potential avenues for enhancing their service delivery to our local Indigenous community.

The Dandenong & District Aborigines Cooperative is a crucial Aboriginal-controlled health organisation that has been providing services to Aboriginal people living in the southern metropolitan region since 1975. The cooperative caters for a significant portion of Victoria's Aboriginal population and strives to improve the catchment's quality of life through the provision of health, social and community services. The cooperative delivers a number of innovative and targeted services, and a number of these programs have a preventive and health promotion focus targeted at improving the quality of life for local Aboriginal people. One of the greatest aspects of the cooperative's work is its integrated approach to delivering services, enabling the organisation to better connect with local Indigenous communities. This approach provides better access to services in a comfortable and socially relevant environment for the local community.

Last month I had the pleasure of touring the cooperative's facilities — I have been there a few times now — and it was clear that the delivery of the cooperative's services is being limited by the inadequate space and, quite frankly, the dated facilities available in its current building. The cooperative's ability to cater for the current catchment as well as the

expected catchment growth is limited by this current situation. Further to this, the cooperative is spending disproportionate funds on building repairs and maintenance, much of which is linked to the age of the buildings, which are in a poor state and require replacement. The situation lacks economic sense and, crucially, redirects focus away from important service delivery.

The cooperative is exploring possibilities to relocate its operations, and it is working towards acquiring a larger piece of land and capital funds for the construction of a new and more appropriate facility. This development would allow it to better service the needs of its clients both now and into the future. It may be that there are other possible solutions to the challenges faced by the cooperative, which is why a meeting with the minister would be extremely well received. The minister's assistance in this matter would be very much appreciated.

Lang Lang police station

Mr PAYNTER (Bass) — My adjournment matter is for the Minister for Police. Tonight I ask the minister to reopen the Lang Lang police station and to ensure that it is manned on a full-time basis.

In 2014 over 350 criminal offences were committed in Lang Lang. This figure includes 52 assault-related charges, 27 drug offences and 201 property offences. In 2011 the town lost its only full-time police officer, and since that time Lang Lang has seen an increase of 72 per cent in its crime rate. With these statistics in mind, it is hardly surprising that residents have frequently approached me to voice their concerns. I have heard numerous stories about drug and alcohol induced violence. Pensioners are telling me that they feel unsafe in their homes. I am being told that it can take around 3 to 4 hours for the police to arrive — sometimes from as far away as Pakenham and Narre Warren. The hardware store, the bowling club, the bakery and the chemist have all been robbed.

So imagine my frustration when I learnt last week that Victoria Police has made the decision to close the station indefinitely. There is now no police presence in Lang Lang. This closure is being justified on the basis of the new anti-terrorism police protocols requiring stations to be manned by at least two police officers. It is incomprehensible to me, however, that these new rules can be applied without proper consideration for how they will impact on the distribution of police resources in regional and rural areas.

The residents of Lang Lang are concerned for their safety. They have the right to run their businesses without fear of their property being damaged, they have the right to take the kids to the playground without having to worry about drug trafficking and they have the right to feel safe in their own homes.

I urge the government to implement plans for the station to be operational and fully manned as soon as possible.

Victorian Heart Hospital

Mr DIMOPOULOS (Oakleigh) — I wish to raise a matter for the attention of the Minister for Health. The action I seek is an update from the minister on the important Victorian Heart Hospital project and a request that the minister visit Monash University in the near future to discuss this proposal further with key stakeholders in the region.

Labor announced last year that it would build Australia's first specialist heart hospital, to be located at Monash University, Clayton, which is in my electorate of Oakleigh. This hospital would be built in conjunction with Monash Health, Monash University and Baker IDI Heart and Diabetes Institute. The detailed proposal was for a 195-bed stand-alone cardiac facility, including a 22-bed emergency department, 10 cardiac catheterisation laboratories and a fantastic telehealth service for patients from across Victoria and also from other states in Australia and around the world.

The plan for this new hospital would also enable the relocation of some services from Monash Health, which would free up significant space and resources in the region. State-of-the-art cardiac treatment is a key issue in the future of health care in Australia. As was indicated at the time of the announcement, one Australian dies of a heart attack every 18 minutes. With Monash Health already treating the largest number of cardiac patients in Victoria, this proposal makes sense, and it will be of great benefit not only to residents in the south-east but to all Victorians in need of specialist care.

The now Premier said at the time of the announcement last year that:

... the Victorian Heart Hospital will completely transform our health system and bring the world's best treatment and training to our doorstep.

Therefore I was very pleased to see yet another follow through on a Labor commitment detailed in the recent Victorian budget, with an allocation of \$15 million for the planning and development of the Victorian Heart

Hospital. I was also very pleased to see other investments in health in the nearby Monash hospital, including the helipad. I see the Minister for Health in the chamber and thank her for being here for this adjournment debate. I would very much appreciate an update from the minister on this project, and I look forward to welcoming her again to the electorate of Oakleigh as this project progresses.

Responses

Mr NOONAN (Minister for Police) — I thank the member for Carrum for raising a matter with me tonight on the adjournment debate — that is, to visit her local police station at Carrum Downs. It is a terrific opportunity to visit with the member and hear firsthand, as she has stated, not only the experiences of local police officers in dealing with family violence as the first responders to family violence but also to learn of the support they provide to victims, particularly families and children, which she articulated in her adjournment matter. I will take the opportunity when we visit the electorate to talk to the local officers about some of the initiatives the member outlined in her adjournment matter that the government has brought forward in its budget, and obviously the important work that we will need to do to complement what Victoria Police is doing in the establishment of a family violence command led by Assistant Commissioner Dean McWhirter. The government's no. 1 community safety issue is family violence. I look forward to making that visit with the member for Carrum. I thank her for raising that matter on the adjournment with me tonight.

I turn to deal with the matter raised by the member for Bass in relation to Lang Lang police station. I certainly understand the anxiety that communities feel during this period as Victoria Police has put in interim arrangements around keeping its members safe, particularly given the heightened threat level against police not just here in Victoria but across the country. I want to make it clear to the member that these are interim arrangements, and Victoria Police is monitoring very closely the potential impacts that might be felt in smaller regional and rural communities. I will ensure that the issues the member has raised tonight on the adjournment will be taken back to the acting chief commissioner.

I point out very clearly that the previous government changed the Victoria Police Act 2013 to enshrine in section 10 the independence of the chief commissioner in relation to the deployment of particular police to particular locations. We need to be mindful of that. That does not mean that as members of Parliament we cannot carry back concerns of communities, which is

what I am prepared to do for the member and what I think the member expects of us. However, he should understand very clearly that in terms of our powers under the police act, we must respect the independence of the chief commissioner in making judgements around operations. I thank the member for Bass for raising this matter on the adjournment this evening.

Mr SCOTT (Minister for Multicultural Affairs) — I am pleased to respond to the member for Caulfield, and I note the bipartisan way in which the matter was raised. I will respond in a similar manner, as I do every time in respect of multicultural affairs. The Holocaust Museum and Research Centre is a fantastic resource for the entire Victorian community and plays a critical role in it. I will be happy to attend with the member to look at the plans the centre has for the future. It is an extremely important part of the Victorian community and does good work highlighting the most dreadful period of human history in way that builds understanding and increases social cohesion.

Ms HENNESSY (Minister for Health) — I thank the member for Oakleigh for raising a very important issue. I also indicate the gratitude that I feel for his very strong commitment to health services in his electorate and assure him that we are committed to building the Victorian Heart Hospital at Monash University in Clayton. We are getting the ball rolling with a \$15 million allocation in this year's state budget that represents the first component of this very important project. We will commit \$150 million to this very important project and this will fundamentally change the provision of cardiac services in this state.

The project requires complex planning before construction, as it will have a major impact on the way in which we deliver cardiac services across the entire Victorian health system. Once we have a cardiac services plan done, which is something we have initiated in this government and anticipate will be completed by around September 2015, the capital planning process will commence. I absolutely look forward to visiting the Oakleigh electorate soon to discuss this exciting project and the many other fantastic health investments that this government has made in the recent budget.

Ms NEVILLE (Minister for Environment, Climate Change and Water) — In relation to the matter raised by the member for South-West Coast, I am sure he is aware, representing a coastal community like the one that I represent, we have many challenges around Victoria at the moment in coastal erosion. This is a result of climate change and increasing storm surges. When you combine that with the presence of a tip

basically in a sand dune at Port Fairy, you have a very dangerous and potentially terrible situation. It is hard to believe that at any time we would have built a tip in a sand dune, but given that reality we obviously need to take pretty significant action for the long-term protection of that coastal area at Port Fairy.

I know my department has been working with the local council on the matter. As a matter of urgency I will get it to work much more closely with the council to get an outcome quickly, but I also commit to the member for South-West Coast to visit and meet with representatives of the Moyne Shire Council as well to discuss options going forward. We do need a solution relatively quickly to protect our coastal area down there.

In relation to the matter raised by the member for Ovens Valley, as he indicated, fuel reduction is very important. He would also realise there is often very limited opportunity in certain areas to undertake that fuel reduction. We had a number of issues this year. We worked with the wine industry to see if we could delay planned burns for as long as possible. At the same time we indicated very clearly to the chief fire officers that it was their call in terms of when would be the best time or in fact the only time.

There were a number of areas around Victoria that we had not been able to burn for the last five or six years because of unsuitable conditions, whereas this year conditions looked like they were appropriate. There is no question that we need to continue to be more sophisticated in relation to fuel reduction. In fact in the report by the inspector-general for emergency management that the Minister for Emergency Services and I released this week, the inspector-general talks about the need for the department to continue the work it has been doing around understanding smoke, how it moves, its impact and so on, as well as looking at tools other than fuel reduction, which is an important tool but not the only tool.

I will ensure that the community of Ovens Valley is consulted as part of the changes and recommendations in the inspector-general's report. I will also commit to going up and talking to representatives of the wine industry and enjoying some of the wine that is produced there, which is almost as good as the Bellarine wine.

A number of other members have raised a number of matters for a number of ministers, and I will refer those matters on to them.

The DEPUTY SPEAKER — Order! The house is now adjourned.

House adjourned 7.34 p.m.