

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE COUNCIL**

**FIFTY-SEVENTH PARLIAMENT**

**FIRST SESSION**

**Thursday, 16 June 2011**

**(Extract from book 9)**

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The Honourable Justice MARILYN WARREN, AC

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**Privileges Committee** — Ms Darveniza, Mr D. M. Davis, Mr P. R. Davis, Mr Hall, Ms Lovell, Ms Pennicuik and Mr Scheffer.

**Procedures Committee** — The President, Mr Dalla-Riva, Mr D. M. Davis, Mr Hall, Mr Lenders, Ms Pennicuik and Mr Viney

## Legislative Council standing committees

**Economy and Infrastructure Legislation Committee** — Mr Barber, Ms Broad, Mrs Coote, Mr Drum, Mr Finn, Ms Pulford, Mr Ramsay and Mr Somyurek.

**Economy and Infrastructure References Committee** — Mr Barber, Ms Broad, Mrs Coote, Mr Drum, Mr Finn, Ms Pulford, Mr Ramsay and Mr Somyurek.

**Environment and Planning Legislation Committee** — Mr Elsbury, Mrs Kronberg, Mr Ondarchie, Ms Pennicuik, Mrs Petrovich, Mrs Peulich, Mr Scheffer, Mr Tee and Ms Tierney.

**Environment and Planning References Committee** — Mr Elsbury, Mrs Kronberg, Mr Ondarchie, Ms Pennicuik, Mrs Peulich, Mr Scheffer, Mr Tee and Ms Tierney.

**Legal and Social Issues Legislation Committee** — Ms Crozier, Mr Elasmr, Ms Hartland, Ms Mikakos, Mr O'Brien, Mr O'Donohue, Mrs Petrovich and Mr Viney.

**Legal and Social Issues References Committee** — Ms Crozier, Mr Elasmr, Ms Hartland, Ms Mikakos, Mr O'Brien, Mr O'Donohue, Mrs Petrovich and Mr Viney.

## Joint committees

**Dispute Resolution Committee** — (*Council*): Mr D. Davis, Mr Hall, Mr Lenders, Ms Lovell and Ms Pennicuik. (*Assembly*): Ms Allan, Mr Clark, Ms Hennessy, Mr Holding, Mr McIntosh, Dr Naphine and Mr Walsh.

**Drugs and Crime Prevention Committee** — (*Council*): Mr Leane, Mr Ramsay and Mr Scheffer. (*Assembly*): Mr Battin and Mr McCurdy.

**Economic Development and Infrastructure Committee** — (*Council*): Mrs Peulich. (*Assembly*): Mr Burgess, Mr Foley, Mr Noonan and Mr Shaw.

**Education and Training Committee** — (*Council*): Mr Elasmr and Ms Tierney. (*Assembly*): Mr Crisp, Ms Miller and Mr Southwick.

**Electoral Matters Committee** — (*Council*): Mr Finn, Mr Somyurek and Mr Tarlamis. (*Assembly*): Ms Ryall and Mrs Victoria.

**Environment and Natural Resources Committee** — (*Council*): Mr Koch. (*Assembly*): Mr Bull, Ms Duncan, Mr Pandazopoulos and Ms Wreford.

**Family and Community Development Committee** — (*Council*): Mrs Coote and Ms Crozier. (*Assembly*): Mrs Bauer, Ms Halfpenny, Mr McGuire and Mr Wakeling.

**House Committee** — (*Council*): The President (*ex officio*) Mr Drum, Mr Eideh, Mr Finn, Ms Hartland, and Mr P. Davis.. (*Assembly*): The Speaker (*ex officio*), Ms Beattie, Ms Campbell, Mrs Fyffe, Ms Graley, Mr Wakeling and Mr Weller.

**Law Reform Committee** — (*Council*): Mrs Petrovich. (*Assembly*): Mr Carbines, Ms Garrett, Mr Newton-Brown and Mr Northe.

**Outer Suburban/Interface Services and Development Committee** — (*Council*): Mrs Kronberg and Mr Ondarchie. (*Assembly*): Ms Graley, Ms Hutchins and Ms McLeish.

**Public Accounts and Estimates Committee** — (*Council*): Mr P. Davis, Mr O'Brien and Mr Pakula. (*Assembly*): Mr Angus, Ms Hennessey, Mr Morris and Mr Scott.

**Road Safety Committee** — (*Council*): Mr Elsbury. (*Assembly*): Mr Languiller, Mr Perera, Mr Tilley and Mr Thompson.

**Rural and Regional Committee** — (*Council*): Mr Drum. (*Assembly*): Mr Howard, Mr Katos, Mr Trezise and Mr Weller.

**Scrutiny of Acts and Regulations Committee** — (*Council*): Mr O'Brien and Mr O'Donohue. (*Assembly*): Ms Campbell, Mr Eren, Mr Gidley, Mr Nardella and Mr Watt.

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

*Parliamentary Services* — Secretary: Mr P. Lochert

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**FIFTY-SEVENTH PARLIAMENT — FIRST SESSION**

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Koch, Mr David Frank	Western Victoria	LP	Tierney, Ms Gayle Anne	Western Victoria	ALP
Kronberg, Mrs Janice Susan	Eastern Metropolitan	LP	Viney, Mr Matthew Shaw	Eastern Victoria	ALP



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**Thursday, 16 June 2011**

The **PRESIDENT (Hon. B. N. Atkinson)** took the chair at 9.33 a.m. and read the prayer.

## PETITION

**Following petition presented to house:**

### **Rail: Altona loop service**

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council: the proposed new train timetable will cut service to Altona loop and the Altona-Seaholme community in four ways:

the Altona loop will lose direct access to the city loop;

the Altona loop will lose all of its express trains;

services will be reduced from 20 to 22-minute intervals during peak periods; and

outside peak periods the service will be reduced to a shuttle so passengers will have to change trains.

The Altona and Seaholme communities do not need cuts, they greatly need improved public transport services.

The petitioners therefore request the provision of public transport improvements, not cuts. The petitioners request that the proposed Altona loop service cuts be rejected.

**By Ms HARTLAND (Western Metropolitan)**  
(107 signatures).

**Laid on table.**

## PAPERS

**Laid on table by Clerk:**

Ombudsman — Report on the Investigation into an allegation about Victoria Police crime statistics, June 2011.

Statutory Rules under the following acts of Parliament:

Estate Agents Act 1980 — No. 32.

Owners Corporations Act 2006 — No. 33.

Subordinate Legislation Act 1994 — Documents under section 15 in respect of Statutory Rule Nos. 32 and 33.

## MEMBERS STATEMENTS

**Narre Warren-Cranbourne Road, Cranbourne North: duplication**

**Mr SOMYUREK** (South Eastern Metropolitan) — Despite the \$500 million invested by the former government on roads in the city of Casey, there still exist roads that were built to accommodate rural traffic volumes and therefore are not capable of servicing the busy metropolitan traffic volumes in present-day Casey. The stretch of Narre Warren-Cranbourne Road between Pound Road and Thompsons Road is one such road. Before the election, the Labor Party had made a \$48.6 million commitment to duplicate this stretch of road.

Mr Mike Tyler, the CEO of the City of Casey, wrote to me on 20 May seeking my assistance in this matter. In his letter Mr Tyler states:

Traffic growth in the area has led to increasing congestion both for private vehicles and buses. Buses are being delayed while travelling along the road as well as those routes crossing the road due to congestion at intersections.

In the five years from 2005 to the end of 2009 there were 55 casualty accidents on this section of road.

I urge the government to provide funding for the duplication of Narre Warren-Cranbourne Road between Pound Road and Thompsons Road.

### **Rail: Cranbourne East station**

**Mr SOMYUREK** — On another matter, it is disappointing that the Baillieu government has refused to match the previous government's \$200 million commitment to extend the Cranbourne railway line to Cranbourne East and construct the Cranbourne East railway station. Like other suburbs of Casey, Cranbourne East is a rapidly growing suburb, with its population expected to grow by 250 per cent by the year 2027 to 27 000 people.

### **Godfrey Hirst Australia: sustainability award**

**Mr O'BRIEN** (Western Victoria) — I would like to take this opportunity to congratulate a manufacturing success story from Western Victoria Region, Godfrey Hirst Australia, on taking out the Premier's recognition award as part of the Premier's Sustainability Awards 2011. Established in 1865, Godfrey Hirst was Victoria's first commercial woollen mill. The 33-hectare Geelong site is now principally a high-quality carpet manufacturer and employs hundreds of people across various areas of production.

Thousands of metres of fine tufted carpet are produced from the Geelong plant every day.

The Premier's recognition award was given to Godfrey Hirst to recognise its introduction of best-practice sustainability initiatives into its daily business operations over the past seven years. An example of this work is the company's water recycling facility which was commissioned in June 2010. This \$3.5 million state-of-the-art facility is now saving up to 250 million litres of water a year. By reprocessing 175 million litres of effluent production water along with 75 million litres of captured stormwater and returning it to class A water for reuse, the recycling facility will save 250 megalitres per year; the equivalent of 250 Olympic-size swimming pools. The water recycling facility will also save energy and reduce waste by cutting energy use by 5 per cent a year and trade waste discharge by up to 70 per cent a year.

I commend the company's chief executive officer, Mr Kim McKendrick, and Godfrey Hirst staff for this tremendous achievement.

### **Amnesty International: 50th anniversary**

**Mr TARLAMIS** (South Eastern Metropolitan) — I rise to acknowledge the 50th anniversary of Amnesty International, an organisation of which I am proudly a member, along with 3 million others who believe in the defence and protection of human rights. For over 50 years Amnesty International has been defending human rights and campaigning to end violence and intimidation across 150 countries. Through its campaigns it has improved the lives of thousands of people who have been denied justice, human rights and protection.

It is important and timely to note, as Amnesty International is celebrating 50 years of activism in campaigning for individual human rights, that here in Victoria the government is considering rolling back Victoria's human rights charter which was introduced in 2006 by the Labor government.

As Lord Peter Goldsmith, QC, the man responsible for overseeing the United Kingdom's Human Rights Act 1998, was reported in the *Sydney Morning Herald* of 29 May 2011 as observing on his recent trip to Australia:

This society is strong enough to be able to continue to have proper protection for fundamental rights and a proper guarantee of those rights and liberties, and you shouldn't look to remove them.

He went on to say that governments have an obligation to create a culture of awareness and respect for human rights.

As Amnesty International campaigns for universal human rights and protection for vulnerable citizens across the globe, I urge the Baillieu government to protect the human rights of all Victorians by upholding the human rights charter. Once again I congratulate Amnesty International on 50 years of struggle and activism.

### **World Environment Day: City of Monash awards**

**Mr TARLAMIS** — On another matter, I would like to congratulate the winners of the City of Monash World Environment Day awards, who were announced at an awards ceremony on 2 June. I would like to make special mention of Halinka Panzera from Mount Waverley, who won the greenest household award, and Columbia Park Child Care Centre in Wheelers Hill, which won the business award. Former Deputy Premier John Thwaites gave the keynote speech at these awards which recognise the outstanding contributions of individuals, households, schools, community groups, institutions, businesses and corporations within the city of Monash.

### **Melbourne Youth Justice Centre**

**Mr ONDARCHIE** (Northern Metropolitan) — Last week I visited the Melbourne Youth Justice Centre in Parkville. I was due to be there for just 1 hour but spent many hours there after spending time with Ian Lanyon, the new director, who is ex-Victoria Police. He is a fine and focused man. Like me, he is committed to ensuring that kids get a fair start in life. I am proud to have spent time with him.

I am talking about kids here. They are generally not bad kids; they just make mistakes. They exercise bad judgement, hang with the wrong crowds and are exposed to the wrong environments.

I am told that it is rare for an MP to visit the youth justice centre, and indeed staff claim they have not seen an MP for a long time. I visited all of the units. I spoke to the young boys and girls. I spoke to the young men and women aged between 13 and 21. I visited a TAFE facility, and I looked at the open space. I met many of the centre's clients and chatted with them. I think it is appropriate that we optimise the opportunity to skill these kids, to teach and guide and nurture them.

*Honourable members interjecting.*

**Mr ONDARCHIE** — Listening to the interjections opposite, I know it is not popular to talk about corrections and youth justice — —

**Mr Leane** — On a point of order, President, I know Mr Ondarchie is a relatively new member, but I am just concerned he might be misleading the house. He just said that no MPs have recently visited the Parkville detention centre. A whole parliamentary committee went there last year.

**The PRESIDENT** — Order! That was not a point of order, and Mr Leane knows it was not a point of order. If there are matters that members raise in their various contributions in this place that are wrong, then there are other opportunities and mechanisms to address those. It is not a point of order.

**Mr Lenders** — On a point of order, President, during the exchange I clearly heard Mr Finn say that Mr Leane should be in a detention centre. I find that offensive and ask him to withdraw.

**Mr Finn** — On the point of order, President, my understanding, according to the standing orders, is that if a member takes offence, then certainly there is a requirement for another member to withdraw, but in terms of another member taking offence on behalf of a member who is sitting right next to him, my understanding is that there is no requirement for a member to withdraw if the member who is the subject of the interjection has not taken offence himself.

*Honourable members interjecting.*

**The PRESIDENT** — Order! Are we ready for me? Mr Finn is technically correct. However, there is a situation where members do not always hear what is said, and in this particular case Mr Leane was on his feet raising what he may have thought was a point of order. He was not necessarily in a position to be listening to what was said in the chamber. Mr Finn would also be aware that, according to the standing orders, interjections are unruly and are not part of the proceedings. Arguing that an interjection has some merit because someone else has not taken umbrage at it is not really safe ground. In the circumstances, whilst the interjection itself is not extreme in my view, I would ask that if it has caused concern and been heard by members in this place — and I hasten to add not by me, and I dare say not by Mr Leane, who was essentially engaged with me at the time — then Mr Finn should withdraw that comment.

**Mr Finn** — In deference to the double standards of members opposite, I withdraw.

**The PRESIDENT** — Order! Mr Finn just withdraws — correct?

**Mr Finn** — I withdraw.

**Mr ONDARCHIE** — It is disappointing that those determined on self-justification and self-importance have taken the focus away from what I was talking about, and that is the kids and ensuring that people of all political persuasions are working together to support the next generation. They deserve our help, our care and our attention. It is most disappointing that that is the path those opposite took.

### **Electricity: regulation**

**Mr BARBER** (Northern Metropolitan) — The costs of local electricity distribution represent around half of our electricity bills and the majority of the increases we have seen to our recent bills. It is therefore essential that the government become a bit more active and interventionist, as it promised it would, in relation to the nasty private monopolies that quite literally control the supply of electricity to our houses. Powercor and SP AusNet have indicated that they have their hands up for more than an extra \$100 million just to implement some of the basic recommendations of the royal commission, which in any case are part of their core businesses and should have been implemented decades ago.

The regulator knocked back their request in the first instance but has flagged that it will entertain a future request. That will add hundreds of dollars to a typical power bill for country residents. That amount should come out of the profits of these companies. The regulatory model whereby they get to put together their costs and get a profit added to the top of that is past its use-by date. The government needs to not only get seriously interventionist and stop leaving it to light-touch regulation but change the entire regulatory model.

### **Vietnam: communism**

**Mr FINN** (Western Metropolitan) — This past Sunday I joined with my friend and federal colleague Senator Scott Ryan and a couple of members from another place to address a sizeable crowd on the steps of this building. Some 2000 members of the Australian-Vietnamese community gathered out the front to call for human rights for their friends and relatives in Vietnam and, in fact, to call for freedom for the entire nation of Vietnam. It was my very great honour to support them in expressing that wish. Since the fall of the Berlin Wall and the collapse of the Soviet

Union — as engineered by the great Ronald Reagan and Blessed John Paul II — we seem to have taken the view that the evil tyranny of communism is a thing of the past. Europe may now be free, but some of our neighbours in South-East Asia still suffer under the cold fist of communism.

The people of Vietnam have suffered for far too long. The despots who lead that country will tell us Vietnam is a modern country with a strong economy reaching out to the world. What these thugs and murderers will not so readily advertise is the fact that Vietnamese people can be locked up for merely disagreeing with the communist government. They will not tell us that clergy are in jail in Vietnam for daring to worship their god. They will not tell us that a midnight knock on the door often leads to supporters of democracy disappearing off the face of the earth. They will not tell us there is no recognition of human rights in communist Vietnam.

They are also pretty quiet on the fact that the people of Vietnam want to be free — not a word about the people demanding to control their own future, to vote and participate in the democratic process, to worship their god and to enjoy the freedoms that we in Australia take for granted. That proclamation is left to the Australian-Vietnamese community, and I stand with its members. As I said on Sunday, communism and freedom are not compatible — something has to give. What has to give is communism. Vietnam and its people must be allowed to once again bask in the glory of freedom.

#### **Rural Press Club of Victoria: breakfast**

**Ms TIERNEY** (Western Victoria) — On Friday morning of the last sitting week I was fortunate enough to attend the Rural Press Club of Victoria breakfast. The guest speaker was Alana Johnson, farmer and 2010 Victorian rural woman of the year. Alana spoke of her vision for rural and regional Australia and of the role the philanthropic sector can play in research, food production and caring for our land. It was a detailed, informative and thought-provoking contribution. I encourage other MPs to attend future breakfasts. I take this opportunity to congratulate Ed Gannon and his team on organising the event. It was a great opportunity to network and work on issues to the benefit of our regional communities.

#### **Shire of Colac Otway: award**

**Ms TIERNEY** — On another note, I take this opportunity to congratulate the Colac Otway Shire Council, which recently won an award for the best

annual report in the ‘low resources’ section of the Municipal Association of Victoria’s annual reporting awards. I would like to echo Mayor Brian Crook’s words:

These awards not only reflect the quality of reporting, but the quality of work performed by this council’s staff.

#### **Vietnam: communism**

**Mrs PEULICH** (South Eastern Metropolitan) — Mr Finn spoke about the oppression of communism and its impact on Vietnam and the Vietnamese people. I endorse his call for democracy for the people of Vietnam. I also add that often the communism virus mutates, so we always have to be vigilant.

#### **Charter of Human Rights and Responsibilities Act 2006: review**

**Mrs PEULICH** — Mr Tarlamis spoke about the current review of the Charter of Human Rights and Responsibilities Act 2006 which was built into the legislation by his own party and therefore needs to take place. What he failed to mention, however, was that his own party deliberately left out the convention of the rights of children from that document, which unfortunately has made it a very flawed charter of rights.

#### **Premier’s Sustainability Awards**

**Mrs PEULICH** — Lastly, I had the pleasure of attending the Premier’s Sustainability Awards 2011 on 9 June at the Convention Centre, along with the Premier and the Minister for Environment and Climate Change. Mr Barber was also in attendance. I congratulate all of the finalists and the winners. The finalists in the community section were the E. W. Tipping Foundation, Hepburn Wind and Heyfield Community Resource Centre. That section was won by Hepburn Wind. In the tertiary education section the finalists were RMIT University, Sunraysia Institute of TAFE and Wodonga Institute of TAFE. That award was taken out by RMIT University. The finalists in the local government section included: Manningham City Council, Latrobe City Council and Whitehorse City Council, with the award being taken out by Manningham City Council. In the state government award section the finalists were the Department of Health, the Department of Treasury and Finance and Eastern Health, the winner being the Department of Treasury and Finance. Congratulations to all of the award winners.

### **Victoria Legal Aid: funding**

**Hon. M. P. PAKULA** (Western Metropolitan) — Last Thursday I attended the 30th anniversary celebration for Victoria Legal Aid, an institution whose value to the administration of justice, particularly criminal justice, is often understated. The previous government understood the need to adequately fund the service in an environment of a growing population and more active law enforcement. That is why Labor provided an additional \$50 million over two financial years to enable legal aid to provide its vital service.

The Attorney-General was also present at that event, and I am sure he, too, appreciates the central role that legal aid plays in the administration of criminal justice. That is why it was disappointing to find that the budget provided not a single extra dollar for legal aid. More police will mean more arrests. Longer sentences will mean fewer guilty pleas. There will be more trials of more defendants who are unable to retain high-priced lawyers. That inevitably stretches legal aid's resources, and when it is unable to assist a defendant the consequence is more adjournments and more delay.

Legal Aid needs to know that the \$25 million annual supplement provided by the previous government will be renewed after 2012, but that is just to keep doing what it does now. Legal aid will need more than that if it is to cope with the new government's justice agenda. More police and longer sentences do not just mean more prisons; there is a step in between — and that is more trials. Without more legal aid funding the administration of criminal justice will grind to a halt.

### **Bendigo Health: pathology services**

**Mr DRUM** (Northern Victoria) — The matter I wish to raise concerns the ongoing review of pathology services at the Bendigo hospital. This is the second review into pathology services at the Bendigo Health Service, and it follows an earlier review conducted last year and completed in August of 2010. The first review was initiated under a Labor government, when the local member for Bendigo East in the other place, Jacinta Allan, was a minister. That is right — this review process into pathology services was started under the former Labor government.

We understand that one of the member's best friends in Bendigo is Marika McMahan, and she currently enjoys the role of chair of the board of Bendigo Health Service. She is very well qualified for that role. We have a Labor party ex-minister as the local member, and we have her best friend as the person controlling the hospital that started the review process. We now

have a situation where Jacinta Allan is campaigning to have the review process stopped because she can now see a cheap — and I emphasise 'cheap' — political point to be scored by jumping on board the wagon of those opposed to a review. It may also be her way of deflecting attention from the fact that she has refused to back the \$102 million of additional investment into the new Bendigo hospital.

We should take a stroll back to the lead-up to last year's election. The local member, who was a minister in the former government, is now refusing to back an extra \$102 million for the hospital. She started a review process into pathology services, but now that her party is not in government, she is campaigning on a political point, with an emphasis on populism, to change this service.

*Honourable members interjecting.*

**The PRESIDENT** — Order! Mr Lenders has used that interjection quite a number of times, and I think the thankfulness is exhausted.

### **Amnesty International: 50th anniversary**

**Ms MIKAKOS** (Northern Metropolitan) — I too wish to pay tribute to the incredible work of Amnesty International, the world's largest human rights organisation, on the occasion of its 50th anniversary. I have been proud to be a member of this organisation for more than 20 years and would encourage parliamentarians, many of whom have expressed their concerns today about human rights issues, to join the parliamentary friends of Amnesty group. Amnesty has more than 3 million supporters across 150 countries. With human rights abuses being perpetrated in so many nations around the world today, sadly, Amnesty's work is needed now more than ever. I wish to pay tribute to its founder, British lawyer Peter Benenson, who has shown the world that if we all unite for a common cause, one person really can make a difference.

### **Budget: climate change**

**Ms MIKAKOS** — On another matter, I wish to express my concern that the Baillieu government has put the environment last in the state budget. The Treasurer did not even mention the issue of climate change once in his budget speech. Under the previous Labor government Victoria was leading the nation by tackling climate change through ambitious energy targets and strict energy efficiency legislation for new houses and modifications. The Baillieu government's lack of investment makes it clear that those opposite are going to walk away from the commitments made by the

previous government to reduce carbon emissions by 20 per cent by 2020 and ensure the partial closure of Hazelwood power station. The Baillieu government has missed an opportunity to create green jobs, reduce carbon emissions and attract investment in renewable energy by refusing to take action to cut the state's reliance on brown coal.

### **Casterton: Australian kelpie muster**

**Mr KOCH** (Western Victoria) — Over the Queen's Birthday weekend the Casterton community in far western Victoria embraced its local hero with the Australian kelpie muster. I was delighted to be in Casterton last Saturday morning at the festival's street events leading up to Sunday's auction. Although there was a distinct lack of sunshine, and some rain, this did not deter those attending. In fact, from all reports, it was the best muster of all time. This celebration of the working kelpie drew record crowds from all over Australia, New Zealand and the world for Casterton's annual event. The Australian kelpie muster included a wide range of family and novelty activities that entertained the crowd. These included the poets breakfast, a street parade, the kelpie high jump, the kelpie hill climb, mutton mayhem and the Australian kelpie idol.

The highlight of Sunday's auction saw a new world record price of \$9000 paid for Wybimbie Ted, sold by Ian O'Connell of Hamilton, formerly of Bahgallah, topping the previous record of \$5400. Due to high demand for working dogs, this year saw the lowest number of dogs offered since 1997, resulting in the highest average prices and turnover of the event's history. My congratulations go to the Casterton Kelpie Association, ably led by the president, John Houlihan, his committee, the many local volunteers, the sponsors and the Casterton community for making this one of Casterton's and the Shire of Glenelg's premier annual events and a great celebration of the Australian kelpie breed.

## **STATE TAXATION ACTS AMENDMENT BILL 2011**

### *Second reading*

**Debate resumed from 2 June; motion of  
Hon. G. K. RICH-PHILLIPS (Assistant Treasurer).**

**Mr LENDERS** (Southern Metropolitan) — I rise to speak on the bill, and my contribution will not be a particularly long one as the details of the bill have been quite clearly outlined in the Treasurer's second-reading

speech. The main issues that the opposition has have been very clearly enunciated by my colleague Tim Holding, the member for Lyndhurst in the Legislative Assembly. However, what I will do is speak on a few areas of this bill that I think require further clarification.

I should put on the record that in the briefing given by the Treasurer's office and attended by officials from the Department of Treasury and Finance (DTF) and the State Revenue Office (SRO), the government was very forthcoming in trying to provide detailed information to the opposition on some of the economic forecasting that was part of this bill and also with some of the details, particularly regarding the young farmers exemptions about which the opposition sought clarification.

I will certainly address some of these issues, and I invite the Assistant Treasurer to reply to them in his summing up. If from the opposition's perspective the answers to those questions are not as succinct as we would hope, then I advise that we would seek to bring the bill into committee. I just set the framework for that. I make the point — and this is not a point necessarily critical of the current government — that when ministers in the Legislative Assembly, and this happens with ministers of all political stripes, are unwilling to go into consideration in detail to answer questions, as the Treasurer, Mr Wells, was, the consequence is that the government has to expect further scrutiny in the Legislative Council.

In an ideal world the shadow Treasurer would be asking questions of the Treasurer in the Assembly, rather than the shadow minister representing the shadow Treasurer asking questions of the minister representing the Treasurer. I apologise to the house if some of this seems a bit turgid, but there was a procedural opportunity for that to happen in the other house, and I say for the record that it is not unique to this government for that to happen. It is not a go at Mr Rich-Phillips, but it is an indication that we will be seeking answers.

This bill is clearly designed to implement the government's election commitments on stamp duty. While the opposition had a different policy going forward, it accepts that this was an election commitment of the government. The 50 per cent reduction of stamp duty for first home buyers is a policy the government has a mandate to implement. We will certainly not seek to impede that. From the Labor Party perspective we would have thought a reduction in stamp duty targeted more towards construction of new homes, given the resource involved from the state, would be more desirable, but the government made a commitment that it would spread the reduction to all

first home buyers, including the 80 per cent who are buying existing homes.

Our general view would be that a reduction targeted towards new homes, as we had proposed, would create more homes and would therefore reduce the cost of homes more generally by increasing the volume of housing stock, increasing construction jobs on the way through and, by building more stock, actually reducing the cost of rentals. But the government made a commitment, and, correctly, it is honouring its election commitment, so I will not dwell any further on the question of whether that policy is appropriate. However, I would ask Mr Rich-Phillips in his summing up to make a comment on whether or not it is the view of the government — I certainly could not find it in the Treasury papers — that this decision will generate the construction of any extra housing in Victoria.

I congratulate the government on maintaining Labor's position with the cash bonuses for newly constructed homes generally, and particularly in regional Victoria. I congratulate the government on continuing those bonuses for another 12 months. I think the consequences of that will be to take population pressure off Melbourne, and in regional Victoria it will certainly create jobs, create opportunities for first home buyers to have more scope and take the pressure off the cost of housing and rental. I congratulate the government on continuing with that Labor initiative for one more year.

The bill, as has been outlined, reduces stamp duty for first home buyers by 50 per cent over a five-year period, it retains the existing first home buyer grants, as I said, and it also exempts farmers under the age of 35 from paying stamp duty. All of these steps were election commitments from the Baillieu government, and I am delighted to say they are ones that the government chose to honour, unlike the commitments for teacher wages and a number of other things to which we will draw the attention of the house in separate debates.

I ask that Mr Rich-Phillips in his summation address the issues raised by Mr Holding in the Assembly that Mr Wells was not prepared to answer, particularly in regard to some of the technical details of the stamp duty exemption for young farmers. The bill says that young farmers get a stamp duty exemption. I will not dwell on the details of that, but Mr Holding and I raised the two material issues with the Treasury and State Revenue Office officials in our briefing. Mr Holding also raised those issues in the Assembly, but they have not been answered specifically. They are the exclusion from the exemption of young farmers who own shares in companies that have any agricultural land-holding and

those who have an interest in a beneficial trust or superannuation fund that has any past or present agricultural land-holding.

The reason I dwell on this particular issue is this is a targeted initiative that the government — correctly — was proud of arguing for in the election campaign as it will assist young farmers who come on to the land. All of us who follow these matters understand that for a young farmer coming onto the land there is a big capital outlay for their first block of land. There is no argument with that, and the government has a policy position to assist young farmers to come on to the land. We do not dispute that and understand the intention. But on my reading of the bill what concerns me is that if the exemption from duty is precluded on the basis that a young farmer has an interest in a superannuation trust that includes agricultural land or on the basis that the young farmer owns shares in a company that has any agricultural interest, no young farmers will achieve this benefit.

Mr Philip Davis shakes his head. It is a genuine question — through you, President — that I raise for Mr Rich-Phillips, because in the briefing the State Revenue Office and Department of Treasury and Finance officials kindly gave to the opposition they said the intention was to apply general principles that would say that the common-sense approach — and I accept the common-sense approach — is that this is designed to give duty relief to young farmers, but my reading of the bill makes it clear.

I will use an example. Not that long ago I was in Churchill, where Woolworths has bought some agricultural land on the edge of town. That land was bought for the purpose of building a Woolworths supermarket at Churchill. My reading of this is that unless these general principles are clearly enunciated, have some standing and override the bill, any young farmer who has owned shares in Woolworths in the last five years has an interest in agricultural land — using the Churchill example, because Woolworths acquired agricultural land for the purposes of building the supermarket — and would be precluded from getting the duty exemption.

It is clearly not the intention, and I know Mr Rich-Phillips will say it is not the intention of the bill, but we have been told there will be general principles that will make it easier for the commissioner of state revenue to put this exemption in place. I would like to see the general principles tabled in this house or a clear commitment from Mr Rich-Phillips to a time line for when either those general principles will be put

on the State Revenue Office website or some comfort will be given to those young farmers.

The same principle applies to a young farmer who has an interest in a superannuation trust that happens to have an agricultural interest; they can be precluded from receiving the grant. I would venture to say that many young farmers, in their days at secondary school or at agricultural college or wherever, would have spent some time working as, for example, a shop assistant. If they happen to have spent any time as a shop assistant, the default superannuation fund for them would have been the Retail Employees Superannuation Trust, which I believe has interests in agricultural land in great abundance.

The proposition I put to Mr Rich-Phillips is this: I accept the response from the SRO and DTF officials that general principles will be put out which will make it clear to practitioners and will be how the SRO will interpret these matters, but I am seeking to either see these general principles or be given a clear undertaking that they will be published on the SRO website, hopefully before royal assent is given to this bill, so there is no ambiguity. That is not an unreasonable request.

I can recall reverse circumstances in this house when I think you, President, in another life, and certainly some former members of this place in Mr Forwood and Mr Baxter, asked for exactly the same undertakings from me when I was a minister at the table, saying that if a taxpayer is being assured by the SRO that there will be general principles, it is not unreasonable for either those general principles to be presented in this house or an undertaking to be given that they will be on the SRO website by the time royal assent is given to the bill so there is no ambiguity. The intent is admirable, and I have no argument in terms of that, but the scrutiny of this house requires that the principles be made available.

I have asked the minister to comment on what the economic impact will be. There is nothing in the budget papers that implies that any of this will bring about more new housing starts. I understand that it is an election commitment, so the economic effect is not, in a sense, relevant. It is honouring an election commitment.

The final thing I would say on this piece of legislation is probably more of a comment than making a statement in opposition to it, and perhaps it flags a concern. The bill increases penalties for individuals who abuse the first home buyer scheme. In a briefing staff from the Treasurer's office, DTF and the SRO informed us that part of the reason for that was a

comment by a magistrate seeking penalties to be extended. They did us the courtesy of giving us the transcript of the comments of the magistrate, Mr Couzens, on this point. The comments I would make are not in opposition to an extension. I know the Treasurer beat his chest vigorously and said how tough he is going to be on crime and all the rest of it, and I have no time whatsoever for people who rot a first home buyers scheme. But I get concerned when we are talking about 120 penalty units for a breach of the first home buyer scheme which, in the end, involves a relatively small grant.

The magistrate has asked for it. The government is in a difficult position. Those enforcing the law have asked the government to toughen penalties. As I understand it, it is to do with a series of incidents involving people growing drugs in houses that were bought using the first home buyer scheme. They have been rotting this scheme as well as breaking the criminal law. In the end, the main sanction for people growing drugs in houses and breaking the criminal law would be the enforcement of the criminal law, rather than using the tax law unnecessarily. I do not oppose this issue, but I would interested to hear a comment from Mr Rich-Phillips on whether on any occasion when a magistrate asked for tougher penalties the automatic response of the government would be to increase those penalties.

The Labor Party is not soft on crime. We toughened up a lot of legislation. I would like to see a rationale as to why we are going to use tougher penalties. Is there a reason other than somebody asking for it? We do not oppose 120 penalty units in regard to this, but I will be interested to hear the rationale from Mr Rich-Phillips. If my history is correct, Great Britain at the time of European settlement in Australia had 316 offences that carried the death penalty. I do not think anyone would argue that there is a need to ratchet up offences and constantly increase penalties on every occasion. There has to be some regard for magnitude. On this occasion clearly the enforcement of the criminal law dealing with people growing drugs is the major sanction, but we will not oppose the 120 penalty unit provision in this bill. I would be interested to hear a comment from Mr Rich-Phillips.

In conclusion, the opposition does not oppose the bill. The bill is primarily implementing coalition election policy, therefore I give credit to the coalition for implementing these policies. I have particular technical questions around the ownership of shares, the membership of superannuation funds and whether that precludes young farmers from gaining an exemption. I would specifically like a commitment from

Mr Rich-Phillips as to when the principles will be published. I would like to hear from him in terms of what he thinks of the economic effect of the reduction in stamp duty. Is it going to create a single new home? I would appreciate some comments from him on the penalties — if a magistrate asks for penalties to be increased, will the government automatically comply? I repeat that the opposition will not oppose the bill.

**Mr BARBER** (Northern Metropolitan) — I am going to give essentially the same speech in relation to the first home owner grants that I have given ever since I arrived here and dealt with one of the first such bills that we ever dealt with. The first home owner instrument is a completely discredited economic instrument. I am reasonably confident that the minister sponsoring this bill agrees with me, but having introduced it as a populist measure, governments of all stripes are now addicted to it and cannot help but find ways to tinker with it, announce it or reannounce it.

However, since I first gave that speech a change has been occurring in the housing market — that is, the bubble is starting to deflate, or at least it seems that way according to the early signs. The coalition parties, having spent the last four years screaming about affordability, are now going to kick back, relax and watch that bubble deflate and then take credit for it, particularly given the actions of Mr Guy in releasing vast new tracts of land, which is going to beggar the entire state budget as we try to provide the most basic elements of livability for all those new residents.

Therefore it is quite ironic to find the mishmash of different measures here which, instead of solving a problem — as the bill intended — will, if anything, make the problem worse. These measures are packaged up in an initiative which the government would like to say will actually make things easier and better for people who find some difficulty in affording to purchase a home. Having said that, there are a number of technical and other measures within the bill that we either support or consider worthwhile, and therefore we will not be opposing the bill overall.

In relation to stamp duty reductions, properties up to the value of \$600 000 will have their stamp duty periodically reduced over the next three years, which will add up to something like a 50 per cent reduction from September 2014, which was first mooted just before the election. There are now three different first home owner instruments. There is the first home owner grant, the first home bonus and the first home owner boost, which is closed off from new contracts entered into. Just to clarify for members, this legislation is continuing no. 2 on that list: the first home bonus,

which is for newly constructed homes. Like the first home owner grant, it is not means tested, which undermines any rationale that this is about making homeownership more affordable for the vulnerable. You only need to consider a simple example to demonstrate why this is such a poor instrument. If potential homeowners are visiting an auction or are seeking to purchase a house, they are effectively competing with other people who also have the first home bonus in their pocket. That is why this pumps up the housing bubble that we already have.

In Victoria we have the first home owner bonus and the first home owner grant, worth \$7000, as well. Then if you live outside the sprawl, you might be eligible for the regional first home bonus to provide a further \$6500 for a newly constructed home. I can only imagine Ms Lovell, the Minister for Housing, looking on in envy at the amount of housing she could provide to the people on her housing waiting list if those sorts of sums were attached to the people on that waiting list for the provision of public housing as opposed to being handed out by the State Revenue Office on a non-means tested basis. As I have said, on 12 June 2008 and 27 November 2009 I dealt with this issue in great detail and even produced Productivity Commission figures detailing the income categories of those who had received home owners bonuses. The top two quintiles of income were vastly overrepresented, because in many cases people in those categories are the only ones who can even contemplate buying a house these days.

For pensioners the requirement for stamp duty concessions will be expanded in two ways. Firstly, the threshold for eligibility will be lifted from a dutiable property value of \$440 000 to the value of \$750 000. I do not know if it has been modelled in practical terms as to how it will work, but on the face of it this policy seems to have some merit. In relation to the argument that it would facilitate pensioners to downsize their properties, as long as we charge people for stamp duty, which is a duty on transactions, people are going to be loath to buy and sell homes because to move from one to another incurs a penalty.

I have a note here from my generation Y policy adviser which says that he fantasises about being able to downsize to a \$750 000 home given that he is a long way from owning any home. I am sure the reply from the pensioner would be, 'Keep working hard and saving your pennies, Sonny Jim, and maybe you will own your own home one day'. The relevant question here is the affordability of a home relative to incomes; that is the metric we should all be looking at, not simply headline numbers about the prices of homes or how much they have increased.

Secondly, the definition of an eligible pensioner will be broadened from someone holding a state concession to someone holding a federal-issued seniors health card, which is not subject to an assets test. On a range of issues there is now a question of exactly which concession we are offering according to which card. A seniors health card is a different measure to a health care card. This change puts pressure on what must inevitably be a limited bucket of concession moneys.

Farmers, under the age of 35 will be exempt from paying stamp duty on the first \$300 000, and if the property is valued between \$300 000 and \$400 000, the young farmer will be eligible for a concession under the formula listed in proposed section 69AE of the Duties Act 2000. It has to be their first farmland property and the first contract of that first transaction. They have to use that property for primary production on a full-time basis within five years from entering into the contract, and that is obviously a fairly tight requirement.

It will be very interesting to know if the State Revenue Office is well equipped and prepared to conduct audits on that matter, because there would be some difficulty involved in determining whether the requirements are still being satisfied several years after the exemption is granted, because inevitably with farming people's lifestyles change and the seasons change, creating difficulties. I am sure the Assistant Treasurer will enlighten us on that one too in his normal, thorough fashion. As time goes on we will be keen to find out any statistics about exactly how many people have taken advantage of this measure. This will indicate how many of them were holding back from taking this step because of the additional stamp duty cost.

The Henry tax review had a lot to say about stamp duty of course, and these sorts of findings from these measures are quite a useful contribution to our understanding. Mr Ken Henry, in possibly the longest resignation letter in public sector history, said in recommendation 51 of his report on that review that:

Ideally, there would be no role for any stamp duties, including conveyancing stamp duties, in a modern Australian tax system. Recognising the revenue needs of the states, the removal of stamp duty should be achieved through a switch to more efficient taxes, such as those levied on broad consumption or land bases. Increasing land tax at the same time as reducing stamp duty has the additional benefit of some offsetting impacts on asset prices.

The government might like to think about that little offering. At recommendation 52 he said:

Given the efficiency benefits of a broad land tax, it should be levied on as broad a base as possible. In order to tax more valuable land at higher rates, consideration should be given to levying land tax using an increasing marginal rate schedule,

with the lowest rate being zero, with thresholds determined by the per-square-metre value.

That sort of measure has interesting impacts on farming land as well and could be used to reduce the burden that would attach to farmland because in many cases large parts of large extensive properties would become tax free. You could achieve the same objective that Mr Rich-Phillips is setting out to achieve but as a function of ongoing taxes rather than that simple, transactional tax, which we all agree in economic terms is inefficient. At recommendation 53 Mr Henry said that:

If this occurs, low-value land, such as most agricultural land, would not face a land tax liability where its value per square metre is below the lowest rate threshold.

And at recommendation 54, he talked about:

... a number of incremental reforms that could potentially improve the operation of land tax, including:

- a. ensuring that land tax applies per land-holding, not on an entity's total holding, in order to promote investment in land development;
- b. eliminating stamp duties on commercial and industrial properties in return for a broad land tax on those properties; and
- c. investigating various transitional arrangements necessary to achieve a broader land tax.

I could have used the debate on this bill and its measures to engage in a much longer discussion about the issue of land management, planning policies and housing affordability, a topic that members have gone very quiet on in the six and a half months that the Liberal-Nationals coalition has been in power, despite being something its members talked about incessantly in opposition. The coalition's first budget, though, speaks very loudly about the government's position on that set of issues.

The government is not wasting any time in releasing more land. In fact a newspaper clipping on my wall shows the Minister for Planning out there at the newest estate on the outer fringe. He is standing in a paddock with his arms spread like some crazy rug salesman on late-night television flogging his product, saying, 'Come out here and build a house'. Members will struggle to find in the budget the provisions for the new railway line, the railway station, the school, the child-care centre, the park, the library, the men's shed, the arts centre, the performing arts centre and so forth. There is no question that people who move to that suburb will be able to get a Hungry Jack's burger and will have a short drive to a pokies joint.

We all know that in 10 to 20 years from now those residents will be mounting a campaign to get some of the things I have just referred to which should be provided simultaneously with the new residents arriving. The financial settings in the state budget simply do not add up; they do not provide for those things.

The faster the government allows urban sprawl, the broker it will become. This has not caught up with the coalition in its first six and a half months in office, but it will over the term of its government, which I am sure coalition members hope will be not just four years but eight years. Stamp duty is the dominant state tax that allows for the funding of necessary community facilities, and it is directly tied to the question of affordability. Stamp duty and the other measures members are voting on in the bill are meant to improve affordability. They are the only source of significant funding for a state, beyond going begging to the federal government.

The government does not have a viable public economic model that allows it to fund urban sprawl from the proceeds of stamp duty on urban sprawl. It simply does not add up. It is the most expensive way to house people that has ever been invented. What the bill does is pump up that model a little bit more in the hope that by extending it and spinning the wheel faster the government will somehow get things to add up, but they will not add up.

Members will be debating the appropriation bill soon. Then there will be the opportunity to explore exactly what measures are contained in that bill to improve livability in the suburbs that this bill encourages people to occupy.

**Mr P. DAVIS** (Eastern Victoria) — I do not intend to engage with Mr Barber in a discussion about the Henry tax review. I do intend to engage, though, with the Leader of the Opposition in relation to two matters he raised. One is the question that he posited on the economic stimulus measures proposed in this bill. I was a little perplexed, and I remain perplexed, about his general view, given that as Treasurer he was responsible for the implementation and administration of similar measures to create and facilitate home purchases and the building of new homes. I look forward to perhaps having a private discussion with him at another time, when he is not engrossed in other matters, as he clearly is at the moment.

I refer specifically to a question that the Leader of the Opposition posed for the Assistant Treasurer, which I am sure he will respond to in some detail at the

conclusion of this debate. The question was about the notional arrangements for qualification by young farmers for stamp duty exemption, as set out in the bill. I will be quite specific about that in a moment.

My general introduction to my contribution to the debate on this bill is that its purposes are clearly outlined. They are to amend the Duties Act 2000, the First Home Owner Grant Act 2000, the Payroll Tax Act 2007 and the Taxation Administration Act 1997 — which will implement government election commitments — and to make a number of other administrative and general amendments to revenue laws. The election commitments to reduce by 50 per cent duty for eligible first home buyers, increase the current pensioner and concession card holder stamp duty concession and introduce a stamp duty exemption for young farmers summarise the matters the bill deals with. The government is very mindful to ensure that all its election commitments are implemented.

Specifically, the bill provides cuts to duty from 1 July for eligible first home buyers purchasing a principal place of residence valued at up to \$600 000. The stamp duty reduction will be phased in, with a 20 per cent cut from 1 July, followed by additional 10 per cent cuts on 1 January 2013, 1 January 2014 and 1 September 2014. To be eligible for the duty reduction, the first home buyer must be entitled to receive the first home owner grant and must also live in the property for a continuous period of 12 months commencing within 12 months of purchasing the property. To provide an illustration of the impact of this, the Real Estate Institute of Victoria's estimated median house price for the March quarter was \$565 000. The current stamp duty on the principal place of residence would be \$28 970. With a 50 per cent cut when this policy is fully implemented, the stamp duty cut would be worth \$14 485.

The bill also extends until 30 June 2012 the availability of the \$13 000 first home bonus and the \$6500 first home regional bonus for newly constructed homes. Targeting this assistance at new homes is aimed at increasing the housing supply and stimulating the Victorian economy, with extra assistance provided for new homes in regional areas to encourage growth and investment in rural and regional areas.

The bonuses will continue to be paid in addition to the \$7000 first home owner grant, making the total amount available to first home buyers of a newly constructed home in metropolitan Melbourne \$20 000 and the total amount available for a newly constructed home in regional Victoria \$26 500. Together with the government's stamp duty cuts, this assistance represents a significant boost to housing affordability

and will help many Victorians achieve the dream of owning their first home.

The bill delivers the government's promise to ease stamp duty for pensioners by extending the threshold for the pensioner duty concession from \$440 000 to \$750 000 and extending the availability of the concession to self-funded retirees who hold a commonwealth seniors health card. That is a significant commitment on which the government has delivered.

Eligible pensioners will continue to receive a full duty exemption for residential properties valued up to \$330 000. This measure will deliver stamp duty savings for more older Victorians, with an extra 9000 pensioners expected to benefit in the forward estimates period. Extending the threshold for the concession will also help to ensure that pensioners can afford to downsize in their existing communities.

I turn to the young farmer duty concession issue, which Mr Lenders put great weight on. This bill introduces a new stamp duty exemption for farmers under the age of 35 on the purchase of their first farmland property. A full exemption will apply to transactions up to the value of \$300 000, with a duty concession applying to transactions between \$300 000 and \$400 000. Recognising that farming businesses can be structured in various ways, the exemption and concession will be available to young farmers and young farmer business entities including certain companies and trusts.

To ensure that the exemption and concession is only available on the purchase of a young farmer's first farming property, a young farmer will be disqualified from receiving the exemption if they have previously owned farmland. These rules are not intended to exclude young farmers who may have had a remote interest in farmland by virtue of holding shares in a listed company or units in a public trust that owns agricultural property. The rules will be administered by the State Revenue Office in accordance with their intent, and guidelines will be available on the SRO website to assist the public to understand the eligibility requirements for the exemption and concession. Providing a stamp duty exemption will encourage more young people into farming, helping to preserve the future of the agricultural sector in Victoria and delivering jobs and investment to rural and regional communities.

I want to give further emphasis to that matter. One of the clear issues is that the population of Australian and particularly Victorian farmers is ageing and has been ever since settlement. It seems that, on average, with every generation the number of farmers essentially

halves and farms get bigger. That is driven by trade in the commodity sector, exchange rates, climate and all sorts of factors; essentially farmers have to become more and more efficient to remain viable. One of the consequences of that is that the increasing need to accrue capital to enter the farming industry has made it more difficult for intergenerational transfer of those skills, and people in the farming sector have not really been able to see, as is typical in other industries, recruitment on a longer term basis of younger people into the sector. This has real implications at a societal level in rural communities, so this initiative is a very positive one.

I could regale the house with my own experience as a young person wishing to enter the farming vocation and finding great frustration in that the only assistance available to me at that time, when I was in my early 20s, was through a young farmer finance scheme with a concessional interest rate that was administered by the Rural Finance Corporation of Victoria. But I thought that was designed for people who were entirely risk averse and who would perhaps go to the Rural Finance Corporation to borrow money when they did not need it. It seemed to me that if you really needed to borrow some money to buy some land, you would not qualify for that assistance. In any event, I was able to establish myself in farming, but I learnt a lot about the difficulties facing young people who were in a similar position to me and without the opportunity to succeed to a family farming enterprise.

I want to ensure that I respond properly to the Leader of the Opposition's query about the way these provisions relating to young farmers are addressed, so I will make the observation that the primary intent of the young farmer exemption/concession from duty is to encourage young people into farming careers. Therefore a young farmer will not be entitled to the exemption/concession where an interest in farmland is held, or was previously held, by the young farmer and/or his or her partner. To reflect the various ways property can be held, this includes interests in farmland held directly by a young farmer and/or their partner as well as those held indirectly through a company or trust structure. In other words, all young farmers who have or have had relevant rights and control over a farmland property, whether directly or indirectly, are disqualified from receiving the exemption/concession.

To ensure the relevant provisions achieve their policy intent, they have been drafted very broadly. Notwithstanding the broad drafting, the provisions will be read in accordance with the clear and express purpose of the young farmer's exemption/concession from duty. Under the Taxation Administration Act

1997 the commissioner of state revenue is authorised to do all things necessary or convenient to give effect to the taxation laws, and the courts have confirmed that this power extends to interpreting and administering the taxation laws in accordance with the intent.

Accordingly, the commissioner will consider each application for the young farmer exemption/concession in a manner consistent with the purpose of the relief. In accordance with this approach, a young farmer will not be precluded from receiving the exemption/concession where they hold shares in a listed company or units in a public or listed unit trust, directly or through a superannuation fund, that owns farmland where the relevant shares and/or units do not provide the young farmer and/or their partner with any rights and/or control in respect of that land.

I turn now to the general taxation measures. In addition to delivering on the government's election promises, the bill makes a number of amendments to other taxation laws. In relation to the first home owner grant, the bill will introduce tough new penalties for individuals who submit fraudulent first home owner grant applications. The penalties will be increased from a maximum of 60 penalty units, or \$7167, to a maximum of 120 penalty units, or \$14 334, and include the introduction of a 12-month jail term. These tough new penalties are necessary to protect honest Victorians by deterring fraudulent claims by those who deliberately try to rot the system and by ensuring that courts can deal appropriately with the worst cases of first home owner grant fraud.

The bill will also amend provisions in the Payroll Tax Act 2007 dealing with shares and options to align relevant concepts and definitions with those used in the commonwealth income tax legislation, making it easier for businesses to comply with their taxation obligations. Adopting these measures will ensure that Victorian businesses continue to benefit from the administrative savings arising from the harmonisation of payroll tax legislation across Australian.

Finally, the bill amends the Taxation Administration Act 1997 to deem that an assessment has been made and served by the commissioner of state revenue where duty is paid online. These amendments will support an online duty payment system being developed by the State Revenue Office. This system is aimed at generating long-term administrative savings by making it quicker and easier for Victorians to pay duty on the purchase of a property.

**Mr SCHEFFER** (Eastern Victoria) — The opposition supports this bill because the measures that

it contains are generally in line with the policies pursued by Labor when we were in office.

The bill amends the Duties Act 2000 to reduce the tax burden for first home buyers, eligible concession card holders and young farmers buying their first property. The bill also amends the First Home Owner Grant Act 2000 to extend the time that the first home bonus is available, to extend the time for homebuyers to access the first home regional bonus and to tighten up penalties for people who commit offences relating to these incentives. Finally, the bill amends the Payroll Tax Act 2007 to bring its provisions into line with some changes made recently to commonwealth legislation and amends the Taxation Administration Act 1997 so that notices of assessment take account of online payment options for transfers of land duty. The opposition supports each of these measures.

I see that the second-reading speech notes that during the 2010 Victorian election the government promised that it would increase assistance to first home buyers, older Victorians and young farmers. As I think members know, the opposition is very keen that the government honour all its election commitments that will benefit the Victorian community, and we reserve our right — indeed it is our obligation — to oppose government action that is not in the public interest.

The provisions in the bill extend the measures that Labor introduced during its term in government, and I draw specific attention to the fact that it was Labor that first removed stamp duty on mortgages in 2004, it was Labor that introduced the first home bonus, it was Labor that extended assistance to concession card holders, it was Labor that increased the bonus for newly constructed homes, and we of course support the removal of stamp duty on newly built homes in regional Victoria.

**Mr Lenders** — Be careful, Mr Scheffer, Mr Barber might scold you.

**Mr SCHEFFER** — Wait for it! Mr Lenders has detailed a number of these elements in his contribution.

As first home buyers across regional Victoria will tell you, Labor's regional first home bonus scheme has been a fantastic success, and more than 8000 homebuyers have benefited from it. There is no issue more important than housing, and the assistance provided to first home buyers is just one of many measures that Labor introduced.

Australians have had a long-term love affair with home ownership because it represents security and autonomy, and they believe it earns them social respect and a sense

of having made it in a material sense. The prevalence of homeownership in Australia and other parts of the world has been made possible because of successive federal and state government policies that have actively promoted homeownership as the preferred model. However, the policy does have some downsides, and there are other policy options which have been available in Australia, but also in other economies, such as various forms of social housing.

It is also important to acknowledge that significant interests benefit from a housing model that requires large sections of the population to make lifelong housing loan repayments to the banking system. Banks and lending institutions gain a windfall of untold riches, and the economy has allocated unsustainable resources often to the unproductive buying and selling of real estate. Australians owe around \$1.1 trillion in home mortgage debt; that is around what the economy earns in a year. Australia has one of the highest — if not the highest — house debts of any nation in the world.

But perhaps we should not worry too much, because an article by Geoffrey Newman which appeared in the *Australian* of 10 June reports that a study that was done based on a global survey by mortgage insurer Genworth indicates that Australians are very relaxed about being so highly geared, with 80 per cent of them saying they have no trouble meeting their repayments and 45 per cent even saying that they are ahead in those repayments. I think the sleeper is that the rising cost of living is a concern; indeed 84 per cent of people who were surveyed in that study said they believe they could get into trouble with their mortgage repayments in the next 12 months.

Looking to the future, Professor Richard Florida, now of Toronto University, in his most recent and very interesting book, *The Great Reset*, argues that we have reached the limits of the ownership society. He says that housing sucks up far too much of the nation's and the world's capital and that too many people have used the equity in their homes like virtual ATMs. Florida notes that the rate of homeownership is declining and that in future people will increasingly recognise that housing real estate is an economic trap that limits mobility and job flexibility and that increasingly people will choose to rent.

To be fair, the issues are very complex, and Florida recognises this — and Mr Lenders noted this too in his earlier aside to Mr Barber — when he notes that the prosperity of the postwar decades, and indeed of today, has relied on an expansion of homeownership and the development of the suburbs, and the phenomenal capital investment in land and houses and the massive

consumption of household consumer goods was in turn produced by manufacturing. It is a complex picture, but what I am drawing attention to is possibly unsustainable levels of indebtedness.

The negatives of homeownership in Australia were overwhelmed by the homeownership economic stimulus and by Robert Menzies's appeal to middle-class aspirations and to those individuals who would have a stake in the country, which meant those who owned or desired to own a home. In postwar Australia the attraction of home and family appealed to both men and women, and the Menzies vision of the importance of home, family, thrift and growing prosperity being within the reach of everyone was unassailable, especially in those postwar years. From the end of the war throughout the 1950s and the 1960s baby-boom homeownership rocketed, domestic debt soared, home resale value and interest rates became the barbecue conversation, the economy was distorted to overinvest in real estate and the footprint of our cities expanded without apparent limit at a time when the environmental impact of that expansion was still to be imagined.

The advantages of not subscribing to the norm of taking out a lifetime mortgage consigned many to the insecurity of the private rental market in a country where long-term renters are seen and treated as second-class citizens in the hands of unscrupulous landlords and their agents. Many of us are forced into homeownership so that we can raise families free of short-term leases and the constant disruption they cause.

Australia was not alone in this move towards homeownership, and data assembled prior to the global financial crisis shows that people right across the Organisation for Economic Cooperation and Development (OECD) economies have been moving towards homeownership over the past 20 years. The aggregate owner-occupier rate has risen in France, Italy, the UK, the Netherlands and also in Spain, where the rate before the global financial crisis was at over 80 per cent of the population compared with Australia at around 70 per cent. It is interesting to note that Germany, which is the engine of economic prosperity in Europe, has an owner-occupier rate of around 40 per cent. The OECD has said that credit regimes make movements in house prices increasingly volatile and that retail price jumps of 90 per cent or more were not uncommon in Australia and other OECD countries.

Deregulation and some unreliable financial products in the mortgage markets contributed to a slackness in lending standards that led to an increase in bad loans,

and so to the global crisis. However, in Australia, even though homeownership levels have remained fairly constant at around 70 per cent or have slightly increased, the real story is in the composition of this aggregated trend. The Australian Housing and Urban Research Institute has reported that falling numbers of young people entering the housing market could reduce homeownership rates in the future. This fall in homeownership is because young people are leaving the family home slightly later in life, staying in education longer, partnering later, finding themselves in an environment of low housing affordability and finding they are unable to accumulate sufficient savings to enter the homeownership market. That is where first home buyer schemes come in handy. This is especially so because homes cost more, people have to borrow more and they take longer to pay off their loans. Of interest is that about 352 000 households that would have owned their homes in the 1980s are not in the market today.

In the present circumstances the measures in this bill will on balance have a positive effect on the capacity of new entrants to homeownership to make that important first choice. In summary, the picture is a very complex one and, while there is a general bipartisan view that it is a good measure, it is not without its challenges and policy downsides. I commend the bill to the house.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am pleased to make a few remarks in response to matters raised by members in the course of the debate this morning, particularly a couple of matters raised by Mr Lenders, a member for Southern Metropolitan Region, and Mr Barber, a member for Northern Metropolitan Region. The first is a matter raised by Mr Lenders relating to whether the measures in this bill in relation to the reduction of stamp duty for first home buyers would have a stimulus effect on housing construction. In responding to that issue I take up the points Mr Scheffer just made in his contribution about the very complex dynamics in the housing market. Indeed Mr Barber in many respects reflected on that in his contribution.

With this measure in relation to housing affordability the government quite simply is seeking to reduce the entry cost for first home buyers by reducing stamp duty. To answer Mr Lenders's question — it is obviously a legitimate question — I do not have any specific data on a stimulus impact of this measure. I guess the best analogy would be that any stimulus impact will be parallel to that achieved by the first home owner grant impact. In his contribution Mr Lenders mentioned an 80-20 split between existing stock and new stock, and it would be a reasonable

assumption that this measure would have a similar impact between existing and newly constructed homes. You would expect that where it aids new home buyers entering the market it would have an impact of 20 per cent on new construction versus 80 per cent on established houses.

Going to the point of a stimulus impact, the government is extending the bonus for a further 12 months, which is where there is very clearly a direct impact on new construction. The government's intent with this measure was about affordability rather than a stimulus measure. That was the policy intent. As Mr Lenders pointed out, this is a government election commitment that is being delivered, although we expect that any stimulus impact of this measure will be achieved via the original first home owner grant mechanism.

Next is a matter raised by Mr Lenders with respect to the young farmers provisions and the qualification factors set down in the legislation as to when a young farmer will or will not qualify for the young farmers concession and exemption with respect to any existing interest they have in farmland. Mr Lenders raised concerns about circumstances in which a young farmer who would otherwise qualify may hold or have held an interest in a company with an interest in a share in a farming property or an interest through a trust or superannuation fund that has a farming property; therefore, on the face of it, the young farmer may be disqualified from this provision.

The advice I have received around this matter is that the intent of the legislation is important in interpreting those provisions. Clearly the government's intent with this legislation is to provide an avenue for young farmers to enter the farming profession through the acquisition of farming properties. The intent is to get new young farmers into farming properties as distinct from young farmers who may already have an interest in a farming property. The qualification factors have been built into the bill to draw a distinction between those who already have a farming interest and those who are seeking to acquire a farming interest and establish a new farming enterprise. That is the basis on which those disqualifying factors have been set out in the legislation and the basis on which those disqualifying factors need to be interpreted.

The advice I have received specifically as to how those elements of the bill will be interpreted is that with respect to the Taxation Administration Act 1997 the commissioner for state revenue is authorised to do all things necessary or convenient to give effect to the taxation laws. The courts have confirmed that this power extends to interpreting and administering the

taxation laws in accordance with their intent. Accordingly, the commissioner will consider each application for the young farmer exemption or concession in a manner consistent with the purpose of the relief, which goes back to my point about establishing a new farming enterprise rather than giving relief to a person who already has an interest in a farming enterprise.

Underpinning the commissioner's capacity to make those decisions consistent with the Taxation Administration Act 1997 are general principles that will be laid down on the State Revenue Office website, and my advice is that they will be on the SRO website once the legislation has passed the Parliament. They are ready to go up and will be put up as soon as the legislation is in place. The general principles, that will be put up on the SRO website are as follows:

In assessing individual transactions on their merit, the commissioner will consider the following factors:

The purpose for which the shares in a listed company, or units in a public/listed trust, were acquired?

Were they acquired as part of an investment strategy for the purposes of obtaining an income stream?

What are the farmer's rights under the shares/units?

Does the farmer have any degree of day-to-day control or input into the decisions of the company or trust, or does the farmer have the limited rights —

such as those attaching to an ordinary shareholder in a public company, including rights to attend annual meetings and vote et cetera. It continues by asking if the farmer is entitled to any distribution of farmland from the company or trust and about how remote the farmer's investment is from the farmland.

In the example given by Mr Lenders of an interest in a superannuation fund — in a public company that undertakes a farming enterprise — it is not the government's intention that those types of interests would preclude a young farmer from obtaining this entitlement or concession, and that is the basis upon which we would expect the commissioner for state revenue would interpret this act.

Basically the intent is to provide the relief to someone seeking to establish a new farming enterprise rather than somebody already engaged in a farming enterprise, and those interests in public companies, superannuation funds et cetera at arms length would not be precluding factors under this legislation. Those guidelines will be, I am advised, on the SRO website once the legislation is passed.

The other matter raised by Mr Lenders related to the government's intention under the legislation to increase penalties with respect to certain offences under the first home owners grant legislation. Mr Lenders raised the question of whether it is the government's intention or response to automatically increase penalties when that issue is raised by the judiciary, and I would say to Mr Lenders that it is not the government's intention. In this particular instance Mr Lenders referred to a decision of the Magistrates Court sitting in Mildura at the end of last year where a case relating to fraudulent claims under the first home owners grant legislation was heard and the magistrate expressed frustration at the limit of penalties in place at the time, which prompted the government and the department to review what penalties were in place.

The rationale for the increased penalties that are being put in place by this legislation relate to the fact that the existing penalties have not been updated or changed since the original legislation was put in place more than a decade ago.

**Mr Lenders** interjected.

**Hon. G. K. RICH-PHILLIPS** — That is true, Mr Lenders, penalty units are indexed; however, the issue of indexation may be one that we discuss later today.

Since that legislation was put in place in 2000 the quantum of grants that are obtainable under that legislation has changed substantially. The original model provided only the basic \$7000 first home owners grant, which was consistent with the intergovernmental agreement between the states and the commonwealth, but a number of other grants have been brought under the coverage of that legislation over the last decade. As a consequence it is appropriate that the penalties be changed to reflect the fact that there are now grants of substantially greater significance available under that legislation.

The other issue is that the penalties that are proposed under the legislation are consistent with those in other jurisdictions. Our penalties have been generally lower than those in other jurisdictions. This will raise them to a level that is generally consistent with those in other jurisdictions. The other point I would raise here is that there has been a substantially increasing number of cases in recent years — I think in the last three years the SRO has rejected some 800 applications for the grant on the basis that parties were not eligible — and the SRO is now undertaking more enforcement action around this matter as it would seem to be the case that fraud has become a greater problem as the grants have

increased. Those points are the government's rationale for going down this course. It is not simply a case of the judiciary asking for it, but that request last year did create a good opportunity for the penalties to be reviewed.

Another matter was raised by Mr Barber with respect to, again, the young farmers entitlement. Mr Barber raised the issue of the requirement under legislation for a young farmer to undertake a full-time farming enterprise within five years of receiving the entitlement. Mr Barber's issue related to whether a young farmer who was working an external job would therefore not be undertaking a full-time farming enterprise. The issue he raised is a good one, and I go back to the point I made in relation to Mr Lenders's issue about disqualifying factors and the way in which the commissioner would interpret it.

It is recognised as a reality of modern farming that many farmers need to undertake external employment in order to provide a living for their families, and provided young farmers undertake a full-time farming enterprise within the five years, they will qualify. If farmers have periods where they are taking on external employment in the five-year period, that will not disqualify them from the grant. In terms of the enforcement of that provision, there is the obligation under this legislation that if a young farmer does not undertake a farming enterprise within the five-year period, they are required to notify the SRO, and a reassessment would be undertaken as to their eligibility.

**Mr Barber** — So if we're hit with a five-year drought, they will all have to pay it back.

**Hon. G. K. RICH-PHILLIPS** — Mr Barber quite appropriately raises the issue of drought, and that farmers could be seeking external employment is envisaged in this legislation. The intent is that they would undertake a farming enterprise within a five-year period, but certainly the interpretation of the legislation would recognise that modern farming practice frequently does require farmers to undertake external employment.

Those were the key matters raised by members. In concluding I would like to thank Mr Lenders, Mr Philip Davis, Mr Barber and Mr Scheffer for their contributions, and I wish the bill a speedy passage.

**Motion agreed to.**

**Read second time; by leave, proceeded to third reading.**

*Third reading*

**Motion agreed to.**

**Read third time.**

**ENVIRONMENT PROTECTION  
AMENDMENT (LANDFILL LEVIES)  
BILL 2011**

*Second reading*

**Debate resumed from 2 June; motion of  
Hon. G. K. RICH-PHILLIPS (Assistant Treasurer).**

**Mr JENNINGS** (South Eastern Metropolitan) — I thank the house for the opportunity to speak on this piece of legislation, which will enable much — —

**Mr Tee** — Passionately!

**Mr JENNINGS** — I have not started my contribution with a lot of passion, but I may develop some. Hopefully I will stay conscious and stay with the program even though we are all travelling this week with some degree of exhaustion and probably will fall over some time this afternoon, following our all-night session on Tuesday night. It may seem to be a bit perverse that we punished ourselves by staying up all night on Tuesday to do the government's legislative program. Nonetheless, with a bit of luck, by the end of the day we will all make sense of our contributions to debates such as this one, and I apologise to the Hansard staff for wasting the last 2 minutes of their lives.

The opposition is prepared to support this piece of legislation subject to the clarification of some issues, and we will ask the minister at the table during the committee stage about them. Those issues pertain to the revenue implications of this piece of legislation, particularly the quantum of the funds and the purposes for which they will be used by the government and agencies — particularly the EPA (Environment Protection Agency), but also Sustainability Victoria at the Victorian government level — that work in this important area of public policy, an area which affects local governments and other parts of the resource recovery industry across Victoria.

It is important for us to know the revenue implications both in terms of incoming revenue to the government and the acquittal of that revenue in supporting greater resource recovery. I will be asking the minister serious questions about those matters so that the Parliament and the people of Victoria will have confidence in the

implications of that policy at a macro and program level.

It is also important that local governments are aware of the implications for their operations. Local government in Victoria play a significant role in resource recovery, and in many ways they have led the charge in improving collection systems and our ability to recycle and reuse recovered waste. I congratulate the local government sector on its ongoing contribution to this field. I was acutely aware of and grateful for that contribution during my tenure as Minister for Environment and Climate Change in Victoria.

I am aware of the genesis of this policy and the rationale behind it. Increasing landfill levies may provide a disincentive for the practice of allowing waste to go into landfills because of the cost burden associated with what is, in my view, the inefficient and least desirable element of the waste disposal system. This policy provides a financial disincentive for that practice. It then uses the revenue derived from that financial disincentive, at a program level, to try to drive greater investment in and greater outcomes for resource recovery. We are, at one level, closing the loop in terms of the resource recovery process, and we are also encouraging greater resource recovery, recycling and reuse. Innovation in that sector is also encouraged, and that will lead to the creation of new goods and services based upon maximising the reuse of items that might otherwise have ended up in the waste stream.

The policy has integrity, and its integrity is not cause for dispute between the opposition and the government. In fact we may be able to find more common ground than dispute between us. The concern that we in opposition have relates to the revenue and expenditure at a program level and also to the cost that will be borne by businesses whose operations mean their cost structures will be potentially adversely affected by an increase in levies. It will be interesting to know what the impacts are upon Victorian businesses.

We will be interested in the impact upon Victorian households of these levies being passed on in the form of council rate adjustments. Households may accrue an impost because of the passing on of that levy. In that context, the most profound concern the opposition has is that this item appeared in the state budget this year, comparatively unannounced, and it brought forward revenues at a faster rate than may have been anticipated when the policy was introduced by the outgoing Labor government. Local governments may not have been in the loop in terms of the preparation of their budgets. It may have come as a rude awakening to them that this was a feature of the state budget. It may have caused

great alarm and distress to local governments because of the potential short-term cost shift to their budget and their ability to pass these costs on to their ratepayers in a timely fashion.

For a couple of years I was active in telegraphing that this increase to landfill levies was coming and in making sure that local governments absolutely knew that it was coming. Even though I did not tell them what the quantum was, they knew for two years that it was coming. That did not stop them from complaining with some degree of voracity to me when the announcement was made. About one month before the budget announcement they were still pretty unhappy with me. They accused me of calling them up short in relation to the preparation of their budgets. I can only imagine the response the current Minister for Environment and Climate Change may have been confronted with from May until now from local governments about the way in which this announcement arrived comparatively coldly and quickly on their horizon. I do not know that this is a matter that I will pursue at great length with the minister at the table, because it is not necessarily an issue that he is dealing with. However, I flag that I am pretty sure this is a hot issue in the local government sector.

Ultimately, as the minister will be aware, it is very important, given the role that local governments play in resource recovery, that they are supported and encouraged and that we take steps at the state level to try to make sure that they stay in the tent and committed to this process, rather than them choosing to opt out or to be in dispute with the government. That would be a most undesirable potential outcome of the introduction of this piece of legislation and the revenue coming to the state budget from it.

Those are the issues it is most important for the Parliament to be aware of. The brevity of my contribution to the second-reading debate is not due to my underestimating the importance of this issue to the Victorian community and to households, businesses and local government. I can assure the house that I am not blind to the importance of resource recovery, given all of my engagement in public life. Probably my most useful contribution today will not be to the second-reading debate stage of this bill but to what will hopefully be a contained and specific committee stage on this bill, where I will ask the minister to explain at the macro level the revenue expenditure issues and what the impact of the introduction of these levies is envisaged to be for Victorian households and businesses.

By implication if nothing else, I will be tolling a cautionary bell on the importance of ensuring that we do not stretch the capability of local government, ratepayers and businesses with the impost of this policy. A very finely tuned balance needs to be struck as to how the desired outcomes of the policy settings and the cost structures will work in terms of the impost to households and businesses so that these settings and structures derive enough revenue and work as a disincentive to use landfill and at the same time can be used to most effectively drive investment. It is a very difficult balancing act when trying to achieve these outcomes. These are the things I will be trying to keep the government mindful of when I ask those questions in the committee stage. As I have indicated in my contribution already, it is the intention of the opposition, subject to the satisfaction of those measures, to not oppose the bill.

**Ms HARTLAND** (Western Metropolitan) — I also will be quite brief in my contribution on this bill. The Greens will be supporting it, as we did when the Brumby government brought similar legislation to Parliament. Environment groups have been campaigning for increases in landfill levies for many years. Obviously the purpose of this bill is to increase the cost of using landfill, and the Greens believe this is the right way to go because governments and the community have to come to terms with the fact that waste is both a financial and environmental cost and it is a cost to all of us.

Yesterday I was able to second read my private members bill for container deposit legislation, and in that speech I spoke about the fact that 2000 tonnes of drink containers and 230 tonnes of paper go to landfill each week. The paper is going to landfill because it is contaminated with broken glass. If we had container deposit legislation, we would be able to reduce landfill significantly, and that would obviously help local governments to reduce the costs that they will have to pay.

I have two concerns with this bill, and they are similar to those of Mr Jennings. One concern is the timing. I have been contacted by several local government councillors. While they and their councils support the landfill levy, because the levy has fallen outside of their budget cycle they are going to have to find the money to pay for it. Having been in local government, I know how difficult it is when suddenly a new levy has to be paid by local government but it has gone outside the budget process. It usually means that another program has to go unfunded or that the money will have to be borrowed.

The other issue I want to raise is that it is unclear at this stage, as Mr Jennings spoke about, exactly where the levy will be spent because the review has not been completed. I understand that that will occur in August. Personally I would be much more comfortable with this bill if I knew exactly how the levy is going to be spent, what it is going to be spent on, how it will assist local government and how it will achieve much better recycling outcomes. With those few words, I indicate that the Greens will support this bill.

**Mrs PETROVICH** (Northern Victoria) — I rise on behalf of the Baillieu government to speak on the Environment Protection Amendment (Landfill Levies) Bill 2011. I commend this bill. It has the capacity to deliver better waste management and achieve the government's goal of making our cities much more livable and sustainable. It is important for the new government to deliver to communities on a range of environmentally sustainable programs.

The commitments made by the Victorian government to work with local communities and support a range of innovative recycling and resource recovery projects are very important to Ryan Smith, the Minister for Environment and Climate Change, and also to me as his parliamentary secretary. The new levy settings will create jobs, stimulate business growth and promote cleaner technologies, and the revenues, as Ms Hartland suggested in her speech, will be invested in environmental actions and programs that are efficient, effective and present value for money for the Victorian community. Those details will be worked through in the process of the reviews which are still being undertaken.

The associated reinvestments in waste reduction and other environmental programs provided for in this bill have the capacity to assist in Victoria's productivity, in increasing sustainability globally and in increasing values in sustainability for communities and business alike.

Mr Jennings stated that as the previous minister he was pleased to have been involved in this bill, and it was the former government that had already legislated for an increase in the landfill levy in 2011–12, and had announced plans for further increases of 10 per cent in July 2012, 2013 and 2014. The Treasurer has taken action to bring that forward. The increases in landfill levy rates, which the former government announced would occur in 2012–13, will now apply from 1 July 2011.

It is important to note that in Victoria generating waste and disposing of it in landfill is a minor fraction of

business and household costs. As Ms Hartland has said, often it is less expensive than other waste management solutions, such as recycling. As a consequence, the amount of waste generated statewide is continually increasing. The Baillieu government strongly believes the increase in the landfill levy will provide further incentives to reduce the level of waste and encourage better waste management practices. A significant proportion of the funds raised by the landfill levy goes towards investment in areas such as waste management and recycling. As I have said, the cost of putting waste in a hole in the ground has been relatively cheap, but we need to get smarter and look after what is a finite resource. Landfills are filling quickly and we need to look to the future.

In 2009–10 councils paid on average \$112 614 in landfill levies, and for 2010–11 the cost is anticipated to be \$352 366. Compared with previously announced levy rates, it is expected that in 2011–12 councils will pay on average an extra \$46 232 due to the landfill levy increases. However, it is important to note that under the increase announced by the previous government, the total average cost in 2011–12 per household, based on sending about 500 kilograms — or half a tonne — of waste to landfill, would have been \$16.82. I believe the decision by the Baillieu government to bring forward the increase by 12 months represents good value for money for a potential big delivery to sustainability and the protection of our environment. That increase will add less than \$2 to the total average cost per household, making the new total \$18.50.

To put things into perspective, I refer to the average cost for a community member — and I hope this resonates with people who visit tip sites, like I sometimes do on a weekend; it is a great family outing, and the dog loves it.

**Mrs Peulich** interjected.

**Mrs PETROVICH** — The dog loves it, as I said — no picnic lunch. The cost of the disposal of a 100-kilogram trailer of waste will increase by 37 cents in 2011–12, rising to an increase of 49 cents in 2014–15. This is in accordance with the Environment Protection Act 1970. All revenue raised for the landfill levy will be directed into the Environment Protection Fund and then distributed to environment portfolio agencies and the Sustainability Fund to be used to fund programs and improve Victoria's sustainability.

The Baillieu government intends to ensure that the reinvestment of landfill levies provides real and lasting differences to industry and community. As I have said,

we take a lot of things for granted, and having a big hole in the ground to tip all our waste into is easy. I know that local government carries a particular load in these areas. Having been a member of the Macedon Ranges Council, I know these issues are emotive for councils and councillors who have to deal with this at the coalface, because they are the closest level of government to the people. When you are a local government member people stop you in the supermarket. In this job they tend to do it a little less. I know issues like waste management and roads, dogs and fences are hot on most people's agenda, and I understand local government will probably have to shoulder a lot of the responsibility for this work. We acknowledge the importance of local councils in this process, and we will continue to work with them.

Without the increase in these levies Victoria runs the risk of stalling in its recycling efforts and foregoing greater economic, environmental and community benefits. Whilst it is a cost and it has been brought forward, it is a positive move for Victoria. It is a step forward for the Baillieu government as we work towards greater efforts in these areas. It is important for Victorians that we look after this state in a range of ways, and we need to prudently manage our environmental and financial resources.

The bill advances innovation and environmental technologies and services, particularly in businesses committed to recycling and resource recovery. There is a lot of work going on in communities. In local government I worked with regional waste management groups, and I know they work hard to educate people, through schools and in other areas. They certainly do a lot with very little. It is important that we work towards sustainable communities which are healthy and which provide jobs and outcomes for those communities, from both an environmental and a health and wealth point of view. These roles are vital to capture greater wealth from the materials we might be recycling and passing through our economy and to protect our local households, businesses and environment. We have seen protracted problems created by less advanced waste management practices. On many occasions Mrs Peulich has spoken in this place, as has Ms Hartland, about the impacts of poor waste management and how that can impact on communities.

One of the good things about recycling is that each year in Victoria we already recycle 6 million tonnes of waste. However, an increase in the landfill levy will deliver an even greater opportunity for resource recovery with the remaining 4 million tonnes still going to landfill. An upside of that is that every 10 000 tonnes of recycled materials supports an additional nine jobs,

compared with the less than three jobs supported by the same amount of material going to landfill. The levy will assist in providing advanced recycling programs, making recycling more viable. It will drive confident investment in better facilities so we do not debilitate surrounding environments or upset local communities. That is part of the conversation and the interaction, and local government plays a key role in that facilitation. Without this increase in levies Victoria runs a very real risk of stalling our recycling and forgoing greater economic and environmental community benefits.

In conclusion, this funding commitment will be directed to better waste outcomes for local governments, businesses and commercial operators involved in reducing Victoria's waste and capturing greater value from discarded resources. The funding will support Victorian business, dispose of less waste into landfill and support innovation and innovators in the recycling industry and local government who are willing to invest early in better technologies, facilities and services. It will remove logistical and systematic obstacles to recovering commercial value from otherwise abandoned material and finance non-value-for-money projects that produce meaningful and sustainable outcomes through the Sustainability Fund. Key government agencies involved in waste management, recycling and resources efficiency will continue to assist all sectors of the community, especially businesses and local government. That can only be a good thing in the quest to reduce waste and improve resources and efficiency.

I look forward to the committee stage of this bill where a lot of questions will be raised. There is still a lot of work to be done if we are fair dinkum about walking the walk and not just talking the talk. This government is committed to real outcomes for the community and the environment, and this bill is one of the first stages in that process. I commend the bill to the house.

**Motion agreed to.**

**Read second time.**

**Committed.**

*Committee*

**Hon. D. M. DAVIS** (Minister for Health) — I seek leave for Mrs Petrovich to sit at the table.

**Leave granted.**

**Clauses 1 and 2 agreed to.**

**Clause 3**

**Mr JENNINGS** (South Eastern Metropolitan) — I thank the Chair and the Minister for Health for the opportunity to go through these matters. As I flagged during my contribution to the second-reading debate, I will go to the money table, because that is where the action is both in terms of what will be derived by the state and agencies and what will go into the Environment Protection Fund, at the one end, and the impact on councils, households and businesses, at the other end. I heard what Mrs Petrovich said in her contribution, so I will not necessarily go over the areas to which she has referred. As a starting point, I would like to know the quantum revenue that has been derived from last year's increase in the levies and what it is anticipated will be derived in quantum in the next financial year.

**Hon. D. M. DAVIS** (Minister for Health) — I thank the member for his question. I note that in the budget papers on the statement of finances, on the fourth page of chapter 4, there is a table that outlines the landfill levy. The stated actual figure for 2009–10 is \$48.4 million. There is a revised figure of \$94.9 million, and the budget for the next year, 2011–12, is \$131.5 million.

**Mr JENNINGS** (South Eastern Metropolitan) — I thank the minister; that is a very promising start. The interesting thing about those figures is the anticipated revenue next year seems to me to be in excess of a 10 per cent increase, which is within the scheduled fee structure. The increase is 10 per cent, but the forward revenue projections are beyond that. I would be interested to know whether the minister can explain what impact, if any, the levy has on reducing landfill volumes or whether he is anticipating deriving that outcome on the basis that there will be an increase in volumes going into landfill in the next year.

**Hon. D. M. DAVIS** (Minister for Health) — I am informed that the reason for the point made by Mr Jennings is that this is an increase on top of the proposed or already agreed to existing increase. The previous government had put in place an increase in the levy, and this bill puts an additional increase on top of that.

**Mr JENNINGS** (South Eastern Metropolitan) — I am not sure that makes sense mathematically, but let us leave that aside because a lot of people might be confused about that issue. The second element of my question was: is the minister anticipating volumes increasing or decreasing during the next 12 months? Can I then foreshadow to the minister that I will be asking that question not only in relation to the next financial year but also in terms of the forward estimates

and the projections going forward — that is, what is the expected impact on volumes next year, the year after that and the year after that — and will revenue just keep going up, or is it the policy intention for volumes to go down? You cannot necessarily assume by design that revenues will keep going up, because you would actually hope that they would plateau if not eventually start going down.

**Hon. D. M. DAVIS** (Minister for Health) — I am informed that there is an intention to reduce volumes. The landfill levy is only one of the influences on volume of waste sent to landfill. Other influences include population growth; generation of green waste during high rainfall years, which can lead to higher volumes of disposed waste; investment in programs that improve recycling levels, which we have contemplated during this process; encouragement of waste avoidance practices; and promotion of innovative technologies that can help reduce waste to landfill. The impacts of the most recent 2010–11 landfill rise will not be measured until the full year's data has been collected and analysed.

However, I make the point that the initial report suggests that waste disposal to landfill has continued to rise. This tendency is expected given the time frame for councils, households and businesses to adjust waste management practices to the new levy rates and the impacts of levy reinvestment programs. Obviously there is an impact, but the programs will be determined by policy, and the levy will be used to facilitate funding for those policies that are brought through.

**Mr JENNINGS** (South Eastern Metropolitan) — The difficulty we have is that the minister is quite rightly calling on the fact that statistical analysis should not be considered prematurely. This is a good point to make today; it is a good point to make any day. Yet ultimately the forward estimates are presumably within the budget settings, and the budget settings have been made on a best guess of what the volumes would be, because a dollar figure has actually been put into the forward estimates. I would be interested to know, within the budget settings — that is, what has been configured into the budget assumptions — what the impact upon this for policy would be?

**Hon. D. M. DAVIS** (Minister for Health) — There is Environment Protection Authority modelling available for that. EPA modelling of the previous levy rises predicted waste reductions in 2011–12 of almost 270 000 tonnes compared with 2010–11. Recent EPA analysis of the effects of bringing forward the levy increases predicted an additional reduction in industrial waste of 0.5 per cent. This would represent a

further waste reduction in 2011–12 of about 12 500 tonnes above the original forecasts. While the forecasts and modelling will be revisited and revised when the 2010–11 figures are collected, I do not think there is any doubt that the combination of a strong price signal and reinvestment in waste reduction programs and technology can help ensure that there is less waste sent to landfill than would otherwise be the case without a landfill levy.

**Mr JENNINGS** (South Eastern Metropolitan) — We are not going to be able to wrap this up before question time, given it is only 2 minutes away, but I will give the minister a heads-up that immediately after question time I will be pursuing information about how the revenue will be used. I note that Mrs Petrovich indicated that it will continue to go to the Environment Protection Fund. I would be interested to know the structure of that fund, the purposes that fund continues to be put to and whether there has been any change or will be anticipated change in the policy settings within government regarding the purposes that fund will be put to. I would also be interested in how the community will become aware of the procedure followed when the money comes into the fund; how and for what purposes its use will be determined; and whether the government anticipates shifting those priorities to account for that expenditure. I know from questions that the minister at the table has asked me previously in the committee stage of another matter that this can become a very messy issue. I will not make it protracted, but I will be interested in the minister's framing of those issues and to hear as much detail as he can give us.

**Hon. D. M. DAVIS** (Minister for Health) — The point is that the proposal will increase the landfill levy by \$43.3 million over the next four years, compared with the previously announced settings. In 2011–12 the landfill levy is forecast to raise \$131.5 million, \$11.9 million more than would have been raised under the levy rates previously scheduled. The revenue will be used to fund environment portfolio agencies, programs and initiatives devoted to improving the environmental performance of the state and protecting our environment. The government recognises the continual need to support households and industry. I understand the member's point about the flow of money and how that is followed, and that is a legitimate point, but I assure him that the money will be used for environmental projects.

**Business interrupted pursuant to standing orders.**

## DISTINGUISHED VISITORS

**The PRESIDENT** — Order! Before we move to question time I have pleasure in advising the house that we have some visitors from the Parliament of Tuvalu. Members would probably be aware that Tuvalu is a twinned Parliament with the Victorian Parliament as part of the Commonwealth Parliamentary Association network. We have an ongoing relationship with the Tuvalu Parliament, one that we certainly value in terms of supporting the development of its parliamentary procedures and so forth.

Today we are very honoured to have as guests of our Parliament the Right Honourable Sir Kamuta Latasi, who is the Speaker of the Tuvalu Parliament and, I might add, a former Prime Minister of and veteran politician in Tuvalu. We also have the Honourable Isaia Italeli Taeaia, the Minister for Natural Resources — my apology for the pronunciations — the Honourable Taom Tanukale, the Minister for Health, and Ms Pelea Sofeni, the executive officer travelling with the group. We extend a very warm welcome to you. I hope we are all very well behaved today and set a good example to the Parliament of Tuvalu.

## QUESTIONS WITHOUT NOTICE

### Planning: coastal developments

**Mr TEE** (Eastern Metropolitan) — My question is to the Minister for Planning. I refer to the recent federal government report entitled *Climate Change Risks to Coastal Buildings and Infrastructure*, which shows that literally hundreds of businesses and thousands of jobs in coastal communities are at risk from sea-level rises unless action is taken. Will the minister confirm his position as stated on ABC radio that there will be no state money to help these local councils address issues like those identified in the report, and will he confirm that he is ‘sick to death’ of councils asking the state government for more money?

**The PRESIDENT** — Order! I might add that I do not think asking a question on sea-level rises, with our guests here from Tuvalu, has been rehearsed, but they will no doubt be interested in the answer.

**Hon. M. J. GUY** (Minister for Planning) — What a wizard! Nice pick-up, Merlin. Where did you get that one from, ‘ABC news online’?

**The PRESIDENT** — Order! Apart from anything else, Mr Guy will speak through the Chair, and I suggest that the question deserved a little bit more respect in terms of the answer.

**Hon. M. J. GUY** (Minister for Planning) — Thank you, President. In answering the question after 7 seconds have passed, let me just remind Mr Tee — maybe he has forgotten, but people on this side of the house certainly have not — that when the Victorian budget was announced he might have seen a press released dated 3 May 2011 entitled, ‘Coalition government provides \$9.7 million for metropolitan and coastal planning’. It says:

Mr Guy said funding had also been committed to support detailed coastal mapping of Victoria’s coastline in preparation for storm surges and probable sea-level rise.

If opposition members are too lazy and incompetent to read budget press releases, then it is no wonder they sit in opposition and not government.

### *Supplementary question*

**Mr TEE** (Eastern Metropolitan) — The confusion of course arises from the fact that the minister said ‘No’ on ABC radio. I heard the interview. The supplementary question goes to the fact that the previous government had a regional blueprint where some \$13.6 million was allocated to help councils prepare their communities for climate change. I ask: has that funding been allocated for those purposes, or has that funding been reallocated, and if so, to where?

**The PRESIDENT** — Order! I will allow the minister to answer. I am a little concerned because I think this goes beyond a supplementary question. I believe this is a quite different proposition from that put in the original question. I will allow the minister to answer on the basis that the minister has referred to other funding that the government has made available, and it may well be that in this supplementary question Mr Tee is trying to ascertain whether that sum of money is partly the reallocation factor. I will allow it in that context but, as I said, I think that this supplementary question goes to a quite different matter from the one in the original question.

**Hon. M. J. GUY** (Minister for Planning) — The Labor Party has asked me whether there were any extra funds available for coastal planning, and I had answered on radio. The people opposite, who are detailed in their research in opposition — they listened to the radio — have found out that I said, ‘No, there is no more money than has been provided’. That is quite right. Because we have just provided \$9.7 million, there is no more money than what has been already allocated as new money in the budget.

Now I think Victorians want answers, not more studies. The previous government — underline the word

'previous' — which studied everything, which studied life, which no doubt studied the Kennedy assassination —

**Mr Jennings** — Do you say this in cabinet? Do you say this now, in cabinet?

**Hon. M. J. GUY** — Thespian, you have piped up. It is nice to see you. We will give you a 7 out of 10 for your tie today.

A very clear answer: we have provided \$9.7 million of new money in the budget.

**The PRESIDENT** — Order! Time, Minister! I indicate that I do not expect members to comment on other members' clothing and other aspects like that; it is just not on.

**Ms Broad** — But he does that repeatedly.

**The PRESIDENT** — Order! He will not do it in future.

**Ms Broad** — Well, he keeps doing it.

**The PRESIDENT** — Order! As I have indicated previously to another member in this place, I am not having a conversation with Ms Broad just now.

### **Vocational education and training: national regulator**

**Mr DRUM** (Northern Victoria) — Now we can have a conversation, President. I would like to have a conversation with you now. I would like to ask a question of the Minister for Higher Education and Skills, through you, President. Can the minister inform the house on matters of urgency associated with the commencement of the Australian Skills Quality Authority as the national VET (vocational education and training) regulator as of 1 July?

**Hon. P. R. HALL** (Minister for Higher Education and Skills) — I thank my colleague for his question on this very important matter. It was two weeks ago that I spoke in this house about concerns the Victorian government had with the imminent establishment of a national VET (vocational education and training) regulator, being the Australian Skills Quality Authority, or ASQA.

Since that time there has been further communication with the federal government on this matter, and I wish to bring the house up to date with those communications. This authority will, by federal law, become responsible for the registration and regulation

of more than 500 Victorian vocational education and training providers on 1 July. Today being 16 June, that deadline is but 15 days away. The fact that, with just 15 days to go, ASQA still has not got operational capability established here in Victoria is a matter of real concern for us. There have been no staff appointed by ASQA to its Victorian operations. There is no inquiry telephone line available for VET providers in Victoria. The office doors are still not open for inquiries by those 500-odd providers who, come 1 July, will be required to register with ASQA. This remains a concern to us.

My concern has prompted a flurry of recent correspondence with my federal colleague Senator Chris Evans about this matter. I wrote to him on 25 May, 31 May and 3 June. As a means of suggesting a practical and sensible outcome to this dilemma, I have suggested that perhaps a delegation of ASQA's duties to the VRQA (Victorian Registration and Qualifications Authority) would be a sensible interim measure. To date, those calls have not been responded to.

However, I want to say that I am pleased that there appears to be at least some glimmer of hope that this might be resolved in a sensible way. The Premier and the Prime Minister met over the weekend and the Victorian Premier again raised our concerns. The Prime Minister indicated to the Premier that she was prepared to further consider our proposal that ASQA's authority be delegated to the Victorian Registration and Qualifications Authority at least for an interim period, and we have suggested for a period of 12 months.

I welcome the fact that the Prime Minister is prepared to reconsider our very sensible and pragmatic suggestion, but I also say to her that the date for a decision has really gone by us now. However, if there is going to be a reconsideration by the federal government, that decision needs to be made in the next two days. I suggest that as a minimum the VRQA staff would need at least two weeks to prepare themselves for any new functions they have to undertake on behalf of ASQA. There is new federal law, which they will have to acquaint themselves with. The new procedures required by ASQA would have to be learnt by the staff of the Victorian Registration and Qualifications Authority. There would be much to be done in those two weeks.

I call on the federal government today to make an immediate decision on this particular matter. With just 15 days to go, we cannot tarry any longer and put the viability of Victoria's 500 or so major providers of training in this state at jeopardy. I welcome the federal

government's preparedness to reconsider this, but I urge it to make a decision immediately.

### **Virgin Australia: Singapore Airlines agreement**

**Mr SOMYUREK** (South Eastern Metropolitan) — My question is to the Minister responsible for the Aviation Industry. I refer to last week's announcement by Virgin Australia of an agreement with Singapore Airlines, and I ask: has the minister received advice as to the broader implications of that agreement?

**Hon. G. K. RICH-PHILLIPS** (Minister responsible for the Aviation Industry) — I thank Mr Somyurek for his question and his interest in aviation and the Virgin Australia announcement. I receive briefings from the Department of Business and Innovation on a range of things in relation to aviation, but I have to say we do not receive briefings on every announcement made by every aviation company.

#### *Supplementary question*

**Mr SOMYUREK** (South Eastern Metropolitan) — I was hoping that the minister read the press release. The media release about the joint venture between Virgin and Singapore indicates that the two airlines propose to codeshare on each other's international and domestic flights, offer reciprocal frequent flyer and lounge benefits, and coordinate schedules. Given that one of Virgin's main domestic competitors is Tiger Airways, which is owned by Singapore Airlines, can the minister advise what threat this agreement represents to the future of Tiger Airways?

**Hon. G. K. RICH-PHILLIPS** (Minister responsible for the Aviation Industry) — I thank Mr Somyurek for his supplementary question. Mr Somyurek talks about codeshare arrangements that Virgin Australia has announced with Singapore Airlines and a number of other commercial decisions Virgin has made. I say to Mr Somyurek: the government does not oversee commercial arrangements or codeshare arrangements made between airlines. We have a competitive market in Victoria. The government is keen to encourage investment in the aviation sector in Victoria, but individual airlines will make individual commercial decisions, as they always have. Mr Somyurek may think this is something new in the aviation sector, but these codeshare arrangements have been going on for decades — 15 years or more. This is nothing new.

### **Supported residential services: funding**

**Mrs COOTE** (Southern Metropolitan) — My question is for the Minister for Health. Can the minister

update the house on the future of the supported residential services Supporting Accommodation for Vulnerable Victorians Initiative, known as SAVVI, and the critical role this program plays in enhancing the security and wellbeing of Victoria's most vulnerable citizens?

**Hon. D. M. DAVIS** (Minister for Health) — I thank the member for her question and her longstanding interest in this area. The Supporting Accommodation for Vulnerable Victorians Initiative, or SAVVI program, is an important initiative that has broad community acceptance and support. Recent legislation put through this Parliament to assist with the better regulation of SRSs, supported residential services, was one important step in supporting and protecting some of the vulnerable Victorians who live in SRSs. The support of that sector in Victoria is a significant step; it is a sector that does not exist on anything like the same scale in other states.

I know the work of my colleague Ms Wooldridge, the Minister for Community Services and the Minister for Mental Health, with SRSs has been significant. I am pleased to say that additional funding this year of \$11.1 million will be spent assisting those services through the continuation of the SAVVI program. The funding will provide a whole series of supports for SRSs and the people who reside in SRS units. This is important because many of the most vulnerable people are residents of SRSs. Some are people with mental illness; others have a variety of other needs. All of them need particular support and specialist approaches. SRS facilities need to ensure that they are able to continue providing that support. It is an important step in combating homelessness across the state and in providing for some of the most vulnerable Victorians.

This program is jointly administered by me and the Minister for Community Services. I pay tribute to the work she has done over the years. I note the support of the last government and the previous minister for the legislation that was recommended by the parliamentary Family and Community Development Committee. It was an important piece of work done by that committee on a reference from this house.

What I am saying in response to Mrs Coote's question today is that there is additional money available this year.

**Hon. M. P. Pakula** interjected.

**Hon. D. M. DAVIS** — Mr Pakula might think it is funny, but this is a serious program that I would have

thought most people on his side of the house would support.

*Honourable members interjecting.*

**Hon. D. M. DAVIS** — Mr Pakula was making light of what I think is quite a serious matter.

**Mr Lenders** — In your opinion.

**Hon. D. M. DAVIS** — In my opinion; that is right, Mr Lenders. I have to say that if Mr Pakula does not think it is worth the house devoting its time to important programs like this, then he is misunderstanding some of the values that will be reflected through not only this government but I would have thought members on his side of the house as well.

I am not being partisan in this approach. I am referring to the work of the joint parliamentary committee on legislation that was supported by all sides of the chamber as it went through. I am making the point that this important program has the support of this government. SRSs will be supported by this government. We see the significance of that sector, and we look forward to bipartisan support for these programs.

### **Avalon Airport: future**

**Ms TIERNEY** (Western Victoria) — My question is to the Minister responsible for the Aviation Industry. I refer to the government's commitment to build a railway line to Avalon Airport and to last week's decision by Tiger Airways to reduce services from Avalon in favour of Tullamarine. I ask: what measures does the government have in place to specifically increase aviation activity at Avalon in order to ensure the viability of its infrastructure investment?

**Hon. G. K. RICH-PHILLIPS** (Minister responsible for the Aviation Industry) — I thank Ms Tierney for her question about Avalon Airport. While the issue of the rail link to Avalon, as I have previously informed the house, sits with the Minister for Public Transport, Ms Tierney asks about supporting Avalon Airport. I would say to Ms Tierney that one of the government's key areas of supporting development at Avalon Airport is to support its development as an international airport, which the previous government did not come to the party on when the commonwealth was reluctant to go down this path.

This government is very committed to seeing Avalon develop as Melbourne's second international airport. It is important for Victoria to have two international airports, to have competitive tension. One of the great

problems that exists in Sydney is the lack of competitive tension in airport services in New South Wales. The Victorian government is very supportive of Avalon's ambitions to become a second international airport for Melbourne.

*Supplementary question*

**Ms TIERNEY** (Western Victoria) — Labor, in government and in opposition, is a strong supporter of Avalon — —

*Honourable members interjecting.*

**The PRESIDENT** — Order! That was most unnecessary. Ms Tierney will take it from the top, and in silence.

**Ms TIERNEY** — Labor, in government and in opposition, is a strong supporter of Avalon Airport, and I want to know: if the government's efforts are unsuccessful and aviation activity continues to decline, will the government reconsider or amend its infrastructure investment at Avalon Airport?

**Hon. G. K. RICH-PHILLIPS** (Minister responsible for the Aviation Industry) — I thank Ms Tierney for her supplementary question. The reality of the aviation industry is that we have two annual timetable cycles: a winter cycle and a summer cycle. The flights allocated to each route and to each airport change on a six-monthly cycle. The government is not going to be making decisions around infrastructure investment made on individual flight decisions on six-monthly cycles. The government's commitment remains to support the development of infrastructure at Avalon Airport. As I have told the house previously, the rail link project sits with the Minister for Public Transport, but the government's commitment to Avalon remains, and we look forward to that facility developing and expanding to provide additional competitive tension in aviation in Victoria.

### **Planning: northern suburbs**

**Mr ONDARCHIE** (Northern Metropolitan) — My question today is for the Minister for Planning, the Honourable Matthew Guy, and I ask the minister: can he inform the house of any new developments the government has launched to facilitate growth in Melbourne's fast-expanding northern growth corridor?

**Hon. M. J. GUY** (Minister for Planning) — I will speak slowly for some members opposite, who cannot keep up with someone who speaks a little quickly.

It was my recent pleasure to be with Bernie Finn and Andrew Elsbury in the northern suburbs, in the northern growth corridor that straddles the electorates of Northern Metropolitan Region and Western Metropolitan Region to launch the newest development by Peet Ltd in Melbourne's growing northern corridor, and that is the Aston development. The northern growth corridor — —

*Honourable members interjecting.*

**The PRESIDENT** — Order! The minister, to continue without assistance.

**Hon. M. J. GUY** — I know some of our union friends opposite need me to speak a little slower, so I will do that for them. We were recently, as Mr Finn will know — —

**Mr Leane** — On a point of order, President, I think the minister is using the term 'friends' very lightly.

**The PRESIDENT** — Order! I suggest to Mr Leane that that was a frivolous contribution to make to this chamber. He clearly knows it was not a point of order, and to intrude in that way and make such a frivolous comment is not helpful to the proceedings. On this occasion he can stay with us, but I do not expect to have to deal with that sort of judgement in future, in particular from a member who has been here for some time and who clearly understands what a point of order is and what it is not.

Mr Guy, to continue, but I would hope also that he does not invite such commentary from the opposition with remarks some of which I regard as extraordinarily patronising and again not in keeping with the standards of this place.

**Hon. M. J. GUY** — As I said, I recently joined Mr Finn and Mr Elsbury in the growing northern suburban growth corridor to launch Peet's newest development in that corridor, the Aston development. There are 1700 new lots, and 4000 more people will be living in this area, a brand-new development in Melbourne's fast-growing northern suburbs. As Mr Finn and Mr Elsbury, who joined me, and Mr Ondarchie, whose electorate is part of that area, would know, the government would be able to provide substantially more infrastructure in that area — in fact \$2 million a day — had the previous government not signed up to a dodgy desalination contract which is costing \$2 million a day.

That money could have gone to providing even more services to the people of the outer northern growth corridor. It could have gone towards helping the people

of the northern growth corridor who will be living in this fantastic new development on the outer edges of Melbourne, but it was wasted by the now shadow Treasurer, the now Leader of the Opposition and indeed opposition members who have signed us up to lose \$2 million a day ad infinitum for the next 30-odd years. That money could have gone towards providing infrastructure for the growing northern suburban corridor.

It was an honour to be there with Mr Finn and Mr Elsbury to welcome a new development that will help ease Melbourne's housing affordability pressure, which is a growing problem in the outer northern corridor. The targets that this government has set for land release and affordability to bring land on stream so that it matches population growth are exceedingly important.

I take this opportunity to congratulate Peet for its investment in Victoria and confidence in the Victorian market, to congratulate the Hume council for the work it also has put into making this development happen, and to congratulate those in the department and the Growth Areas Authority who have brought this development on stream. Another 4000 Melburnians will live in this corridor. I just say it is a shame that the previous government is now making us pay \$2 million a day which could have gone towards providing the growing northern suburbs with greater infrastructure that those now in opposition bleat for but that was not delivered for 11 years.

### **Jetstar Airways: jobs**

**Mr LENDERS** (Southern Metropolitan) — My question is for the Minister responsible for the Aviation Industry, Mr Rich-Phillips. Two weeks ago in response to a question in this house about potential job losses at Jetstar the minister said he was not aware of any. Since then, has the minister sought a briefing from the Department of Business and Innovation on those potential losses, and will he report to the house on any outcome?

**Hon. G. K. RICH-PHILLIPS** (Minister responsible for the Aviation Industry) — I thank Mr Lenders for his question and for the opportunity to revisit a matter that was raised by Mr Pakula in this house a couple of weeks ago. Mr Pakula suggested there could be headquarter job losses at Jetstar, which of course is based here in Melbourne. In response to Mr Lenders's question, I am happy to say that the government has received advice from Jetstar that the matters raised by Mr Pakula are without basis. It would seem that we have a campaign under way by certain

unions associated with Jetstar. Yet again we have those opposite seeking to run an agenda on behalf of certain unions to talk down companies that are operating here in Victoria. It seems that the issue raised about Jetstar is one of those which those opposite are seeking to talk down.

*Supplementary question*

**Mr LENDERS** (Southern Metropolitan) — I thank Mr Rich-Phillips for his answer. I draw his attention to a letter from Mr Bruce Buchanan, the CEO of Jetstar, who said the majority of jobs would not go to Hong Kong. My supplementary question for Mr Rich-Phillips is: will he assure the house that no jobs will leave Melbourne for Hong Kong?

**Hon. G. K. RICH-PHILLIPS** (Minister responsible for the Aviation Industry) — I thank Mr Lenders for his supplementary question. As I said in response to Mr Pakula's question two weeks ago, I am not the chief executive of Jetstar. I am not responsible for the commercial decisions made by Jetstar or indeed any other company in the aviation sector in Victoria. The advice we received from Jetstar following Mr Pakula's question is that there is no basis for the proposition put by Mr Pakula two weeks ago. This is yet again an attempt by the opposition to talk down companies in Victoria to the detriment of the Victorian economy.

**Exports: government initiatives**

**Mr KOCH** (Western Victoria) — My question is for the Minister for Manufacturing, Exports and Trade, the Honourable Richard Dalla-Riva, and I ask: can the minister update the house on any initiatives that the Baillieu government is taking to support Victoria's export sector in regional Victoria?

**Hon. R. A. DALLA-RIVA** (Minister for Manufacturing, Exports and Trade) — I thank the member for his question and his ongoing interest in the importance of the export sector and manufacturing more generally. On 8 June I was in Warrnambool, which is one of our most spectacular regional centres, for the second in a series of export round tables. This government believes that Victoria must have a strong and dynamic export sector to deliver growth and prosperity into the future, and we will support all our companies in regional Victoria as they seek to project themselves into the global supply chain. Victoria's new government is working to revive Victoria's export performance and help our many world-class businesses make their mark in the global economy and secure more investment jobs for Victoria.

It is interesting to note that in 1999 Victoria's share of national merchandising exports was 20 per cent. After a decade of neglect and indifference by those opposite, it had declined to 9 per cent. As a new government we are trying to reverse that trend. We want to boost the ability of Victorian exporters to capture new and growing markets and to increase Victoria's export performance in priority sectors.

**An honourable member** interjected.

**Hon. R. A. DALLA-RIVA** — I love the interjection from across the chamber: 'What are you doing?'. I thought it would be important today to reveal some of the latest Australian Bureau of Statistics labour force statistics for the May quarter, just released today, that show that employment in manufacturing in Victoria has risen to 310 000. This represents an increase in manufacturing of 1300 additional jobs compared to the same figure in February. That is what we are doing: we are creating real jobs.

Those opposite always want to talk down manufacturing. I am confident that with the right support the manufacturing sector will actually grow, not like what those opposite did when they let it go and let it decline. That is what we are doing. We are about getting and delivering real jobs for Victorians in a sector that those opposite neglected for well over a decade.

We are now seeing a growth in the manufacturing sector. We want to make sure that areas like Warrnambool, part of the south-west coast, play host to many energetic and innovative businesses. Businesses in Warrnambool have a great respect for the area in terms of export growth, and I was very heartened to see many of those businesses looking at the opportunities provided by the current economic climate instead of focusing on the negative. Warrnambool is a very positive area, but those opposite want to talk it down. Even in dealing with the high dollar — which I seem to carry some blame for, according to Mr Somyurek — rising petrol prices and the constant uncertainty due to the carbon tax, regional Victoria is preparing itself to capitalise on future opportunities. That is what businesses do.

**Hon. R. A. DALLA-RIVA** — They do not talk down the sector. They do not talk it down; they actually look forwards. In finishing, I thought it would be important, for those who want to continue to talk it down, to very briefly indicate to those opposite that released yesterday — —

*Honourable members interjecting.*

**The PRESIDENT** — Order! The minister, to continue without assistance.

**Hon. R. A. DALLA-RIVA** — The Labor opposition does not want to hear the good news stories, but I was happy to see in the Westpac-Melbourne Institute consumer sentiment index for June 2011, released yesterday — guess what! — that Victorian consumer sentiment has increased by 2.6 points. Australia is down 2.7. That is what happens when you talk up industries — you see a rise in consumer interest and confidence. Those opposite just spoke it down for 10 years, and the result was a decline in the sector.

**The PRESIDENT** — Time!

### **Schools: speed zones**

**Mr BARBER** (Northern Metropolitan) — My question is for Minister Gordon Rich-Phillips, the Assistant Treasurer, in relation to his responsibility for the road safety strategy through the Transport Accident Commission. In relation to school speed zones — the 40-kilometres-per-hour zones — information I have seen on the Monash University Accident Research Centre website suggests there has been some monitoring of the speed impact as a result of the introduction of these zones. Of course we would need a larger evaluation of those zones to do it well, including looking at the exposure of children at those sites relative to the number of accidents. Can the minister tell me if such an evaluation has been done or is planned to be done, and in either case will the evaluation be released?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question and for his interest in road safety. It is an issue he has raised in this place previously. As I told the house two weeks ago when Parliament sat, the government's road safety initiatives are delivered across agencies. Obviously the Transport Accident Commission, for which I am responsible, has a key role, as do VicRoads, Victoria Police and the Department of Justice. In terms of implementing the 40-kilometre-an-hour speed zones that Mr Barber refers to, the implementation is a matter for VicRoads, but obviously their effectiveness is of considerable interest to the Transport Accident Commission.

In terms of the evaluation, Mr Barber refers to work undertaken by MUARC, the Monash University Accident Research Centre. My understanding of the 40-kilometre-an-hour school speed zones is that there have been no fatalities associated with those speed zones since they were fully implemented in 2004. Prior

to their implementation there had been fatalities on an annual basis in what are now the 40-kilometre-an-hour school speed zones.

In terms of more comprehensive data as to their effectiveness, I am not aware as to whether an evaluation has been undertaken, and I will take that matter on notice and come back to Mr Barber.

### *Supplementary question*

**Mr BARBER** (Northern Metropolitan) — In 2001 the Assistant Treasurer's Canadian counterparts undertook a survey of public attitudes to speed cameras. In that survey it was discovered that 34 per cent of Canadians had strong opposition to speed cameras on highways, but only 9 per cent of Canadians had opposition to speed cameras outside schools. Is the Assistant Treasurer aware of any similar research that tells us differential attitudes to speed cameras in Victoria according to where those speed cameras might be located?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his supplementary question, which relates to road safety in a different area. In short, I am not aware whether there is research in the form that Mr Barber refers to. Obviously one of the government's key concerns around traffic cameras is that the community has confidence in their integrity. That is why we have released the location of the mobile speed cameras and that is why we are implementing the oversight mechanism, to ensure that the community can have confidence in the integrity of those cameras.

As to the community's differential beliefs about the different locations of the cameras, I am not sure that such work exists. However, I can undertake to take that on notice for Mr Barber and come back to him.

### **Housing: Altona North**

**Mr ELSBURY** (Western Metropolitan) — My question is to the Minister for Housing, Wendy Lovell. Can the minister update the house on any recent projects in Altona that are focused on providing social housing?

**Hon. W. A. LOVELL** (Minister for Housing) — I was delighted last Thursday, together with the Honourable Nicola Roxon, the federal Minister for Health and Ageing and member for Gellibrand, to officiate at the opening of a new housing development at 231 Mason Street in Altona North. This will provide another 44 new social housing units in Victoria. Ms Roxon and I were joined at the opening by a member for Western Metropolitan Region, Mr Bernie

Finn, and also the member for Williamstown in the Assembly, Mr Wade Noonan.

As the Minister for Housing, nothing satisfies me more than seeing new homes being built for Victoria's most vulnerable people. This project is particularly special for me as it stands on a site where I spent a considerable amount of time in my childhood. As a local resident I lived with my family not far from the development in Mason Street. I went to school just around the corner in Blenheim Road, and I worked my first job — a paper round — in the streets that surround the development in Mason Street. Ms Pennicuik also knows this area well, having lived just across the other side of Mason Street in Altona East.

This project is also special in many other ways. It is built on the site of a former briquette dump. This development has been built to 6-star standard, so we have an environmentally friendly building, built on the site of a former briquette dump, a site that had been environmentally degraded. It is a testament to the good work that can come from constructive partnerships between the commonwealth and state governments and also the social housing sector.

Michael Lennon, the CEO of Housing Choices Australia, was justly proud of the development and the outcome of the building, which will serve as an excellent model of this type of medium-density, mixed-tenure development into the future. The Baillieu government, through the Department of Human Services, is providing the expertise on the ground that sees such developments succeed. The \$12.9 million venture was possible due to the strength of the social housing sector of Victoria, and I am passionate about growing the social housing sector in a sustainable way into the future so that we are able to increase the amount of affordable housing available to Victoria's most vulnerable residents.

## QUESTIONS ON NOTICE

### Answers

**Ms PENNICUIK** (Southern Metropolitan) — I am looking for answers to questions on notice 170, 172 and 173 from the Minister for Agriculture and Food Security, Minister Walsh. We have called his office several times requesting answers to those questions.

**Hon. D. M. DAVIS** (Minister for Health) — I will follow those questions up for Ms Pennicuik.

**Mr LENDERS** (Southern Metropolitan) — I firstly note that for three days in a row not a single question on

notice has been answered, but during question time on 6 April I specifically asked the Leader of the Government a question on noise walls. He undertook to take it on notice, and I have not yet heard back, so my query is: when a minister says he is taking a question on notice and 30 days have passed, what is the procedure for enforcing that undertaking? And I specifically ask Mr Davis what has happened to his promise in this house to give me an answer to a question on notice on 6 April?

**Hon. D. M. DAVIS** (Minister for Health) — President, I have passed that point to the relevant minister and he should respond. I will follow that up for the member.

**Hon. M. P. PAKULA** (Western Metropolitan) — Also on 6 April Mr Davis took on notice during question time two questions that I asked him in his capacity as representing the Premier regarding freedom of information and the Premier's office, and I have received no response either from the minister or from the Premier with regard to those matters that the minister undertook to take on notice.

In addition, with regard to questions on notice — and I will only refer to those that are to Council ministers themselves — questions on notice 342, 389, 435 and 468 to the Minister for Ageing are 42 days overdue; questions 344, 391, 437 and 470 to the Assistant Treasurer are 42 days overdue; questions 346, 393, 439 and 472 to the Minister responsible for the Aviation Industry are 42 days overdue; questions 376, 423, 457 and 490 to the Minister for Technology are 42 days overdue; questions 347, 394, 440 and 473 to the Minister for Children and Early Childhood Development are 42 days overdue; questions 360 and 407 to the Minister for Housing are 42 days overdue; questions 353 and 400 to the Minister for Employment and Industrial Relations are 42 days overdue; questions 364 and 411 to the Minister for Manufacturing, Exports and Trade are 42 days overdue; questions 358 and 405 to the Minister for Health are 42 days overdue; questions 359 and 406 to the Minister for Higher Education and Skills are 42 days overdue; and questions 367, 414, 448 and 481 to the Minister for Planning are 42 days overdue. I seek a response as to where the answers to those questions might be.

**Hon. D. M. DAVIS** (Minister for Health) — I thank the member for his list and handy ready reckoner there. I will certainly follow up each of those questions. I do make the point, though, that when Mr Pakula was in government 31 October 2010 was the last date on which the unanswered questions on notice of the previous government were listed and on that notice

paper it shows that one question from 23 May 2007 was more than 1400 days overdue.

**Ms TIERNEY** (Western Victoria) — I rise to seek answers to questions on notice, two of which are to Minister Davis, being 603 and 644; three to Minister Rich-Phillips, being 628, 669 and 662; one to Minister Guy, being 653; two to Minister Dalla-Riva, being 650 and 639; and one to Minister Hall, being 645.

**Hon. D. M. DAVIS** (Minister for Health) — I will follow those questions up.

**Ms BROAD** (Northern Victoria) — I seek an explanation from the Minister for Health in relation to questions on notice 612, 613, 614, 615, 616 and 617. Notice was first given of these questions on notice on 7 April. On 1 June I sought an explanation from Mr Davis as to why an answer had not been provided. The minister responded on that occasion:

I will ... take those to the Minister for Environment and Climate Change and seek a detailed explanation as to why he has not brought them forward.

On 15 June I emailed Mr Davis reminding him about answers to these questions on notice. I draw attention to standing order 8.12(4) which states:

Immediately it is apparent to a minister that it will be difficult to provide an answer to a question within 30 days he or she should advise the member accordingly.

I have received no such notification that it is difficult. The minister has previously said he will seek an explanation, and I seek further explanation from him today.

**Hon. D. M. DAVIS** (Minister for Health) — President, I have followed up each and every one of those questions. I am informed that the responses are on their way, and we will get them to the member.

**Ms PULFORD** (Western Victoria) — I too would like to seek an explanation about the lack of a response being forthcoming to two questions on notice. One was to the Minister for Employment and Industrial Relations: question on notice 218, which was submitted on 24 March this year. It is now some 54 days past due.

**Mr Leane** — It might be one of the flaps.

**Ms PULFORD** — It might be one of the flaps. I can but hope to get an answer to this. The second one is question on notice 624 for the Minister for Health, Mr Davis. I certainly would also seek from him an explanation. That was asked on 3 May 2011, and a response was required by 2 June. These are matters that I seek a response from the government on.

**Hon. D. M. DAVIS** (Minister for Health) — President, I will follow up on those questions and ensure that they are brought to the chamber. I do make the point that the questions the member refers to are perhaps several weeks overdue, but question 351 in the last Parliament from the shadow minister for industry and trade to the Minister for Public Transport in the last Parliament was dated 23 May 2007 — —

**Hon. M. P. Pakula** — I wasn't the Minister for Public Transport then.

**Hon. D. M. DAVIS** — Yes, but I make the point, Mr Pakula, that you could have answered it as Minister for Public Transport but chose not to, despite it being on a notice paper dated 31 October 2010. It was well over 1000 days. I will endeavour to get the response as soon as I can.

**Sitting suspended 12.55 p.m. until 2.02 p.m.**

## ENVIRONMENT PROTECTION AMENDMENT (LANDFILL LEVIES) BILL 2011

*Committee*

**Resumed; further discussion of clause 3.**

**Mr JENNINGS** (South Eastern Metropolitan) — I thank the Deputy President and the Minister for Health and welcome them back after an interruption of the committee stage of this bill. I would like to simplify my question. Before we broke for question time I raised a framing issue about where we are heading. I will narrowly define my question in the first instance. Looking at the moneys that are going into the Environment Protection Fund, the minister informed me that \$131.5 million is anticipated to come in from the landfill levy this year. I ask the minister to outline to the committee what will be the total quantum, and from what sources, coming into the Environment Protection Fund in 2011–12.

**Hon. D. M. DAVIS** (Minister for Health) — I am not sure I have a figure for all sources, but I will seek to obtain that. I am conscious of the framing of clause 3 of the bill. It is about the form of money coming through the levy. I am endeavouring to find a figure for other moneys, but it may well be beyond the scope of this specific bill. I am happy to find that figure to provide comfort to Mr Jennings, but it is certainly beyond the scope of this clause of the bill.

**Mr JENNINGS** (South Eastern Metropolitan) — What I am relying on is what is in the second-reading

speech in terms of the purposes to which this revenue will be put.

**Hon. D. M. DAVIS** (Minister for Health) — Is it the outgoing revenue rather than the incoming? I was referring to the incoming revenue.

**Mr JENNINGS** (South Eastern Metropolitan) — Let me outline for a minute the logic of the question and why it is relevant to this clause and the amount of revenue that is going to be derived from the provisions in this clause. The second-reading speech clearly indicates that the levy will be used for environmental purposes and that the revenue from this measure will go into the Environment Protection Fund, but the levy is not the only source of funds that go into that fund. The levy is not the only revenue source. What comes into that fund is a combined pool.

Given that the second-reading speech says there will be priority funding associated with this revenue — it does not use the word hypothecation, but it is indicating that the revenues would be hypothecated — this question and subsequent questions will be about how, with that mix of funding in the fund, we can have confidence as a Parliament and as a community that there will be a direct correlation between the money that is raised for this purpose and the ways in which it will ultimately be expended from that larger pool of resources. Once the money is in the fund it is commingling, and that is the reason we need to be clear about that.

**Hon. D. M. DAVIS** (Minister for Health) — As I understand it, all the moneys collected by the levy will go into the fund and be used for environmental projects and purposes, as outlined; there will be no funds going elsewhere.

**Mr JENNINGS** (South Eastern Metropolitan) — I think some members of the committee understand that the point I am getting to is that it is a very specific source of revenue and it is implied that it is for a very specific expenditure, and up until now the minister has not been able to provide, through the contributions to either the second-reading debate or the committee stage, clarity and specificity about what environmental programs the funds will be used for. I am just trying to get as close as we can to a sense of the environmental programs, the purpose for which these funds will be used and whether the government will maintain the existing structure of the fund or change it to, for instance, funding for biodiversity programs or salinity programs or a variety of other programs which are environmental programs but do not have anything to do with resource recovery. I am really trying to get the minister to respond to that issue and to specify with

some degree of certainty that the funds will be used for resource recovery purposes.

**Hon. D. M. DAVIS** (Minister for Health) — As I understand it, the landfill levy revenue is used to fund environmental portfolio agencies, programs and initiatives. It is designed to protect the environment in that sense. I think the government recognises the need to continually support households and industry to do better and offer safer and more sustainable waste management services — that is, both individual programs and statewide. That will be a central priority for the new initiatives to be funded for the levy. As I understand, it will not be used for non-environmental purposes. It will not be used for education or health or something like that.

**Mr JENNINGS** (South Eastern Metropolitan) — The minister was doing a good job right up until that last sentence. The good job he was doing was in trying to keep a narrow focus on resource recovery initiatives and provide confidence to us that that is — —

**Hon. D. M. Davis** — If that is what you mean, I don't think it is going to — —

**Mr JENNINGS** — Yes, but I put to the minister at the table that I wanted to make sure that that was indeed the case and the fund is not for broader environmental policies such as biodiversity protection or others. The minister was creating a sentence which sounded to me as if it was going to refute the proposition that this revenue could be used for other types of environmental outcomes, and he balked and talked about education or other portfolio issues. If he completed the sentence that he started, to guarantee that it would stay in the resource recovery area, then we would finish this line of inquiry.

**Hon. D. M. DAVIS** (Minister for Health) — Perhaps I can put it this way: all the landfill levy moneys are paid into the Environment Protection Fund under section 70 of the Environment Protection Act 1970 and are further distributed in accordance with the Environment Protection (Distribution of Landfill Levy) Regulations 2010 — I think Mr Jennings's regulations. Landfill levy moneys paid into the Environment Protection Fund may only be applied in accordance with the regulations and/or in line with the requirements established under the Environment Protection Act 1970. The moneys can currently be applied for fostering environmentally sustainable uses and best waste management practices. Essentially the rules that apply will be the same rules that applied under Mr Jennings's arrangements.

**Mr JENNINGS** (South Eastern Metropolitan) — That is a good answer, because I wanted to make sure that the scope had not changed and that it is not the intention of the government to change those purposes but to acquit those moneys in that way. We have got there in that regard; I am pleased to hear that.

My next line of inquiry relates to the process by which future funding announcements may be made. I know there is a work in progress in relation to this matter, but when our roles were reversed the minister who is currently at the table asked me questions about the transparency of decision making and the engagement of stakeholders in decision making about priority programs, whether money was invested in the local government sector or the private sector and what type of innovation facilitation would be made. That was a totally appropriate line of questioning. What I am doing is just remembering them. I am holding up the mirror and asking that again.

**Hon. D. M. DAVIS** (Minister for Health) — I think we all appreciate the idiosyncrasies of this chamber on these matters.

**Mr Barber** — It's called karma.

**Hon. D. M. DAVIS** — It is. The point is that as a result of the commencement of the Climate Change Act 2010 on 1 July 2011, a new panel to make recommendations on the use of the landfill levy moneys is required to be appointed. In addition, the guidelines and the priority statement that the panel must use to direct their consideration must be remade. The guidelines and priority statement are currently being considered by the Premier and will be released shortly for 21 days of public consultation in line with legislative requirements. The general direction for the guidelines and priority statement are set out in the Environment Protection Act 1970.

There is also another point. As I understand it, the Department of Sustainability and Environment (DSE) has held some initial consultation meetings with stakeholders, and that will also assist.

**Mr JENNINGS** (South Eastern Metropolitan) — I thank the minister for that; that is a very reassuring answer. I am pleased about that process and look forward to members of the community participating in that 21-day consultation process. I think it is a very positive step that the government is working through those issues.

I will now shift focus to a few questions that relate to the effect on the ground of the impact of the landfill levy. I note the minister has already told the committee

that the data is not in yet to fully appraise the impact of the last year's levy. I understand that, but I am interested to know what we might think has been the outcome in terms of a number of things. They relate to whether there have been any adverse effects that have come to the attention of the government or the agency, particularly as they relate to the different cost structures within the schedule itself and the regional issues that fall out of that in terms of different landfill rates. That includes whether we have seen the adverse transportation of waste, inappropriate dumping in rural Victoria, the migration of waste across state boundaries or any of those types of adverse impacts that the government and its agencies are mindful of and are working with the various players to deal with to prevent those adverse effects occurring.

**Hon. D. M. DAVIS** (Minister for Health) — I understand what the member might be referring to is illegal dumping and matters related to that. I think there are requirements in the act and regulations which directly relate to and police those.

**Mr JENNINGS** (South Eastern Metropolitan) — Yes indeed, I know there are, because I was very worried about this issue when making the initial reforms to try to make sure there were programs to support local governments in particular across regional Victoria in relation to the adverse impacts. I was just interested to know whether we have any intelligence that the agencies are working through that indicates that that was a real or a perceived problem or in fact whether it has been addressed by the impacts of those programs, or whether further work may be coming forward in the years ahead to deal with those matters.

**Hon. D. M. DAVIS** (Minister for Health) — I am informed that the councils will be supported through the reinvestment of the levy revenue to assist them to reduce the amount of waste going to landfill and minimise the impacts. That is part of the purposes of various projects that will be applied. I am sure regard will be given to how these projects can be most effectively implemented to achieve the objectives, including lowering waste and protecting the environment.

**Ms HARTLAND** (Western Metropolitan) — I have been a local councillor. In the last two weeks I have become aware of a concern that not only is this outside of the councils' budget cycle but they are not sure at this stage what kind of funding they can expect. I am not getting a sense of what they can expect. Can the minister elaborate on that, especially in terms of dumping issues? As I understand it, that is a major problem, especially for country shires.

**Hon. D. M. DAVIS** (Minister for Health) — I am told the minister has recently written to councils informing them of all those matters. I am happy to provide a copy of that document to Ms Hartland.

**Ms HARTLAND** (Western Metropolitan) — I would appreciate that, because having spoken to some of the councils last week I know that at that stage they had not been approached by the minister.

**Hon. D. M. DAVIS** (Minister for Health) — I do not know the date.

**Ms HARTLAND** (Western Metropolitan) — It would be excellent to see that.

**Mr JENNINGS** (South Eastern Metropolitan) — If the minister supplies that information to Ms Hartland, I would be grateful if it were afforded to me. There is the question of councils and the flowthrough of the levy increase in terms of council rates. I am entering into the discussion today in a very supportive sense in terms of local government, and I will continue in that vein. I am interested to know what, if any, gouging or potential gouging may have occurred within the formulation of council rates far beyond the impact of the levy being passed through to residents. I would be very concerned if the government were inappropriately held responsible for a greater rate increase than what the levy might bring to bear on households. Is the minister aware of any difficulties that have been created in terms of that and any measures that may be in place to prevent that occurring in the future?

**Hon. D. M. DAVIS** (Minister for Health) — There are a couple of points I will make in response to that question. Firstly, yearly increases are only 10 per cent above the previously announced landfill levy projections and the impacts on individual councils are projected to be quite small. It is not my experience that councils would be, to use Mr Jennings's word, gouging. We want councils to act responsibly in terms of their ratepayers. In the spirit of the member's commentary, I imagine they would.

**Mr JENNINGS** (South Eastern Metropolitan) — Let us share the view that we hope that is the outcome. I hope that is the outcome, because we are mindful of the impact on households. Mrs Petrovich outlined to members the cost impacts on households which may be apportioned to produce on average somewhere of the order of 500 kilograms of waste a year. That may take the effect to \$18.50 a year — I said that just to demonstrate that I was listening! Is there any idea within that average range of how many households are likely to have their council rates determined on the

basis of producing in excess of 500 kilograms of waste a year, or is that average figure likely to be applied to the rate base across Victoria?

**Hon. D. M. DAVIS** (Minister for Health) — I am informed that the impact would be quite small. As I understand it, the modelling that has been done on this issue is obviously focused on averages.

**Mr JENNINGS** (South Eastern Metropolitan) — I believe it is quite small, but I was interested to know whether we had any information on the number of households that may end up with a bigger rate increase than what has been suggested. If the minister is not able to convey that back to the committee today, I will not hold the committee up. But I encourage the minister to pass onto his colleague that I think it would be worthwhile to monitor the situation in terms of the outcomes of passing on those costs to households and the appropriate ways they are passed on, particularly in a climate where the structure of local government budgets may be a little uncertain and local governments may seek to cover themselves, to hedge their risk or exposure through some of those financial transactions. That would be an unfortunate consequence of what the government, including the minister, is doing.

I will shift to cost structures in relation to business and whether we have perceived unintended and adverse impacts on industry in terms of its storage, transportation or disposal of material that has become undesirable in light of the increase in the levy. Does the government have any concerns about whether those problems, if there are any, may be exacerbated by the increase that has been brought forward to this year?

**Hon. D. M. DAVIS** (Minister for Health) — As I understand it, the member is asking about the impact on businesses. I am informed the government has undertaken an analysis of the likely impact on households, small businesses and local government, which we have previously discussed, and the impacts are very small. The proposed levy increases have been considered carefully and have been set at a level that the government believes will provide strong incentives to reduce waste sent to landfill and foster waste management best practice without imposing an unfair or undue burden on businesses or the community.

**Mr LENDERS** (Southern Metropolitan) — I understand that that is the intention. Based on the assertion that the minister has just made that the impacts are small, I am interested to know whether he means small in relation to the financial cost structures of a business but also, and most importantly, small in relation to adverse environmental effects. It may or may

not be the minister's intention by describing them as 'small', but I am assuming he was describing both elements as being small. In terms of what the government thinks the cost will be to business, I ask: is that information available now? If not, when will that information be available? Similarly for the environmental effects: is that information available now? If not, when will that information be available to industry and to the community?

**Hon. D. M. DAVIS** (Minister for Health) — The impact on business is a fair point, and for average small businesses the increased levy is expected to result in a small increase in waste disposal costs of around \$1 in 2011–12 compared with the rates that were scheduled for that year. Obviously the impact will be different for certain classes of business; for example, recyclers and those who may be recipients of some of the resources will experience quite a difference of impacts.

**Mr JENNINGS** (South Eastern Metropolitan) — As the minister at the table would be aware, his colleague, the Minister for Environment and Climate Change, would be wise to make sure that these issues are quantifiable. This is particularly so given that the \$1 cost he has attributed to small business will not be the assessment that rings alarm bells through industry and will not be the story that is told throughout industry by those who may be concerned about increased levy costs. As a pre-emptive precautionary tale, before the minister for environment is pursued by the Minister for Manufacturing, Exports and Trade, or by any other government minister, about the impugned costs, I would encourage that minister to get on top of the material and distribute it among his colleagues. As a result of this perhaps two things would occur. The integrity of the policy would be maintained, and then we may establish a process by which proper environmental accounting and its compliance may become part of standard business practice in Victoria and Australia. I think that would actually suit all of us well; I just make that as a final point.

**Clause agreed to; clause 4 agreed to.**

**Reported to house without amendment.**

**Report adopted.**

*Third reading*

**Motion agreed to.**

**Read third time.**

## APPROPRIATION (2011/2012) BILL 2011 and BUDGET PAPERS 2011–12

*Second reading*

**Debate resumed from 2 June; motion of Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) and motion of Hon. D. M. DAVIS (Minister for Health):**

That the Council take note of the budget papers 2011–12.

**Ms BROAD** (Northern Victoria) — I wish to contribute to the motion to take note of Budget Papers 2011–12, which is now a cognate debate with the Appropriation (2011/2012) Bill 2011. I commence by noting the healthy AAA-rated state finances inherited by the Liberal-Nationals coalition government from the former Labor government. I further note that the coalition government has maintained the record of the former Labor government by delivering a budget surplus, although the \$140 million surplus in a budget approaching \$50 billion is wafer thin and certainly a lot thinner than any budget surplus delivered by Labor.

The healthy AAA-rated state finances inherited by the Liberal-Nationals coalition government from Labor have allowed the government to delay revenue-raising measures from the current financial year to the next financial year. Such measures include the \$180 million in dividends from water authorities, as pointed out by Mr Lenders. Everything else remaining equal, it is clear that if those dividends had not been delayed, the 2011–12 budget would not have been in surplus at all.

I further note that the budget raises a record amount of revenue, more revenue than was ever raised by any former government, revenue that is \$2 billion higher than under Labor. The budget includes more revenue from the GST than has ever been received by the state of Victoria. These record revenues have allowed the Baillieu-Ryan government to include record expenditure in the budget, expenditure which is \$2 billion higher than under Labor. In addition, the healthy AAA-rated state finances inherited by the Baillieu-Ryan government from Labor have allowed the government to double net debt in the 2011–12 budget.

While it is tempting to remind Liberal and Nationals members of their words proclaiming the evils of debt, the truth is that the healthy state of the finances inherited from Labor means that the Liberal-Nationals government can double net state debt without causing any difficulty to Victoria's finances. However, it is also fair to say that just because they can, does not mean they should. The test of whether debt is responsible is

not just whether you can afford it; it is what you do with the funds.

I draw attention to the extraordinarily strong financial position the Baillieu-Ryan government has started with. Given all this revenue, given the doubling of debt, given all the expenditure, why has the Baillieu-Ryan government not been able to outline in this budget a plan for Victoria's future, a plan for investment in the infrastructure Victorians need and a jobs plan? Why have we heard so much complaining and blaming and so many excuses from the Baillieu-Ryan government? Why has the government not delivered on all of its promises in this budget? Further, why has it not honoured commitments entered into by the former government, which communities relied on in good faith? In accordance with conventions laid down on many occasions by former governments, one would have thought this very strong financial position inherited by the current government would have made it perfectly reasonable to honour commitments to communities, commitments that were made well before the election and well outside any period to which caretaker provisions apply.

On the subject of jobs, under Labor Victoria drove jobs growth in Australia. In the last 12 months the Victorian economy created 100 000 new jobs, and 92 per cent of the full-time jobs created in Australia in the previous year were right here in Victoria. One might ask: where is the Baillieu-Ryan government's plan for jobs? Job creation and economic growth in regional Victoria does not just happen. It requires good planning, but the government has no plan, or at least no plan has been outlined in this budget. The words 'jobs' and 'employment' do not rate a mention in this budget.

Meanwhile, in response to threats to jobs in the Goulburn Valley, which has been raised in this house on a number of occasions in recent times, we have heard that the best the Minister for Employment and Industrial Relations can manage is to say, 'We have people out there who engage with companies at all levels'. Premier Baillieu needs to advise Minister Mr Dalla-Riva that preserving regional jobs at SPC Ardmona demands his personal attention and that he should make it his business to get out of his ministerial office in Melbourne and visit the Goulburn Valley.

The future of SPC Ardmona is critical to communities across north-eastern Victoria. The responsible minister in the Baillieu-Ryan government, or at least the minister who is supposed to be responsible for jobs for all Victorians, needs to hear firsthand about the issues from workers, the company and the affected communities. Alternatively, as I have previously stated,

the Premier could give responsibility for securing jobs in regional Victoria to a minister who is dedicated to looking after the interests of regional and rural communities.

In addition to the issues I have referred to about SPC Ardmona, there are other examples which go to the issues that particularly face regional Victoria — for example, the job losses at the Heinz Girgarre factory. There are quite a number of reasons why the minister should be making it his business to spend some time in the Goulburn Valley addressing these issues. I am sure that Victorians in the Goulburn Valley would be very keen to hear just what are the government's plans for creating jobs, particularly in the Goulburn Valley. I am sure there are many other communities across regional and rural Victoria that would like to hear just what the government's plans are for creating jobs in regional and rural Victoria.

I refer also particularly to the education budget. I have referred previously to the very strong financial position the government has inherited. One would have thought, given that very strong financial position, it would be reasonable to expect that there might have been a reasonable provision for education in this budget. It might have been reasonable also to expect that the government might have made some more extensive promises than it made prior to the election in November 2010.

On that latter point I refer to just one of the lower house electorates in Northern Victoria Region, that of Benambra. We see that for this term of office the government has made just one promise for Benambra. It has committed to rebuilding just one school. One really has to question whether the government intends to stick to that promise and build only one school across the whole electorate of Benambra in Northern Victoria Region. I note that in this 2011–12 budget the extent of the budget allocation that has been made to deliver on that very paltry promise by the Baillieu-Ryan government is some funding for planning. In this budget we do not even see funds being allocated for building the one school that the government has seen fit to promise. That does rather raise the question: where do rural and regional Victoria and schools in rural and regional Victoria feature in the priorities of the Baillieu-Ryan government? On the basis of that example, one would have to think that they do not rate very highly at all.

To take another example in another part of northern Victoria, I refer to Wallan Secondary College, which I have previously raised in this place. The former Labor government saw fit to make a major commitment to

that school, and it followed up that commitment with major investments in the school. What is now required is for the Baillieu-Ryan government to complete that building program. Members on the other side of the house were very quick to point out to Labor when Labor was in government that that school should be a priority and that funds should be allocated for the completion of the restructuring and rebuilding of Wallan Secondary College. Here we see that it has not rated a mention at all in this 2011–12 budget.

I might say that if letters from the Minister for Education that are being received by schools are any guide, schools should not be holding out any hope at all that funding will be considered a priority any time soon. The reason I say that is that schools have received from the minister letters which make it perfectly clear that if schools were not listed as an election promise, then they are not a priority; that the government's priorities are contained in its election promises. If members look at the very short list of schools in Northern Victoria Region that were included in the government's election promises, they will see that that means the government will be doing very little of anything when it comes to education in Northern Victoria Region.

That would fit with the cut of some 60 per cent to infrastructure funding that we have seen in terms of the cut to education in this 2011–12 budget. I am quite sure that that is not what Victorians were expecting when they made their decisions on how they would vote at the last election. They might have had pause for thought if they had been aware that the Baillieu-Ryan team had secret plans, as it has turned out, to cut funding for education infrastructure by 60 per cent.

The impacts of this budget on schools do not stop at those matters. We have also seen the failure to fund the Take a Break child-care program, which has a major impact on parents who are trying to juggle work and family responsibilities in families that are not in a position to afford expensive child care but can currently take advantage of affordable child care provided through the Take a Break program. If the government sticks to its decision not to continue funding for that program, those families will not have access to it in the future.

We see also in the budget a review of school buses. On the basis of what has been made public so far, we would have to anticipate that rationalisation of school buses under that review is code for what we, and certainly parents, can expect — that is, a reduction in school bus services when that review is completed. There is a very long list of school bus services across Northern Victoria Region which are being reviewed.

A long list of other matters have not been included in the 2011–12 budget. I can only say that from the point of view of my electorate a great opportunity has been missed.

**Mrs PEULICH** (South Eastern Metropolitan) — I rise to speak on the Appropriation (2011/2012) Bill 2011, the very first budget of the recently elected Baillieu government. I would like to start by congratulating the Treasurer on delivering a responsible and caring budget in conjunction with all the other ministers and members of the coalition parties.

The first budget of the Baillieu government is about fixing the problems and building the future. That is an important slogan to which the former government had become immune. That government basically mired itself in public relations, without addressing sometimes small and quite simple problems that plagued it and many of its portfolios. The budget fulfils many of the 2010 state election commitments, notwithstanding the fact that many of those were for the term of the government, with more than \$5.1 billion of the \$5.2 billion of election promises delivered.

I have said previously that key tests of a budget are that it must build and maintain economic and community assets or build on the physical capital of our state; deliver service and support through community development or development of its social capital; and have acceptable, non-punitive levels of taxation without unnecessary waste. That was a very important theme in the last state election, where people literally saw the cash register ringing up millions and millions of dollars of waste that taxpayers would rather have seen spent on much-needed infrastructure and services and keeping the pressure off the cost of living.

The other important pillar of a responsible state budget is for it to be open and transparent and to deliver honesty and a democratic government. I believe the budget goes a long way to passing those four key tests, notwithstanding the fact that it takes more than just six months to turn around 11 years of neglect.

The 2011–12 budget has been framed in the context of inheriting up to \$2 billion of cost pressures across several infrastructure projects, GST revenue being reduced by \$4.1 billion over five years due to a cut in Victoria's share of GST, a slowing national economy and significant delays in commonwealth infrastructure funding of \$550 million, as well as additional expenditure being required on repair and rebuilding as a result of recent floods across Victoria. In addition we have had \$2.5 billion in GST reduction. We have had a shrinking of the pool of \$1.6 billion, and then we have

had commonwealth deferred payments of \$550 million — \$500 million for the regional rail project and \$50 million for the cancer centre.

The Department of Treasury and Finance has identified a series of major projects subject to serious cost blow-outs and pressures, which in some cases are greater than the initial cost of the project itself. Time and again we have seen evidence of the ineffective development of business cases and poor costing, delivery and implementation of projects. The iconic examples of this sort of waste are myki, HealthSMART and the law enforcement assistance project (LEAP) and LINK databases, as well as the regional rail project, the Melbourne markets redevelopment, the Royal Children's Hospital information technology system and the West Gate Bridge project. The Victorian coalition government is determined to put each of these projects on a responsible footing and is investigating the full risk and exposure of each project in order to mitigate further losses of taxpayer funds before progressing with the projects.

The government has obviously inherited structural problems. Over the past decade spending growth has outstripped revenue growth and, as Mr Barber said earlier, debt has increased. However, we have made a deliberate policy shift to slow that growth. The operating surplus has relied on temporary commonwealth stimulus payments, public debt has risen substantially and there is a need to increase infrastructure spending. A tighter fiscal approach is required. This will place Victoria on a solid financial footing, reducing debt over time, increasing infrastructure investment and ensuring that future projects are managed properly and fall within budget to ensure taxpayers funds are no longer wasted.

I will not go into all the details of the budget; they are handled well and have been comprehensively covered by the Public Accounts and Estimates Committee in its most recent *Report on the 2011–12 Budget Estimates — Part One*. I commend the chair of PAEC, Philip Davis, and the themes that have emerged not only through our election campaign but since then with a focus on responsible financial and economic management, making the community safer, improving and rebuilding our transport infrastructure, improving our health system, supporting regional and country Victoria, delivering new educational opportunities, helping households manage the cost of living and restoring confidence in government.

I have limited time to contribute to this debate, so I would like to focus on South Eastern Metropolitan Region, which I now have the pleasure of representing

for the fifth year in my second term in Parliament. I congratulate the members of Parliament who were elected in 2010 and whose electorates cover the south-eastern metropolitan area. They include the members for Frankston, Carrum, Mordialloc and Mount Waverley in the Legislative Assembly, who made very good contributions to the address-in-reply debate in the other place. I will spend less time on those electorates and more on those that do not have Liberal representation in the lower house. In the Casey municipality these include Narre Warren North, Narre Warren South, Cranbourne and parts of Lyndhurst.

Some of the budget highlights for those electorates include an increase in commuter car parking for Narre Warren and Merinda Park railway stations. We recently saw Ms Graley, the member for Narre Warren South in the other place, criticising the speed with which these projects are being delivered, notwithstanding the fact that the Labor government was in office for 11 long years and did not deliver them. Ms Graley has only recently found her voice. Many of these issues were not raised at all in the Parliament or in the media when Labor was in government. The additional park-and-ride places will go a long way towards alleviating the congestion of car parking facilities during weekday morning rail services. They will also address the issue of illegal car parking, especially at Merinda Park and Narre Warren. This budget is the first step towards reducing those issues as well as providing additional comfort for commuters with secure car parking.

The budget provides funding of \$500 000 to Casey Comets Football Club. Sport and recreation plays an important part in Cranbourne, and the Casey Comets have a 30-year history in the local community. It is a very strong club, and I would like to congratulate Cr Geoff Ablett for his commitment to the Casey Comets Football Club in securing the funding during the election campaign.

The budget provides \$1 million in funding to conduct planning and development work in support of an expansion of Casey Hospital; \$22 million for the Berwick trade careers centre at the Chisholm Institute of TAFE; \$15 million to construct a new special school at Officer, which will also service the city of Casey; \$10 000 for Narre Warren North Primary School; land acquisition funding for the new Casey Central East Primary School; and \$24 million to support the City of Casey with the remediation costs of the Stevensons Road landfill, with that commitment confirmed.

For Frankston the budget includes a commitment of \$36 million in funding for the Frankston Hospital inpatient expansion, something which is very important

to the communities in the Frankston and Cranbourne electorates and further afield. There is \$5 million in funding for the central activities district plan, including a transit interchange, and I look forward to seeing a transformation of the city of Frankston facilitated by this seed funding. Other smaller commitments are funding for University of the Third Age, Meals on Wheels and a toy library, as promised in the election campaign.

The Nepean Special School in Seaford caters to a growing number of students with a disability in the rapidly growing Frankston and Mornington Peninsula areas. It has outstanding maintenance needs — floor finishing, repairs et cetera — and this funding will provide some relief. In the city of Greater Dandenong funding of \$10 million will be provided for works at Dandenong High School, which under the former government merged with the school I formerly taught at, Cleeland Secondary College. Hopefully this funding will take the school to another stage.

The budget allocates \$16.5 million towards metropolitan level crossings, with Springvale Road, Springvale, being a high-priority location. This will benefit all the electorates in South Eastern Metropolitan Region, especially commuters who use Springvale Road in the south-east. The coalition has taken the first steps in fixing the problems at one of Victoria's most dangerous level crossings and will work with the local Springvale community in fixing this crossing.

A further \$8.5 million for land acquisition and initial planning for the new children's hospital in Clayton is also a very welcome announcement.

In Kingston there is \$2 million this year, or \$6 million over two years, to begin the clean-up of Mordialloc Creek, an important community asset; \$5.5 million for the second stage of Parkdale Secondary College; \$20 million for the start of the Kingston stage of the Dingley bypass, where there had been no movement made under the former government, allowing for road congestion to plague every single business and resident in those areas; \$700 000 for planning of the Southland railway station; and \$100 000 to provide minor works at Yarrabah School in Aspendale, which caters for students with a range of physical and intellectual disabilities from early childhood to 18 years of age. The school has a number of outstanding urgent maintenance requirements, including internal fittings, cupboards, floor fittings, painting and general repairs. The government holds the view that those who work with and parents of children with disabilities have enough on their plates in terms of daily challenges, so assistance

with this type of general repairs is the least that any government could do.

In the south-east there is \$550 000 for the support of Neighbourhood Watch, and I look forward to the reinvigoration of the program and the putting back of 'neighbour' into Neighbourhood Watch, which unfortunately had been undermined in previous years. There is \$1.3 million over the next four years as part of a \$9.5 million boost in the Victorian budget for Life Saving Victoria. My electorate has a number of lifesaving clubs, but unfortunately finding the funds for their upgrade and maintenance is always a challenge, and I look forward to seeing a progressive improvement in that area. There is also \$6 million over the next three years for clubhouse upgrades.

The free zoos policy is something that is very popular in the south-east, in particular for those families suffering from increases in the cost of living. The ability to take children under the age of 16 years to our three zoos for free is something that families have applauded.

As the Parliamentary Secretary for Education I will speak in brief on the key budget themes for 2011–12 in the various education portfolios. They include implementing the government's 2010 election commitments, meeting commitments relating to the Council of Australian Governments reform agenda, strengthening the delivery of core programs and services, integrating and aligning the new department to support a lifelong learning agenda and managing resources efficiently and effectively.

In relation to specific portfolios, there is a special commitment to capital investment in early childhood development and further investment in supporting kindergarten for children of families from low socioeconomic backgrounds and children with disabilities, and supporting early childhood education and care in rural areas.

In school education, under the Minister for Education, Mr Dixon, there has been a focus on investment in child welfare and students with special needs, evidence-based investment in core literacy and numeracy, better curriculum options, including specialisation in languages, and greater freedom for schools and school councils.

In higher education and skills, under the Minister for Higher Education and Skills, Mr Hall, there has been a focus on building skills and improving access to training opportunities for all Victorians, improving the

quality of training and improving access to higher education for regional students.

I look forward to the opportunity of speaking in greater detail on many of these issues. I might take a leaf out of Mrs Coote's approach in sequencing a number of contributions on a particular theme during her statements on reports so that I can give due consideration and attention to the wonderful initiatives happening in the portfolio of education.

In particular I would like to use my remaining minute to say that the \$274 million commitment to increasing diversity and choice in education is something that has been welcomed broadly by the community. The building for the future program of capital investment of more than \$97 million for new schools and land to meet growth is very important in the south-east, as is a focus on beefing up the curriculum and bringing greater support and specialised teaching personnel into the portfolios. Support for vulnerable young people, safe and healthy schools and combating bullying are some of the very important themes in the education portfolio, as are funding to skill up Victorians and the \$62.5 million being reintroduced as concession fee places for young people aged from 15 to 24 years as well as the \$40 million increase in exemptions to eligibility criteria for government-subsidised training. These are much needed in order to open up avenues of education to those who do not go to university. I commend the bill to the house.

**Mr TARLAMIS** (South Eastern Metropolitan) — I rise to make a contribution to the debate on the Appropriation (2011/2012) Bill 2011 and the budget papers 2011–12.

This is a budget which members opposite say delivers on their election commitments, eases the burden on families, improves and rebuilds transport infrastructure, restores community safety, invests in our children's education and delivers quality health services. I intend to look beyond these feelgood statements and cast a critical eye over the budget and what it means for the electors of the South Eastern Metropolitan Region, to assess the budget not against these claims of the government but based on what this budget delivers for Victoria and to measure this budget against the government's promise to fix the problems and build the future.

I will begin by looking at some of the so-called problems the Baillieu government faced after coming to office: a AAA credit rating for every budget we delivered; a strong operating surplus; reduced payroll tax for business; reduced WorkCover premiums; the

largest infrastructure program in the state's history; 100 000 new jobs last year, representing 92 per cent of the full-time jobs created in Australia; A Fairer Victoria; and a plan to tackle climate change. By all reasonable measures we were in a financial and economic position that would be the envy of many state governments. But instead we have seen a government more intent on debasing the legacy of the previous Labor government than developing a plan and a vision to match its election rhetoric of reduced debt, improved services, increased infrastructure and ending the spin.

The Baillieu government is proud of its first budget and claims that it should be measured against the delivery of its election promises, but despite what members opposite would have us believe this budget in fact breaks a number of these election commitments.

In education the government promised to rebuild and modernise schools, promised new schools and promised vocational education training centres from Frankston to Mount Waverley, and it made these promises for a fraction of the real costs of the projects. But this budget shows us how many schools missed out on promised upgrades. This budget reveals the lowest investment in capital works funding for schools in eight years.

When in opposition the government said it would match the commitments of the Bracks and Brumby governments to rebuild or conduct major refurbishments in all schools by 2016, but its first budget fails to deliver on that commitment. In fact the budget does not even fund the schools the coalition promised to build or refurbish when it went to the election — schools in my electorate like Dingley Primary School, Kingswood Primary School, Mount Erin College, Aspendale Primary School, Seaford Primary School and Seaford North Primary School. Also, Parkdale Secondary College was promised \$5.22 million before the election but this year received only \$280 000 for new sports and art facilities.

*Honourable members interjecting.*

**Mr TARLAMIS** — It looks like I have hit a nerve! The government is asking these schools not to look at the 2011 budget. It is asking the voters who placed their trust in it to look instead into the future to the 2012 budget and beyond and to trust its media releases and not its actions. The government is asking the electorate to trust the Minister for Education, who has directed his department to slash \$481.1 million from the budget and who promised to make Victoria's teachers the highest paid in the country only to now back away from that promise.

The government promised to fix the problems in transport, upgrade stations, build a new station at Southland and carry out grade separations, but instead of delivering the money to address these problems it was revealed that the most pressing concern of the Baillieu government was finding \$2 million to fund the reopening of the New Street railway crossing in Brighton. That is more money than was allocated for the new station at Southland, which received \$700 000, and this project was considered more urgent than the government delivering on its promise to grade separate some of the most dangerous level crossings in metropolitan Melbourne.

The previous government promised to upgrade the Seaford, Chelsea, Parkdale, Highett and Hallam stations to premium status to improve safety, but these plans were also dumped by the Baillieu government. The budget confirms that \$54.9 million allocated in last year's budget for 20 premium station upgrades has been cut. A further \$55 million has been slashed from programs to improve access to public transport for commuters with a disability, impacting unfairly on our most vulnerable citizens. The budget also reveals no new trams — despite a commitment before the last election for 10 new trams — no new bus services, no new V/Line carriages, no funding for metropolitan grade separations and no new station staff at railway stations. This is all despite projected growth in passenger numbers.

Let me now turn to road funding across my electorate, specifically the Dingley bypass. At the last election the now member for Mordialloc in the other place, Lorraine Wreford, promised to deliver \$55 million for planning and construction work, yet this year's state budget provided only \$20 million. One wonders where the extra money will come from and whether the member for Mordialloc and the Premier ever intended to honour this promise.

The government promised to reduce the cost of living burden for families, but in its first budget it abolished the School Start program, which will affect 100 000 families. The government clearly does not understand that starting school brings with it significant costs to families. We have also seen the scrapping of the Home Wise program, and that unfairly targets some of the neediest members of our community, not to mention the defunding of the Take a Break occasional child-care funding. I am not sure how scrapping these programs is supposed to assist low-income families and improve the cost of living.

The government rallied against fines, fees, state taxes and charges but delivered a budget that depends on

these charges increasing to deliver a modest surplus. It brought forward higher municipal land levies, adding to the costs of councils, which will invariably be passed on to ratepayers.

The government promised to fix the problems in health with 800 new beds and reduced hospital waiting lists, and it promised to build a new emergency department at Frankston Hospital. The residents of Frankston missed out on the promised emergency department but instead received a visit from the Premier announcing funding for 64 extra medical and surgical beds and expanded critical services. How will the member for Frankston in the other place explain this broken promise, a promise he made and that was reported on the front page of the *Frankston Standard Leader* of 22 November 2010? Was the announcement by the Premier and the member for Frankston days before the 2011–12 budget just an act of spin to avoid scrutiny of this broken promise?

The government matched Labor's promise to build a Monash Children's hospital. However, this budget allocates only \$8.5 million for planning, as opposed to the \$250 million we promised at the last election, affecting 330 000 children who live in the south-east. What about the promised \$165 million for the new Royal Victorian Eye and Ear Hospital? What does this government say to patients who are waiting for over a year for routine outpatient appointments? What we see is a plan for more plans through an 86-page, 12-year metropolitan health plan delivered under the cover of the budget. What we do not see is how many additional surgeries this plan will produce, where the promised 100 new beds earmarked for the first year of the plan will be allocated and when we can expect the remaining 700 beds that were promised at the election to be delivered.

I will now turn to community safety and protective services officers (PSOs). The budget reveals an \$85 million cost blow-out and the abandonment of the government's election commitment to deliver PSOs to emergency departments in addition to train stations. What happened to the promised infrastructure for PSOs at train stations? This budget does not provide a cent for infrastructure improvements to accommodate PSOs at train stations. Does this mean the comments in this house by Mr Dalla-Riva, the Minister for Employment and Industrial Relations, that police will be escorting PSOs on toilet breaks were indeed the truth? What the budget does not reveal, but the Public Accounts and Estimates Committee hearing did, is that the shining centrepiece of the government's transport safety policy is unravelling. Rather than the government delivering a quarter of the 940 PSOs in December 2010 as

promised, only 93 will be deployed by 30 June 2012. Rather than PSOs being delivered to the stations in areas most in need, they will be deployed to major city and inner suburban stations.

The coalition also made a number of commitments around policing and police stations. In Mount Waverley we saw a commitment from the now member for Mount Waverley in the other place, Michael Gidley, and the Premier to upgrade Mount Waverley police station to 24-hour operation. This budget is silent on that commitment, and the residents of Mount Waverley are asked to take a leap of faith that the project will be delivered sometime in this term of government.

On climate change we are told by the government that a 20 per cent reduction in emissions is an aspirational target. What is made clear by its actions is that the government is not committed to reducing emissions and has abandoned investment in green jobs. The government is backing away from its emission reduction election claims.

Clearly jobs are also not a priority for this government. The Baillieu government has done nothing to create jobs and instead has spent the last six months talking down Victoria's economy. The government has no plan to create any new jobs in Victoria and has no jobs target for the next four years. The reduction in the apprenticeship completion bonus is testament to that, putting at risk the jobs of over 14 000 apprentices, many of whom are young people who have forgone a traditional education for a trade.

Finally I turn to social housing. Members opposite understand the politics of social and community housing only too well. They perfected fear campaigns around the acquisition and construction of social housing projects across seat after seat. The former Labor government knew the importance of social and community housing investment. We understand that rising prices are pushing people out of affordable rental and out of communities they have spent most of their lives in and where they have educated their children. But when in opposition government members ran public campaigns and undermined new social housing projects. They generated fear and appealed to people's basest instincts, demonising those less fortunate than themselves and those who had fallen on hard times. They encouraged communities to believe that social housing tenants would harm their communities, reduce their house prices and expose their children to harm. It is true; we all saw it.

The government has shown little commitment to delivering social housing for the next year or for the

forward estimates. What we see is a savaging of total appropriations in the budget for social housing, and we see the Minister for Housing, Wendy Lovell, spruiking the delivery of Labor initiatives to avoid scrutiny of her failure to secure necessary funding for low-income families.

Six months on the real picture emerges: a picture of a government that is not about equity or fairness and cannot deliver its promises. The strategy of government members is clear: they blame the previous government, they blame the federal government and they mislead the electorate with spin. Against their own measurement they have failed to deliver a budget that delivers on their election commitments. They have failed to deliver a budget that fixes the problems and builds the future, and they have failed Victoria's most disadvantaged communities. What the government has delivered is a budget so full of spin that it would make a first-class public relations guru proud.

**Mr KOCH** (Western Victoria) — It gives me great pleasure to speak on the first of many coalition budgets. The contribution by Mr Tarlamis, a member for South Eastern Metropolitan Region, gives me some concern as to who is writing some of these speeches, because on many accounts the speakers would not believe some of the stuff they are putting forward if they were to read the budget papers. The budget — as I said, our first as a new government — has been well researched. It is a balanced budget that looks after and accommodates all Victorians. It is not just poll driven, as we saw in recent years from the previous government. It is amazing to see the disbelief of opposition members in the strength of Treasurer Kim Wells's first budget — something they wish they had had the capacity to deliver over the last 11 years. The difference between this budget and all the Labor budgets is that this government has delivered on all but 2 per cent of its election commitments in the first year — a first for Victoria, with over \$5 billion worth of commitments delivered as promised. It should be noted that all community organisations along with small and large business groups have given the Treasurer's budget a tick of approval — a bit of a change compared to Labor's budgets of the recent past.

This is an outstanding effort considering we have had such a reduction in federal funding, including a cutback of \$2.5 billion in GST funding and \$500 million removed from the regional fast rail project, yet we are still meeting the extraordinary commitment of a surplus of \$100 million. This may have looked daunting and impossible, but the Treasurer and his team have been able to cover off on all commitments, meet the challenges over the next budget period and produce a

surplus of \$140 million to boot, which is something Labor could not manage as it continued to push expenditure growth by over 8 per cent per annum while increasing revenue by only 3.2 per cent. That was a train crash waiting to happen in a financial sense, as it was unsustainable, and all Victorians knew it.

The coalition's Regional Growth Fund, with \$1 billion over the next eight years, has been well received and will continue to reinvigorate business and drive employment in regional Victoria. Natural gas extensions to smaller towns like Terang, Winchelsea, Bannockburn and Avoca in western Victoria will be great for these towns, which will be the beneficiaries of natural gas, having been ignored by the former Labor government over the last decade.

I am amazed by the opposition's contributions to this debate. Opposition members have been all over the place, as they are still coming to grips with being on the opposition benches. Mr Lenders, the former Treasurer, was all at sea in his response. Opposition Labor member for Western Victoria Region, Gayle Tierney, ranted and raved, telling us what she went to the election promising, although none of her policies were costed or made public. She is still to realise that she is not in government and that we have a better program in place for the future. Our policies were announced, they were costed and they have been made available to all recipients at this point. I never cease to be amazed by the phone calls I get from regional press houses in relation to some of the commitments that Ms Tierney supposedly made but which were never made public and were not costed, yet the press has unfortunately run with some of these so-called policy positions and built up an expectation in communities that was never delivered or offered.

I doubt that opposition members have even come to the realisation of the financial burdens they have imposed on all Victorians over the next three decades, which sees the desalination plant in Wonthaggi alone needing \$2 million of borrowings daily to service the debts of its construction and operation into the future. One can add to this the myki ticketing system, smart meters, overruns on current work programs to the tune of \$2 billion, blow-outs in construction schedules such as the Barwon Heads bridge and the overpass at Waurin Ponds, to name a couple — which are months behind completion — and the list goes on. If the people who are now, rightly, sitting on the opposition benches were in private enterprise, they would be looking through bars for their actions, including Ms Tierney, who has seen fit to come back into the chamber —

**Ms Tierney** interjected.

**The ACTING PRESIDENT (Ms Pennicuik)** — Order! Ms Tierney was not in her place. It is not appropriate to come in like that and interrupt the speaker when not in one's place.

**Mr KOCH** — I am glad to see Ms Tierney back in the house. Hopefully at some stage she can substantiate all these policies she created that were never made public, never costed and which she continues to preach in western Victoria.

I have to say that the best part of the budget for me and those in western Victoria is seeing the opportunities afforded to the people there. This gives me great heart after a decade of neglect. Let us look at some of the budget allocations in place across western Victoria. In health we see as part of the \$2.5 billion injection into the Victorian health system that a new 24-hour, professionally staffed ambulance station will be built at Beaufort in the Ballarat region. An amount of \$241.9 million will halve Ambulance Victoria membership fees, and \$151 million will employ 340 additional ambulance staff over the next five years.

A sum of \$8.3 million will be allocated for enabling works for the future expansion of Geelong Hospital, and \$2 million is provided for aged-care developments in Geelong, particularly in relation to Croatian aged-care accommodation. This is something that was repeatedly denied by Labor members, who said they could not do it. For over a decade, with the stroke of a pen they could have assisted multicultural communities, especially in Geelong, where these groups have made such a great contribution over the last 50 years, particularly to manufacturing.

An amount of \$2.2 million has been provided to support community owned and run bush nursing hospitals and bush nursing centres across regional Victoria, and \$70.2 million has been provided for an overhaul of rural and regional health, including \$56 million for the Rural Health Support Fund. There has been an allocation of \$1.1 million over four years for the rural dental practitioner program to encourage dental therapists, oral health therapists, dental prosthetists and dentists to relocate to country areas. As we all know, dental health in regional Victoria has probably given the most grief to regional communities, particularly over the last decade — and western Victoria has not escaped that.

From a transport point of view, we all note that our rural highways and some roads have been underresourced for the last 10 years, and the further you drive west the worse they get. We will see \$15 million for passing lanes on Princes Highway west, \$10 million

for passing loops on the Marshall to Warrnambool railway line and \$160 million allocated to rural roads and bridges, and hopefully we will be able to attend to the downfall of highways — particularly a state responsibility — being the Henty, Glenelg, Hamilton and Hopkins highways in western Victoria.

There is \$47 million to upgrade country rail level crossings and \$3 million over two years to plan for the Avalon Airport rail link, which we see as a very important project for Victoria, particularly for those in western Victoria. Making Geelong a centre of aviation excellence is something I and the western Victorian community all look forward to. There will be \$4.7 million to reopen the Talbot Street station, plan and develop a new station at Grovedale and upgrade the Ballan railway station, amongst other rail safety initiatives.

An amount of \$1.6 million will be allocated over four years to run the new Ballarat trains to Wendouree, and \$3 million will be afforded to construct noise barriers on the Geelong Ring Road — an oversight of the previous government. There will be \$4.5 million for the Ballarat-Buninyong Road upgrade and \$2.5 million to start the Ballarat western link road upgrade, and also \$12.3 million has been allocated to continue the rollout of the new graduated licensing system for young drivers, which is another very important incentive.

From the point of view of education, Horsham will have a new \$7 million special developmental school for children with intellectual disabilities. This is something that the previous government made many promises on but had no intention of ever delivering, and we have included this in our first budget.

**Ms Pulford** interjected.

**Mr KOCH** — Ms Pulford can raise her concerns, but she has had five years to do something about it and is still trying to claim some ownership.

There will be \$11 million in funding towards the redevelopment of Colac Secondary College and \$700 000 to plan the Apollo Bay P-12 College's upgrade. We will also be putting \$26 million towards Torquay's first stand-alone secondary college, and an extra \$5 million will be made available to secure land for a second primary school.

All these big initiatives in relation to South Barwon that were supposedly going to come from the former government were never delivered. It has been neglected for 11 years. Is it any wonder that Andrew Katos was successful in gaining the seat of South Barwon in the other place at the last state election?

We also see in law and order \$602 million to recruit 1700 more front-line police and protective services officers. This will be a great advantage in meeting security needs right across regional communities. There is absolutely no doubt that policing in western Victoria, and I speak only of western Victoria, is in need of a huge increase in the complement of police officers. We have seen the start of that, which has been fantastic, but we are a long way from a full complement. Sadly that lack of security is felt not only in our big provincial cities and towns such as Ballarat and Geelong but also further out, in Colac, Warrnambool, Hamilton, Horsham, Portland and other centres.

The budget provides \$30 million to build and upgrade police stations around Victoria, including in North Ballarat, Sebastopol and Heywood. We have also made provision for a new police station in Waurin Ponds in the lower house electorate of South Barwon.

From a rural growth point of view, the south-west will benefit from the \$1 billion Regional Growth Fund which will fund projects to provide better infrastructure facilities and services, strengthen the economic base of communities, create jobs and improve career opportunities in regional Victoria. The list goes on.

From an emergency response point of view we will see new Country Fire Authority stations, new Victorian State Emergency Service volunteer support programs put in place and \$1.4 million for a bushfire response planning unit.

Regional Victoria, particularly Western Victoria Region, has benefited from this budget like never before. Geelong alone has had \$150 million made available to it, which is something that has not happened for over a decade. We see a city down there which has been managed principally from Spring Street and has missed opportunity after opportunity. Ms Tierney may talk up what she wants to, but she, like her colleagues, has done nothing. The former government held all the lower house seats and half the upper house seats that covered the greater Geelong area, and nothing was being done there. From that point of view there is little or no doubt that Victoria is an immediate beneficiary of the change of government.

The budget has recognised the needs of all Victorians, irrespective of where they live and work. Regional Victorians have been missing out for the past five to six years and are just plain sick of all that. It is good to see the resources being returned to and lifting the spirits of those who on most occasions ask for little.

I congratulate the Premier and Treasurer on putting together such a credible and comprehensive budget package in these difficult financial times. The times have been made worse by the reckless spending of our predecessors over the past decade after they had a golden handshake from the previous Premier, Jeff Kennett, and his government, with surpluses in excess of \$1.5 billion in 1999. Social engineers they possibly were, but financial managers they were definitely not. Members of the previous government should look to the budget that has been brought down on this occasion and be envious of all regional Victorians.

**Ms PULFORD** (Western Victoria) — I start by responding to some of the mistruths Mr Koch espoused in his contribution. My friend and colleague Ms Tierney has already participated in this debate, and she was roundly verbally by Mr Koch at a variety of points in his presentation. To correct the record, the redevelopment of Portarlington Primary School was a commitment that Labor made in the lead-up to the election and, unlike a whole lot of commitments that Mr Koch and his friends in the Liberal Party were making all over our electorate of Western Victoria Region, it was fully costed and funded.

Mr Koch talked about the need to deliver on schools such as Portarlington Primary School and Horsham Special School and in education generally. It is important to note that one of the key differences in government service delivery in Victoria between our government and the new government is the area of education. Our commitment in the lead-up to the 2006 election — to rebuild, modernise or refurbish every single state school in Victoria — was part of a 10-year plan that was half delivered. Members of the Liberal Party went to the election leaving everyone with the distinct impression that this program of school upgrades would not be interrupted on their watch. But, lo and behold, what have we got now? Schools all over Victoria have been told to put their plans on hold, and their work in preparation to be part of the second half of that significant project has been very rudely interrupted by the election of this government.

Mr Koch talked about Horsham Special School. The upgrade to the school is greatly needed and is something that I have supported for many years. It is something Ms Tierney has supported for many years, as did Mr Koch and former members Mr Vogels and Mr Kavanagh in the previous Parliament. In the last Parliament there would be any number of things that the five members for Western Victoria Region would agree on and of course many that we would not. One of the things about which we were all in firm agreement

was the need to support an upgrade at Horsham Special School.

We got to the election campaign and we announced funding for Horsham Special School. There was nothing from the coalition, not a peep. I am glad those opposite were shamed into doing something about it between the election and the budget, but, like the people in Horsham, I am very concerned about how a project that has an integrated master plan to upgrade Horsham Special School in conjunction with an upgrade of Horsham College will be delivered when now there is no money for Horsham College. I hope Mr Koch has some cunning plan for how he is going to get funding in the next budget for Horsham College, because these works need to be done together. They need to be done in an integrated way because that is the way that that site works.

**Mr Ondarchie** — You had 11 years, don't forget.

**Ms PULFORD** — We had a 10-year plan to upgrade every school in the state, with 525 schools done already. That is a very important plan which would be completed if this government gave a hoot about public education.

I will move on from Mr Koch's contribution and get on to my own in the time that remains. I hope members were able to bear with me for a minute on that, as it was just a little bit too much to ignore. In the lead-up to the last state election the now Premier and other Liberal and Nationals members and candidates crisscrossed the state making a whole lot of promises, promises that I think they did not ever intend to keep. They made promises that we would have the best paid schoolteachers in the country. They made promises about wages for public servants. They made promises about things up hill and down dale all over the state. Straight after the election we found out that a lot of these promises were not considered quite so important.

**Mr Ondarchie** — Trades Hall isn't writing your speeches, is it?

**Ms PULFORD** — Is that really the best you can do?

Before the election the coalition made a commitment to equal pay for social and community service workers, it made a commitment to Victorian teachers about making them the highest paid and it made a commitment to the police force. We are talking about some pretty large groups of people in Victoria that have been sold a pup on issues that I imagine are very important to them, their families, their partners, their children and other people who are supported by their

wages. I would hope that Mr Ondarchie has something a little bit better than, ‘Did this come from Trades Hall? Did Trades Hall write your speech?’. I am perfectly capable of having an opinion about public sector wages all on my own, thank you very much.

The then opposition members, now government members, had a hell of a lot to say about the cost of living. I invite the next government member to speak on this bill to explain how ripping a \$300 School Start bonus from 100 000 families, scrapping the apprenticeship bonus from July this year and removing people’s access to occasional child care so they can participate in work, study and other things helps with the cost of living.

Mr Koch might have liked this budget, but I thought it was a wasted opportunity and a lost opportunity. The government has demonstrated a spectacular lack of vision. The Treasurer of Victoria managed to get up in the other place and deliver a budget speech that went for about 30 or 35 minutes and did not mention jobs. How is that possible? Do you have to actively hit control+F, type in ‘jobs’ and pull the word out? How do you talk about the economy for half an hour without mentioning jobs unless you are actively seeking to not mention them? The Premier promised to keep government debt down; government debt has risen. We have a billion-dollar Regional Growth Fund with half a billion dollars in it.

**Mr Koch** — Over eight years.

**Ms PULFORD** — Mr Koch presumes the result of the next state election.

There were a whole lot of promises about completely rebuilding the public transport system in Victoria as well, yet there is no money in this budget for extra buses or carriages for regional rail services.

We have heard Ms Lovell on many occasions in this place talk about the difficulty the government is presented with in the face of lapsing programs. We have had attempts to shift responsibility from the government to the opposition in a whole range of areas where the government has decided not to continue funding. The JobWatch budget has been slashed considerably, and any number of very important services, like the Take a Break occasional child-care program, will be stopped at the end of this financial year or calendar year on this government’s watch. We had news all over the radio yesterday — I saw it rather than heard it as it is hard to listen to the radio in this place — of a great deal of — —

*Honourable members interjecting.*

**The ACTING PRESIDENT (Mr Ramsay)** — Order! I think I have been reasonably tolerant in allowing some small interjections, but I would like to hear Ms Pulford’s contribution.

**Ms PULFORD** — The Acting President who is in the chair now while I am concluding my contribution is also a member for Western Victoria Region. There are many communities and projects in those communities that we would both support enthusiastically, and I would hope Mr Koch would too. Many of the things that matter to our communities matter regardless of the colour of their political representatives. I am sure there are plenty of things we can agree on, and, yes, delivery is important.

The Timboon P–12 School is another example of an important education facility that is not being supported by this government, as is Kyneton Secondary College. A \$25 million upgrade that was promised for Sebastopol College was spectacularly absent from the state budget.

The budget papers also had another big, gaping hole where the funds for the Ballarat base hospital helipad ought to have been. As members would know, I live in Ballarat, and the Liberal Party candidates for the state election campaigned vigorously about the need for a helipad. There were big pictures everywhere; there were pictures in the paper and whopping great corflutes, billboards and other things all over town. There was a picture of a helicopter — a helicopter and a helipad are not exactly the same thing, of course, but I assume the picture of the helicopter was all about making sure everybody knew about the helipad — so I was genuinely surprised that the helipad was not there in the budget. I know government members have said we will just have to wait a little bit longer on this and that they intend to deliver it.

**Mr Koch** — It’s totally funded in this budget, but you were opposed to it.

**Ms PULFORD** — Mr Koch said the Ballarat helipad was totally funded in this budget.

**Mr Koch** — You know that. Read the papers.

**Ms PULFORD** — I have read the papers, Mr Koch.

**Mr Koch** — The helipad is funded.

**Ms PULFORD** — On which page of the budget papers is the allocation for the money for the Ballarat helipad? I had a pretty good look for it.

**Mr Koch** — Ballarat Health Services would like to know where the best location for it is, but the helipad is funded. You know that.

**Ms PULFORD** — Here's the thing: it is not in the budget papers. I think Mr Koch is being a little loose with the truth on this issue. On one of two visits to Ballarat since the election the Premier stood up in front of a roomful of people and said, 'It's in the budget papers'. But it is not in the budget papers. There is an item that says something like, 'Things to be funded later on in future budgets', but that is the closest thing to a mention it gets. That is a hell of a long way from a line item for government expenditure in the budget. We have a government that won office on a series of lies and now appears to be governing with the same approach. That is just one particularly poignant example.

What is most telling about this budget is budget that it is not about jobs. It is a budget that does not appear to be doing anything much about the cost of living, two incredibly important issues for the people in western Victoria, whom I represent in this place. This budget is a terrible, lost opportunity.

The government has made a lot of promises all over the place. Some of them have been allocated funds in the budget, on some of them we will have to wait and see, and the government has subsequently decided that a great deal of the others are really not all that important: 'We're just not going to bother with the promises about teachers wages and about social and community service workers. If you want something better than 2.5 per cent, police officers, you'll have to take some industrial action; we're not budging on 2.5'. The 2.5 per cent has to cover a whole bunch of things, like offsets on workers compensation payments — of all the things to be trying to negotiate on! The budget is a great disappointment. I surely hope the government will do better for western Victoria next time.

**Mr P. DAVIS** (Eastern Victoria) — I am delighted to have been called to make a contribution to the debate, and I will be brief. In recent weeks I have spent a considerable amount of time looking in detail at the Victorian state budget, having had the joy, as some of my colleagues in this place are aware, of chairing 54 hours of estimates hearings. I do not intend to reprise volume 1 of the Public Accounts and Estimates Committee report on the estimates, but I do want to make some points in overview.

The Appropriation (2011/2012) Bill 2011 and the Appropriation (Parliament 2011/2012) Bill 2011 seek authority from the Parliament to draw, respectively,

\$39.2 billion for expenditure by the government and \$106.5 million for expenditure by the Parliament. The budget papers provide details of funds that do not require annual parliamentary authority, such as: special appropriations where there is continuing authority embodied in specific legislation, totalling \$5.4 billion; agency revenue credited to appropriations of \$3.7 billion; and unspent appropriations from the prior year carried over to the budget year of \$0.8 billion.

The funds sought through the appropriation bills are to be drawn from the state's Consolidated Fund. Money in this fund comes primarily from commonwealth grants, taxation and the sale of goods and services. The government estimates that in 2011–12 the total revenue from operating transactions will be \$47.4 billion and the total expenditure from operating transactions will be \$47.3 billion. It is estimated that \$6.4 billion will be spent on general infrastructure by the government sector in 2011–12.

I want to speak quickly about the context of this budget. In particular I will respond to the contribution of the previous speaker, Ms Pulford, who made some remarks that seemed to berate the Baillieu government for its failure to implement policies of the previous government. The logic of this completely escapes me. I have now been in this Parliament for what is approaching 19 years — what a joy, I am in my 19th year!

**Mr Barber** — You should head home for a breather.

**Mr P. DAVIS** — Mr Barber interjects that I should head home for a break. I can assure Mr Barber that I have only just begun.

It is nonsense that a member of the opposition, in the debate on the first budget delivered by the Baillieu government would suggest that the Baillieu government has an obligation to implement policies of previous discredited Labor governments. It is beyond comprehension to me. It is clear that where contracts have been entered into, any government in the Westminster tradition will honour those contracts, but beyond that — —

**Mr Barber** — Do you want to expand on that concept?

**Mr P. DAVIS** — Conceptually, at least this government will ensure that it meets what I describe as the avoidance of risk to the credibility of the state of Victoria by abandoning contracts. But I should say that as part of its process the Baillieu government — and the Treasurer, Kim Wells, needs to be congratulated in

this debate on the great work he has put in as Treasurer in delivering on election commitments, which I will come to in a moment — commissioned an independent review of the state's finances. The independent review found that there are necessary principles which make good financial sense for the state and which the government should adopt. In its review the panel identified a number of principles as follows:

manage the state's finances responsibly —

I think everybody would agree that that is a good principle to adopt —

- maintain public sector wealth for future generations;
- establish a financial position sufficiently robust to withstand unexpected events and the volatility of revenue and expenses;
- improve the quality of public services over time; and
- allocate public sector resources to those activities that give maximum benefit to the community.

That is a fairly reasonable approach. The executive summary goes on:

The panel's analysis suggests that, on an underlying basis, trend growth in expenses has outpaced trend revenue growth over the past decade: the state's operating position is unsustainable into the medium term. Without correction, the trend scenario indicates that the government will be unable to pay for its recurrent expenses by 2015–16 without resorting to debt funding. In this situation, it would also need to borrow to meet all infrastructure spending.

Those comments from the executive summary of the report are of great concern. They are reflected again in the key findings of the report, which I will not go to at this point.

I want to turn to the Liberal-Nationals coalition plan for better financial management, which contains a policy commitment that was part of its election package before the election and forms a template for the management of the government sector in Victoria.

That policy commitment articulated:

A Liberal-Nationals coalition government will:

- protect Victorian public sector jobs.
- cut Labor's waste on spin doctors, advertising and self-promotion and redirect the funding to improve services delivery.
- increase the efficiency of government services by getting a better deal on behalf of taxpayers on government procurement and purchasing management.
- consolidate and standardise back-office functions to allow departments to work more effectively in the service of all Victorians.

Those principles, along with a commitment to maintain the operating budget surplus of at least \$100 million each year, have been met in the budget before the house. I therefore congratulate Kim Wells, the Treasurer, a very learned man who has done long, hard years of apprenticeship. We were elected to Parliament at the same time in 1992. The most important thing about Mr Wells is that he is an East Gippslander; he comes from Bairnsdale. That eminently qualifies him to hold a high office in the Baillieu government.

The opening remarks of the Treasurer in the budget overview were, in part:

The coalition government's first budget delivers our election commitments to:

- ease the burden on families;
- restore community safety, deliver quality health services, invest in our children's education;
- improve and rebuild our transport infrastructure; and
- rebuild regional and country Victoria.

The coalition is delivering this budget against the backdrop of significant financial challenges.

I do not intend to quote verbatim representations made by the Treasurer, but it is useful to remember that we have some significant financial challenges, including the Commonwealth Grants Commission announcement of an unprecedented \$2.5 billion cut to Victoria's GST revenue. As a result of a slowing national economy, Victoria is now forecast to receive \$4.1 billion less in GST revenue than expected. The commonwealth also announced the deferral of \$550 million in promised infrastructure payments.

In addition, the cost overruns caused by the previous government's poor management of projects has potentially exposed Victoria's finances to \$2 billion of overruns and underfunding. My primary concern is that the underlying budget position is such that the growth in expenditure has run ahead of the growth in revenue — —

**Mr Barber** interjected.

**Mr P. DAVIS** — As Mr Barber interjects, it seems he may be thinking about becoming a Liberal. A good Labor budget! Yes, it is a typical Labor budget. It is not a good Labor budget, it is a bad approach to public finance. We know it is typical of the ALP; we know it is typical for the ALP to struggle to do anything other than cook the books rather than count the beans.

Some of the key aspects of this budget are relevant to this debate. In this first budget the government has

highlighted the challenge of maintaining sustainability in Victoria's financial standing. It forecast an operating surplus of \$140.4 million in 2011–12, which is in line with the government's fiscal target of a minimum surplus of \$100 million. This forecast is \$731.5 million, or 84 per cent, lower than the initial budget of 2010–11, and it is \$109 million, or 44 per cent, lower than the latest revised budget for 2010–11. In each case the reduction reflects higher operating expense projections. Whenever you do the analysis, a theme of growing expenses becomes clear.

The government has stated that the delivery of the November 2010 election commitments is a specific feature of the budget. Funding is allocated up to 2014–15 for output commitments totalling \$4.4 billion, which provides for the majority of the government's election commitments regarding outputs. There is \$1.1 billion of asset commitments, which provides for 46 per cent of the government's election commitments regarding assets. The government has expressed its intention to fully fund the remaining commitments during its current term. The government has announced efficiency savings targets totalling \$2.2 billion, which have been allocated across all departments over the five-year period to 2014–15.

**Mr Lenders** interjected.

**Mr P. DAVIS** — I am pleased Mr Lenders has read the estimates report. It is outstanding work. I particularly congratulate the staff on assisting with that compilation. It reflects well on the bipartisanship approach of members of the committee, except for the theatre of the actual estimates hearings.

I want to wrap up my remarks, which are necessarily brief given the time constraints imposed by the previous Leader of the Government on budget debates, which limit members to a 15-minute contribution. In the good old days we had an unlimited time to reflect on the quality of the Liberal-Nationals government budgets. I well remember opportunities to speak at length in this chamber about the quality of the work done by treasurers.

In any event, in the time I have been given I have enjoyed the opportunity to congratulate the Treasurer, Kim Wells, the Assistant Treasurer, the Honourable Gordon Rich-Phillips — I see him sitting in the chamber listening assiduously and using a very sharp pencil, because he is a great man with a very sharp pencil who keeps an eye on all the work the departments are doing — and the Minister for Finance,

Robert Clark, who makes up a very important part of the coalition government's finance team.

**Mr Lenders** — What about the DTF officials?

**Mr P. DAVIS** — Mr Lenders is interjecting, 'What about the DTF officials?'. The Department of Treasury and Finance officials are very good officials, and they operate well within the framework that this government has set out for the stewardship of Victoria's finances.

I want to conclude my remarks at this point by saying I am pleased that we have had a change of government and that we are able to do what we inevitably have to do after every change of government in this state and at the commonwealth level, which is to repair finances of the state following the deficiencies in oversight and administration of Labor governments.

**Mr Lenders** — So how come you have doubled the debt?

**Mr P. DAVIS** — Mr Lenders interjects about doubling the debt. In the decade Labor was in power it doubled the expenditure of the state of Victoria. If Mr Lenders is proud of being able to ramp up the revenue base by increasing the tax burden on Victorians in order to double expenditure, then I guess that is his legacy to be proud of.

**Mr SOMYUREK** (South Eastern Metropolitan) — I rise to speak on the Appropriation (2011/2012) Bill 2011. At the outset I would like to say that this budget is a disappointment for the state on a number of levels. First and foremost the budget is disappointing because it reinforces something which we on this side of the chamber have long suspected — that is, that this government does not have a plan for Victoria. I will elaborate on that further towards the end of my contribution.

At the local level the budget offers my constituents in the south-eastern suburbs nothing in terms of infrastructure investment and service delivery. For example, roads have been a major concern in the region since the city of Casey's rapid population growth began in the mid-1990s. As they were built primarily to accommodate rural traffic volumes, the rapidly expanding population of the city of Casey has put immense stress on these roads. I made numerous representations to former ministers and have made speeches in this place with respect to roads, so it is not as if I stayed silent or acquiesced during the time I was here as a government backbencher. I made ministerial representations and I made speeches on the record about this issue.

Having made this general introduction, I note that the previous government spent \$500 million on roads in Casey, and I think the government prior to that — the Kennett government — spent about \$60 million. It is particularly disappointing then that in this budget this government has not spent a single dollar on roads in Casey. I can assure members in this house — and Mr Gordon Rich-Phillips knows this himself — that roads in Casey are a significant issue.

This is also significant when it is noted that in this budget the Baillieu government also refused to match the previous government's \$200 million commitment to extend the Cranbourne line to Cranbourne East and to construct a Cranbourne East railway station. Like other suburbs that are part of Casey, Cranbourne East is a rapidly growing suburb with a population that is expected to grow by 250 per cent to 27 000 by the year 2027. Public transport and train stations in particular are very important in such suburbs where estates are far from each other. Not having access to private transport can be an isolating experience, so the train station the former government pledged is important for the people of Cranbourne East.

This budget is a disappointment with respect to service delivery in my electorate. On the issue of health this budget shows that only \$8.5 million will be provided over the next four years for the \$250 million Monash Children's centre. By not funding the Monash Children's centre the Premier has walked away from the 330 000 children who live in the south-eastern suburbs. Furthermore, this budget provides no extra beds, doctors or nurses for Casey Hospital. But it does provide a plan to have a plan; that unfortunately is a recurring theme for this government at this early stage.

Casey's demographic profile is such that the area is populated by significant numbers of young families who were looking to the budget to allocate additional resources to things like education. Forget provision for additional resources in this budget; this budget junks the Victorian schools plan which would have seen every public school rebuilt or modernised by the end of 2016. The government is withdrawing the Take a Break funding, which will push up occasional child-care fees and potentially force some centres to close. The government has also removed the eligibility of 96 000 families for the School Start bonus. These are all important initiatives for the young families that reside in the city of Casey, in growth areas like Cranbourne and Narre Warren. These educational services are vital for the young families that reside in these areas.

When government members start to talk about black holes and fiscal restraints, young families and residents in the south-eastern suburbs fear the Liberal Party will revert to type and decimate key community services such as health and education. I am sure that at the moment there are some very nervous families in the south-eastern suburbs of Melbourne — indeed throughout the state of Victoria — who are watching and waiting to see what services are to be targeted by the Baillieu government. Let us hope that does not happen, but I fear it may.

Having spoken about the micro picture in my electorate, I will talk about the macro picture. Before I talk about the impact of the budget on the state's finances, I will touch briefly on the financial record of the Bracks and Brumby governments. Before the 1999 election the then Brumby opposition committed a future Labor government to a budget surplus of at least \$100 million every year. If we look back on Labor's record in government, we see that it was successful in achieving that surplus. I think the lowest surplus was \$164 million. Under Labor we also enjoyed consistent AAA credit ratings after each budget and in each year that Labor was in office.

Another significant Labor achievement was the reduction of net debt from 2.9 per cent in 1999 to 2.5 per cent when we left office in November last year. Payroll tax was cut from 5.75 per cent to 4.95 per cent, which obviously rewarded Victorian business, but in particular it rewarded parts of the manufacturing sector which are under the greatest strain at the moment. I am talking about the traditional, labour-intensive sections of the manufacturing sector. Payroll cuts of that magnitude were a great help to manufacturing businesses in the state of Victoria.

Under Labor Victorians also enjoyed six WorkCover premium rate reductions. They are now paying an average 1.34 per cent in premiums every year. The Bracks and Brumby governments also invested some \$30 billion in state infrastructure. The government is now managing projects obviously commissioned by the Brumby government — for example, the new \$1 billion Royal Children's Hospital, the Melbourne Olympic Park redevelopment worth \$363 million and the Hamer Hall redevelopment worth \$128.5 million. Those projects created 400 jobs during construction. The Princes Pier restoration project is worth \$34 million, with 100 jobs during construction.

More importantly, and I am not sure the government values this, Labor created a lot of jobs and Victoria became the job capital of Australia. I am afraid that in its very first budget this government has begun to

trample on those achievements. This budget doubles net debt to more than \$23 billion, despite a commitment by the Premier that he would not add a single dollar to the state's debt. Boosting debt may be understandable in circumstances where the government actually has a plan and as part of that plan it invests in infrastructure that services generations to come and improves the productivity of the Victorian economy. But we have no infrastructure investments planned in this budget; in fact we do not have a plan at all.

This budget increases money collected from taxes, charges, fees and fines — perhaps in order to pay for the \$2 billion increase in expenditure. The Leader of the Government said that Labor increased taxes, but this budget increases taxes, charges, fees and fines, in order to pay — —

**Mr Lenders** interjected.

**Mr SOMYUREK** — No doubt they have done this, Mr Lenders, in order to pay for the \$2 billion increase in expenditure.

The budget surplus is forecast to come in at a very tenuous figure of \$140 million. It is tenuous because this has to be viewed in relation to the close to \$50 billion budget of this state. When you are dealing with a \$50 billion budget and your objective is to have a surplus of at least \$100 million, a surplus of \$140 million is, to say the least, going pretty close to the margin. This government will collect \$290 million more GST money. That is more GST money than the Bracks and Brumby governments ever received in their terms of office.

Today's budget highlights the lack of support by the Baillieu government for Victorian jobs in our manufacturing industries. There is absolutely no good news in this budget for our manufacturing sector; there is nothing in this budget for our manufacturing sector. Victoria's status is as the home of Australian manufacturing, with its modern, cutting-edge capabilities, and its capacity as a major provider of Victorian jobs. The manufacturing sector has the highest number of full-time Victorian jobs in our economy. The Baillieu government has ignored this sector and the very real challenges it faces arising from the rapid appreciation of the Australian dollar. When the coalition took office the Australian dollar was valued at US96 cents; as of this morning it is at about US\$1.05. The Australian Industry Group — —

**The ACTING PRESIDENT (Mr Ramsay)** — Order! I believe that is time, Mr Somyurek.

**Mr BARBER** (Northern Metropolitan) — This budget, like most of the others that came before it, is notable for how thick the volumes are. It also contains a large number of words and some numbers — but not as many as I would like to see in it. If we refer simply to the profit and loss, the cash flow and the balance sheet, the issues of growing expenditure and growing debt seem to dominate. At the same time, though, since this budget was announced we have struggled to work out what is the big vision that goes with that great big, thick budget.

While speakers and those involved in the process may think that we are just about to vote on this budget and draw a line under that particular political phase of this government's life, I am here to tell members that we actually have quite a way to go. A number of questions are in no way answered, and they are questions that no-one here would deny are a large part of the political environment we are in and will be in for the next four years. They are the sorts of things that if the government got them wrong over the next four years, it could find itself in a lot of strife.

I have been analysing budget papers for five years as a parliamentarian, obviously, and for many, many years before that I dipped into them. They are a very strange mixture of a political document with a whole range of quite arcane accrual accounting forms in them which make it very hard to bring together the politics and the actual expenditure. If we had simply cash-based listings of different expenses set out by departments, we would be in a lot stronger position than we are in now, about to go into a committee stage to ask a whole series of questions about the content of the budget.

I note that this time, in a new development, the government has provided an entire section devoted to its election promises. What would have been equally valuable would have been if the government had provided a section — perhaps just an appendix — listing all its broken election promises or perhaps even those that have been deferred or in some way fudged. I think the government that produced that appendix to the budget would probably win a global award for transparency in public sector accounting. Instead we have to come here and try to work out some of these things.

Government members may think the government has discharged its responsibility by having ministers rocking up to a few Public Accounts and Estimates Committee hearings. It has not at all. A large part of what the Public Accounts and Estimates Committee does is forensic, in the sense of trying to find out from the budget papers what the budget actually provides for,

above and beyond the headlines that the government puts out. Ministers turn up at the hearings and spend half their time answering Dorothy Dixier questions and a good part of their time lording it over their recently defeated counterparts. That in itself does not represent scrutiny to the point where the public could be better informed than when the committee started on a range of very important questions.

Ever since we came back here after the election the Greens approach to this from the Greens has been to put on the notice paper a large number of questions about these issues. To date many of those questions have not been answered. They come under some fairly large and fairly broad themes. One theme is the responsibility of this government to deal with climate change and a number of impending decisions that will directly determine Victoria's emissions profile. The questions are about public transport, an issue that was fatal for the previous government and will be a do-or-die issue for this government. Yet public transport is not the theme, if you like; it is not the overall organising principle that the government put forward when it crafted its budget. In fact public transport is still on the to-do list for the government, even after it has brought down its first budget.

The issues of transparency are dealt with through various provisions. We need to find out a bit more about how the government intends that its moves in this area will operate. Again transparency is an issue on which the government finds itself, ready or not, to have had the bar raised quite significantly.

Policing is an issue that the government considered to be its strong suit when in opposition over the last term. It now finds itself with a whole series of diabolical problems that will not be simply wished away by calls for more front-line police. 'Front-line police' is one of those great-sounding terms. It sounds great in a speech release or on the radio and looks great in a press release, but it begs the question: 'What exactly is the front line when it comes to the responsibilities of the police to ensure security?'. The government seems to have one particular and quite narrow view of what the front line is, but if it continues in that way it will see other crises emerge around it.

In housing, we have to quite simply ask the question, 'How much are you going to build?'. That is how we will address the housing needs of the most vulnerable, people who literally could not survive in the private housing rental market and will never be able to afford to buy their own house. The question that has to be asked is, 'How much housing are you building in this

budget and what does that mean for the coming four years?'

Parks and biodiversity are not simply a Greens interest. When in opposition, government members had an enormous amount to say about the issue of parks, biodiversity and land management. They drove it as one of their themes in the past four years, so I think it is quite appropriate that we spend a bit of time scrutinising this budget in relation to that.

For the convenience of the government we put this material in the form of questions on notice, and in none of the themes I have raised have we had the responses we need. Therefore we will proceed to the committee stage of the bill where we will ask those questions on those burning issues. However, it occurs to me that this budget is the legacy, in a way, of the coalition parties' small-target strategy for the last four years. The legacy of such a political strategy in opposition becomes in government a small-target budget with small ambition and a small vision, notwithstanding the enormous amount of money the government has been granted to do it with.

## APPROPRIATION (2011/2012) BILL 2011

### *Second reading*

**Motion agreed to.**

**Read second time.**

**Committed.**

### *Committee*

#### **Clause 1**

**Mr LENDERS** (Southern Metropolitan) — I note with great interest that Mr Rich-Phillips has broken the tradition of this government and courageously come to the table by himself without a helper, and I commend him on that.

**Hon. G. K. Rich-Phillips** — I need the room for the paper.

**Mr LENDERS** — I commend Mr Rich-Phillips for not relying on a helper.

**Mrs Coote** interjected.

**Mr LENDERS** — But not at the table, Mrs Coote.

I guess the starting point really comes down to the overall parameters of the budget; that is why I want to

deal first with the objects clause. The first issue I ask the Assistant Treasurer to comment on relates to the objectives going forward for the state of Victoria. What is the relevance of the objective of the budget of all those things in page 5 of budget paper 2 — the five objectives of the Vertigan report? Are they at all an underpinning of the financial strategy going forward? What is their purpose in the budget papers?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Lenders for his question. He refers to page 5 of budget paper 2, which lists matters from the Vertigan inquiry. The government has indicated that it will be providing a response to the Vertigan inquiry in due course. The Vertigan inquiry is to provide its final report to the government in February 2012. Essentially these matters are included in this budget paper for the information of members of the house as matters that have been raised by the Vertigan inquiry and as matters that will need to be taken into consideration by the government over the coming 12 months.

**Mr LENDERS** (Southern Metropolitan) — I want to follow through in response to Mr Rich-Phillips's answer, and then I propose to put to him each of the five pillars of the Vertigan report. Previous budgets had principles by which the budget was structured. I am not asking Mr Rich-Phillips what the cabinet committees of the government were doing, because I know he would not tell me, even though I am very curious as to what the budget and expenditure review committee (BERC) would do. Previous governments would set up a framework for how they were drafting a budget, the things that mattered and the long-term viability for the future of the state. The government has chosen to take that out of the budget papers, as is its prerogative; it is a new government and it is responsible for dealing with that. The objectives of budget surpluses, of the type of economy going forward, the service delivery — all of those objectives were in previous budgets.

This government has taken those objectives out and replaced them, and presumably — this is out of more than just a desire to include a curiosity — Mr Vertigan said this. Yes, he was a Victorian and Tasmanian Treasury secretary, and it is all very interesting, but presumably it is for a tad more than as a curiosity that it has been put in the budget papers. I will put the five questions to Mr Rich-Phillips and ask him about them, if they are not in there, just for the curiosity factor. They are a centrepiece of budget paper 2. The first of the Vertigan review points says:

Over rolling five-year periods, the general government net operating balance is at least equal to the medium-term sustainable level of net infrastructure investment.

To cut through that, I clearly recall hearing the Premier on ABC radio saying that Victoria had a \$100 billion infrastructure deficit. I do not think he was saying that that should be fixed in one budget or two. The Leader of the Government says there is a \$100 billion infrastructure shortfall. The previous government was filling that in in normal years by of the order of about \$4 billion to \$5 billion. The current Treasurer — and I might say the current Assistant Treasurer and the current Premier — thought that was all a bit prolific, a bit much being spent in debt. I am just trying to get a reconciliation.

I guess what I am asking Mr Rich-Phillips is what level of infrastructure investment we will need every year to achieve the Premier's aspiration of catching up. I am not trying to verbal the Premier. He did say that we were \$100 billion short. He was not saying he or the private sector were going to fix it, but he did nominate the figure of \$100 billion. What level going forward does this first clause of Vertigan imply we need to do to deal with this backlog?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Lenders for his question. I do not intend to go through and respond to the interim recommendations of Vertigan, because I have indicated that the government, through the Treasurer, will be providing its response to Vertigan in due course. The final report is due in February of next year.

As to the government's strategy surrounding this budget, I draw the member's attention to page 25 of the same budget paper, which actually sets out what the government was seeking to do with this budget in terms of maintaining surplus and delivering upon the government's election commitments. I think that addresses the matters Mr Lenders was seeking to raise.

**Mr LENDERS** (Southern Metropolitan) — I accept that I cannot require Mr Rich-Phillips to answer all five points raised in the Vertigan report. I am not going to pursue that, because he will not answer, but I would like to explore Vertigan a bit further.

Mr Rich-Phillips says to look at page 25 of budget paper 2 for the objects of the budget. I am not going to dwell long on the objects section, but the government has set up the Vertigan report. There is Mr Vertigan, Mr Challen and a third person whose name escapes me. These three wise men have come forward and given sage advice to the Victorian government on how to take

the state forward. Mr Vertigan quite clearly says in points 3 and 4:

General government net debt is equal to zero on average over a 10-year rolling period.

Government superannuation liabilities are equal to zero by 2035.

That was actually the previous government's policy, but leaving that aside, you then have a comment from the Treasurer who says he is going to have 'appropriate top-up payments', as was quoted in an article in the *Australian* in the softening-up period leading up to the budget. How much doom and gloom there was. The government put into its budget papers a report which amongst other things says to get rid of net debt within a 10-year period. But in the budget — and you can play with these figures however you like — from the present to the end of the forward estimates, net debt is going to double, by the government's own estimate.

Mr Rich-Phillips may say that part of that increase was forecast by the previous government, and he is correct, but the point I am making here is that we have the guru saying, 'Get rid of net debt', a statement the government feels is important enough to put into budget papers. The government itself was acknowledging that net debt is going to not just increase but double, and Mr Rich-Phillips is saying, 'We are going to respond to that in due course'. Surely you would not put it in the budget papers if it is a mere commentary. You might as well put Mr Finn's musings in, or Mr Barber's or mine, if that is what you are talking about.

**Mr Finn** — Shauno's!

**Mr LENDERS** — Or Mr Leane's musings, or perhaps Mrs Kronberg's views about what is in the black holes — snakes, scorpions, rabbits, whatever it was.

The serious point I make is that if the government is going to put Mr Vertigan's recommendations in here, including no debt, I find it extraordinary that in the same document the government is doubling debt and then saying, 'It is in there. We will comment on it'. Does it have meaning, or is it purely that the government had to put it somewhere so it shoved it in budget paper 2?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — In response to Mr Lenders, I would say that the government does not agree with him that debt is doubling. You only need to look at the debt projections in the budget update which was released by the Treasurer in December last year to see that. That

was a document with no policy change from the previous government. Although it was released by the current Treasurer, it reflected the policy settings of the previous government. No policy change had been incorporated into that budget update. Relative to the budget update, to take the budget year 2011–12, we see that general government sector net debt increased from \$14.4 billion in the budget update to \$16.8 billion in this budget. I reject the proposition that net debt is doubling.

On the substance of Mr Lenders's question, as I indicated earlier, the government will be responding to the Vertigan inquiry in due course. These matters are incorporated in the budget papers because they are of significance to the future direction of state budgets. This is an interim report from Dr Vertigan and his panel, and the government will respond to those recommendations in due course, and indeed to the final report when it is produced in February next year. The fact of the matter is that the interim report was received in the weeks leading up to the production of the budget, and it is appropriate that that information is out there in the public domain.

**Mr LENDERS** (Southern Metropolitan) — I will conclude my discussion on the issue regarding Vertigan — I still have some issues on the Victorian Competition and Efficiency Commission (VCEC). On Vertigan, I disagree with Mr Rich-Phillips. If you are going to put it in there, surely it means something. Secondly, he and I can both argue about what the debt levels are, but the *Age* carried the screaming page 1 headline 'Baillieu set to double state debt'. I will conclude my comment on that part of clause 1 by saying that on this occasion I will probably pay some attention to the view of that newspaper and its wonderful opinion editor, Mr Austin.

The second part of the objects clause that I would like to touch on is one that my colleague Mr Holding, the member for Lyndhurst in the Legislative Assembly, raised — that is, productivity. From my perspective I welcome the government focusing on productivity growth going forward. I know there will be argy-bargy over everyone using different productivity figures. That is all irrelevant, and I am not seeking to do that. Pages 16 and 17 of budget paper 2 describe the role being given to the Victorian Competition and Efficiency Commission to report back on a boost in productivity. That is all very exciting, particularly as that reference, as I recall, was a draft presented to me when Treasurer and was not part of the work plan going forward.

My comment to Mr Rich-Phillips on the objects clause is twofold. I accept that boosting productivity is an objective of the government — and it is an admirable objective. After the work that has been done by the VCEC, why is there nowhere in the forward estimates any boost in productivity picked up by the government's own budget papers? My assertion is that there is nothing in the 1038 pages of the budget papers that shows any boost to productivity at the end of the term of this government. The Assistant Treasurer is using a reference — given by a previous Labor government to Labor-appointed commissioners of the Labor-created Victorian Competition and Efficiency Commission — to come up with a policy for productivity to assist the Liberal government. In the budget papers there is not a skerrick of productivity improvement. I might leave that as a comment. If Mr Rich-Phillips wishes to answer where in 1038 pages there is any evidence that this process will boost productivity, I would welcome his showing me.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I will respond to Mr Lenders's issue on productivity. I am not in a position to know whether his assertion about draft terms of reference to the VCEC are correct. I will take them at face value. This government when in opposition was critical of the then government for not having a focus on productivity in its budget settings, so for that reason we have commissioned work by the VCEC.

Mr Lenders referred to the VCEC as being a body established by the previous Labor government. I acknowledge that. The commissioners have done some very good work, and the government looks forward to working with them on this and other work. Mr Lenders pointed out that they are Labor-appointed commissioners. I am not quite sure what he was getting at in saying that, but the government looks forward to working with the commissioners on producing the productivity framework set out in the budget.

I note that over the past decade there have been productivity challenges for the Victorian economy. Compared to Australia, through the 1990s we had strong productivity growth. Through the 2000s Victoria's productivity has not been at the same level as national productivity, and we believe — —

*Honourable members interjecting.*

**The DEPUTY PRESIDENT** — Order! I am sorry to interrupt the minister, but I cannot hear his contribution. I would prefer that the discussion happening across the chamber did not take place.

**Hon. G. K. RICH-PHILLIPS** — The productivity performance in the Victorian economy in the 2000s has not been as strong as it has been nationally — I think Mr Lenders would acknowledge that — and this government sees it as a priority to address that. Hence the reference to the VCEC to produce some work in that area. Why is it not incorporated in the budget papers? Because there has been no policy change yet. The budget paper forecasts reflect current policy settings. If as a consequence of the VCEC work there are policy changes, they will be reflected in future budget forecasts.

**Mr LENDERS** (Southern Metropolitan) — That response invites a response, and this will be my last contribution on clause 1. I will respond to a couple of issues. I completely accept Mr Rich-Phillips's premise that, if you are applying the previous government's policy and have not changed it, you would expect the budget settings not to change. I find it interesting that, given that the Treasurer was thumping his chest vigorously about how the new government would deal with productivity, in the end yet again we have an inquiry looking into it. If this is such an important issue for the incoming government, I invite the Assistant Treasurer to come forward today and say that next year in budget paper 3 there will be a performance measure with a key performance indicator (KPI) that shows that productivity in Victoria under this government will grow. If Mr Rich-Phillips says to me, 'Yes, we'll put in budget paper 3 a KPI for productivity boost', I will take my hat off to him and publicly say, 'Isn't that refreshing!'

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I do not wish to prolong this matter either, with everyone seeking to have the last word. All I will say in response to Mr Lenders's suggestion of a KPI is that Australian Bureau of Statistics data will record the performance of the Victorian economy with respect to productivity.

**The DEPUTY PRESIDENT** — Order! For the assistance of the committee, while I am not closing off Mr Lenders's opportunity to raise any further matters he may wish to pursue on clause 1, I would like to allow members to pursue a line of questioning, and once they have completed that line of questioning then give the opportunity to another member to speak. I am happy to come back to Mr Lenders if he wishes to pursue further matters. Does anyone have further matters on clause 1?

**Mr Lenders** — Going once, going twice.

**The DEPUTY PRESIDENT** — Order! I am not Mr Pakula in question time.

**Clause agreed to; clause 2 agreed to.**

**Clause 3**

**Mr LENDERS** (Southern Metropolitan) — I raise a matter on clause 3(2)(a), which basically gives authority to the Treasurer to issue further spending out of the Consolidated Fund above and beyond this budget if costs go up. It refers specifically to wages going up. My question to Mr Rich-Phillips is: what is his expectation of wages growth in this budget?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am sure Mr Lenders will not be surprised if I tell him that I do not have an expectation of a figure on wages growth. At the moment the government is embarking on a number of enterprise bargaining agreement (EBA) negotiations. I do not propose to wade through the middle of those by putting out a figure about my expectations of growth in that area.

**Mr LENDERS** (Southern Metropolitan) — Perhaps I can assist Mr Rich-Phillips by drawing his attention to ‘Note 1’ on page 21 of budget paper 5 where for superannuation assumptions there is a wages growth assumption of 4 per cent. Would he like to comment on that?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — As Mr Lenders well knows, the forecasts that underpin calculations of superannuation liabilities, the forecasts for wages growth in the economy, do not relate to EBA negotiations, and I am not going to comment on EBA negotiations.

**Mr LENDERS** (Southern Metropolitan) — I understand Mr Rich-Phillips not wanting to comment on EBA negotiations, but it is a fairly interesting statement, shall we say, for the budget papers, which have ‘Presented by Kim Wells, MP’ on the front covers and imprimaturs of all sorts of people all over them, to forecast wages growth of 4 per cent while government wages policy allows for an increase of 2.5 per cent unless there is real bankable productivity. Until I heard the Treasurer say that, the only people I had ever heard use those words were Grant Hehir and Dean Yates. I am glad more than two people use that language. I find it interesting that, in referring to wages growth assumptions for the purposes of superannuation, under ‘Note 1’ on page 21 of budget page 5 the budget papers say 4 per cent, and the Assistant Treasurer says he is not going to comment on a 1.5 per cent difference in growth on a wages budget of between \$10 billion and

\$20 billion, depending how you measure it. I thought it would be a relevant issue that could get a comment from the Assistant Treasurer. Why is there a 1.5 per cent gap?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Just to reiterate my earlier point, as Mr Lenders knows, the figures in that table relate to actuarial assessments in relation to superannuation, and I am not going to comment on EBA negotiations and the possible outcomes of EBA negotiations. As Mr Lenders knows, that table is unrelated to the matter he is trying to connect it to.

**Mr LENDERS** (Southern Metropolitan) — This is interesting. The house is being asked to approve an appropriation bill that gives a power to the Treasurer just like that, with the click of a finger and with no accountability — it is not a disallowable instrument. The Treasurer can simply appropriate from the Consolidated Fund for any wage increases that occur. This is a budget which, by our standards, has a very skinny surplus of \$140 million. Budget paper 2 says wages policy is 2.5 per cent, while budget paper 5 says it will go up by 4 per cent. Mr Rich-Phillips says they are the actuarial assessments, which they are, and that it is not necessarily as simple as the government expecting all wages to go up by 4 per cent. I accept that, but I find it interesting, particularly as Mr Rich-Phillips is the minister responsible for superannuation, that there is no effort to explain the actuarial assumptions.

On the face of this, buried in budget paper 5 we have a figure in note 1 that is significantly different from the figure that every minister in this place uses. When we ask Mr Hall about teachers’ EBAs and we ask Ms Lovell about kindergarten teachers’ EBAs we get very strident answers about 2.5 per cent, yet in the government’s own budget papers we have a different figure. If Mr Rich-Phillips does not wish to comment on that figure, then I invite him to comment on the erratum — this little piece of paper that was inserted into budget paper 5 on the day of the budget — which says they will go up not by 4 per cent but by 4.3 per cent.

I imagine, looking at the erratum, that that is because inflation has been forecast to increase from 2.5 per cent to 2.8 per cent, so the point I make to Mr Rich-Phillips is this: we are told that government wages policy is 2.5 per cent and we are told that the actuarial assessments are 4 per cent, but then at the last minute presumably some quality assurance person in the Department of Treasury and Finance (DTF) has run an eye over it and said, ‘It does not quite match our macroeconomic forecast, so we have adjusted it’. We

are told all that, we are asked to approve a clause in the act that lets the Treasurer unilaterally increase wages and we are asked to believe that all of this means we have a budget with a surplus.

I put it to Mr Rich-Phillips that if he is relying on clause 3(2)(a) to basically pay whatever he negotiates — which I accept is a way through — then surely he would have consistency between the 2.5 per cent and the 4 per cent. I also note that the Treasurer's advance has actually gone down, so this seems to be a particularly skinny set of — dare I say it — dodgy-looking figures.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Obviously I reject Mr Lenders's assertion that these are dodgy-looking figures. I can only reiterate that the actuarial numbers Mr Lenders is referring to are what they are: they are forecasts in relation to superannuation which do not pertain to where the government may or may not end up in its wage negotiations.

**Mr LENDERS** (Southern Metropolitan) — My final question on this clause is to ask Mr Rich-Phillips whether he is confident that the government wages policy of 2.5 per cent or more, with real bankable productivity, will be achieved as is reflected in this budget?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Again, I do not wish to traipse through the middle of a negotiation. The government's policy on wage negotiations is clear: as Mr Lenders has articulated, it is 2.5 per cent productivity on top of that. That is the government's position.

**Clause agreed to; clauses 4 to 8 agreed to.**

### Schedule 1

**Mr BARBER** (Northern Metropolitan) — If it is of assistance, I will try to work my way through the departments in order, as on page 5 of the bill.

**The DEPUTY PRESIDENT** — Order! I ask for some guidance from members here. As schedule 1 has each department in order, I propose to take them sequentially and members can raise matters as we go. Does anyone wish to raise matters on the summary schedule?

**Mr BARBER** (Northern Metropolitan) — If it is of assistance I was proposing to follow the order that is in the summary, but I would like to reserve my right to backtrack at any point if I find I have missed a question.

**The DEPUTY PRESIDENT** — Order! We will start with the Department of Business and Innovation. As there are no comments on that department, we will move on to the Department of Education and Early Childhood Development.

**Mr LENDERS** (Southern Metropolitan) — My question to Mr Rich-Phillips is probably stating the obvious. The capital works program in the Department of Education and Early Childhood Development is approximately 40 per cent of what it was last year. I know the coalition's election commitment on capital works in the area of education was approximately 60 per cent less than the previous government's, so my question to Mr Rich-Phillips is: am I correct in thinking that the reason the figure is so much lower in 2011–12 than in 2010–11 is simply because the coalition has promised \$300 million less for capital works than the previous government?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — In terms of the aggregates and percentage changes that Mr Lenders has raised I do not have the percentage changes, but I draw Mr Lenders's attention to budget paper 4, page 28, which sets out the government's new projects with respect to education. We can see there under 'Total new projects' that the estimated expenditure in 2011–12 is a bit over \$99 million and existing projects continuing in 2011–12 take the total up to roughly \$720 million.

**Mr LENDERS** (Southern Metropolitan) — Without wishing to debate this, one of the issues I considered raising in the committee stage was presenting Mr Rich-Phillips with a list of some several hundred schools and asking him whether they were in or out, but I think that would have been unfair. There are probably other vehicles for doing that more effectively, perhaps in general business, than putting Mr Rich-Phillips, who is — and he will curse me for saying this — a thoroughly decent man, through that process. I might add that a former member for Templestowe Province, Mr Forwood, tried to do that to me eight years ago, but I must get over that scar tissue.

The point I would make in debate on this clause is that, as Ms Broad said in this place, there are a lot of communities which would forgo, rightly or wrongly, for example, Building the Education Revolution (BER) funding, if the regional office of the Department of Education and Early Childhood Development (DEECD) with the blessing of the government of the day says, 'We wish to negotiate school regeneration projects', because they think a collective of multiple schools acting together, particularly through regeneration projects, will result in much better

educational outcomes for their kids, but then they encounter a new government.

I understand a new government saying, 'We are going to honour our election commitments before anything else'. I am not critical of that. In fact credit should be given where it is due; honouring election commitments is an important aspect of the political process and adds integrity to it. But the question I put to Mr Rich-Phillips for him to either take on notice or comment on is: how can a government, in fairness, go to a school community, particularly one that has forgone BER money in good faith because it was negotiating with the department and government, and effectively pull the rug from under that school community and say, 'Bad luck'?

Without taking away from the general principle that the government chooses its own priorities and understanding that the Victorian people made their decision as to whether they wanted \$500 million or \$200 million of education capital, in particular for communities that have forgone federal money because they negotiated in good faith with the department of education, I ask Mr Rich-Phillips: is there any flexibility in this arrangement to take those specific instances into account? I could certainly give Mr Rich-Phillips a list of those schools. My question is: how does one address the legitimate aspiration of a new government to say, 'These are our priorities', with communities that legitimately think they have negotiated with the government and have therefore forgone federal money for the greater local good?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Lenders for his question and for acknowledging the government's position in delivering on its election commitments. That is clearly the purpose of this budget. The focus of this budget was to deliver on our election commitments, and the bulk of that has been achieved with this first budget. It is a legitimate question — a policy change reflecting the change of government.

As to the specifics Mr Lenders raises, obviously I am not here today representing the Minister for Education, so I do not have the policy detail to which Mr Lenders refers, but I am happy to see if I can get some further information on that particular position. I note that the question was asked in a general sense rather than relating to specific schools. It may assist if it was framed in terms of specifics. We could perhaps have that discussion. But I will certainly endeavour to get some further information from the Minister for Education.

**Mr LENDERS** (Southern Metropolitan) — I appreciate Mr Rich-Phillips's response to that, and I will endeavour to give him a specific question on notice so he can then deal with that in an appropriate manner.

My last question on the Department of Education and Early Childhood Development and the coalition's election commitments in relation to this department must be anticipated. I recall that Mr Rich-Phillips's colleague Mr Hall, who is sitting over there, next to where Mr Barber is pacing rather than sitting, moved a general business motion in this place about making Victorian teachers the highest paid in the country. I can also recall the Premier reaffirming that. The Premier came forward with this noble aspiration, and, being a qualified teacher, a former education minister and married to a teacher, let me assure you that I had great personal interest in this matter. However, it is not a career path that I am embarking upon at the moment; I am enjoying this one very much, thank you.

We have an appropriation of \$9.16 billion under the schedule for education. By my calculation we are talking about \$800 million extra to make our teachers the highest paid in Australia. I will not pose a question, because I imagine Mr Rich-Phillips will not answer it. However, it beggars belief that anybody who purports to be economically literate and looks through these papers could make that promise in the first place — I am probably talking about Mr Rich-Phillips's colleagues rather than him — without knowing it was absolutely unachievable.

To go to 45 000 government school teachers and 20 000 non-government school teachers, where the flow-on from the EBAs comes, with that promise was probably one of the more disappointing aspects of the election campaign. The Liberal Party must have known that there was absolutely no way that could be delivered. I will leave that as a comment. Anyone taking a cursory look at this schedule would have been able to tell that an 8 per cent pay rise would not be affordable under the terms of any Victorian budget.

**The DEPUTY PRESIDENT** — Order! Mr Barber has been patiently pacing. I have not made the point to Mr Barber, but perhaps in future if he needs to pace, up and down would be better than across the table. Doing so across the table requires him to acknowledge the Chair, which he would have had to do several hundred times, so I did not call him on it.

**Mr BARBER** (Northern Metropolitan) — The question for the minister at the table is in relation to the purported \$4 million to be made available for the Western Autistic School. Could the minister tell me

how much of that amount that is being discussed is in the budget for this year or any future year?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — In relation to the specific funding for that line item, I will have to take Mr Barber's question on notice, but I can tell him that there is funding provided for it in this budget.

**Mr BARBER** (Northern Metropolitan) — It is already on notice. It is a question on notice on the notice paper. The budget papers contain a section devoted to how the coalition's election promises have been fulfilled. This was an election promise. I am simply asking whether the promise has been fulfilled and, if so, in what way.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I will have to take the detail of Mr Barber's question on notice and come back to him.

**Ms HARTLAND** (Western Metropolitan) — In the last few weeks while we have been dealing with a number of pieces of legislation, the government has continually said in reference to them that because they represented election promises they had to be done. The funding of \$4 million for an autism school was clearly an election promise, so I am a bit concerned that the government cannot actually tell us whether that money is there. Obviously the parents in the western suburbs waiting for this school are feeling very let down and they want to know exactly what is going on.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I can only reiterate to Ms Hartland what I said to Mr Barber. Funding is provided in the budget and is referred to on page 27 of budget paper 3, but as to the quantum of that, I will take Ms Hartland's question on notice and come back to her.

**Mr BARBER** (Northern Metropolitan) — I have a lot more questions just like this, and I am cognisant of the Chair's previous ruling that followed on from other previous rulings that ministers at the table talking on any bill need to be prepared and able to answer questions with minimal reference to advisers. I am not asking about the budget for paperclips at the Orbest office of the Department of Sustainability and Environment; I am asking the government about an election promise. I have a series of questions to put to the minister, and for that reason it is disappointing that he is not able to obtain answers for us.

**The DEPUTY PRESIDENT** — Order! That is not quite the ruling that I made. My ruling was that I wanted ministers to keep their consultation with advisers in the box and the delays to the committee to a

minimum, because we were sometimes having 3 to 5 minute breaks in waiting for answers to questions, which I thought was getting a little long. I do not think it is possible to expect ministers to be able to answer the detail of every question that is put to them in the committee stage. Obviously I agree with Mr Barber that ministers ought to be prepared, but that was not the ruling that I made in that regard; in fact I was referring to a prior ruling.

I think the minister understands the issue that Mr Barber has raised and will do his best. I ask Mr Barber to put his questions as he wishes, and where the minister can answer them I am sure he will, and where he cannot he will have to take them on notice.

**Mr BARBER** — Ms Pennicuik wishes to put a question to the minister.

**Ms PENNICUIK** (Southern Metropolitan) — On page 8 of the overview of the presentation by the Minister for Education, Mr Dixon, at the Public Accounts and Estimates Committee budget estimates hearings the figure of \$208 million in capital works appeared, and it does not seem to have been mentioned in the budget papers. However, I am assuming that amount is made up of around \$100 million in new capital works and about \$108 million or \$109 million in existing programs. That appears to be a decrease of about \$180 million from the previous budget. Can the minister enlighten me on the amount that is being allocated to capital works in this budget and the forward estimates?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Ms Pennicuik for her question. I am not in a position to comment on what Minister Dixon may have had in his PAEC slides as I have not seen them. In terms of the government's commitment in education capital I draw Ms Pennicuik's attention, as I did with Mr Lenders, to page 26 of budget paper 4, which sets out the new capital projects the government has announced with respect to education.

**Mr O'DONOHUE** (Eastern Victoria) — In the debate on this schedule there has been discussion about different priorities in education. In relation to the government delivering on its election promises, Mr Lenders made the point that there is a legitimate expectation that the government will deliver on its election commitments and that that may require policy change. I wish to make the observation that the need for specialist education is a significant issue in our community, and I am very grateful that the government has delivered on its election commitment with regard to a special school in Officer, delivering significant

funding for it in this budget and in the forward estimates.

**Ms Pennicuik** — This is a speech.

**Mr O'DONOHUE** — Ms Pennicuik, this is an opportunity to make observations, as other members have done. There is no requirement to ask a question. I make the observation that before the election the government recognised the need for additional specialist education, and in this budget it is delivering on that commitment. From the perspective of my electorate of Eastern Victoria Region, there are many students who struggle with long-distance travel to access specialist education in settings that are operating beyond capacity and have been operating beyond capacity for a significant period of time. The new school in Officer that has been committed to in my electorate will help to address that significant issue.

**Ms HARTLAND** (Western Metropolitan) — I would also like to make an observation. I am very pleased that specialist education has advanced in Mr O'Donohue's region, but in the western suburbs there is a group of parents waiting to hear whether the \$4 million that was promised to them in the election campaign will come forward for a specialist autism school. Unfortunately my observations are not quite as optimistic as Mr O'Donohue's.

**Ms PENNICUIK** (Southern Metropolitan) — Continuing my line of questioning regarding the capital program, I ask the minister if the government expects that the Victorian schools plan will reach its scheduled conclusion in 2016.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I will answer Ms Pennicuik's question in the same way as I answered Mr Lenders's question. I am not here representing the Minister for Education, so I am not in a position to give Ms Pennicuik an answer about when the conclusion of the particular policy might be. I can seek to get that information for Ms Pennicuik from the Minister for Education.

**Ms Pennicuik** — I have what I suppose is a bit of a point of order. The question I asked was a rather large question about significant expenditure in a portfolio, not a small detail. When the minister says he is not here to represent the Minister for Education, I wonder: should the minister at the table not be able to give an answer on a large question regarding a significant portfolio?

**The DEPUTY PRESIDENT** — Order! Ms Pennicuik said it was a kind of point of order. I am not quite sure whether it was or was not, but it was

probably not a point of order. I remind all members that I am not in a position to direct the minister to answer in any particular way. A minister is entitled to say that they do not have the information and that they are prepared to submit the information to the member who asks for it at a later time and as soon as possible — that is, to take it on notice. I am not in a position to rule in any other way.

**Mr Barber** — On a point of order, Deputy President, you are, though, in a position — and this comes directly from the original ruling on which you relied in making your ruling — to adjourn the committee if you believe the minister does not appear to be prepared to answer questions about the detail of a bill, and this is a bill like any other bill.

**The DEPUTY PRESIDENT** — Order! Yes, I am in a position to do that, but I am not of the view that the minister is in any way attempting to avoid answering questions that have been put to him. I am saying that he is being asked some very detailed questions, and he is indicating to the members who are asking the questions that he is not in a position to give an immediate answer.

If Mr Barber wants to make it a formal question on notice, then there are procedures and processes for him to do that. But if the minister gives an undertaking to get an answer to a member, I take the minister at his word. It is a matter for the committee to resolve in any way it chooses if it is unsatisfied with answers to questions on particular schedules or clauses. That is then a matter for the committee to resolve; it is not a matter for me.

**Mr P. Davis** — On the point of order that Mr Barber raised, Deputy President — —

**The DEPUTY PRESIDENT** — Order! I have ruled on it fairly clearly.

**Mr P. Davis** — Thank you; you have indeed ruled on it, Deputy President. But on a further point of order, which is in response to the way that the committee process is proceeding, and indeed it may be in sympathy with the ruling you have just given, it would seem to me, Deputy President, that the concept that Mr Barber and indeed some other members are pursuing is relevant to the examination of witnesses before the estimates hearings process. I note that the Greens elected not to be part of the estimates process — —

**The DEPUTY PRESIDENT** — Order! I am not sure what Mr Davis's further point of order is. I have ruled on the question that Mr Barber raised with me, and I do not wish to continue with this any further.

Unless Mr Davis has a new and specific point of order, it seems to me he is making a comment on Mr Barber's point of order, which I have already ruled on.

**Mr P. Davis** — I thank you, Deputy President, for your wisdom. Indeed it is not appropriate for that level of detail to be covered by the minister at the table.

**Mr BARBER** (Northern Metropolitan) — I am not in any way reflecting on your ruling, Deputy President, and this is not a point of order; I am simply responding now — —

**The DEPUTY PRESIDENT** — Order! What is Mr Barber responding to?

**Mr BARBER** — I am making an observation.

**The DEPUTY PRESIDENT** — Order! An observation on the Department of Education and Early Childhood Development schedule in front of us?

**Mr BARBER** — On the budget and on the process that we are now engaged in, which is that the Greens were not on the Public Accounts and Estimates Committee. But even if we had been, we would have got to ask one question an hour, and the minister could just as easily have taken it on notice then.

**The DEPUTY PRESIDENT** — Order! I think Mr Barber is doing what I just asked Mr Davis to stop doing. Mr Barber raised a legitimate point of order, and I have ruled on it. I wish to move on.

**Mrs COOTE** (Southern Metropolitan) — I know we are going through the schedules by department, and I know we are only at education. I also know that you, Deputy President, want to go through and look at the others. However, if Mr Barber — and Ms Hartland as well — had looked more carefully at the budget, he would have understood that autism has been a major platform for the coalition government. In fact one of our major issues was to make autism an across-government-departments issue.

The Minister for Community Services has been a driving force in making quite certain that autism is addressed across a whole range of departments, including early childhood development and education in relation to early intervention, because that is really important. But because autism also fits within her department under the area of disability and because she is particularly involved with autism spectrum disorder and high-achieving people with autism, it has been a particularly important aspect. It is at the core of where our funding has been directed, and it reflects our approach to autism.

I will pick up on what Mr Lenders said about funding. Again I do not have the details with me about the education funding for all schools, but I would point out to Mr Lenders that \$11 million has been set aside for developing the former Ferntree Gully Secondary College near Wantirna into an autism school. That is in the budget and is part of the budget process.

There are a number of other secondary schools for high-achieving students with autism, as Mr Lenders well knows. There is Hawthorn Secondary College, which specialises in programs for high-achieving children with autism, and there are also several private schools. Mr Lenders might be interested to know that there is one good one in my electorate — which is also his electorate — called Kingswood College. Although it does not purport to deal only with children with high-level autism and Asperger's syndrome, it is a good school. It has a new principal, who is extremely good. I would suggest that that school is doing some excellent work, as are other private schools. The coalition government has put money into Kingswood College.

The government has recognised that this is an issue across a range of portfolios. As I have said, the Minister for Community Services, Mary Wooldridge, is certain about joining up some of the work that the departments do. The biggest criticism about and problem with the services for autistic students, as Ms Hartland will fully appreciate, is that the departments have operated in silos. We have had education dealing with education, we have had children and early childhood development dealing with intervention in early childhood, and we have had the autism state plan operating through the Department of Human Services. It is a very real challenge for the departments to work closely with each other to make certain that the children who are presenting, particularly those who need early intervention, are assessed and cared for right across all the spectrum.

People say to us all the time, 'We are sick to death of filling in forms from each different department asking us exactly the same stuff'. They want to know that with the government looking into autism and autism spectrum disorders right across all the portfolios there will be a smooth transition. If members read the budget commentary and the media releases that were put out at the time, they will see that that is a priority of this government. It is certainly something we are looking into, and we intend to investigate it, make it happen and make it work.

I also take this opportunity to say that the autism state plan was developed under the former government. The autism state plan did some good work. It is quite

interesting, because there has been a myth that I would like to correct right here and now, since we are talking about autism, autistic schools and what is needed from a budgetary point of view for people with autism and autism spectrum disorders. The reality is that in the department's enthusiasm to make certain that its websites reflected only the Baillieu government's policies after November, the autism state plan was inadvertently taken off the website. It is now well and truly back on the website. I reassure Ms Hartland that the autism state plan will continue and that there will be a huge stakeholders meeting to look at the issues going forward and to look into autism funding, specialist schools and aides for people with an autism spectrum disorder. It will certainly be a hallmark of this government.

**The DEPUTY PRESIDENT** — Order! I call Mr Lenders, and in doing so I suggest to members that this is starting to become something like a second-reading debate. Whilst members can raise matters regarding these schedules, as they are doing, I note that I was asked to withdraw my name from the list of speakers on the budget so that we could proceed to this stage tonight, and I suspect other members were also asked to do so. If we go down the second-reading debate path, we will be here for a long time.

**Mr LENDERS** (Southern Metropolitan) — You took the words right out of my mouth, Deputy President.

I want to reflect on this as part of the discussions in this committee stage. The Greens members have clearly been quite frustrated because they have not received answers to their questions, and how they deal with that frustration is in their hands. As someone who has sat at the table and had government members behind me trying to talk a lot, to give me some space — and I am not putting words in the mouth of Mr Rich-Phillips — I suggest that the last thing the minister at the table wants is his government members relitigating a second-reading debate. Let me assure the house that this does not distract opposition members; it just makes them more determined to ask questions. All these matters are legitimate for a second-reading debate.

What we have here is a series of clauses, and there is really only one chance to ask questions about them. I accept that Mr Rich-Phillips will not know the detail of many of these matters, and I accept your ruling, Deputy Speaker, that the way to deal with some of them is through questions on notice. However, after eight years of sitting at the table I know that when government members try to distract opposition members all it does

is make opposition members more determined to ask questions.

**The DEPUTY PRESIDENT** — Order! Just to be clear about my ruling, I indicated to the house that I cannot require the minister at the table to answer a question. If the minister says he does not have the information and is not able to immediately get his hands on it, then he is perfectly at liberty to indicate to the member that he will provide that information at the earliest opportunity. It is not for me to do anything further; it is a matter for the committee. If it believes it cannot consider the schedule, clause or bill, that is a matter for it to resolve, not me. If the committee is unsatisfied because it has not been able to get the information it seeks, that is a matter for the committee to determine, not the Chair.

**Mr BARBER** (Northern Metropolitan) — This is another question seeking an answer from the minister. By way of preamble I say those were fine words from Mrs Coote, but after basking in government for six and a half months this is the point where money talks and taurus excrement walks. We are hardly going to give up that opportunity on behalf of our community. Yes, silos in government are a problem, but we are now dealing with a bill clause by clause, schedule by schedule and line by line.

I therefore ask the minister: in relation to the Department of Education, what is the funding per autism student in this coming year and — on the off-chance the minister has the information — could he break it down by region?

**Mr O'Brien** — On a point of order, Deputy President — and it is further to your ruling, although I think there is a need for your ruling to relate to some of the questions — this is the committee of the whole in relation to the budget as a piece of legislation. It is not the Public Accounts and Estimates Committee asking the minister or departmental representatives question after question on any line expenditure that possibly relates to government, and it is also not question time.

**The DEPUTY PRESIDENT** — Order! That is not a point of order. Mr O'Brien can sit down. If I believe that the question is inappropriate, I will rule that way. So far all the questions have been appropriate and the minister has indicated that where he does not know it, he will get an answer to the member.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question. I do not know the detail of expenditure per autistic student,

but I can seek that information from the Minister for Education.

**The DEPUTY PRESIDENT** — Order! Are there any further questions or matters about the Department of Education and Early Childhood Development? Are there any questions on the Department of Health?

**Ms HARTLAND** (Western Metropolitan) — I have a question in relation to Western Region Health Centre and its dental service. I have raised this issue in the past. It is a dental clinic that is visited by 7000 concession card holders a year and 400 children a month. Under the previous government, there was about \$500 000 worth of capital works done to rebuild that clinic. I am concerned as to whether there is money in this budget for work that is going to be required. Roughly \$9 million is needed to continue the clinic. The clinic is at the stage of possibly having to close some of its services, because it has become unsafe. I want the government to tell me what it intends to do about this issue and if there is money in the budget for this clinic.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I say to Ms Hartland that I do not have the funding details for dental services for Western Region Health Centre, but I can take the matter on notice for the Minister for Health.

**Mr LENDERS** (Southern Metropolitan) — I am delighted to see the Minister for Health in the chamber while we are debating this issue. My question is a fairly simple one. I refer to net additions to the asset base under schedule 1 in relation to the Department of Health. There is a big, fat round zero there. My question, which might be naive, is: where is all the money coming from for Bendigo hospital, the bigger Box Hill Hospital and all other health projects when the net additions to the asset base shown on page 8 of the bill are stated to be zero?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Lenders for his question. I am advised the reason that net additions in the Appropriation (2011/2012) Bill 2011 are zero is that there is sufficient depreciation currently available to fund the requirements for the 2011–12 year.

**Mr BARBER** (Northern Metropolitan) — I believe the Office of Housing is covered under the Department of Human Services section. The budget papers contain information about the capital made available for public housing to be constructed, but it is also the case that there are a number of disposals of public housing sites each year. I would like to ask the minister whether he

can tell me how many public housing units or sites will be disposed of this year and in any out years.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question. Mr Barber foreshadowed this matter with me. While it is not strictly an appropriation matter, I advise him in 2011–12 it is anticipated that 570 properties will be subject to disposal. I do not have a figure for the out years.

**Mr BARBER** (Northern Metropolitan) — Also in the same vein, I refer to the budget papers and the media release dated 13 May 2011. Of the \$528 million provided in this area, how is the money to be divided up between new construction, capital improvement and acquisition of property?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question, which again was one he foreshadowed. I am advised that for 2011–12, of the \$528 million allocation, \$376 million is for new construction, \$139 million is for capital improvement and \$12.8 million is for acquisition of property.

**The DEPUTY PRESIDENT** — Order! If there is nothing further on the Department of Human Services, we will move to the Department of Justice.

**Mr BARBER** (Northern Metropolitan) — My query relates to moneys from the Community Support Fund, which I presume would be dealt with here as well as anywhere. I would like to know how much money the fund is expected to receive in the 2010–11 financial year.

**The DEPUTY PRESIDENT** — Order! As the minister is obtaining some advice, I will hear from Mr Lenders.

**Mr LENDERS** (Southern Metropolitan) — My issue relates to one part of the Department of Justice, and that is the protective services officers (PSOs). I refer the Assistant Treasurer to budget paper 3, page 54, and the table where it says the cost for 940 protective services officers is \$212.3 million, which is the figure in the budget papers. The Assistant Treasurer also — and take my word on it — out of the Yates Partners documentation of opposition costings has a cost for protective services officers; the same thing, same amount, same officers for \$161 million. The budget papers say \$212 million; the Yates Partners costing shows \$161 million. I know at Public Accounts and Estimates Committee hearings there were some answers about part of the PSOs package being brought forward. I put to Mr Rich-Phillips that, yes, part of the

package has been brought forward, but I also put to him that the reason it has been brought forward is to cover the cost blow-out. I seek an unequivocal answer from him about the cost for protective services officers being actually met in those forecasts in the Yates Partners document.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I have two questions on completely unrelated matters. To deal with Mr Barber's question first around Community Support Fund (CSF) revenue for 2010–11, I have to say to Mr Barber that that is outside the scope of an appropriation bill. I can seek some information for him on that. I think the figures are approximately \$100 million revenue — \$105 million has been the typical trend on annual revenue to the CSF. Obviously when 2010–11 is finished, that actual figure will be known, but it is of that sort of quantum.

In relation to Mr Lenders's question about PSOs, my advice is that there is a timing issue that he has referred to. As to the veracity of the Yates Partners document — which was the coalition pre-election funding document — frankly, I am not in a position to give him any advice on that document. What I can tell him is that the figure of \$212 million that he has raised, which is in the budget and is a Department of Treasury and Finance figure, is the current cost of that policy commitment. I understand the difference is one of timing, bringing the commitment forward from 30 June to election, but the Yates document — the coalition parties document — is not a government document, is not a DTF document, and we will rely on the budget documents.

**Mr LENDERS** (Southern Metropolitan) — I will not pursue the questioning on this issue, but I will make the observation that during the previous government Mr Rich-Phillips, Mr Wells when he was shadow Treasurer and many others over a period of 11 years thundered about how terrible the cost blow-outs were while making reference to Labor Party documents that contained pre-election costings for things like the regional rail project, and I could go on. For the record, then, let us note that we have a black hole, a blow-out, of — according to Yates Partners — \$161 million and DTF, when it has costed it, has said it is out by almost 70 per cent, so 161 becomes 212. So cost blow-out no. 1 — Mrs Kronberg's black hole — has been found, rabbits, snakes and scorpions included.

**Mr BARBER** (Northern Metropolitan) — Just going back to the gaming issue for a moment, at page 54 of budget paper 3 the government refers to the Victorian Responsible Gambling Foundation, an initiative that was a government election promise. Is

any of that to be funded out of the Community Support Fund, and if so, how much?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question. My understanding is yes, but I will take the question on notice and get that confirmed for the member.

**Mr BARBER** (Northern Metropolitan) — This is a new topic, though I believe it is also covered under the justice portfolio. It relates to the establishment of a freedom of information commissioner, which is at page 54 of budget paper 3. I would like to know if the minister can tell me: when is the office expecting to be operating, how many full-time equivalent positions are expected and therefore provided for in the funding, and is there an overall case that the cost of this will be neutral or even positive when it comes to transferring the internal review functions from other government departments over to this new office?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question. The FOI commissioner was an election commitment of this government. It is a very interesting question as to costs deferred from other agencies, but I have to tell Mr Barber that I am not in a position to answer that. As to the specifics of full-time equivalent positions, I will come back to him with that information.

**Mr P. DAVIS** (Eastern Victoria) — This is not a point of order, but I would like to follow up on Mr Barber's questions with a comment. I will go to the issue of detail to which Mr Barber has gone. As a matter of course it seems to me that Mr Barber is pursuing a whole series of questions — and this question in particular — which Mr Barber would know would be better able to be answered by ministers who are directly responsible. If Mr Barber has an extended list of questions in the same vein of detail, it may be better for him to provide those questions in writing to the Assistant Treasurer so that the Assistant Treasurer can provide written responses rather than delaying the process of the committee.

The majority of the questions which Mr Barber is asking are the sorts of questions that he would have been able to ask within the process of the current estimates committee. As an example, I think there were somewhere of the order of 100 questions responded to by the Minister for Health in the 3 hours that he was before the estimates committee. I am not suggesting that Mr Barber become a member of the Public Accounts and Estimates Committee; I am suggesting that given the nature of the questions and the detail into which he is going, the questions would better be asked

of ministers responsible for the portfolios, not the minister at the table who is presently managing the appropriation bill on behalf of the government as a whole.

**The DEPUTY PRESIDENT** — Order! I am not sure Mr Davis's contribution is relevant to the schedule in front of us, which relates to the Department of Justice (DOJ). As Mr Davis acknowledged, his contribution was not a point of order. I can see that Mr Barber is keen to make a response, and I will allow him to do so. However, I remember many hours spent in the committee stage of budget bills when members were sitting on different sides of the chamber to where they are now, including an occasion when there were some 20 pages of questions for the then Treasurer. The Assistant Treasurer is with us in this chamber, and I have every confidence in his ability to be across the budget.

**Mr BARBER** (Northern Metropolitan) — I thank you for the previously proffered protection, Chair, when you ruled that the questions I have been asking were in order. On the issue of putting them in writing, the questions are in fact on the notice paper, in the section headed 'Questions on notice'. In Mr Davis's hypothetical universe they might have been answered through the estimates process. They have not been answered through the questions on notice process, and since we are now debating an appropriation bill which somewhere in its mystery contains the answer to my questions, I am going to continue to ask them. As a handy guide to Mr Davis, he might like to grab a copy of the list of unanswered questions on notice, and he will find every one of those questions there.

**The DEPUTY PRESIDENT** — Order! I can assure the committee that I will only allow questions that are relevant to the sections before us, and I will allow any such questions. I will not in any way attempt to truncate or affect the procedures of the committee. If members wish to be here all night, I will get adequate sleep; I have a flat over the road. I am more than happy to stay here until members are satisfied that they have pursued the budget, through the bill, in the ways they wish. Are there any further questions or comments on the Department of Justice? I will start to restrict our discussions to the schedule in front of us.

**Ms PENNICUIK** (Southern Metropolitan) — My question relates to budget paper 3, which mentions a business case for a new male prison facility. My question is: does the government have any evidence regarding the need for a new male prison?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank the Deputy President, and I thank Ms Pennicuik for her question. As to the need for a new male prison, it is a decision of government to go down this path. The budget process we have been through requires departments to make bids, and those bids are considered and agreed to, so to the extent that a bid was made by DOJ and accepted by the government, yes.

**Ms PENNICUIK** (Southern Metropolitan) — The budget paper refers to a business case. Can the minister tell me when that will be finalised, and will it be publicly available?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — In short, no, I cannot, but I can seek that information for Ms Pennicuik.

**Ms PENNICUIK** (Southern Metropolitan) — In relation to a new performance measure in the output statements in budget paper 3, which shows less than 37 per cent of prisoners returning to prison within two years, can I ask the minister at the table whether he knows what programs will support this measure and what funding is allocated to it?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — The funding relating to that performance measure raised is the funding for that output group, which is shown at the bottom of that table. Obviously that is the funding to achieve that output measure. As to individual programs, I can seek some information for Ms Pennicuik.

**The DEPUTY PRESIDENT** — Order! If there is nothing further on the Department of Justice or the Department of Planning and Community Development line items, we will move on to the Department of Premier and Cabinet.

**Mr LENDERS** (Southern Metropolitan) — I will be fairly brief. I recently asked Mr David Davis, the Minister for Health and Leader of the Government, about this matter in the house. I also raised it for the attention of the Premier on the adjournment and I am still waiting for an answer. It comes down to the big picture issue of meals for cabinet ministers at cabinet meetings and committees. I am sure Mr Rich-Phillips will say it is the same practice as that of the previous government, but the Leader of the Government said on ABC radio on 25 November that the practice was outrageous and cabinet ministers were paid a lot, so they should pay for their own meals. Is the previous government's policy or the Leader of the Government's policy the appropriate one? I presume there is an

allowance for meals in his Department of Premier and Cabinet line item?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Lenders for his question. I took the adjournment matters on the night Mr Lenders raised the issue, but he has me at a disadvantage because I do not know what the previous government's policy was with respect to meals. I am not aware of any policy change on the provision of hospitality. I am sure Mr Lenders would acknowledge that the Department of Premier and Cabinet (DPC), through the protocol and special events branch, undertakes a lot of hospitality for a range of visitors to Victoria, and indeed supports cabinet functions and so forth. I am sure Mr Lenders would support that, but I am not aware of any policy change, and yes, the overall DPC appropriation would include funding for such activities.

**Mr BARBER** (Northern Metropolitan) — I have another question from the notice paper. By the way, after some difficulty in getting questions answered, we foreshadowed with the Leader of the Government and the Government Whip that we would be asking questions from the notice paper during this budget process. It may be a surprise to other members, but it is not a surprise to the Leader of the Government or the minister at the table. I would like to ask the minister how much money is provided to fund the office of the Leader of the Opposition in the 2011–12 financial year? I know this is an amount that is provided for in the Premier's own budget.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question. Indeed, Mr Barber did indicate that questions on notice relevant to the budget would be the subject of his questions this afternoon, and I thank him for that notice. Where I have been able to obtain answers for those questions I have done so. I do not have an answer to his question on that matter, but I will endeavour to get him an answer, and yes, it is funded through the Department of Premier and Cabinet.

**Mr BARBER** (Northern Metropolitan) — Can the minister tell me how much money is provided to fund the office of the Leader of the Greens in the 2011–12 budget?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I assume Mr Barber would be in a much better position than I am to know what funding is provided for third parties. I will take his substantive question on notice. An answer will obviously come back and I will get that to him.

**Mr BARBER** (Northern Metropolitan) — It was not a gag question, Chair; I genuinely do not know. Nobody has communicated with me as to whether there are any amounts provided for the Leader of the Greens in the Parliament starting 1 July, although I wrote to the Premier shortly after his election making that request. Members should be aware in voting for this particular budget that the Greens are given no resources beyond that of an ordinary backbencher; however, we are expected to form a position on every bill and participate in committees.

That is part of the reason we are taking so much time over this particular bill. It is because the answers to questions like this and others could have been answered if the Greens had even the most basic complement of policy staff or advisers that, let us say, The Nationals had in the last Parliament. If the minister and others feel that this is taking up a large amount of time, I have a suggestion for them as to how we can save ourselves both time and money, and that is to recognise the Greens properly and fund them decently.

I move on to my next question. I ask the minister whether he can tell me how much money was provided to fund the office of the Leader of the Opposition in the previous financial year, which would be included in the figures in this budget, up until 26 November 2010.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — That matter is beyond the scope of the 2011–12 appropriation bill, but I will seek an answer for Mr Barber if he has put that matter on notice.

**Mr O'DONOHUE** (Eastern Victoria) — I would be interested to know from the minister whether there has been any change in the number of members a party is required to have to be a recognised party in the Parliament.

**The DEPUTY PRESIDENT** — Order! That question is not related to the budget.

**Hon. M. P. PAKULA** (Western Metropolitan) — I wonder whether the minister would be able to tell us whether the allocation through the DPC line item includes an increase for the Premier's private office over the next financial year in line with the departmental funding model.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Pakula for his question. I cannot give him an authoritative answer on that, but I can tell him that the government made commitments around reducing the number of ministerial staff who are provided through the Premier and the Premier's

employment, so I would be surprised if that were the case.

**Hon. M. P. PAKULA** (Western Metropolitan) — I am aware of the undertaking on the reduction in staff. Until 30 June there will be a pot of money to support the staff who are currently engaged in the private office. What I am asking is whether from 1 July that pot of money will be expanded by 2.5 per cent or whatever the departmental funding model is to enable the existing workforce in the Premier's private office to either have a wage rise or receive the normal inflation-based increase that you would expect to apply to those in the Premier's office. That is not a trick question, and it is certainly not designed to trap the minister in regard to the commitment the government made. It is a genuine question about whether just the normal inflation-based increase is being applied to a smaller base.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Pakula for the question; it is a fair question. I do not know the answer to it but I can seek that information.

**The DEPUTY PRESIDENT** — Order! Are there any questions in relation to the Department of Primary Industries?

**Mr BARBER** (Northern Metropolitan) — My question relates to the mining royalties of various sorts that the government receives. This is a DPI matter that could very well be buried somewhere in the statement of finances. How much revenue is the state expected to obtain over the forward estimates by extending the lease under the Mines (Aluminium Agreement) Act 1961, which is for Alcoa's Anglesea mine?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Again I say to Mr Barber that this is an appropriation bill rather than a revenue bill, and I do not have that information for him.

**Mr BARBER** (Northern Metropolitan) — Does the minister have any information on the royalties that have been received under that same agreement over the past three financial years?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I can advise Mr Barber that I do not.

**Mr BARBER** (Northern Metropolitan) — Does Alcoa pay royalties for disposal of tailings under section 12A(4) of the Mineral Resources (Sustainable Development) Act 1990?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I have to say that these matters seem to be well outside the scope of an appropriation bill, and I am not in a position to give Mr Barber an answer.

**Mr BARBER** (Northern Metropolitan) — Moving on to another question within the DPI realm, at page 298 of budget paper 3 there is a performance indicator indicating that under the energy technology innovation strategy (ETIS) sustainable energy programs 100 per cent of milestones in line with grant agreements are to be achieved. What are the precise milestones that the government is intending to commit these funds against the achievement of?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I do not have that level of detail, but I can seek some further information from the Minister for Energy and Resources.

**Mr BARBER** (Northern Metropolitan) — This demonstrates my original point, which is that budget papers actually hide more than they provide. In this case we see a seemingly good number in the budget papers, but we have no idea when those funds are being dispersed what that achievement would even mean, if it was to be achieved. I presume, referring to the same page, that in relation to the ETIS large-scale demonstration projects where the relevant number is 51 per cent the minister is not going to be able to tell me which 51 per cent of milestones will be achieved and which 49 per cent will not be.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — That would be correct.

**Mr BARBER** (Northern Metropolitan) — Also on the same page we have a large-scale carbon capture and storage demonstration program of which 100 per cent of milestones are to be achieved. Can the minister tell me what those milestones are?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — In the scope of this appropriation bill I am not able to tell Mr Barber details of milestones against individual programs or line items. However, if he is interested in further information on that, I can seek it from the responsible portfolio minister.

**Mr BARBER** (Northern Metropolitan) — I simply ask the minister to answer my questions on notice — namely, questions 719, 165, 720, 721, 722 and 723 — because that is where these questions come from. Question 723 relates to the conditions for the \$20 million from the federal government to be spent in the financial year 2011–12 on the CarbonNet project. I

have no doubt that the federal government is equally interested in finding out how its money has been spent.

Specifically, this is the core of the government's strategy on climate change. It is to throw money — direct action, if you like — at a number of programs. There are some nice-sounding numbers in the budget papers, but as a citizen or as a reader of any document now available to me, I am not going to find out whether these projects will succeed or what success would even mean in the government's own terms. That therefore punches a hole in what is the government's only real response to climate change, which is these programs.

Moving on to a new topic within the same area.

**The DEPUTY PRESIDENT** — Order! Within Primary Industries?

**Mr BARBER** — Within Primary Industries.

The government has made an election commitment, and the election commitments of the government are meant to be specially designated in the front section of budget paper 3. The election commitment was to encourage industrial energy users to sign up for demand management in relation to their electricity use. I would like to know whether that has a budgetary cost and whether such amounts have been provided for in the budget.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I direct Mr Barber's attention to the 'Meeting future energy needs' line item. I assume that the program to which Mr Barber refers is incorporated within that line, but I can seek some information for him about that.

**Mr BARBER** (Northern Metropolitan) — The government also made a commitment for large electricity customers with stand-by generation to be able to provide electricity to the grid when they are not using their electricity. For example, hospitals often have large generators in their basements which sometimes even need to be run for 4 or 5 hours just to check that they are working. It is possible for customers such as those to feed back into the grid. Does that election commitment have a budgetary cost, and if so, has it been accounted for in this budget? What is that cost?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — All election commitments that have budgetary costs are listed here. They may be subprograms incorporated into larger programs, but all those with budgetary costs are listed here. As for that specific program, I will obtain some information for

Mr Barber as to whether it is included in that aggregate figure.

**Mr BARBER** (Northern Metropolitan) — We are not solving the mystery, even as we are asked to vote on this very important appropriation bill. We have a number of government promises in the budget papers, but we cannot find out whether they are being implemented, and if so, how. We also have a number of other promises that do not actually appear in the budget papers, but there is some suggestion that maybe they are hiding under the cover of a broader line item.

Here is one that is in the budget papers. On page 73 of budget paper 3 there is a \$41 million commitment for the low-emissions technology program. Has the funding, as outlined in this budget paper, been pulled forward or pushed back between financial years compared to the previous government's budgetary commitments?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I say to Mr Barber that there are some carryovers with respect to DPI (the Department of Primary Industries). I do not have the level of detail to be able to ascertain whether they relate to the specific program that he has mentioned, but I can, again, seek that information.

**The DEPUTY PRESIDENT** — Order! Further to the point that Mr Barber was making, I want to read to the committee from page 320 of *Odgers' Australian Senate Practice*, 12th edition, where it states:

The most significant difference between proceedings in the Senate and in committee is that in committee senators may speak more than once and move any number of amendments to the same question ...

The more important point is made in the following sentence, which says:

This is the essence of committee proceedings: they provide an opportunity for thorough consideration of a matter, and that consideration does not conclude until senators do not wish to speak any further or move any further amendments.

The point I am getting to here is that there are now a very significant number of matters that members have raised that the Assistant Treasurer has not been able to provide an answer to, and he has indicated — correctly, I think, and I appreciate it — that he will get a response to the member.

The difficulty is that the committee will have to reach a resolution on the bill before it or conclude its work. The difficulty that some members are having is how to have confidence in this bill when they are not able to get answers to their questions. I appreciate that there is a

dilemma here, but I think we need to take into consideration the level of ability to answer some of these questions, which I think have all been quite legitimate. I appreciate that on some occasions the minister will not have the capacity to answer them, but it is now in fact getting close to being almost every question. It is up to the committee to resolve this, but I am just drawing the minister's and the committee's attention to the purpose of our being in the committee stage and to what we are trying to achieve in this process. If the minister wants to make a comment, I am happy to hear it.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am certainly happy to respond to that point. I re-emphasise the point I made earlier to Mr Barber and Mr Lenders in relation to these matters. There is a limit to the level of detail that I could be expected to know with respect to some of the matters raised by Mr Barber. He has sought information as to targets against specific programs. This is an appropriation bill seeking an aggregate appropriation for, in this instance, the Department of Primary Industries. It has certainly been past practice when the Treasurer has been in this place taking the committee through the budget for specific matters of that nature to be taken on notice. As the previous Treasurer indicated, and as I have indicated, I am not the portfolio minister for these individual programs and I do not represent the portfolio minister for these individual programs, but I will use my best endeavours to get the information that committee members are seeking.

**Mr BARBER** (Northern Metropolitan) — Good old *Odgers*; it is ever reliable. I think I would say in relation to this that these are legitimate questions. There is plenty of warning to be had in relation to this. The minister cannot continue to simply argue that he is not the portfolio minister. He is the minister for this bill and everything it contains. The appropriation bill is just another bill.

For my part, this is where I earn my salary. I am actually pursuing questions through all the mechanisms of the Parliament, and if I cannot get an answer to these questions here — how the government chooses to treat that is its business — I have no certainty that I will ever get an answer to the questions I am asking, and so I must continue to pursue them through every available means.

**Mr P. DAVIS** (Eastern Victoria) — In responding to this point, I agree with Mr Barber but would certainly not dispute your ruling, Deputy President, that members are entitled to ask any question they choose in relation to any bill that is before the committee. This is

the appropriation bill, and we are in the committee stage of the appropriation bill, which is a very small bill and has a very limited number of clauses. It has a number of schedules, and even the schedules in themselves are of small content, albeit of major import; certainly in terms of the dollar amounts they are very significant. However, because of the very nature of the construction of the appropriation bill, it does circumscribe the detail that is provided within the bill and therefore the detail the minister who has carriage of this bill within the committee stage can deal with.

It is quite clear to me that the sort of questions to which Mr Barber is seeking answers may relate to the budget papers and therefore the budget estimates. They are not questions that are particularly pertinent to the construction of the appropriation bill. I do not discount that they are legitimate questions; they are very legitimate questions, and I welcome Mr Barber's desire to be better informed, but it seems an entirely unreasonable proposition to me that whoever the minister is who has carriage of the appropriation bill — it happens to be the Assistant Treasurer, but without qualification in relation to whoever the minister is — should have detailed knowledge of everything the budget papers go to. In fact the bill itself goes to four pages, eight sections with attached —

**Mr Barber** — Forty billion dollars.

**Mr P. DAVIS** — Yes, that is right — \$40 billion, as Mr Barber interjects. The magnitude of the corpus of funds that are appropriated is such that it is not reasonable for any minister, whether it is the Assistant Treasurer or any other minister acting in the carriage of this bill, to be able to respond to the level of detail that Mr Barber is pursuing. Clearly an appropriation bill is not the budget papers, and it is about the budget papers that Mr Barber is asking questions. We do not actually have the budget papers in committee; we have the appropriation bill. They are different documents, albeit that we had a cognate second-reading debate on the budget papers and the appropriation bill.

That is fine, but if you are going to pursue issues in the committee stage of the appropriation bill, then the questions, discussions and details need to relate to the appropriation bill. In fact I think it is quite an unreasonable proposition to suggest that, for example, asking questions about the detail of the schedule relating to the Department of Primary Industries, which in fact has two items listed in the schedule, enables any member to try to suggest that the minister at the table should have a detailed knowledge of information which is not provided within the bill. The bill is the bill. It is not the budget papers, it is not the estimates committee

and it is not the policy processes of which the minister who is responsible for the portfolio would have detailed knowledge. It may be frustrating for the member, but I have to say, having served a long time in opposition — in fact it is fair to say that I have served more time in opposition than in government, but I hope to remedy that over the course of this Parliament — that trying to get access to information is frustrating for members. It is just the very nature of the parliamentary process that governments have more information than oppositions. Mr Barber may not count himself as an opposition member, but that is the reality of his current position; he is not part of the government.

My take on this is that the Assistant Treasurer is quite within his rights to advise members if he does not have information about the particular detail the member is seeking information on. He is responding quite appropriately if he says, 'I do not have the information; I will get back to you in due course'. The reality is that most of the questions, if not all the questions I have heard in close to the last hour, related to matters of such detail that it would not be possible for any minister with carriage of this bill in this place to respond to them. If questions relate to the general overview about the allocation or appropriating of funds within the broader context of government, then surely the Assistant Treasurer would respond appropriately, but to expect the line management details to be understood and known in detail by this minister or any other minister is totally unreasonable, and I support the position being taken by the Assistant Treasurer, which is to say, 'The best I can do is give you the information later, when I have had access to it'.

This is the appropriation bill. It is not another bill; it is not the budget papers. Given that the budget papers go to four volumes, I think that is a different matter.

**Mr Lenders** — Five.

**Mr P. DAVIS** — Five.

**The DEPUTY PRESIDENT** — Order! I have heard Mr Davis. The budget papers were part of the second-reading debate — a cognate debate to take note of the budget papers and the bill — and the minister has been extensively referring to the budget papers, so that door has been opened. My view has been consistent throughout this committee stage. The minister is entitled to say, 'I don't have the answers to that', and I concur with Mr Davis's comments. However, I make the point that this is now the answer to almost every question, and I can sense the frustration of members of the committee.

**Mr LENDERS** (Southern Metropolitan) — On this point, Mr Davis is correct that the Assistant Treasurer cannot be expected to understand everything. However, the position we are in now is that the Parliament has been asked to appropriate. I have sat in that chair before, and members do ask about individual schools and individual hospitals. They are legitimate questions. Mr Rich-Phillips is doing a sterling job. No-one expects Mr Rich-Phillips to know about a line item in budget paper 3 or whether 49 per cent of a particular program in the Department of Primary Industries is met or not met, but I think the committee would expect, if Mr Rich-Phillips cannot find it out during the dinner break, that we adjourn at 10.00 p.m. and come back tomorrow, as we are able to do. If more time is needed, we should deal with what we can in this committee stage today and come back next Tuesday. I understand that Ms Lovell, as manager of government business, wants this through before 30 June, which is understandable because there will be no appropriation if we do not get it through, but it is not unreasonable for the committee to proceed and postpone making a final determination until we get the answers to any unanswered questions.

This is not a reflection on Mr Rich-Phillips, who is an honourable member. Today we had all six ministers in this place not make the 30-day rule on questions on notice to them in their own portfolios, not representing ministers in the other place. It is not unreasonable for the committee to say, 'We would like to see the answers rather than take it on good faith', because once the budget is through we have abrogated our responsibility as legislators to be responsible for that amount of money. I may have different issues to Mr Barber, and I do not expect Mr Rich-Phillips to know every line in every output measure in budget paper 3, but it is not unreasonable for him to come back to the house with the specific line of the 49 per cent, or whatever it was, of programs that were not funded under the ETIS program that Mr Barber was raising.

We have an opportunity with an hour and a half over dinner and another opportunity to sit tomorrow, or we could deal with this again on Tuesday. From the opposition's perspective we are not seeking to slow any of this down, but it is a big ask to say, 'Trust us; we will come back with the details', when today all six government ministers failed on the test of trust in answering questions on notice in their own portfolios. I repeat: they were not questions for ministers in the other house; they were in their own portfolios. I think we should continue debating this but not vote on it until we receive the answers.

**Mr BARBER** (Northern Metropolitan) — On the same issue, it is not only not unreasonable; it is actually essential that we go through the process we are going through now. Mr Philip Davis referred to the construction of the bill — his words — and also said they were not the budget papers. The issue of what an appropriation actually means has been discussed but only rarely.

The best guide that Mr Philip Davis would have would be the High Court case of *Combet and Anor v. Commonwealth of Australia and Ors*, and it is pertinent to what we are doing here now. It related to the then Howard government's decision to run a major TV advertising campaign about WorkChoices. They pulled the money for that advertising campaign out of a single line item that was labelled 'Increasing productivity in the economy'. It went to the High Court to determine whether the appropriation in its construction or the budget papers seemingly attached to the appropriation were a guide to and therefore authorised the spending of that money.

Mr Philip Davis can go and hit one of the terminals in the corner and start reading the entire judgement, because I cannot paraphrase it. Suffice to say, it is essential that if a question such as that arises at any point, whether or not a particular line item has been allocated to a particular amount, it is of great import. It is not merely of interest to the public who want to know what they are getting. We are going through a legal process here to approve a bill that will then allow the government to spend money. I am simply asking how that money will be spent.

I do not expect Mr Rich-Phillips, with all his random-access memory, to have retained every detail that I seek. I do not have any expectations of this government yet in relation to openness and transparency. What could the government do if it wanted to? It could have a stream of advisers coming through that box relating to each department. That is one reason we are dealing systematically with the departments one after the other. We could make an arrangement whereby specific advisers or even individual ministers could be present in the advisers box to advise Mr Rich-Phillips in his job. Failing that, there is section 52 of the Constitution Act 1975 which allows us to bring in a minister from another house and have them sitting there at the table with Mr Rich-Phillips.

**Mr Lenders** — You need 21 votes for that.

**Mr BARBER** — I will not be able to implement that process now, but I will give it a go next year unless

I receive an assurance tonight that there will be a lifting of the standards.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I guess I will just say in response to Mr Barber there has been a process with advisers and individual portfolio ministers, and that was the estimates process with some 50 to 55 hours —

**Mr P. Davis** — Fifty-four hours.

**Hon. G. K. RICH-PHILLIPS** — Some 54 hours the chairman of the Public Accounts and Estimates Committee tells me.

**Mr P. Davis** — A record.

**Hon. G. K. RICH-PHILLIPS** — There have been 54 hours of hearings with respect to the budget papers where individual ministers appeared and talked about their individual portfolio responsibilities. I put to the house that that is the forum where the type of information Mr Barber is seeking is best obtained. That was an extensive process.

I note that Mr Barber and his colleagues have elected not to participate in that process as members of that committee this year or in this Parliament, but that does not detract from the fact that that was an extensive process involving all ministers across all portfolios.

**Mr BARBER** (Northern Metropolitan) — That is a process involving a committee off to the side of the job that we do here in the chamber, but what we are doing right now is also a committee of the Parliament. It is structured deliberately to be a committee of the Parliament with the precedent that you, Chair, read out from Odgers that allows any member to speak as many times and ask as many questions as they want to because it is a committee. In the estimates committee, even if I were on it — and Ms Pennicuik and I were on it for four years — I would not get to ask as many questions as I want to, and I would not get to speak as often as I want to in that narrow keyhole of information.

Mr Rich-Phillips describes it as 54 hours. If members stop all this palaver and let me ask my questions, we will not be here for another 54 hours. We could be here for another hour or two and we could very quickly find out whether the minister has answers to any of my questions. If not, we can move like the proverbial from a shanghai.

**The DEPUTY PRESIDENT** — Order! I point out to members that this is a different process to that followed in Public Accounts and Estimates Committee

hearings. This is the process where the committee of the Legislative Council needs to be satisfied with legislation before it. That is a different process. I raised the ruling from Odgers' *Australian Senate Practice* on the grounds that I could sense the frustration of members in the chamber. Mr Lenders has suggested a path forward. It is 5 seconds until the dinner break, and I suggest that that is a reasonable consideration and we might see how we are going at 8.00 p.m. We will resume the chair at 8.00 p.m. after dinner.

**Sitting suspended 6.29 p.m. until 8.03 p.m.**

**The DEPUTY PRESIDENT** — Order! We are continuing in the committee stage of the bill. We are on the schedule relating to the Department of Primary Industries.

**Mr BARBER** (Northern Metropolitan) — I would be happy to move on to the Department of Sustainability and Environment, but to beg your indulgence, Chair, I have discovered one question I meant to ask in relation to the local government portfolio which would have been under the Department of Planning and Community Development.

**The DEPUTY PRESIDENT** — Order! That is fine. I had already thought that members may want to go back and forth. We are in schedule 1, and all the departments listed are in that schedule, so we can go backwards and forwards. I was just trying to keep some order to it.

**Mr BARBER** (Northern Metropolitan) — I have a question for the minister concerning one of the government's election promises, of which I wholeheartedly approve. It involves the allocation of \$20 million to upgrade street lighting through local government. It is called The Green Light Plan, and it is in the budget. I would be interested to know what proportion of street lights the government intends to upgrade through this program and therefore, of course, how much remains to be done beyond the 2014–15 financial year?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question. As he points out, an allocation has been made. The assumption in Mr Barber's question is that all street lighting would be upgraded via this program. The allocation is there in the budget, and obviously once that allocation is acquitted then the government will be in a position to see if further funds are required.

**Mr BARBER** (Northern Metropolitan) — I would like to know what proportion of our street lights, specifically the 80-watt mercury vapour street lights,

will be replaced for \$20 million? If the minister does not have that answer, I am happy to move on to the Department of Sustainability and Environment (DSE).

In relation to another of the government's election promises — one of which it was inordinately proud — and that is the \$20 million for the community green fund grants program, who is eligible to obtain these moneys, particularly since it is a cross-cutting program with the catchment management authorities? I want to ensure that we are not simply cost shifting back and forth between the community, as suggested by the title, and the money allocated in the budget for the catchment management authorities.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question. I have to say to Mr Barber that I am not in a position to tell him about the eligibility criteria of a program funded from the DSE output. I do not know if that is a matter that Mr Barber has raised directly with the minister.

**Mr BARBER** (Northern Metropolitan) — It is question 730 on the notice paper.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — If it is question 730, that would be one that is not yet up to the 30-day period, so the minister has 30 days to answer it, or at least another two weeks or so to answer it, and I assume he will do that —

**Mr Barber** interjected.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Indeed you have, Mr Barber. The minister will no doubt provide that information to you.

**Mr BARBER** (Northern Metropolitan) — I will turn to another promise that the government made. The government has used the word 'green' in a lot of its promises. I am yet to understand how green these promises are. I am looking at one called 'Green tick for green businesses', mentioned on page 76 of budget paper 3. Who exactly does this mean? There is a reference to an independent accreditor, so does it get all the money and then reissue it or will there be businesses receiving this money? Who audits those businesses to ensure that they deliver on the intended outcomes of this program?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question. I note his cynicism with respect to programs that the government has appropriated through the DSE. As to the detail of his question, I will seek an answer for him from the responsible minister.

**Mr BARBER** (Northern Metropolitan) — This question relates to quite a large line item, at least in expenditure terms. It reflects the coalition's very keen interest, when in opposition, in matters relating to the management of public land. When government members were in opposition they frequently came in here and talked about how national parks were bad because the government's policy was to lock them up and leave them as opposed to actively and appropriately managing them. There were reports released by the Auditor-General in relation to how Parks Victoria was looking after weeds and feral animals. There was a particularly damning report about how the funding was allocated to land-based and marine parks.

I would like to ask in relation to this budget: how much funding will be transferred to Parks Victoria for the purpose of capital projects operating expenses? And how will that amount be broken down between land-based parks and marine-based parks in light of the Auditor-General's report?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question on the issue of funding for Parks Victoria. The specifics of the breakdown between land-based parks and marine-based parks is, as I understand it, a matter for Parks Victoria. The funding that will be provided by the department to Parks Victoria is not, I believe, within the scope of the budget. As to the total allocation for Parks Victoria from DSE, Mr Barber would be aware of the base review that the government is undertaking and the \$9.6 million allocated for that. However, I will seek information about the allocation to Parks Victoria from the Minister for Environment and Climate Change.

**Mr BARBER** (Northern Metropolitan) — I would have thought even Mr Philip Davis would have been grilling the minister in the Public Accounts and Estimates Committee hearing on this one. The funding for Parks Victoria is a political hot potato. The minister just stated that it is up to Parks Victoria how it divides the money between land-based parks and marine-based parks. That flew in the face of the whole thrust of the Auditor-General's report. He found that the government had very deliberately allocated funds separately to marine and land-based parks in its purchaser-provider relationship with DSE and Parks Victoria but that nobody had ever monitored it. He found that Parks Victoria had, effectively, just done whatever it wanted.

If the Assistant Treasurer is telling me the arrangement has been formalised so that Parks Victoria itself decides how much money goes into marine-based parks and how much goes into land-based parks, that is very

worrying. The Assistant Treasurer may want to correct me on that. Otherwise I have a small number of other questions in relation to Parks Victoria.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — That was not what I was suggesting regarding formalising the arrangement. I will seek some detail from the minister on that split. Mr Barber's suggestion that it has been formalised in that way is not what I am suggesting.

**Mr BARBER** (Northern Metropolitan) — Can the Assistant Treasurer advise me as to the rationale or accounting process behind treating fuel reduction burning as a capital expense and capitalising it in the budget?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I will have to take some advice on that. Is Mr Barber able to draw my attention to the particular line item he is referring to in support of that? I can get some advice on the matter.

**Mr BARBER** (Northern Metropolitan) — I can understand how it is done. You take an expense associated with fuel reduction burning, and you capitalise it. It would be a unique accounting treatment, if I have understood this correctly. For that matter, I would like to know what the depreciation on such a capital item would be.

**Mr P. Davis** — About 100 per cent, I would have thought!

**Mr BARBER** — So it depreciates pretty fast! The more we burn, the more we add to the balance sheet, but does it then disappear a year later? That is fascinating. Perhaps that is another thing the Public Accounts and Estimates Committee could dip into.

**Mr Lenders** — How do you depreciate something that is burnt?

**Mr BARBER** — Normally it is the other way around. On pages 76 and 78 of budget paper 3 there is a commitment to \$9.6 million for the management of Victoria's parks. Is that the total budget for Parks Victoria? I thought it had a much bigger budget than that. The footnotes make reference to the Alpine National Park and the nationally listed wetlands. Is that what we get for our \$9.6 million, and how much funding does Parks Victoria actually receive?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I will first go to the issue about capitalising fuel reduction. It would be helpful to the

committee if Mr Barber was able to give some guidance as to what his reference was for that point.

The particular line item to which he has referred does not represent the total funding for Parks Victoria. That particular section of the budget papers relates to new output initiatives, and I understand that the line item to which he has referred relates to additional park rangers. There is funding for Parks Victoria within the base funding, and these are only additions to that base.

**Mr BARBER** (Northern Metropolitan) — I wish I knew what the base was. If I can be of assistance, I think the bulk of my remaining questions will be in relation to public transport and that portfolio.

**The DEPUTY PRESIDENT** — Order!  
Mr Lenders has indicated he has some questions on the Department of Sustainability and Environment.

**Mr LENDERS** (Southern Metropolitan) — My questions are fairly simple. They regard dividends from the water authorities. In budget paper 2 on page 28 there is an interesting paragraph that essentially outlines the reasons why the dividends from the water authorities have been deferred. Essentially it says that \$190 million of the dividends was deferred because it was hard to calculate what they would be because a lot more water and sewerage has been going through Melbourne. I understand why the dividends were difficult to calculate, but that is interesting.

I put to Mr Rich-Phillips that \$190 million of dividends deferred means that \$190 million from the surplus in 2010–11 has been moved to 2011–12. As Mr Rich-Phillips well knows, in budget paper 2 on page 22 we see the actual chart that indicates what the surplus is. The surplus for this year is \$140 million — for the year that the appropriation bill deals with. If the water dividends had not been deferred from the Brumby government's surplus to this year, the budget would have been in deficit by \$50 million. I ask: is it correct that transferring \$190 million from the previous financial year to the current financial year has put this year's budget in surplus?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Lenders for his question, and I appreciate that this is not the first year in which dividends have been canvassed in the budget committee stages. I will answer Mr Lenders's question this way: as he would appreciate, the budget position is not the consequence of a single transaction. There are millions of individual transactions that make up the budget position, so you could say that any one transaction can impact on the budget bottom line, which is true. Any

one of the individual transactions that take place within the general government sector can impact on the budget bottom line, so I do not know that a lot is advanced by saying that this one particular transaction would have this effect. If the committee is happy to look at the historical figures for the general government sector, it will see that there have been a number of years over the last decade where the dividend payments received have exceeded the final net result.

**Mr LENDERS** (Southern Metropolitan) — I understand the spin that Mr Rich-Phillips is very admirably putting forward, but I would put to him we have had a narrative from a government that says it is a good financial manager and that debt levels are too high. With the four water authorities in question we have an ongoing practice where interim dividends are charged generally, from recollection, at about 80 per cent of what the estimated final dividend is, and the final dividend is struck once the actual figures are established in the following financial year.

We have a government that is saying, 'Victoria is in a mess. There are black holes under every rock you look at'. I assume the meaning of the black hole to be a shortage of money rather than the snakes, scorpions and rabbits Mrs Kronberg seems to think are in the black holes. Leaving that aside, we have a narrative from the Treasurer and the Premier that says there are black holes everywhere. In fact the Department of Treasury and Finance was essentially, I would say, bullied into putting out a shonky document, which I have never seen before, about the state of finances.

In the middle of all that, if Victoria is so short of money, why defer the dividends when the only uncertainty is not whether these water authorities can sustain the dividend but that the dividend might be bigger than they thought it was? The cover for that is that it is only an interim dividend, so if the authorities make this massive profit, the government can charge more. I would put to the committee that the only reason this \$190 million worth of dividends has been deferred is to cover the deficit in the first year of the Baillieu government. It brought down the surplus of the last Labor budget by \$190 million, and it miraculously got rid of the \$50 million deficit that would happen without this \$190 million transfer.

Mr Rich-Phillips may well have some further ways to counter this argument, but I would put it to the committee that if this single decision had not been made, which would defy logic for Victorian families because it is like your wages are coming and you defer receiving your wages by a month — —

**Mr Barber** — So you look better.

**Mr LENDERS** — So you look better in a month's time. I would put to the committee that this is smoke and mirrors. It is a bit of innovative accounting designed to cover up a deficit which would clearly be there without this \$190 million being deferred from the current year to the year in the appropriation bill.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — In response to Mr Lenders, his proposition hangs on the basis that the deferred dividends exceed the surplus, and I would put to him that that is not the case.

**Mr LENDERS** (Southern Metropolitan) — My reading of these budget papers is that the deferred dividends for the water authorities Melbourne Water, City West Water, Yarra Valley Water and South East Water are \$190 million. If Mr Rich-Phillips does not want to accept my proposition on the water authorities, I could suggest a number of other government bodies that I suspect have equally been moved around. I am happy to go down the next path. I will do that under a different department, such as perhaps the dividends under the Department of Treasury and Finance. I would suggest to Mr Rich-Phillips that this single extraordinary transaction, which is mentioned in a narrative on page 28 of budget paper 2, has by itself brought the budget into surplus and miraculously taken \$200 million off the previous year's budget surplus as forecast in the midyear budget update.

**The DEPUTY PRESIDENT** — Order! Are there any further comments on the Department of Sustainability and Environment? We will move on to the Department of Transport.

**Mr BARBER** (Northern Metropolitan) — Chair, I was just hoping to quickly go back to two simple questions on the Department of Primary Industries.

**The DEPUTY PRESIDENT** — That is fine.

**Mr BARBER** — In relation to the \$16.2 million dedicated to 'Improving recreational fishing opportunities in regional Victoria' on page 73 of budget paper 3, I presume it is not possible for this money to be being distributed out of the recreational fishing licence trust account because it is governed under statute, unless the money was given as a grant from the trust fund to the government and then expended. I presume that money does not originate out of that trust fund and its disbursements and its reconciliation. If that is correct and the Assistant Treasurer could confirm that, that would be good. Also, what is the \$16.2 million going to deliver by way of outputs?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question. It is one that he had listed on notice, and I have a response for him. In relation to the question of whether the funds are coming through the trust account, the answer is no.

I apologise to the committee; I have misread the response. I would like to take it on notice and get Mr Barber some more detail, because it is not entirely clear.

**Mr BARBER** (Northern Metropolitan) — This is a question about a program that is obviously provided for in the budget, but it is not one that the government has put up in lights in the budget papers. How much money is allocated to the aerial baiting trial that has been announced, and of that, how much is for monitoring the impacts of the program?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — In relation to the aerial baiting program, \$460 000 is allocated and \$145 000 is provided for monitoring.

**Mr BARBER** (Northern Metropolitan) — I have just deduced that a pattern is emerging here. Ms Lovell and Mr Hall have been quite diligent in dealing with the questions on notice, and they have ensured that Mr Rich-Phillips is able to answer those questions. It is in relation to answers from other ministers about other departments that he does not have the same cooperation and assistance. I am happy to move on to the Department of Transport, if it is your will, Deputy President.

**The DEPUTY PRESIDENT** — Order! That is fine. I appreciate that members of the committee are trying generally to stick to the order of business, but I accept that because they are across all of schedule 1 we are able to move backwards and forwards. Does the minister want another moment to reflect on the answer he was attempting to clarify? I appreciate he went to some trouble to get it, and I am happy to give him a moment to think about it.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Thank you, Deputy President. I will endeavour to do that.

**The DEPUTY PRESIDENT** — Order! The minister has indicated that he needs a little more time. We will move on to the Department of Transport.

**Mr BARBER** (Northern Metropolitan) — In relation to page 144 of budget paper 3 and the \$20 million funding for Disability Discrimination Act 1992 compliance, how many tram stops is that in each

financial year, and according to that line item, how many will still be non-compliant at the end of this term of government?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for the question. As best I am able to ascertain, the budget papers do not report an individual performance target against that particular measure. If one exists, I will seek it from the responsible minister and get back to Mr Barber.

**Mr BARBER** (Northern Metropolitan) — I can assure the minister that on a number of these measures, which are capital in nature, the capital works statement does not really give us much more information as to how or when they will be rolled out and available. Yet that is the exact question I am asking, because it must underlie the allowance and the staging of that timing. I would like to know, please, in relation to the seven new X'trapolis trains to be added through rolling stock procurement: when do we expect them to be running services, and how much does each train cost? Because it is not as simple as taking the amount and dividing it by seven; there are other considerations in there.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I think Mr Barber is right to say it is not as simple as dividing by seven. Obviously whether that figure is available or not — I do not know the answer to that — will depend upon the contractual arrangements that are put in place to procure those vehicles. If that information is available — and I cannot give a guarantee that it is — I will seek to obtain it for Mr Barber.

**Mr BARBER** (Northern Metropolitan) — I am sure there will be many peak-hour commuters tomorrow morning wondering about the answer to the same question I am asking. At page 104 of budget paper 4 we see \$804.5 million for 'Tram procurement and supporting infrastructure'. Supporting infrastructure includes depots and a whole range of things, so that does not immediately tell me what to expect from this item that I will be appropriating that money for if I vote for the budget. How many trams will be purchased, and what will be the timing of those? And what is the supporting infrastructure share of these riches?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am sorry. Can Mr Barber give me that reference again?

**Mr BARBER** (Northern Metropolitan) — If my notations are correct, it is at page 104 of budget paper 4 — \$804.5 million for tram procurement.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I will have to see if I can get some further detail on that for Mr Barber from the Minister for Public Transport.

**Mr BARBER** (Northern Metropolitan) — What is the total amount available to fund NightRider services? And is there any expansion? They now run half-hourly during the night rather than hourly, as they used to, and my information is that they are extremely crowded. Has any money been made available to expand NightRider services or extend any of their routes? And what is the cost of providing that specific service? I have never been able to find that information anywhere.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I suspect the reason Mr Barber has not been able to find it anywhere is that as a subset of total spending on bus services it is a comparatively small component. I do not have that level of detail available to me, but I will attempt to find an answer for Mr Barber as to the specific spend on NightRider.

**Mr LENDERS** (Southern Metropolitan) — Mine is a fairly general question regarding the Department of Transport. I have looked fairly intently through the budget papers and I have looked in particular at the comments from the Minister for Ports, Dr Napthine, about his plans for the port of Hastings, although my question is not about the port of Hastings per se. For the port of Hastings to operate as Dr Napthine wishes it to would require not just the triplication but the quadruplication of the Dandenong rail corridor. I see nothing in the budget papers that addresses that, even in terms of a feasibility study or the acquisition of land from Hastings to the Dandenong line.

My question for the Assistant Treasurer is: are Dr Napthine's grand plans for the port of Hastings at all reflected in the provision of infrastructure along the Dandenong line and in particular in my own electorate? The boom gates at Murrumbeena Road, Murrumbeena, are down 24 minutes in the hour. At Grange Road, Carnegie, I think the gates are down for 22 minutes in the hour. I could go through all the railway crossings and how long the gates are down on what is currently a duplicated Dandenong line, not a triplicated line. I know there is provision for grade separations, but those grade separations may cover three or four of the dozens of stations on the Dandenong line. My question goes beyond the predictable reply of 'grade separations'. What provision is there for infrastructure to deal with the quadruplication of the Dandenong line to service the plans for the port of Hastings that the Minister for Ports has announced?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I respond to Mr Lenders by saying that the proposal is not to have the port of Hastings operating as a container port in the 2011–12 financial year. Obviously infrastructure will need to be planned and provided, but it is not in the 2011–12 budget.

**Mr Lenders** interjected.

**Hon. G. K. RICH-PHILLIPS** — Mr Lenders raises the issue of the forward estimates. Obviously the appropriation bill we are dealing with this evening is in relation to 2011–12, and initiatives for subsequent years will be in the 2012–13 bill and in subsequent years in the forward estimates.

**Mr LENDERS** (Southern Metropolitan) — I accept the Assistant Treasurer's parameters — that we are looking at the appropriation for the next financial year — but we are not just talking about \$100 billion in infrastructure or whatever figure is being used. What we are talking about for this infrastructure is feasibility and planning. We have heard a lot about planning for the Rowville line. I repeat: the first time this government talked about the Rowville line was on 30 September 1958, regarding a railway line to Monash University, so waiting is something we have become used to.

**Hon. G. K. Rich-Phillips** — I don't think it was this government.

**Mr LENDERS** — The Bolte Liberal government promised a railway line to Monash University on 30 September 1958. There is feasibility work for railway lines to Donvale and Rowville, but there is no feasibility work whatsoever for the highest demand into the future, which would be the quadruplication of the Dandenong line. I accept that there is no intention to quadruplicate the Dandenong line in this financial year, but surely if the Minister for Ports is telling the business community and the general Victorian community that this port of Hastings program is about to happen, there should be some work to at least get some costings on it before we proceed any further.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I take Mr Lenders's point, and I am confident that the Minister for Ports is undertaking considerable work around the proposal for the port of Hastings. The port of Hastings proposal is not going to happen instantly, and infrastructure will need to be provided at the appropriate time.

**Mr BARBER** (Northern Metropolitan) — I refer to the minister's reference to buses. When I read the performance measures in the budget, I find there is

actually a zero increase in bus kilometres. Would I be right in saying there is a zero increase in terms of the provision of bus kilometres? If I am wrong, I would like to find out which new or extended local bus route is provided for in this year's budget allocation. There is no question that the government continues to release new land in the urban fringe. Suburbs with previously released land continue to develop. There may be proposals for running buses on existing routes more frequently or at later hours. Are there any new buses of any type anywhere in this budget?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I refer Mr Barber to page 336 of budget paper 3. It is not entirely accurate to say there is no increase in bus kilometres. There is the increase from 2010–11 to 2011–12 of some 800 000 bus kilometres. In terms of specific routes, I do not have that information, but I am sure we could get some information for Mr Barber.

**Mr BARBER** (Northern Metropolitan) — Are there any plans for new train stations in the suburban system? How much is allocated for each station, and what is the timing of the delivery of those new train stations? I will make the same point I made earlier: a number of areas have had land released. Sometimes they have been structurally planned so a community works around a train station; some suburbs are designed to have a train station in the middle of them. Some of those suburbs are being built now. I would like to know if any of those new suburban stations are provided for in this budget or in the out years.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I can advise Mr Barber there is some funding provided with respect to new stations. There will be an upgrade of Ballan station, and there will be new stations at Epsom, which is in the country, Grovedale and Southland. There is funding for a car park upgrade at Syndal station.

**Mr BARBER** (Northern Metropolitan) — Was there a phasing of those works?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I do not have that detail for Mr Barber. It seems to be aggregated in the budget, but I can see if that information is available.

**Mr BARBER** (Northern Metropolitan) — We have discussed a little bit about train stations and trains, whether there will be any new ones and whether there will be enough trains to go to those stations, but in relation to page 337 of budget paper 3, we see an increase from the current financial year to the next

financial year of train service kilometres. It is estimated that it will end up at about 19.7 million kilometres in the current financial year, and it will increase to 21 million kilometres next year, which is an increase of 1.3 million kilometres.

I know that the new timetable that Metro has delivered — it is delivering now, but it will deliver for the whole of next year — contains about 637 000 kilometres of timetabled service. Can the minister tell me where the other half of these new train kilometres arises from? If people on other lines are getting a whole bunch of new services, I am sure they will be happy to hear about it.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I will have to seek further information for Mr Barber on that. As he points out, there is an additional 1.7 million kilometres shown in the budget papers. It does refer to the introduction of additional services as being the basis for that, but as to what specific services they might be, I will have to seek some information for him.

**Mr BARBER** (Northern Metropolitan) — One would think this was a good news story, and it was through the consideration of this chamber that we got hold of the documents that detailed the number of service kilometres associated with the new Metro timetable. Another equally large set of kilometres or services is brewing, but like most things the Department of Transport does, even the things that are good news, it treats them like the Manhattan Project and does not want to tell anybody about them until it is ready to tell us they are a done deal. In the same vein, can the minister tell me if there is any allocation stashed away anywhere for a feasibility study into an extension of the South Morang train line to Mernda?

**Mr Lenders** — I think you'll find the answer's no, Mr Barber.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Mr Lenders may be privy to more information than I am from the Department of Transport, but I will take the question on notice and seek an answer for Mr Barber.

**Mr BARBER** (Northern Metropolitan) — During the Public Accounts and Estimates Committee (PAEC) budget estimates process, I listened to many of the hearings via the broadcast. That broadcast is a very good initiative, and for those hearings I could not listen to I certainly read the transcripts. During those hearings the Premier said that some of the money set aside for protective services officers (PSOs) in this year's budget

also included a component for train station upgrades. Is the minister able to tell me how much of the money has been set aside for station upgrades and which stations will be upgraded and how? And can he outline how that money is then dispensed between the budgets of the Department of Justice and the Department of Public Transport?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — In terms of station upgrades, I have previously outlined to Mr Barber the stations that are listed for upgrade. There may be others, and we can seek out that information for him. Likewise I could seek for him the split in the funding with respect to the PSOs commitment.

**Mr BARBER** (Northern Metropolitan) — It was the Premier's statement, and it was about upgrades in relation to the PSOs commitment. We have gone on for years about the lack of toilets on various train stations up and down various lines, and those toilets that are open are in pretty bad shape. I would certainly welcome it if all the toilets were upgraded so that PSOs could use them, provided that the rest of us get to use the same toilets. Maybe it is about coffee rooms and heated areas for the PSOs, but presumably we will not find this out today.

Page 46 of budget paper 4 mentions a tram and bus priority program. It is a significant amount of money, but there is no detail provided. Is there any detail available for which routes these priorities will apply to?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am not able to advise Mr Barber about which routes are envisaged to be considered for that program.

**Mr BARBER** (Northern Metropolitan) — I think trams and buses should have priority on roads because it would mean that they would run faster, and that is not just for the benefit of those who ride on them. If Melbourne's trams and buses ran 10 per cent faster, it would be like we had 10 per cent more buses in a capacity sense. It would not cost very much, and it would create savings elsewhere in the budget. I look forward to that program rolling out and delivering those benefits.

Budget paper 4, page 103, shows that \$188 million has been allocated to various new metropolitan stations in growth areas. Is this the same list of stations that the minister gave me earlier, and is there a breakdown available of what each station will cost and its timing?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I believe it is the same funding as

described earlier. However, as with the answer to the previous question, I do not have the breakdown as between those individual projects.

**Mr BARBER** (Northern Metropolitan) — Are there provisions for feasibility studies into the Melbourne Airport rail link, the Lara to Avalon Airport rail link, the Doncaster rail line and the Rowville rail line, and is there a time line for the completion of these studies that I can derive from looking at the timing of the spending set out in this budget and its out years?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am not able to advise Mr Barber on that. Obviously the funding would be indicative of the timing of the project, but as to planned completion dates for those individual feasibility studies, I do not have that information.

**Mr BARBER** (Northern Metropolitan) — Presumably the people who are being paid to do these studies have been given some sort of deadline — if they are to be paid. At page 80 of budget paper 3, which deals with the creation of a Victorian public transport development authority, \$2.5 million of recurrent expenditure is available. Can the minister indicate if that is effectively the operating budget of that authority? Is that likely to be its ongoing budget — the budget we would expect to see after this budget and its out years?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — The \$2.5 million line item is the new funding. It is not necessarily the total funding for that initiative. Funding can be shifted from DOT's (Department of Transport's) base budget. Obviously under the DFM — the departmental funding model — there is flexibility to shift funding within the department to the provision of outputs. That \$2.5 million therefore does not necessarily represent the budget for that agency.

**Mr BARBER** (Northern Metropolitan) — I suppose the \$2.5 million could be an allocation to run an ad campaign telling everyone there is now a public transport development authority. I want to know the estimated budget of this new thing called a public transport development authority.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I can assure Mr Barber the \$2.5 million will not be used to run an advertising campaign. As I said, this new allocation can be supplemented from the Department of Transport's budget. I am not able to determine from these documents what the total ongoing allocation would be for the public transport authority,

but I will seek some advice from the Minister for Public Transport.

**Mr BARBER** (Northern Metropolitan) — Is the government seeking funding from the federal government for the originally proposed \$380 million truck action plan? If so, I am asking how much of a federal contribution it is anticipating; if not, I am asking how much of the \$380 million will be delivered and funded from state funds.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am not in a position to indicate to Mr Barber what funds are being sought from the commonwealth with respect to that program. Obviously any negotiations the minister is having with the commonwealth are beyond the scope of the state appropriation.

**Mr BARBER** (Northern Metropolitan) — It does relate to the state appropriation, because there is a proposed project out there. I can assure Mr Rich-Phillips that the people of the inner west are very keen to know whether any or all elements of the originally proposed plan are going to be built any time soon. I know Mr Rich-Phillips cannot assure me as to whether federal funding will be forthcoming. I just want to know: which elements of it are budgeted for, and do any of those elements rely on a federal contribution in this budget?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am advised that there is a \$2.2 million contribution from the commonwealth with respect to that program as shown in budget paper 4. Beyond that I am unable to tell Mr Barber if there is any further call on the commonwealth, other than to say that the state is willing to seek and accept commonwealth contributions.

**Mr BARBER** (Northern Metropolitan) — But it is the truck action plan we are specifically asking about. Members have said in this place that it is not their job to deliver on the last government's promises, so am I to understand that there is no other truck action plan money in this budget or its out years? A related issue is the target for freight on rail target. That is a critical part of the management of the area around Melbourne's ports and other ports, and for that matter of other parts of the state. Does the government have a target for freight on rail, and what money in this budget has been specifically set aside to help achieve that target?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — The key metrics the government has in this area are no doubt in budget paper 3 around

page 345, as Mr Barber is aware. In terms of the specific issue of freight onto rail, I would suggest to Mr Barber that any significant target would be contained in that section. I am having a quick glance at it, and I am sure he has looked at it in more detail, but that would be the guide as to the targets the government has in that area.

**Mr BARBER** (Northern Metropolitan) — That is correct. I have been looking for the rail freight target, and I have not yet found it. I have also been looking for the measures designed to encourage that. I believe there is a cut to the container rail subsidy, and the ending of that subsidy is what I have surmised. Of course there are a few passing loops out west but apart from that I have not seen it, and the minister has not been able to point me to anything I have inadvertently missed.

I also have some questions about the regional rail link (RRL), and this is something about which the government has had a lot to say in terms of both its cost and now, the government argues, its necessity. The government has argued that additional money is required to achieve the project. Most of us are not too clear on exactly what the project is apart from a line on a map. We do not know much about what it consists of. Is the minister able to tell me what it consists of in a funding sense at the new Sunshine and West Footscray stations? What works will be carried out there for the regional rail link?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — In short, I say to Mr Barber: no, I am not able to. If Mr Barber wants details on the RRL project, he could get much better information from the Department of Transport website, I would think, as to the scope of the project than I am able to give him in a consideration of the appropriation bill.

**Ms HARTLAND** (Western Metropolitan) — I have attempted on a number of occasions through the minister and the Regional Rail Link Authority to receive this information. I hoped that tonight would be an opportunity to receive information about how the money will be spent and what it will be spent on, because at this stage people in the western suburbs simply are not being told what is going to happen at Sunshine or West Footscray stations.

**Mr BARBER** (Northern Metropolitan) — The minister suggested looking at the website. I have looked at the website; it has one page devoted to the RRL. The government is talking about it all day, every day. Works are about to start, and we do not know how many trains will run, what their capacity will be, what the span of hours will be, or what the new timetable

will look like. We are told it is costing billions, but we are not actually told what it will consist of. Given the money allocated in this budget and its out years, I would have thought asking what the capital works will consist of would be a good question, as well as questions such as how the Werribee train line is expected to operate and how many new services there will be to and from Geelong. I do not know if there are any new V/Line services in this budget at any point; I do not see them. Are there any surface kilometres of V/Line extra services? It is another Manhattan project and the budget is no better place to find out anything, even though it is about our money. I have probably exhausted my immediate questions on the public transport issue.

**Mr LENDERS** (Southern Metropolitan) — The regional rail link is a great segue. The Treasurer, the Premier and the other members of the government have made a lot of noise about regional rail link money, saying that \$500 million from the commonwealth forward estimates for the 2010–11 financial year was not received until the 2011–12 financial year. It is a statement of fact by many members of the government and it appears in the narrative in budget paper 2. The proposition I put is that were it not for the commonwealth deferring the \$500 million regional rail link contribution from 2010–11 to 2000–12, the \$140 million surplus would be gone and in fact it would be a \$360 million deficit.

The question I have for Mr Rich-Phillips is: is it not the fact, despite the anger in the state government at the commonwealth for the delay in the receipt of \$500 million-plus, that if that contribution had been delivered on the original schedule the last Labor budget surplus would have been \$500 million higher and the first Baillieu government surplus, or net result from transactions, would have been \$500 million less and therefore this budget would have been \$360 million in deficit?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Lenders for his question. This goes in many respects to the discussion we had earlier around dividends and timing. I said then and I reiterate now: as Mr Lenders would appreciate, the budget is made up of literally millions of individual transactions, all of which impact the bottom line. On this particular issue Mr Lenders has raised a very important point about the impact of one-off commonwealth grants. This is a matter that goes to the issues raised by Michael Vertigan in his preliminary interim report into state finances — the impact of one-off grants on the operating surplus of the state, the impact one-off grants

have had in recent years and why that is an issue that government needs to address in coming years.

It is an exercise in semantics as to which individual transaction you wish to take out of the budget to produce a different result. We could easily say that equally if expenditure were brought forward to the pre-budget year or deferred to the post-budget year you would have an impact on the bottom line. You could do that with any individual transaction. The point Mr Lenders raises about one-off grants from the commonwealth which come into but do not go out of the operating statement goes to the issue that Michael Vertigan has raised in his report and that needs to be addressed.

**Mr LENDERS** (Southern Metropolitan) — I do not disagree at all with the analysis by Mr Rich-Phillips, but the reason I raise it in this debate is that the \$500 million regional rail contribution has been used by the government. It said in the dispassionate terms Mr Rich-Phillips used that this is just one of the anomalies and that we should get the Vertigan review, the Greiner-Brumby or whatever review to look at the issue to try to smooth out some of these federal-state transactions. This single transaction is 1 per cent of the state budget. I accept that is not an easy issue for the Assistant Treasurer to deal with, but the reason I raise it here is that, rather than it be accepted as a matter of fact and inconvenience that governments need to work around, it has been wielded as a sword by the current government to explain why it cannot afford programs.

We hear the narrative that GST revenue has gone up, but we hear also the narrative that it has not gone up as much as was forecast. That is a legitimate concern for a government, and I get that.

We have also heard the narrative about the black holes — and I will not describe what Mrs Kronberg said, because I have already done that three times on the record. The black holes are cited as one of the reasons programs cannot be afforded. We hear that programs cannot be afforded because the commonwealth has cut money, whereas the commonwealth delaying the payment of the \$500 million has actually conveniently assisted the state in having a surplus this year. Mr Rich-Phillips says there are a million moving parts, and yes, he may be right; there are a lot of moving parts, although I would not quantify it at that figure —

**Mr Barber** interjected.

**Mr LENDERS** — There are not many \$500 million moving parts — exactly, Mr Barber. But the point I

make is that if the state government graciously accepted that the commonwealth's movement of this amount of money got it out of a difficult situation, I would be silent, but I think there is an accountability issue here. If the state government wishes to demonise the commonwealth over this issue, then let us put it on the record: were it not for the commonwealth's delaying of this \$500 million and were it not for the state government's own delaying of \$190 million of water dividends, this budget would be in the red. I will leave it at that. Just to state the obvious: the commonwealth has saved the state's bacon, and the state's gratitude for that is to kick the commonwealth and blame it for saving its bacon. I do not imagine the commonwealth will come to the state's rescue again.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Just to respond to Mr Lenders's point — and I do not necessarily disagree with what he is saying about the impact of commonwealth revenues — I point out to the house that in budget paper 2, at page 24, the government has for the first time actually set out the impact of those one-off commonwealth payments on the operating statement. For the sake of the point that Mr Lenders has made, for the 2009–10 financial year, the last full financial year of the previous government, if you netted out the one-off commonwealth funding impacts, the budget would have been in deficit by \$950 million. So the point about taking out individual transactions — and regional rail is a large transaction, as Mr Lenders said, 0.5 per cent of spend — that is the reality of what the government is dealing with.

In terms of the other issue Mr Lenders raised, the GST revenue, he would appreciate particularly, given his background, that the forward estimates in the budget are based on expectations and that when those expectations change dramatically, as they did with the revisions to GST — notwithstanding that the dollar amount may be greater this year than last year, it is not at the level that was expected in the forward estimates, which was the basis of the pre-election budget update — that has an impact. The government readily acknowledges that these one-off commonwealth transactions have an impact, and that is what we have set out in budget paper 2, I understand, for the first time.

**Mr LENDERS** (Southern Metropolitan) — This will be my final comment on transport. I reiterate that it is fine for Mr Rich-Phillips to say that in budget paper 2 on page 28 the government put in a table acknowledging it. It is just a tad rich, when the Treasurer in budget paper 1 highlights the GST issue as one of the central features to fix the problems and build the future, or whatever garbage he came out with —

sorry, whatever spin he came out with. What we find here is a narrative of blaming the commonwealth for GST and blaming the commonwealth for the regional rail link, when the commonwealth saved the state government's bacon in relation to the regional rail link. A bit of gratitude to Mr Swan would go a long way.

**Ms HARTLAND** (Western Metropolitan) — I have one final question on transport as well. In terms of railway stations in the growth areas, the two stations I am particularly concerned about are Caroline Springs and Williams Landing. It is not specified in the budget papers which stations are going to be built, and there is great concern, especially about Caroline Springs, as to whether those stations have been scrapped. Considering the stations are both in growth areas — and the government has talked about the need for infrastructure for these fast-growing areas — these stations are very important.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I take Ms Hartland's point about infrastructure in the growth areas. Representing a growth area on the other side of the city from Ms Hartland, I appreciate the insatiable demand for infrastructure in a growth area. The information I went through with Mr Barber before did not give a full breakdown on those stations, and so I will see if I can get some information for Ms Hartland on Williams Landing and Caroline Springs.

**Mr BARBER** (Northern Metropolitan) — I am ready to move on to the Department of Treasury and Finance. Page 9 of budget paper 3 states:

Integrity in government includes a commitment to ensuring that taxpayers money is spent wisely and efficiently.

On this basis, within the work plan of the independent review of state finances will they investigate whether the Public Accounts and Estimates Committee should be a non-government-controlled entity?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question about the work of the Vertigan inquiry, which is something the government commissioned on coming to office, and it will report next February. The terms of reference for that inquiry are quite broad. They include governance matters surrounding public finances. Those are the terms of reference, and the government does not intend to direct them as to the execution of the terms of reference, so I imagine if they chose to look at that matter, they could.

**Mr BARBER** (Northern Metropolitan) — Table 5.5 on page 182 of budget paper 5 relates to concessions.

How many households for each type of claimed concession are in receipt of these amounts? The money for concessions rises, and what I am trying to find out is how much of that is a prediction of the rising number of households that will claim these concessions versus the cost of the thing we are giving them the concession on — such as their water bill, electricity bill and so forth — actually rising.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Barber for his question. With respect to the electricity concession I can advise him that it is expected that 815 000 Victorians will benefit from that. I am unable at this point to give him a breakdown with respect to the other concessions.

**Mr BARBER** (Northern Metropolitan) — This will be my lucky last question. In relation to the State Electricity Commission of Victoria, what dividend will it pay to the government in this financial year that we are in, and is there an anticipated dividend payment from the SECV in these budget papers?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I can advise Mr Barber that for the budget year 2011–12, the SECV is forecast to pay a dividend of \$9 million.

**Mr LENDERS** (Southern Metropolitan) — We have saved the best till last — the Department of Treasury and Finance. I have four issues that I will raise, and I will go through them chronologically. The first one I raise with Mr Rich-Phillips is that — and he will have seen this coming — without quoting from the *Hansard* of 29 May 2008, 3 June 2009 and 8 June 2010, there was a certain Mr Gordon Rich-Phillips who in the last Parliament specifically asked me on three occasions, 'Where is the debt reduction strategy in the budget papers?'. I pointed out to Mr Rich-Phillips that he should look at the charts and look at the end of the forward estimates, and I also pointed out that debt was going down in the second and third budgets in percentage terms, as well as going down in the fourth budget in percentage terms as well as actual dollars. If I recall correctly, in the second year Mr Rich-Phillips insisted that there actually be a chart, and in the third year once the chart was there he did not think it was all that adequate.

Going back to the *Age* article of 4 May saying that state debt had doubled, where in the current budget papers would I find this chart that Mr Rich-Phillips was so actively seeking in 2008, 2009 and 2010?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Lenders for his question. In

terms of the chart setting out Victoria's debt position, I will endeavour to find Mr Lenders a page reference. To take up the point Mr Lenders is making, the reality is that this budget has been framed in a very different environment to the one that was anticipated when the pre-election budget update was produced and indeed when the budget update was produced in December. The government has committed to delivering its election commitments in this budget without cutting services, and it is unapologetic about that.

As a consequence of GST revenue that was lost, as a consequence of a smaller GST pool due to the decisions of the Grants Commission and as a consequence of cost increases in projects this government has inherited, in order to deliver its election commitments the government has needed to increase debt. As I think we discussed earlier, general government debt will increase to 5.9 per cent of gross state product (GSP) and stabilise at 5.9 per cent of GSP over the forward estimates.

We discussed this earlier, but on the issue of debt being doubled, the government rejects that proposition. As I indicated earlier, in the budget update of last December, which set forth without policy change where we were up to midyear on the previous government's policy settings, general government debt for the budget year was going to be \$14.4 billion, and under this budget it will be \$16.8 billion, so I reject the proposition that debt has doubled. I say to Mr Lenders that the environment this budget has been delivered in is very different to the environment of 12 months ago, and the government has responded accordingly.

**Mr LENDERS** (Southern Metropolitan) — We could debate this for a long time, and I do not intend to take the house through it, but I reiterate that three times in a row — I have given the *Hansard* references — Mr Rich-Phillips in measured tones and the current Treasurer in more strident tones called for a debt reduction plan in the budget. I am fairly used to reading budget papers, and I can assure Mr Rich-Phillips that there is no debt reduction plan there. I also note that in the *Australian* of 26 April the Treasurer, whilst softening up Victoria for the terrible budget that was going to come and for how tough it was going to be, was actually reported as talking about making appropriate top-up payments to pay down superannuation, but in the interests of sparing Mr Rich-Phillips further embarrassment I will not pursue that one.

What I do wish to pursue is the issue of the Transport Accident Commission (TAC), which is in Mr Rich-Phillips's portfolio area, so he will not need to

refer to another minister. It is a question about what the dividend policy of the Transport Accident Commission is. In budget paper 2, and I think budget paper 5, we see references to aggregates for dividends coming from various state-owned enterprises. In budget paper 2 we certainly see the reference to why the water authorities' dividends are being deferred. I would be interested if Mr Rich-Phillips would share with the house what he anticipates the TAC dividend to be this year and what the policy is for drawing down a dividend from the TAC.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — As Mr Lenders said, I am the minister responsible for the TAC. Having been both minister for the TAC on one side of the equation and Treasurer on the other side of the equation, Mr Lenders appreciates that the legislation with respect to dividends sets out that it is a matter to be determined between the Treasurer and the responsible minister. In this case it is the Treasurer and the Assistant Treasurer, and that determination has not taken place.

The guideline for that determination would be the policy that was in place with the previous government, and my recollection is that it might have been higher than 50 per cent in the final iteration. Originally it was 50 per cent of net profit, and then the dividend was recast around the time of the global financial crisis to higher, I think, than 50 per cent of performance from insurance operations. The dividend determination with respect to the TAC has not taken place.

As to the quantum of the dividend, that will not be determined until the final result for the financial year is known. As Mr Lenders would be well aware, the net result of an entity like the TAC is heavily impacted upon by market performance. If I had speculated a month ago as to what the net result was going to be, I would have been very wrong, given what has happened in markets in the last month. That determination will be made in due course, and the final result for the TAC will be known after 30 June. I can say to Mr Lenders that there has not been any policy change with respect to the payment of dividends, and the final dividend is yet to be determined.

**Mr LENDERS** (Southern Metropolitan) — I am disappointed by Mr Rich-Phillips's answer, because as I understand it the policy is 50 per cent of the performance of the result of — —

**Hon. G. K. Rich-Phillips** — Performance from insurance operations.

**Mr LENDERS** — We are both getting tired, Mr Rich-Phillips; thank you for that. If we are talking about 50 per cent of the performance from insurance operations, the net result without a change of policy will not be affected by the share market return. If we are talking about the erratum that was included in budget paper 5, by my reading the predicted return for the financial year — obviously the Department of Treasury and Finance struck this figure sometime in April for the budget in May — is 8 per cent.

We are talking about an 8 per cent return, and, yes, the market has been up and down. Last time I looked the ASX 200 was of the order of 4600, which is about a 7 or 8 per cent increase on what it was at the start of the financial year. That is domestic not international, and I realise that the Victorian Funds Management Corporation has a mixture of both for the TAC. Let us assume that the international matches the domestic, and last time I looked it did. We are still looking at an 8 per cent return, so that should mean that the net result will reflect, barring liabilities going up, exactly what was forecast in this budget.

Leaving that aside, if it is 50 per cent of performance from insurance operations, the market around town would be predicting that the TAC would have a profit of the order of \$180 million, of which, under the existing government policy, there would be a draw-down of \$90 million in dividends. While Mr Rich-Phillips may not be willing to say it in this house, I would be very confident that any paperwork going between him and the Treasurer, or between the Department of Treasury and Finance and the TAC, would be forecasting a dividend of the order of \$80 million to \$100 million.

There will obviously be no income tax equivalents, because of the losses accumulated over the last four or five years due to the performance of the market. The reason I am interested in this in particular is that in an article in the *Age* of 25 May, Reid Sexton said:

TAC minister Gordon Rich-Phillips said the TAC was in deficit ...

That was said during a debate about whether there was funding for a program which Mr Rich-Phillips has said is not a priority of this government. It was not an election commitment of this government; therefore it could not be funded. I am specifically asking Mr Rich-Phillips: is the TAC in deficit? Given that he receives monthly reports from the organisation, he will know the answer to that question one way or the other. Am I right that 50 per cent of the performance from insurance operations would be in that band of \$80 million to \$100 million and the dividend we expect

must be included somewhere in these figures? Mr Rich-Phillips may not have formally made a determination with the Treasurer, but DTF will have put a figure in the dividend line in budget papers 2 and 5 to estimate the dividends that the state will receive this financial year from state-owned companies.

**The DEPUTY PRESIDENT** — Order! I ask members of the committee to desist from the fairly high level of conversation which started to happen just then. That question was extremely complex and detailed and it made it very difficult for both the minister and me to follow it.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Lenders for his question. I guess there are a couple of points that I would like to make. Firstly, on the dividend policy, Mr Lenders refers to the dividend policy being 50 per cent of performance from insurance operations. I will take that on face value from Mr Lenders, but my recollection, as I earlier said to the committee, is that determinations around dividends have not been made and that discussion has not taken place between the Treasurer and me or within DTF. My recollection is that when the policy was changed from the dividend being calculated on net result to the dividend being calculated on performance from insurance operations the percentage was increased above 50 per cent. I would have to check that; I think it might be of the order of 65 per cent. While Mr Lenders says 50 per cent, I believe it is higher than that, and that will come through in the ensuing discussions between the Treasurer and me as the responsible minister.

Secondly, on the issue of deficit, yes, I get monthly reports on the performance of the TAC. The TAC's final result for the financial year will be declared in its annual report. But on that point, the reason I raised markets and the movements in markets — and Mr Lenders quite rightly speaks about current results versus the beginning of the financial year — is that the monthly reports that I receive from TAC reflect the result at a point in time. The most recent one I imagine would be at the end of April when markets were up. Things have changed dramatically since I received that report. The monthly reports as to the bottom line of the TAC change as markets change. Yes, one can go back and say the end of year result versus 12 months ago will be in accordance with where the markets are, but the figures that I am seeing in those monthly reports are up and down.

Thirdly, on the issue of that article in the *Age* and speaking about deficits, as Mr Lenders would appreciate, for the last two years the TAC's annual report has shown that its liabilities exceed its assets. It is

not unreasonable for the government to look to that funding position improving as we go forward.

**Mr LENDERS** (Southern Metropolitan) — This is a particularly interesting line. Mr Rich-Phillips says that the TAC's liabilities exceed its assets — I accept that; it is a long-tail scheme and there is money invested, so that makes — —

*Honourable members interjecting.*

**The DEPUTY PRESIDENT** — Order! We are in a very technical and complex area of the budget, and I simply cannot hear Mr Lenders's long question. If Mr Leane, Ms Lovell and Mr Davis need to have a discussion, they can take it outside.

**Mr LENDERS** — The minister is quoted by Reid Sexton in the *Age* as having said the TAC is in deficit — I know I am quoting the *Age* a bit today for a range of reasons, although this is not on page 1 but on another page. I make the serious point that if that is the case and the minister is using that as a reason for not funding road safety programs, which is a prerogative of government, and if he says the previous government's program on road safety is not going to be funded partly because the TAC is 'in deficit', then I ask the minister: is it then appropriate to draw down a dividend of what I would say was of the order of \$80 million to \$100 million? From what Mr Rich-Phillips was saying, it is probably half as much again if the return from performance of insurance operations is not 50 per cent, which I put to Mr Rich-Phillips that it might be, but he thought might be closer to 65 per cent.

The ASX 200, which is publicly available information, is approximately 4700 points at the moment, which is 8 per cent up on what it was a year ago, which matches virtually exactly the projections in budget paper 5 for growth in the fund; so the growth projection is in the order of 8 per cent. I am contending that a 50 per cent dividend from performance of insurance operations will be dividend in the order of \$80 million to \$100 million, and the minister is saying no. We are speculating — it is late at night and we were up till 3.00 a.m. on Tuesday night, so for all of us there is a degree of latitude for precision or lack thereof — but I would put to the minister that you either have a TAC in deficit or you have a TAC from which you take a dividend in the order of \$90 to \$100 million. You do not have both.

Also the Department of Treasury and Finance has made assumptions in these budget papers on drawing the dividend out of the TAC. The Treasurer has signed his name off — it does say 'Kim Wells' on the cover of budget paper 5. The Treasurer has made an assumption

that I would put to the minister is a dividend of \$90 million to come out of the TAC. I suppose what I am asking is: if it is in deficit, how can a dividend be taken out; and if it is not in deficit, why is the government using that as an excuse for not funding road safety programs?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Mr Lenders for the question. Dividends from statutory authorities are a vexed issue, and what is important to bear in mind with the TAC is the change that took place, I think in 2008–09 when Mr Lenders was the Treasurer, in the basis upon which the dividend was calculated. That led to the very scenario Mr Lenders has just highlighted of the previous government taking a dividend based on the performance from insurance operations while the overall result of the TAC was a deficit. By rebasing the dividends from bottom line to performance from insurance operation you had a situation where the insurance business had performed positively but because of the global financial crisis the net result of the TAC was negative — it was a deficit. In effect in 2008–09 we had the very situation that Mr Lenders is speaking about in his contribution.

On the vexed issue of dividends being taken from statutory authorities, as I have indicated, the government has made no policy change, and of course the government is committed to continuing road safety programs through the TAC; I have outlined to the house a number of those programs that are currently under way and continuing. On the issue of the other commitment of the previous government — the road safety experience centre — my advice was that no funding was provided for that promise; no funding source was identified for that promise. It had not been decided by the previous government whether it would be TAC-funded or indeed budget funded.

On the issue of dividends there has been no policy change. As to the issue of a profit, a positive result on performance from insurance operations while having a net deficit position on the bottom line is no different to the situation that the agency was in in 2008–09 when Mr Lenders oversaw the dividends.

**Mr LENDERS** (Southern Metropolitan) — This will probably be, depending on any response from Mr Rich-Phillips, my final comment on the Department of Treasury and Finance. To recap, what the minister is saying is that the government will continue the existing policy of drawing a dividend out of the TAC. He and the Treasurer need to make a formal determination about it. I am not asking him to confirm this, but I would put it that the dividend would be drawn out

somewhere of the order of \$80 million to \$100 million, which fits fairly well with the predicted dividends that are in budget papers 2 and 5, given the presumed effect of the water authorities.

There would be a dividend coming out of the TAC despite, as Mr Rich-Phillips said, the TAC still being in deficit, but that is no different, as he says, from previous policy. He would assert that no provision was made for the road safety program that we are referring to, although I would assert that the TAC board had made provision for that when the previous government made it a policy to draw out of its reserve. I think there is a stand-off over interpretations of what the previous minister for the TAC and the current minister for the TAC recollect as to what the TAC board decided.

I guess the long and short of this is that the policy has not changed, which means the government will draw a dividend out of the TAC. I cannot help but note that Mr David Davis has come in and made a comment about a black hole. This is from the minister who has no capital works provision in the schedule to the budget papers for the Department of Health. I conclude my comments.

**Schedule agreed to; schedules 2 and 3 agreed to.**

**Reported to house without amendment.**

**Report adopted.**

*Third reading*

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I move:

That the bill be now read a third time.

In so doing I thank members for their contributions to the debate on both the second-reading and the committee stages.

**Motion agreed to.**

**Read third time.**

**BUDGET PAPERS 2011–12**

**The ACTING PRESIDENT (Ms Pennicuik)** — Order! The question is:

That the Council take note of the budget papers 2011–12.

**Question agreed to.**

**BUSINESS OF THE HOUSE**

**Adjournment**

**Hon. D. M. DAVIS** (Minister for Health) — I move:

That the Council, at its rising, adjourn until Tuesday, 28 June.

**Motion agreed to.**

**PLANNING AND ENVIRONMENT  
AMENDMENT (GROWTH AREAS  
INFRASTRUCTURE CONTRIBUTION)  
BILL 2011**

*Introduction and first reading*

**Received from Assembly.**

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

*Statement of compatibility*

**Hon. M. J. GUY (Minister for Planning)** tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the Planning and Environment Amendment (Growth Areas Infrastructure Contribution) Bill 2011.

In my opinion, the Planning and Environment Amendment (Growth Areas Infrastructure Contribution) Bill 2011, as introduced to the Legislative Council, is compatible with the human rights protected by the charter act. I base my opinion on the reasons outlined in this statement.

**Overview of bill**

The purpose of the Planning and Environment Amendment (Growth Areas Infrastructure Contribution) Bill 2011 (bill) is to amend the Planning and Environment Act 1987 to allow 100 per cent deferral of payment of the growth areas infrastructure contribution (GAIC) until the land is developed for urban purposes (the statement of compliance stage), and to enable the GAIC obligation to be discharged by the provision of land or the construction of state infrastructure in lieu of cash payment. To implement these changes, the bill makes consequential amendments to the Land Acquisition and Compensation Act 1986 and the Sale of Land Act 1962.

**Human rights issues**

*Property rights*

Section 20 of the charter act establishes a right not to be deprived of property other than in accordance with law. The requirement that deprivation only occur in accordance with law is consistent with the requirement that the law not be arbitrary. It means that the law must be accessible to the

public generally and the class of persons who are likely to be affected by the law in particular. The law must also be formulated with sufficient precision to guide those who apply it.

The term 'property' is not defined in the charter act but includes both real and personal property and any right or interest regarded as property under Victorian law. It can also include less formal rights in relation to property. The term 'deprived' includes situations where a regulation has the effect of substantially depriving a property owner of the ability to use his or her property, including deriving profits from it.

Clause 8 of the bill establishes a legislative scheme for the provision of 'in kind' works to meet a GAIC liability. Under this scheme, a person may volunteer to enter into a work-in-kind agreement with the minister to provide land or works.

The operation of this scheme is clearly defined and appropriately circumscribed in the bill. The bill defines when 'in kind' works may be provided, it prescribes the content and procedures for making a work-in-kind agreement, it requires an agreement to be recorded in the register of titles, and the conditions for performing an agreement.

Clause 8 (section 201SLD) of the bill enables terms to be included in a work-in-kind agreement that restrict a person's dealings with land subject of the agreement. A person who is subject of restrictions on dealings must not enter into such dealing without the consent of the minister (section 201SLG). The opportunity to include such terms in an agreement will enable the government to satisfy itself that a work-in-kind agreement can be performed by any subsequent transferee.

The bill clearly defines the land that may be subject to a work-in-kind agreement containing a restriction on land dealings, and lists the dealings that may be restricted.

A person's right to dispose of their land may be limited by a work-in-kind agreement containing restrictions on dealings. However, that person will have entered into the agreement at their own instigation, as an alternative way of meeting their GAIC liability. They will have entered into the agreement voluntarily, aware of the terms of the agreement.

On this basis, I consider that clause 8 of the bill does not engage section 20 and is compatible with the charter act.

### Conclusion

I consider that the bill is compatible with the charter act and does not engage or limit human rights protected by the charter act.

Matthew Guy, MLC  
Minister for Planning

### *Second reading*

### **Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. M. J. GUY (Minister for Planning).**

**Hon. M. J. GUY (Minister for Planning)** — I move:

That the bill be now read a second time.

### **Incorporated speech as follows:**

This bill implements a key government election commitment to make the growth areas infrastructure contribution (GAIC) fairer by ensuring that it is only paid by those who choose to develop land.

This bill ensures that the obligation to pay the GAIC is able to be fully deferred until the time when the land is either subdivided or developed for urban purposes — a more equitable and transparent outcome.

Making the GAIC payable at the point of sale unfairly penalised those families and small landowners who have no desire to develop their land for profit.

Families and small landowners will be able to continue to enjoy their properties as they see fit without the uncertainty of this significant financial impost 'hanging over their heads'.

This bill also provides greater flexibility for payment of the GAIC by enabling the potential to satisfy part or all of the GAIC liability through a 'work-in-kind' (WIK) agreement with the state government.

A WIK agreement will enable a person to meet part or all of their liability by transferring land to the government, or carrying out works in lieu of the cash payment. Whether to enter into a WIK agreement will be at the sole discretion of the state government.

Allowing WIK agreements for classes of state-funded infrastructure under the growth areas funds provides greater flexibility for delivering key physical and community infrastructure under the GAIC scheme. This will help ensure infrastructure is delivered in a timely manner to new communities in Melbourne's growth areas.

WIK agreements will enable the government to facilitate the delivery of strategically important state infrastructure through the provision of land or the construction of works earlier than would normally be the case by directly linking the provision of the infrastructure at the time the land is being subdivided ahead of new residents arriving into the new estates.

That is the overall picture. I would now like to turn to the specific provisions of the bill, and in doing so expand on a number of features of the proposal, including the detail of the WIK scheme.

I will not refer in detail to all of the provisions of the bill, the effect of many are obvious from reading the bill, rather I will focus on those that do need explaining.

The bill is divided into four parts. Part 1 deals with preliminary matters; part 2 details the proposed amendments to the Planning and Environment Act 1987; part 3 describes amendments to other acts; and part 4 is an administrative provision relating to the repeal of this amending act.

As I have mentioned, part 1 of the bill deals with preliminary matters.

The principal amendments to implement the changes to the GAIC scheme are to the Planning and Environment Act 1987. There are also consequential and supporting amendments to be made to the Land Acquisition and Compensation Act 1986 and the Sale of Land Act 1962.

Part 2 of the bill details the proposed amendments to the Planning and Environment Act 1987.

**Deferring 100 per cent of the GAIC liability to the statement of compliance**

Clause 10 implements the government’s election commitment to enable persons liable to pay a GAIC to be able to defer the payment of the whole of the contribution rather than only 70 per cent from a dutiable transaction. That is, when a person purchases land they will have the automatic right to defer 100 per cent of their GAIC liability until the land is ready to be subdivided or developed for urban purposes.

**Implementing the new WIK scheme**

Clause 4 introduces a new definition for a WIK agreement into the ‘definitions’ section of part 9B of the Planning and Environment Act 1987.

Clause 9 inserts a new subdivision 2A into division 2 of part 9B of the Planning and Environment Act 1987 to implement the key provisions of the WIK scheme.

Proposed section 201SLB sets out the power for the minister to enter into a WIK agreement with the person who has the GAIC liability, and with any other parties in addition to the person liable to pay the GAIC.

Land or works to be provided under a WIK agreement must be situated in a growth area and be a type of infrastructure that can be funded from the existing growth area funds. Before agreeing to enter a WIK agreement, consultation must occur with any other minister who has a relevant interest, and if the agreed value of the agreement exceeds \$2 million, the Treasurer’s approval must be obtained.

Proposed section 201SLC sets out relevant matters such as the description of the land or works to be provided, the due date by which the agreement is to be performed, the agreed value of the land or the works, dispute resolution procedures, and any other matters considered appropriate to be included in a WIK agreement.

Proposed sections 201SLD, 201SLE, 201SLF, 201SLG, 201SLH and 201SLI set out the duties and obligations of various persons who may be a party to, or be involved in the administration of, a WIK agreement.

Proposed section 201SLD authorises the ability to include a term that restricts any dealing of land that is subject to the agreement. Where such restrictions on dealings are included in an agreement, a person will not be able to automatically sell or otherwise transfer ownership of the land affected by the agreement without the consent of the minister. Exceptions are where transfer has been allowed for in the agreement, or an amendment to the agreement has been agreed by all parties, including the government.

This ensures that the state’s interest is able to be protected by either ensuring that the person who entered into the agreement meets their obligations, or with the minister’s agreement, that the subsequent landowner is capable of meeting the terms of the existing agreement by allowing the sale to proceed. If not, there is provision for the government to end the agreement and strike a new agreement, if necessary.

Proposed section 201SLE requires the minister to provide a copy of any WIK agreement to the commissioner of state revenue (commissioner) and Growth Areas Authority.

Proposed sections 201SLF and 201SLG provide for amending or ending a WIK agreement.

Proposed section 201SLH requires the minister to apply to the registrar of titles to record a WIK agreement on any folios in the register relating to any land affected by the WIK agreement. On the making of the recording on title, the burden of any covenant in the agreement runs with the affected land.

This ensures that in the event that a WIK agreement cannot be enforced against the person who entered into the agreement because of circumstances such as bankruptcy or company liquidation, performance on the agreement can be secured from the subsequent landowner.

Recording of the WIK agreement on title also ensures that public disclosure obligations are satisfied by ensuring that any person considering purchasing the land is aware of the WIK agreement and its obligations.

Proposed section 201SLG requires a person who is subject to a restriction on dealing to obtain the consent of the minister before entering into or effecting a dealing.

Proposed section 201SLJ ensures that entering into a WIK agreement, of itself, does not discharge the GAIC liability.

Proposed section 201SLK provides for a person who has performed a WIK agreement to give notice of that performance to the Growth Areas Authority.

Proposed section 201SLL provides that upon receipt of notification that a WIK agreement has been performed, the Growth Areas Authority will determine whether the obligations prescribed in the agreement have been satisfactorily performed. If so, the commissioner will be notified that the value of the land or the works prescribed in the WIK agreement can be taken to be a payment towards the GAIC liability.

Proposed section 201SLN sets out that if a person who enters into a WIK agreement fails to perform that agreement by the due date they will be in default of their GAIC liability. Whether the liability has been deferred or subject to a staged payment, the whole of the contribution will be treated as never having been deferred or approved for staged payment, and will be considered as a tax default within the meaning of the Taxation Administration Act 1997.

That is the essence of the changes the government will make to deliver on its promise to make the GAIC fairer for all landowners in Melbourne’s growth areas. I now turn to the consequential amendments to implement the WIK scheme.

**Consequential changes to implement the WIK scheme**

Clause 18 amends the requirements for the issuing of a GAIC certificate to ensure the disclosure of any WIK agreement that affects the land.

Clause 19 qualifies the existing power of the commissioner to give notice to the registrar of titles about whether to accept an instrument of transfer for lodgement or to register a plan of subdivision. Where a WIK agreement exists, the

commissioner must not give such notice to the registrar of titles unless the minister has advised the commissioner that the notice can be given. This enables the minister to control transfers of land which may prejudice the delivery of the WIK agreement.

Clause 20 qualifies the requirement that GAIC money received by the commissioner is to be paid into the Consolidated Fund. Any GAIC liability that is satisfied by a WIK agreement will be separately accounted for through changes to the GAIC annual reporting requirements.

Clause 23 is a consequential amendment that confirms that work-in-kind is not to be taken as money to be paid equally into each growth area fund.

Clause 25 extends the existing government reporting requirements to include the value of all WIK agreements and to require the details of the projects completed or contributed to through the agreements to be annually reported for each growth area. The Growth Areas Authority's annual reporting requirements are also amended so that they only report on moneys received, excluding liabilities satisfied by WIK agreements.

**Other technical changes**

Clause 5 makes minor changes to clarify the circumstances in which the different types of growth area land cease to be in a contribution area.

Clause 6 clarifies the original intention that the GAIC exemptions for lots having an area of 0.41 hectares or less that are lawfully created under a planning permit issued before the commencement of the GAIC scheme are exempt from the GAIC liability.

Clause 7 is a housekeeping amendment that amends the cross-reference of a note at the end of an existing provision regarding persons liable to pay the GAIC by referencing to specific sections that are relevant.

Clause 8 provides that where a person has applied to the minister for a reduction or exemption from paying the GAIC in exceptional circumstances, or has applied to the growth areas infrastructure contribution hardship relief board for relief from liability to pay GAIC, the date for payment is deferred pending resolution of the application. The person does not have to pay the contribution (or any reduced contribution) until the later of: the date upon which the payment was originally due; or 14 days after being notified of the decision on the application for reduction or exemption.

Clause 11 makes consequential changes to ensure that where land is the subject of a subsequent dutiable transaction and is also the subject of an application to the hardship relief board or the minister for relief in special circumstances, the date for payment is deferred pending resolution of the application.

Clauses 12, 13, 14, 15, 16, 17 comprise miscellaneous and consequential technical changes.

Clause 21 substitutes the Governor in Council provisions for consideration of reduction and exemptions from GAIC liability with new provisions to bring them into line with the normal convention that exists in other legislation where the Governor in Council acts on the recommendation of a minister.

Clause 22 inserts a new provision for the minister to give notice of refusal where an applicant has been unsuccessful in an application for a reduction or exemption of GAIC, so that an unsuccessful applicant has 14 days from the date of the notice to either pay the outstanding liability or elect to defer the liability.

Clause 24 is a technical change to clarify that the money to be paid out of the Building New Communities Fund is to be spent in the growth areas. This makes the requirement consistent with the requirements of the Growth Areas Public Transport Fund.

Clause 26 inserts new transitional provisions to confirm that the extended ability to fully defer a GAIC payment does not apply to a person whose liability arose before the commencement day of this legislation coming into operation. A transitional provision is also provided to ensure that any applications that may have been made to the Governor in Council for relief from the GAIC liability that have not been finally determined before the commencement of this amending legislation are taken to be applications under the amended Governor in Council provisions.

Clause 27 makes a number of statute law revision amendments to correct cross references and terminology in the act.

Clause 28 makes a consequential amendment to the Land Acquisition and Compensation Act 1986 to enable provision to be made for land to be transferred to the government through a WIK agreement without the need to reserve the land through a planning scheme. This is necessary due to the very wide definition of 'acquire' under that act.

Clause 29 amends section 32 of the Sale of Land Act 1962 to provide better public disclosure around the existence of staged payment approvals and WIK agreements affecting the land being sold.

In concluding, this is an important bill that implements the government's commitment to make the GAIC fairer so that it does not unduly impact on landowners choosing to live in Melbourne's growth areas and provides developers with greater flexibility when meeting their GAIC obligations.

I commend the bill to the house.

**Debate adjourned for Mr TEE (Eastern Metropolitan) on motion of Mr Lenders.**

**Debate adjourned until Thursday, 23 June.**

**TRANSPORT LEGISLATION  
AMENDMENT (TAXI SERVICES REFORM  
AND OTHER MATTERS) BILL 2011**

*Introduction and first reading*

**Received from Assembly.**

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

*Statement of compatibility***Hon. M. J. GUY (Minister for Planning) tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:**

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the Transport Legislation Amendment (Taxi Services Reform and Other Matters) Bill 2011 (the bill).

In my opinion, the Transport Legislation Amendment (Taxi Services Reform and Other Matters) Bill 2011, as introduced to the Legislative Council, is compatible with the human rights protected by the charter act. I base my opinion on the reasons outlined in this statement.

**Overview of bill**

The main objective of the bill is to provide for the reform of the taxicab and hire car industry. The bill does this by establishing a Taxi Services Commission (the commission) that will conduct a major inquiry into the taxicab and hire car industry in Victoria.

In order to achieve this, the bill amends the Transport Integration Act 2010 and the Transport (Compliance and Miscellaneous) Act 1983 to:

establish the Taxi Services Commission;

require the Taxi Services Commission to inquire into the structure, conduct, performance and regulation of the taxicab and hire car industry and report on that inquiry;

transfer the responsibility for regulation of commercial passenger vehicles from the Director of Public Transport to the secretary initially, and after the inquiry is completed, transfer the responsibility for the regulation of taxicabs and hire cars from the secretary to the Taxi Services Commission.

**Human rights issues**

The bill engages human rights through the coercive powers that are provided to the Taxi Services Commission to obtain information and documents.

***Obtaining information and documents***

Clause 58 inserts new division 9A of part VI into the Transport (Compliance and Miscellaneous) Act 1983, which provides the newly established Taxi Services Commission with a range of coercive powers to obtain information and documents in the discharge of its functions. These powers engage the right to privacy in section 13 and the right to freedom of expression in section 15 of the charter act.

***Right to privacy (section 13)***

Section 13(a) of the charter act provides that a person has the right not to have his or her privacy, family, home or correspondence unlawfully or arbitrarily interfered with.

New section 191F provides that the commission may require a person to provide information or a document to the commission or appear before the commission if the

commission believes on reasonable grounds that person has information relevant to the inquiry. New section 191G establishes an offence for failing to provide information to the commission, which carries a penalty of 120 units.

It is my opinion that these powers do not limit the right to privacy for a number of reasons. Firstly, the scope of the power and circumstances in which it can be used is set out clearly in the bill. The power to compel information can only be exercised in regard to information relevant to the inquiry (new section 191F) and written notice must be given pursuant to new section 191F(3) specifying the information or document required, the form in which the information is required to be given and the relevant time frame for compliance.

Secondly, the power is designed to be used in relation to persons involved in the taxi industry, which is a regulated industry involving a degree of government oversight. Participants in a regulated industry have a diminished expectation of privacy in regard to the information generated out of their participation in that industry, particularly where personal and public safety is at issue through the operating of a public transport vehicle.

Finally, the bill also includes restrictions on the disclosure of confidential or commercially sensitive information gathered by the commission. New section 191L provides that the commission must not disclose or use sensitive information other than in accordance with the bill and new sections 191M to 191T set out the limited circumstances in which the commission may disclose sensitive information. When disclosing information in the exercise of a power or the performance of a function, new section 191N requires the commission to be satisfied that the public benefit in disclosing outweighs any detriment that would be caused and must give the provider of the information an opportunity to make submissions why such information is confidential or commercially sensitive and what detriment would be caused by disclosure. The commission must consider these submissions and provide notice to the provider of any subsequent decision to disclose.

Accordingly, I consider that the information-gathering powers do not constitute an arbitrary or unlawful interference with privacy, and therefore the bill does not limit the right to privacy in section 13 of the charter act.

***Right to freedom of expression (section 15)***

Section 15 of the charter act provides that all persons have the right to freedom of expression, which includes a right not to impart information.

The powers to compel provision of information in the provisions discussed above engage the right to freedom of expression, however, it is my opinion that these powers would fall within the exceptions to the right in section 15(3) of the charter act, as reasonably necessary to respect the rights and reputation of other persons, and for the protection of public order.

These powers equip the commission with the tools to conduct an effective inquiry into the structure, conduct, performance and regulation of the taxicab and hire car industry. Central to the scope of the inquiry is the examination of the standard of customer service in the industry and the safety of passengers and drivers of taxicabs and hire cabs. The provision of public

transport is an essential service to society. There is widespread and growing public concern about the low standards of service, the lack of responsibility of licence-holders for the state of services and the safety of drivers and passengers. It is my opinion that this inquiry is necessary to improve the service and safety of this essential public transport service, and as such, the power of the commission to compel information is in the interests of protecting public order and safety. Accordingly, I consider that the information-gathering provisions are compatible with the right to freedom of expression.

### Conclusion

For the reasons given in this statement, I consider that the bill is compatible with the Charter of Human Rights and Responsibilities Act 2006.

Matthew Guy, MLC  
Minister for Planning

### *Second reading*

### **Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. M. J. GUY (Minister for Planning).**

**Hon. M. J. GUY (Minister for Planning)** — I move:

That the bill be now read a second time.

### **Incorporated speech as follows:**

This bill sets a course for major reform of Victoria's taxi services.

The bill establishes a new Taxi Services Commission as the first phase of a complex and challenging reform process.

The commission will provide the legislative basis and the powers for the comprehensive inquiry into the taxi industry that is being conducted by Professor Allan Fels, AO.

The inquiry and its broad terms of reference were announced by the Premier in March and its work is already under way.

Once the inquiry has been completed, the commission will take over as the independent regulator of commercial passenger vehicles including taxi and hire cars.

Major reform of the Victorian taxi industry and its regulatory framework is desperately needed to arrest the serious ongoing decline in the standard of taxi services.

In the late 1990s under the Kennett government, Victoria's taxi services compared favourably with other jurisdictions.

Now, however, a once-proud taxi industry is on a downward spiral after a decade of government inaction and regulatory failure.

Victorians are fed up with the never-ending problems in the taxi industry and the appalling reduction in levels of service over recent years.

This has been highlighted by the latest report of the Department of Transport's customer satisfaction monitor,

which saw overall satisfaction with taxi services fall to the lowest level since the surveys began six years ago.

While many taxi operators and drivers do a good job, the problems driving customer dissatisfaction are clear: the long queues for a taxi in the Melbourne CBD and other entertainment districts on a Friday or Saturday night, drivers who do not know where to go, taxis that do not turn up, drivers who will not accept a short fare, violent incidents and unsafe behaviour.

Victorians are embarrassed when a dirty taxi or a poorly trained driver gives international visitors an unfavourable first impression of Melbourne.

They are angry when they hear that taxi licences cost up to half a million dollars while taxidrivers are earning less than the minimum wage.

The Victorian public supports the need for an inquiry and will be raising many issues that have been hindering the industry's performance.

Taxis have a unique and crucial role in the transport system.

They are a vital link in the public transport network, providing a flexible, point-to-point mode of transport that fills the gaps in fixed-route train, tram and bus services. In particular, taxis are the only mode of transport available to a range of groups which cannot drive a motor vehicle and cannot access other public transport services due to factors such as age, disability or where they live.

Victorians simply want to be able to get a taxi when they need one.

They want the driver to know the way to their destination.

They ask that the cab be clean and safe.

These are the basics of a good taxi service and that is what the Taxi Services Commission is being established to achieve.

Victorians have had enough of governments fiddling around the edges, avoiding the real issues, endlessly talking about the problems and never fixing them.

This bill commits the government to real reform and real solutions: a safer, fairer and more rewarding job for taxidrivers, a more viable business for taxi operators, a more accountable and transparent taxi industry, and a vast improvement in the quality of taxi services delivered to customers.

The commission will be an independent statutory agency, structurally separate from the Department of Transport.

The bill establishes the commission as a body corporate in part 5 of the Transport Integration Act 2010 along with the other central transport bodies critical to our transport system.

The bill has four parts. Part 1 provides for preliminary matters such as the purpose and commencement provisions. Part 4 of the bill provides for the repeal of the amending act.

Parts 2 and 3 of the bill set out the two major stages for the commission.

In its first stage, the commission will conduct the comprehensive inquiry.

It is anticipated that the commission will provide a final report to government by mid-2012.

During this stage, the commission will have the mandate to promote major and enduring change to the taxi and hire car industry.

The inquiry will cover the commercial passenger vehicle industry in its entirety. While taxis will be the focus of the inquiry, this broad scope means that the commission is able to inquire into hire cars, restricted hire cars, special-purpose vehicles and public commercial passenger vehicles (including certain buses).

The commission will be able to inquire into the holders of commercial passenger vehicle licences, the operators of commercial passenger vehicles, providers of taxi network services, and ancillary matters such as the supply of relevant goods and services in the industry. This industry-wide approach will ensure that the commission can comprehensively address systemic failures in the conduct, performance and regulation of the industry.

In its second stage, the commission will assume the role of the industry regulator and take responsibility for implementing the reforms decided by the government as a result of the inquiry.

This bill reflects the government's determination to ensure that Victoria once again has world-class taxi services.

I commend the bill to the house.

**Debate adjourned for Hon. M. P. PAKULA (Western Metropolitan) on motion of Mr Lenders.**

**Debate adjourned until Thursday, 23 June.**

## ROAD SAFETY AMENDMENT (HOON DRIVING AND OTHER MATTERS) BILL 2011

*Introduction and first reading*

**Received from Assembly.**

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

*Statement of compatibility*

**Hon. M. J. GUY (Minister for Planning) tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:**

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the Road Safety Amendment (Hoon Driving and Other Matters) Bill 2011.

In my opinion the Road Safety Amendment (Hoon Driving and Other Matters) Bill 2011, as introduced to the Legislative Council, is compatible with the human rights protected by the

charter act. I base my opinion on the reasons outlined in this statement.

### **Overview of the bill**

The bill:

- (a) amends the vehicle impoundment, immobilisation and forfeiture scheme established under part 6A of the Road Safety Act 1986 ('the act') and also amends the Road Safety Amendment (Hoon Driving) Act 2010 which will amend part 6A of the act when it commences operation on 1 July 2011 ('the amending act'). The objectives of the amendments are to:
  - (i) extend the period of immediate impoundment or immobilisation of vehicles on detection of a relevant offence to 30 days;
  - (ii) extend the period in which prior offences can be taken into account to determine if a vehicle impoundment offence is a second or subsequent offence from three years to six years;
  - (iii) provide that where the driver of a motor vehicle carries more passengers in the vehicle than the vehicle is designed to carry, that person may be subject to vehicle impoundment, immobilisation and forfeiture sanctions;
  - (iv) authorise police officers and authorised persons to carry out roadworthiness inspections with respect to impounded, immobilised and forfeited vehicles;
  - (v) clarify the rights of persons who hold security interests in uncollected impounded vehicles; and
  - (vi) modify certain notification processes set out in the amending act to better align with the Commonwealth Personal Property Securities Act 2009 and to delay the commencement of those notification processes until the commonwealth legislation commences operation; and
- (b) amends the act:
  - (i) to limit the loss of traction offence in section 65A(1) of the act so that it does not unduly interfere with legitimate motoring activities conducted on land other than a highway;
  - (ii) to allow for a broader class of exemptions from the offences in section 68 of the act that prohibit participation in and the organising and managing of speed trials; and
  - (iii) to clarify that persons exempt from holding a Victorian driver licence or permit will be disqualified from driving in Victoria if they commit a drug-driving infringement; and
- (c) amends the Police Regulation Act 1958 to facilitate the disclosure of information required by the notification processes in the amending act that are referred to in paragraph (a)(vi) above.

**Human rights issues****Section 12 — Freedom of movement**

Section 12 of the charter act provides that every person lawfully within Victoria has the right to move freely within Victoria and to enter and leave it and has the freedom to choose where to live.

*Extension of immediate vehicle impoundment and immobilisation period to 30 days*

The imposition of longer vehicle impoundment and immobilisation sanctions restricts the use of the affected vehicle for transport purposes and therefore engages the right to freedom of movement.

However, the right to freedom of movement is not limited because the affected person(s) are free to use other forms of transport such as walking, cycling, public transport or travelling as passengers in alternate vehicles. If an affected person continues to hold a driver licence or permit, then that person is free to drive an alternate vehicle.

It is noted that in many cases, the imposition of an impoundment or immobilisation sanction will not directly affect an offender's ability to drive a motor vehicle because the offender has already been prohibited from driving a motor vehicle, for example, as part of their punishment for the commission of a serious traffic offence.

It is also noted that in some cases it is possible for persons substantially affected by the imposition of vehicle immobilisation or impoundment sanctions to make an application on the grounds of 'exceptional hardship' for either the release of the relevant vehicle or to prevent the immobilisation or impoundment of the vehicle from occurring. If a successful application is made, then the vehicle can continue to be used for transport purposes.

*Extension of vehicle impoundment, immobilisation and forfeiture scheme to the overloading of vehicles*

The bill provides that where the driver of a motor vehicle commits an offence against either rule 265(3), 266(1), 268(4A) or 268(4B) of the Road Safety Road Rules 2009 (which are offences that relate to the driver's responsibility to ensure that passengers are restrained and seated appropriately) and that offence is committed in circumstances where the number of passengers in the vehicle exceed the number of seating positions available in the vehicle, then that driver shall have committed a 'tier 2 relevant offence' and therefore may be subject to vehicle impoundment, immobilisation and forfeiture sanctions under part 6A of the Road Safety Act 1986.

The imposition of impoundment, immobilisation or forfeiture sanctions with respect to a motor vehicle restricts the use of that vehicle for transport purposes and therefore engages the right to freedom of movement.

However, the right to freedom of movement is not limited because the affected person(s) are free to use other forms of transport such as walking, cycling, public transport or travelling as passengers in alternate vehicles. If an affected person continues to hold a driver licence or permit, then that person is free to drive an alternate vehicle.

It is noted that it is generally possible for persons substantially affected by the imposition of vehicle immobilisation, impoundment or forfeiture sanctions to make an application on the grounds of 'exceptional hardship' for either the release of the relevant vehicle or to prevent the immobilisation, impoundment or forfeiture of the vehicle from occurring. If a successful application is made, then the vehicle can continue to be used for transport purposes.

*Disqualification from driving in Victoria — drug-driving infringements*

The bill provides that persons exempt from holding a Victorian driver licence or permit will be disqualified from driving in Victoria if they commit a drug-driving infringement. This brings the treatment of interstate and international licence-holders into line with Victorian licence or permit holders. The imposition of a driving disqualification prohibits the affected person from driving a motor vehicle in Victoria and this measure therefore engages the right to freedom of movement.

However, the right to freedom of movement is not limited because the affected person is free to use other forms of transport such as walking, cycling and public transport. In addition, they are free to travel as passengers in private vehicles provided that another person drives the vehicle.

**Section 13(a) — privacy**

Section 13(a) of the charter act provides that a person has the right not to have his or her privacy, family, home or correspondence unlawfully or arbitrarily interfered with.

*Extension of vehicle impoundment, immobilisation and forfeiture scheme to the overloading of vehicles*

If a vehicle is to be impounded, immobilised or forfeited due to the commission of a relevant offence in circumstances where a vehicle is overloaded with passengers, then the search and seizure powers set out in division 2 of part 6A (search and seizure without a warrant) and division 4 of part 6A (search and seizure with a warrant) will apply. The exercise of search and seizure powers engages the right to privacy.

However, the exercise of the abovementioned search and seizure powers are authorised by law and, for the reasons given below, are not exercised in an arbitrary manner.

Therefore the right to privacy is not limited by this reform. The exercise of the search and seizure powers are confined to those circumstances where there is a reasonable belief that a vehicle of interest is located at particular premises.

Furthermore, a number of safeguards are in place to ensure that the search and seizure powers are exercised appropriately. Where a vehicle is seized under division 2 of part 6A (without a search warrant), a senior police officer must review the circumstances of the impoundment or immobilisation within 48 hours, to ensure that there were reasonable grounds for impounding or immobilising the vehicle. Also, appeal rights are available to persons whose interests are substantially affected by the impoundment or immobilisation and they may apply to the Magistrates Court for an order that the motor vehicle be released on the ground that the impoundment or immobilisation is causing, or will cause, exceptional hardship to the applicant or another person.

Where a search is conducted under a search warrant issued under division 4 of part 6A, an application for the search warrant must be made to the Magistrates Court and may only be made where the police believe on reasonable grounds that the motor vehicle of interest is or may be in or on specified premises within the next 72 hours.

The person that executes the warrant must report back to the Magistrates Court as to the outcome of the execution of the warrant.

*The registration of financing statements with the registrar of the Commonwealth Personal Property Securities Register*

The bill provides that the Chief Commissioner of Police is required to apply to the registrar of personal property securities to register a financing statement with respect to a motor vehicle that is subject to or may in the future be the subject of an impoundment or immobilisation order, a forfeiture order or otherwise be disposed of under part 6A of the act. The bill also makes a consequential amendment to the disclosure of information provisions in the Police Regulation Act 1958 to ensure that those provisions authorise the release of information to the registrar of personal property securities in the course of applying to register a financing statement with respect to a motor vehicle.

The main purpose of applying to register a financing statement with respect to a motor vehicle is to inform any person considering purchasing the vehicle or taking a security interest in the vehicle of the enforcement action that has been taken or is pending with respect to that vehicle.

Although financing statements will not contain any specific details regarding the alleged offender or the alleged offence, it would be possible for a person to infer that the registered operator of the vehicle has been either accused of or has been found guilty of one of the offences set out in section 84C of the act (see the definition of 'relevant offence'). The publication of information that can be used to infer the criminal record of an individual engages the right to privacy.

However, the registration of a financing statement with the registrar of the Commonwealth Personal Property Securities Register is authorised by law and, for the reasons given below, the registration of a financing statement is not done arbitrarily. Therefore, the right to privacy is not limited by this legislative requirement.

The registration of financing statements with the registrar of the Commonwealth Personal Property Securities Register is done only in circumstances where a motor vehicle is subject to or may in the future be the subject of an impoundment or immobilisation order, a forfeiture order or otherwise be disposed of under part 6A of the act. Therefore, the requirement is not arbitrary.

The registration of financing statements on the Commonwealth Personal Property Securities Register plays an important community protection function by informing any person considering purchasing an affected vehicle or taking a security interest in that vehicle of the enforcement action that has been taken or is pending with respect to the vehicle.

*Roadworthiness inspections with respect to impounded, immobilised and forfeited vehicles*

The bill provides police officers and authorised persons with power to undertake roadworthiness inspections of impounded, immobilised and forfeited vehicles. The act of examining a vehicle for defects may engage the right to privacy.

However, the inspection of vehicles is authorised by law and, for the reasons given below, the inspections are not done arbitrarily. Therefore, the right to privacy is not limited by the provision of this inspection power.

The inspection of an impounded, immobilised or forfeited motor vehicle is done only in circumstances where a police officer or authorised person believes on reasonable grounds that the vehicle does not comply with the act or regulations under the act. Therefore, the requirement is not arbitrary.

**Section 20 — Property rights**

Section 20 of the charter act provides that a person must not be deprived of his or her property other than in accordance with law.

*Extension of immediate vehicle impoundment and immobilisation period to 30 days*

The imposition of longer vehicle impoundment and immobilisation sanctions restricts the use of the affected vehicle and therefore engages the right to property.

However, the right to property is not unlawfully or arbitrarily interfered with. The limitations placed on the use of the vehicle are authorised by law and are only imposed in narrow circumstances where certain serious road safety offences are alleged to have been committed.

*Extension of vehicle impoundment, immobilisation and forfeiture scheme to the overloading of vehicles*

If a vehicle is to be impounded, immobilised or forfeited due to the commission of a relevant offence in circumstances where a vehicle is overloaded with passengers, the search and seizure powers set out in divisions 2 and 4 of part 6A of the Road Safety Act 1986 will apply with respect to the vehicle used in the commission of the relevant offence (or a substitute vehicle). Furthermore, the restrictions on the sale, disposal, registration and transfer of registration of a vehicle set out in division 3 of part 6A will apply to the relevant vehicle. Both the exercise of search and seizure powers and the sale, disposal and registration restrictions engage the right to property.

However, the right to property is not unlawfully or arbitrarily interfered with. The limitations placed on the sale, disposal, registration and transfer of registration of a vehicle are authorised by law and are only imposed in narrow circumstances where certain serious road safety offences are alleged to have been committed.

*Roadworthiness inspections with respect to impounded, immobilised and forfeited vehicles*

The bill provides police officers and authorised persons with power to undertake roadworthiness inspections of impounded, immobilised and forfeited vehicles. The act of examining a vehicle for defects may engage the right to

property. Furthermore, in the event of defects being discovered, a defect notice may be placed on the vehicle that either limits or prohibits the use of the vehicle and this also may engage the right to property.

However, the right to property is not unlawfully or arbitrarily interfered with. The inspection of a vehicle and the issuing of a defect notice are authorised by law. Furthermore, the inspection of an impounded, immobilised or forfeited motor vehicle is only done in circumstances where a police officer or authorised person believes on reasonable grounds that the vehicle does not comply with the act or regulations under the act. Therefore, the new power cannot be exercised in an arbitrary fashion.

Clarifying the rights of persons who hold security interests in uncollected impounded vehicles

The proposed amendment to section 84ZS(c) of the act clarifies the rights of persons who hold security interests in uncollected impounded vehicles. This amendment therefore engages the right to property. However, the proposed amendment does not diminish the rights of those persons. Therefore, the right to property is not limited.

Modify certain notification processes set out in the amending act to better align with the Commonwealth Personal Property Securities Act 2009

The bill provides that the Chief Commissioner of Police is required to apply to register a financing statement with respect to a motor vehicle that is subject to or may in the future be the subject of an impoundment or immobilisation order, a forfeiture order or otherwise be disposed of under part 6A of the act.

Applying to register a financing statement with the registrar of the Commonwealth Personal Property Securities Register provides a mechanism to inform any person considering purchasing the vehicle or taking a security interest in the vehicle of the enforcement action that has been taken or is pending with respect to the vehicle. Therefore, the right to property is engaged.

However, the right to property is not unlawfully or arbitrarily interfered with. Applications to register financing statements are authorised by law. Furthermore, applications to register financing statements are only made in narrow circumstances where enforcement action has been taken or is pending with respect to the relevant vehicle.

**Section 24(1) — Fair hearing and section 25(1) — Right to be presumed innocent**

Section 24(1) of the charter act provides that a person charged with a criminal offence or a party to a civil proceeding has the right to have the charge or proceeding decided by a competent, independent and impartial court or tribunal after a fair and public hearing.

Section 25(1) of the charter act provides that a person charged with a criminal offence has the right to be presumed innocent until proved guilty according to law.

30-day impoundment or immobilisation of vehicles upon detection of an offence

The imposition of vehicle impoundment or immobilisation for 30 days (rather than the current 48-hour period) by a

police officer limits the right to a fair hearing since a form of punishment is being imposed for alleged criminal behaviour before any finding of guilt by an independent tribunal such as a court. The right to be presumed innocent is also limited since a sanction is being imposed by police officers for alleged criminal behaviour without any formal finding of guilt.

It is submitted, however, that, for the reasons given below, the limitations are reasonable and demonstrably justified in a free and democratic society.

*(a) the nature of the right being limited*

The right to a fair hearing implicitly requires that no punishment for criminal behaviour be imposed unless charges are brought and they are determined by a competent, independent and impartial court or tribunal after a fair and public hearing. The right to be presumed innocent implicitly requires that no punishment for alleged criminal behaviour be imposed until a person is proved guilty according to law. The imposition of a vehicle impoundment or immobilisation sanction for 30 days under division 2 of part 6A of the act occurs prior to any finding of guilt by a court and therefore limits both the right to a fair hearing and the right to be presumed innocent.

*(b) the importance of the purpose of the limitation*

During the period from January 2003 to November 2004, hoon driving behaviour contributed to 41 serious collisions in which 28 people were killed. This revelation was a significant impetus for the creation of the Victorian vehicle impoundment scheme. It has been acknowledged since the commencement of the scheme that immediate sanctions for hoon driving offences play a critical role in discouraging unsafe driving behaviour.

The imposition of vehicle impoundment or immobilisation for 30 days upon the detection of a 'tier 1 relevant offence' or a 'tier 2 relevant offence' by police allows for the immediate removal of an unsafe driver from the road and also provides a significant deterrent to that person and other drivers from engaging in unsafe driving behaviour.

Aside from providing a strong deterrent to irresponsible behaviour that threatens the safety of others, the immediacy of impoundment or immobilisation action helps to physically prevent the continuation of unsafe driving behaviour and the commission of further driving offences.

In addition to the public safety benefits set out above, it is also expected that this reform will have a positive effect on traffic flow as the prevalence of motor vehicle accidents caused by unsafe driving behaviour is reduced.

Furthermore, a reduction in hoon driving behaviour will improve public amenity given that some hoon offences that are subject to impoundment and immobilisation sanctions involve the making of smoke, noise and other disturbances, which can cause intimidation, annoyance and distress to those in the vicinity of the offending behaviour.

*(c) the nature and extent of the limitation*

The limitation of the rights is constrained by a number of safeguards to ensure that it is not imposed inappropriately. Firstly, section 84M of the act provides that any decision to impose a 30-day impoundment or immobilisation sanction

must be reviewed by a senior police officer within 48 hours of the impoundment or immobilisation being imposed.

Secondly, appeal rights exist under section 84O of the act where a person substantially affected by the 30-day impoundment or immobilisation sanction can seek the release of the vehicle on exceptional hardship grounds. It is acknowledged that even if an urgent appeal application was submitted to the Magistrates Court immediately after the imposition of the impoundment or immobilisation, it would be unlikely that the court would hear and determine the appeal immediately. Therefore, a successful appeal would most likely result in a shortening of the 30-day impoundment or immobilisation rather than complete avoidance of the sanction.

Thirdly, section 84R of the act provides that in the event that a person is found not guilty of the alleged offence (and also found not guilty of any other 'tier 1 relevant offence' or 'tier 2 relevant offence' arising out of the same single set of circumstances) or where charges are not proceeded with, the Crown is liable to refund any designated costs paid by any person and the motor vehicle (if not already recovered by the registered operator or any other person entitled to the possession of it) must be immediately released without any designated costs payable by the person seeking recovery of the vehicle.

*(d) the relationship between the limitation and its purpose*

The limitation of the right to a fair hearing and the right to be presumed innocent is directly linked with its primary purpose, which is to protect the public from unsafe drivers.

*(e) any less restrictive means reasonably available to achieve its purpose*

It would be possible to factor in some delay period before the impoundment or immobilisation could take effect to ensure that the right to appeal under section 84O could be exercised prior to the sanction taking effect. However, this would reduce the effectiveness of the legislation in deterring unsafe driving practices and protecting public amenity.

### Conclusion

I consider that the bill is compatible with the Charter of Human Rights and Responsibilities Act 2006. Provisions of the bill engage with, but do not limit, rights conferred by sections 12, 13(a) and 20 of the charter act. The provisions of the bill that limit human rights under sections 24(1) and 25(1) of the charter act are reasonable and proportionate.

Matthew Guy, MLC  
Minister for Planning

### *Second reading*

### **Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. M. J. GUY (Minister for Planning).**

**Hon. M. J. GUY** (Minister for Planning) — I move:

That the bill be now read a second time.

### **Incorporated speech as follows:**

This bill implements a range of important anti-hoon driving policies of the government. It delivers on the coalition's pre-election commitment to strengthen the anti-hoon laws to reduce the damage to Victorian families caused by reckless driving and antisocial behaviour. In particular, the bill strengthens the vehicle impoundment scheme set out in part 6A of the Road Safety Act 1986.

The vehicle impoundment scheme provides for the imposition of vehicle impoundment, immobilisation and forfeiture sanctions for a range of serious traffic offences including offences commonly characterised as hoon driving offences, including:

- high level speeding offences;
- offences involving loss of traction;
- street racing offences;
- deliberately or recklessly entering a level crossing when a train is approaching;
- refusing to stop when directed by police; and
- driving while disqualified.

The Road Safety Amendment (Hoon Driving) Act 2010 provides that, from 1 July 2011, vehicle impoundment sanctions will also apply to:

- unlicensed driving;
- drink driving; and
- drug driving.

The imposition of vehicle impoundment, immobilisation and forfeiture sanctions has proven to be effective in discouraging dangerous driving behaviour. However, there continue to be opportunities to improve the legislation and realise further road safety benefits.

The bill therefore amends the vehicle impoundment scheme in a number of key respects.

The bill extends the period for which police may immediately impound or immobilise a vehicle upon the detection of a relevant offence to 30 days. Currently the period for which police may immediately impound or immobilise a vehicle is only 48 hours. This period is scheduled to be increased to 14 days as of 1 July 2011 in accordance with the Road Safety Amendment (Hoon Driving) Act 2010. However, the introduction of longer immediate impoundment or immobilisation periods of around one month has proven to be very successful in other Australian jurisdictions such as Tasmania and also internationally. It is the government's view that a 30-day period is appropriate and should be implemented in Victoria. Immediate impoundment or immobilisation of vehicles by police for 30 days will help to further deter unsafe driving behaviour and make Victorian roads safer for everyone.

The bill makes a further enhancement to the vehicle impoundment scheme by extending the period in which prior offences can be taken into account by the courts when they impose impoundment, immobilisation and forfeiture sanctions. Under the current scheme, if an offender has been found guilty of prior relevant offences in the preceding three

years, then they will be more likely to incur lengthy court-imposed impoundment or immobilisation sanctions of up to three months in total or to have their vehicle forfeited.

It is the government's view that merely taking into account prior relevant offences committed in the preceding three years is too lenient and that it is sending the wrong message to repeat offenders. It is therefore proposed that prior relevant offences during the preceding six years be taken into account.

Allowing prior offences over a longer period to be taken into account will have the effect of increasing the likelihood that a repeat offender will be subject to either a lengthy court-imposed impoundment or immobilisation sanction or that the court will order the forfeiture of their vehicle. The stronger sanctions that will be imposed by our courts will play an important role in encouraging offenders to refrain from committing further offences and, most importantly, will help to save the lives of Victorians and keep our roads safe.

The bill provides that where the driver of a motor vehicle carries more passengers in the vehicle than the vehicle is designed to carry, vehicle impoundment, immobilisation and forfeiture sanctions may now be applied. This is an important measure, designed to further discourage the unsafe overloading of vehicles with passengers and will help to prevent the needless loss of life that can result from this dangerous behaviour.

The imposition of tough sanctions on hoon drivers is just one means by which we can deter unsafe driving behaviour. We also need to focus on educating offenders in relation to the risks of hoon driving. The government therefore reaffirms its commitment to introduce a compulsory safe driving program for hoon drivers. The provisions required to support such a program are to be included in another bill that will be presented to Parliament later this year.

The current bill makes a range of additional changes to the vehicle impoundment scheme to improve its operation.

The bill clarifies that police officers are authorised to carry out roadworthiness inspections with respect to impounded, immobilised or forfeited vehicles. Police officers will be able to issue vehicle defect notices, impose conditions on the use of the vehicle and prohibit the use of the vehicle. This will ensure that defective vehicles are not returned to our streets where they could threaten public safety.

The bill also addresses some issues with the Road Safety Amendment (Hoon Driving) Act 2010 which contains a series of amendments to the vehicle impoundment scheme in part 6A of the Road Safety Act 1986 and which is scheduled to commence operation on 1 July 2011.

The bill clarifies that the provision contained in the Road Safety Amendment (Hoon Driving) Act 2010 that amends section 84ZS of the Road Safety Act 1986, preserves the entitlements of persons who hold security interests in uncollected impounded vehicles so that, where such a vehicle is sold, those security interest holders can continue to participate in the distribution of the proceeds of sale according to the order of priority set out in that provision.

The bill modifies certain public notification processes set out in the Road Safety Amendment (Hoon Driving) Act 2010 to better align with the commonwealth Personal Property Securities Act 2009 and to delay the commencement of those

notification processes until the commonwealth legislation commences operation.

The bill provides that, where the police are taking or have taken vehicle impoundment, immobilisation or forfeiture enforcement action with respect to a vehicle, the Chief Commissioner of Police must lodge a notice, called a financing statement, with the registrar of the commonwealth Personal Property Securities Register. The main purpose of the lodgement of a financing statement on the commonwealth register is to inform any person considering purchasing the vehicle or taking a security interest in the vehicle of the enforcement action that has been taken or is pending with respect to the vehicle. This measure will help to protect consumers and security holders.

The bill also includes a consequential amendment to the disclosure of information requirements in the Police Regulation Act 1958 to facilitate the lodgement of financing statements by the Chief Commissioner of Police.

The bill makes a number of amendments to road safety offences set out in the Road Safety Act 1986.

The first relates to the consequences of committing a drug-driving infringement. Due to recent amendments to the Road Safety Act 1986 by the Road Legislation Miscellaneous Amendments Act 2010, a Victorian driver licence or permit holder can have his or her driver licence or permit suspended for committing a drug-driving infringement.

The bill builds on this recent reform by providing that, where a person who commits a drug-driving infringement does not hold a Victorian driver licence or permit, for example, because they hold an interstate or overseas licence, that person will be disqualified from driving on Victorian roads. The period of disqualification from driving will be the same as the period that a Victorian licence-holder would have had their licence suspended for that offence.

The second amendment relates to section 65A(1) of the Road Safety Act 1986 which prohibits a person from driving a motor vehicle in a manner which causes the motor vehicle to undergo loss of traction. The provision is intended to address hoon-like behaviour, such as deliberate burnouts on public roads or in car parks or other available spaces.

This loss of traction offence is not restricted to public roads but applies to any location. Accordingly, it may be committed during motor sport events, defensive driving courses and other legitimate activities on private land. These activities are not considered to be hoon driving activities and are not a concern from an enforcement perspective. However, deliberate loss of traction as part of these activities is currently an offence.

The bill amends section 65A to provide some clear exemptions for the loss of traction offence for legitimate activities such as motor sport venue functions, events approved by motoring organisations, practical driver training, vehicle testing by vehicle manufacturers and Victoria Police training activities. The bill also broadens the current exemption power of the minister administering the Road Safety Act 1986 so that the minister may make a declaration, published in the *Government Gazette*, to exempt specified classes of activities from the loss of traction offence, without requiring a reference to a particular venue or land.

The third amendment relates to section 68 of the act. Sections 68(1) and (2) provide that it is an offence to participate in, organise or manage a race or speed trial on a highway. The majority of on-road speed trials or car rallies in Victoria are sanctioned by one of the three main motoring organisations. The sanctioning bodies organise insurance, provide rules of conduct which must be observed and provide some oversight. A sanctioning body does not generally organise or manage the event. The task of organising and managing such an event is normally done by a smaller organisation such as a regional motor sport club.

Section 68(4) of the Road Safety Act 1986 currently provides that the minister may, on the application of a motoring organisation by notice published in the *Government Gazette*, declare that the offence provisions relating to speed trials in sections 68(1) and (2) as well as any in the regulations do not apply with respect to any function or event that is organised and conducted by that motoring organisation. It is proposed to amend section 68 of the act to provide that a sanctioning body may also apply for the same exemption with respect to any function or event that is sanctioned by that body.

Finally, the bill provides for the use of an instrument, known as the Alcotest 9510 AUS, for the measurement of the concentration of alcohol in a person's breath.

To conclude, the measures in this bill will contribute to the effective and efficient operation of the vehicle impoundment scheme and improve the operation of the Road Safety Act 1986. The passage of this legislation will play an important role in the deterrence of unsafe driving behaviour and will help to make Victorian roads safer for everyone.

I commend the bill to the house.

**Debate adjourned for Hon. M. P. PAKULA  
(Western Metropolitan) on motion of Mr Lenders.**

**Debate adjourned until Thursday, 23 June.**

**VICTORIAN URBAN DEVELOPMENT  
AUTHORITY AMENDMENT (URBAN  
RENEWAL AUTHORITY VICTORIA)  
BILL 2011**

*Introduction and first reading*

**Received from Assembly.**

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

*Statement of compatibility*

**Hon. M. J. GUY (Minister for Planning) tabled  
following statement in accordance with Charter of  
Human Rights and Responsibilities Act 2006:**

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the Victorian Urban

Development Authority Amendment (Urban Renewal Authority Victoria) Bill 2011.

In my opinion, the Victorian Urban Development Authority Amendment (Urban Renewal Authority Victoria) Bill 2011, as introduced to the Legislative Council, is compatible with the human rights protected by the charter act. I base my opinion on the reasons outlined in this statement.

**Human rights issues**

*Property rights*

The bill will abolish the Victorian Urban Development Authority (VicUrban) and create the Urban Renewal Authority Victoria (the authority) to have the same powers that applied to VicUrban under the Victorian Urban Development Authority Act 2003 (the VicUrban act). This will include the powers relating to declared projects which allow VicUrban, with the approval of the minister administering the Planning and Environment Act 1987, to acquire an interest in land by compulsory process.

The bill engages but does not limit property rights (section 20 of the charter act).

Section 20 of the charter act provides that a person must not be deprived of his or her property other than in accordance with the law. This bill does not limit this right as it does not introduce any additional limitation on an individual's right to not be deprived of his or her property beyond that already contained within the VicUrban act.

Under section 42 of the VicUrban act, VicUrban is able to compulsorily acquire land for the purposes of a 'declared project' with the approval of the minister administering the Planning and Environment Act 1987. A project is declared by the Governor in Council on the recommendation of the minister responsible for the VicUrban act, who must first obtain the approval of the Treasurer. The Land Acquisition and Compensation Act 1986 (except specific stated provisions) applies to section 42 of the VicUrban act.

The bill will amend the VicUrban act to replace VicUrban with the authority and the powers contained within that act will apply to the authority. Although the bill changes the name of the relevant authority from VicUrban to the Urban Renewal Authority Victoria, the provisions relating to declared projects including the ability to acquire land by compulsory purchase are not being amended in any way by the bill.

*Taking part in public life*

The bill will also introduce eligibility criteria that the minister must take into account when recommending that a person be appointed to the board of directors of the authority.

The bill limits the right to take part in public life (section 18 of the charter act). I consider this limitation to be reasonable and proportionate for the reasons outlined below.

*(a) the nature of the right to take part in public life*

Section 18 of the charter act establishes a right for an individual to participate in the conduct of public affairs, to vote and be elected at state and municipal elections, and to have access to the Victorian public service and public office,

without discrimination. The right to participate in public affairs is a broad concept, which embraces the exercise of governmental power by all arms of government at all levels.

*(b) the importance of the purpose of the limitation*

The purpose of the limitation in clause 12 of the bill is to ensure that the board of the authority is comprised of individuals with appropriate industry experience and business acumen who are able to authoritatively guide policy directions and make policy decisions for the authority.

Directors of the authority will be responsible for the management of the affairs of the authority and may exercise the powers of the authority, and it is critical that they are equipped with the relevant skills to undertake this important responsibility.

*(c) the nature and extent of the limitation*

Clause 12 of the bill will provide that when making a recommendation for an individual to be appointed to the board of the authority, the minister must ensure as far as practicable that collectively the board has skills, experience or knowledge relating to the funding and delivery of infrastructure, property and land development, urban planning, economics, financial management, public administration and corporate governance, housing delivery, supply and affordability, and law (particularly commercial law).

The extent of the potential limitation is not significant and is reasonable in the circumstances. The areas of skill, knowledge and experience contained within the bill are wide ranging and although the minister must ensure that collectively the board has the skills, experience and knowledge identified, there will still be a level of discretion to recommend other individuals with particular skills that may not fall into these categories if it is reasonably justified in the circumstances.

*(d) the relationship between the limitation and its purpose*

The authority is required to operate on a commercial basis and it is critical to the commercial success of the authority that its board is comprised of individuals with the relevant skills, knowledge and experience to enable it to function effectively.

*(e) any less restrictive means reasonably available to achieve its purpose*

Clause 12 of the bill seeks to provide criteria to enable the minister to appoint individuals who possess skills and knowledge considered critical to enable the board of the authority to operate in an effective manner.

The appointment of members to the board of the authority could be based purely on the minister's discretion rather than on identified skills, knowledge and experience. However, clause 12 of the bill seeks to provide a mechanism to assist the minister when considering appointing individuals to the board and also supports transparency in the reasons for making the appointment.

Although the right to take part in public life is highly important, and fundamental to our democratic system of

government, the right is not absolute, and it may be subject to reasonable limitations such as this.

**Conclusion**

I consider that the Victorian Urban Development Authority Amendment (Urban Renewal Authority Victoria) Bill 2011 is compatible with the charter act because, to the extent that clause 12 may limit human rights, that limitation is reasonable and demonstrably justified in a free and democratic society.

Matthew Guy, MLC  
Minister for Planning

*Second reading*

**Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. M. J. GUY (Minister for Planning).**

**Hon. M. J. GUY (Minister for Planning)** — I move:

That the bill be now read a second time.

**Incorporated speech as follows:**

The objective of the bill is to amend the Victorian Urban Development Authority Act 2003 to:

1. abolish the Victorian Urban Development Authority (VicUrban) and establish the Urban Renewal Authority Victoria (the authority) as its successor in law;
2. amend the purpose of that act to reflect the purpose of the authority;
3. set out additional functions of the authority; and
4. provide eligibility criteria for appointment to the board of the authority.

The authority will play an important role in contributing to government's urban planning and development policies, including supporting the delivery of the government's metropolitan strategy and housing affordability policy agenda.

The proposed amendments will convey a clear message about the government's commitment to facilitating large-scale urban change within inner urban areas and the expectations on the authority in contributing to such strategic projects.

It is important to understand that the establishment of the authority is one component of the package of reforms that the government is progressing to improve the efficiency of the planning system.

**Role of the authority**

The authority will be expected to drive major long-term urban renewal projects and be financially self-sustaining by maintaining a balanced portfolio of profit-generating development projects to cross-subsidise its urban renewal activities.

The authority's focus will be on the strategic redevelopment of large-scale urban neighbourhoods for residential and mixed-use purposes. In many cases, these projects may be long term — for example, both E-gate and Fishermans Bend, which have been identified as potential urban renewal areas, may require longer term development time frames, spanning up to 30 years.

A key function of the authority will be to carry out or manage or coordinate the carrying out of urban renewal projects. This function recognises that the specific role that the authority will play within its urban renewal projects will be varied and be based on a number of factors including the project location, the nature of the anticipated development and the policy outcomes required by government. This flexibility will enable the authority to target its activities to meet the characteristics of the proposed development.

The aim of the authority is to make land development ready, in order to attract private sector investment in strategic locations and facilitate market activity. Its primary activity will generally focus on precinct structure planning with a view to enabling early release of development-ready land parcels. Other supporting activities will include master planning, development of specific business cases to determine feasibility, and land preparation including site acquisition, consolidation and subdivision.

To maximise outcomes, the authority will engage with private developers, government departments and agencies in the planning and design of new and innovative ways to deliver new urban accommodation in renewal areas.

The authority will subsume the majority of the functions of VicUrban. However, some of the previous functions of VicUrban have been amended to reflect the authority's central focus on urban renewal. It will also complete the development of the Docklands.

In addition the amendments emphasise that the authority will have a key role in promoting housing affordability and diversity, and best practice in urban and community design within its urban renewal projects.

The complexity of many urban renewal projects will require the authority to be focused on its new functions and will also require increased oversight from government. To this effect, some of the previous functions of VicUrban will only be undertaken by the authority if expressly requested by the responsible minister.

The initial focus of the authority will be on specific projects identified by government as providing greatest strategic advantage. To ensure an appropriate focus, the authority will only undertake the development of land or enter into arrangements or agreements for the development of land if expressly requested by the minister.

The authority will have a reduced presence within greenfield locations, compared with its predecessor VicUrban. The previous function of VicUrban explicitly relating to the provision of a competitive market for land is less necessary in today's market, as the private sector adequately provides healthy competition for this product. In the event that there is a requirement for government intervention in the greenfield market, this can be accommodated by a specific direction to the authority by the minister.

Any direction will take account of the implications of such intervention on particular segments of the market to ensure that there is no distortion in market outcomes.

Similarly, under direction of the minister, the authority may also play a role in facilitating development in strategic locations in regional Victoria.

### **Governance**

The authority will be expected to lead urban renewal projects, a number of which may be large scale and complex, and it is critical that a strong governance regime is established that will support the commercial aptitude of the authority.

Upon commencement of the act, VicUrban will be abolished and the current members of the VicUrban board will go out of office.

The authority will be established with an independent board of directors appointed by the Governor in Council on the recommendation of the minister.

It is critical to the success of the authority that the board of the authority is comprised of individuals with appropriate industry experience and business acumen to authoritatively guide policy directions and make commercial decisions for the authority.

The bill will introduce specific criteria that the minister may take into consideration when making a recommendation for an individual to be appointed to the board of the authority. The criteria will ensure that the board collectively has skills, experience or knowledge in the areas of infrastructure, property and land development, urban planning, economics, financial management, public administration, corporate governance, housing delivery, supply and affordability, and law (particularly commercial law).

The criteria will assist in establishing a highly skilled board which is well equipped to lead the authority in its new direction. This will be particularly critical during its transitional and establishment phases.

The authority will operate in accordance with a corporate plan that will be prepared each financial year. The statement of corporate intent will be required to encompass an overall five-year period instead of the previous overall three-year period which applied to VicUrban.

This will contribute to a more comprehensive forward plan for the authority.

### **Transitional provisions**

The bill provides transitional arrangements to transfer all current activities of VicUrban including its rights, assets, liabilities, obligations, contracts and agreements to the authority. All employees of VicUrban will be transferred to the authority on the same terms and conditions.

It is recognised that there will need to be a transition of VicUrban's current business activities to align with the priorities of the authority. The first priority of the board of the authority will be to develop a transition plan for consideration by government.

The transition plan will address critical issues relating to segregation of the authority's urban renewal business from the winding up of VicUrban's business activities that are outside of the authority's role, the development of a comprehensive communication plan and a strategy to ensure business continuity during this transitional period.

I commend the bill to the house.

**Debate adjourned for Mr TEE (Eastern Metropolitan) on motion of Mr Lenders.**

**Debate adjourned until Thursday, 23 June.**

## TRANSPORT LEGISLATION AMENDMENT (PORT OF HASTINGS DEVELOPMENT AUTHORITY) BILL 2011

### *Introduction and first reading*

**Received from Assembly.**

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

### *Statement of compatibility*

**Hon. M. J. GUY (Minister for Planning) tabled following statement in accordance with Charter of Human Rights and Responsibilities Act:**

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the Transport Legislation Amendment (Port of Hastings Development Authority) Bill 2011.

In my opinion, the Transport Legislation Amendment (Port of Hastings Development Authority) Bill 2011, as introduced to the Legislative Council, is compatible with the human rights protected by the charter act. I base my opinion on the reasons outlined in this statement.

#### **Overview of bill**

The bill provides for the establishment of the new Port of Hastings Development Authority, which will separate the development, operation and management of the port of Hastings into a dedicated agency separate from its current responsible authority, the Port of Melbourne Corporation.

The bill amends the Transport Integration Act 2010, the Port Management Act 1995 and other acts to provide for:

the establishment of the Port of Hastings Development Authority;

the transfer of functions relating to the port of Hastings from the Port of Melbourne Corporation to the Port of Hastings Development Authority;

the transfer of functions relating to the port of Hastings waters from the Port of Melbourne Corporation to the Victorian Regional Channels Authority; and

the making of consequential and transitional amendments.

#### **Human rights issues**

The bill engages a number of rights in the charter act.

#### *Declaration of restricted access area*

Clause 33 amends section 84 of the Port Management Act 1995 to allow the minister, on the recommendation of the Port of Hastings Development Authority, to declare any part of the port of Hastings land a restricted access area. The new section contains limits on the size of the restricted area.

The effect of the amendment is to apply the provisions of the Port Management Act 1995, which relate to restricted areas, to the port of Hastings. These provisions limit the scope of the declaration power by requiring the minister to be satisfied that the declaration is necessary to enable the recommending authority to carry out its powers or functions and give effect to its objectives under the act (section 84(3)), and sets out certain categories of land which require external consultation or approval (section 84(4)-(7)). The declaration must also be published in the *Government Gazette* (section 86). Once a declaration is in effect, warnings and directions may be given by the Port of Hastings Development Authority to a person to leave or to not enter the restricted access area (section 88E) and offences are created in respect of entering into or remaining in a restricted area, or interfering with activities in a restricted area (sections 88B, 88C).

#### *Right to freedom of movement*

Section 12 of the charter act provides that every person lawfully within Victoria has the right to move freely within Victoria.

The restricted land could include land that, in the absence of these provisions, members of the public would ordinarily have access to. Restricting access to land engages the right to freedom of movement in section 12 of the charter act. However, to the extent that the right may be limited, I consider any limitation is reasonable pursuant to section 7(2) of the charter act. The purpose of the provisions is to enable the operation of the port of Hastings to be conducted without hindrance and in a safe manner, and to allow port services to be carried out in a secure and effective manner. The limitation on freedom of movement is restricted to land within the port of Hastings. The requirement for the minister to be satisfied that a declaration is necessary for the development authority to carry out its functions ensures that the exercise of this limitation is directly related to its purpose.

The limited size of the restricted area, the prescribed length of time that a declaration can remain in force and the availability of a 'reasonable excuse' defence to the offences relating to entering a restricted area ensures, in my opinion, that the limitation is the least restrictive for its purpose.

I conclude that these provisions are compatible with the charter act.

#### *Information gathering — right to privacy, right to freedom of expression*

Section 13(a) of the charter act protects a person's right not to have his or her privacy, family, home or correspondence interfered with in a manner that is unlawful or arbitrary. The

protection of privacy is not absolute, and information gathering that is authorised by law and is not arbitrary is permissible under the charter act.

Section 15 of the charter act protects a person's right to freedom of expression, which has been interpreted to include a right not to impart information. The right to freedom of expression is not absolute, and lawful restrictions reasonably necessary for the protection of national security and public order are permissible under the charter act.

A result of this bill will be that existing provisions of the Port Management Act 1995 will apply to the port of Hastings. One such provision is section 88D of the Port Management Act 1995, which provides that it is an offence for a person in a restricted area to not give their name, address and evidence of authority for being in the area to a police member if asked to do so.

While the gathering of personal information engages the right to privacy, the provision of such information is necessary to enforce the restriction and can only be required of a person who is in a restricted access area. Any information gathered under this provision is subject to the Information Privacy Act 2000. Accordingly, I do not consider the power to be arbitrary.

To the extent that the requirement for a person to provide their correct name, address and authority for being in a restricted area imposes a restriction on freedom of expression, I consider that this comes within the special limitations outlined in section 15(3) of the charter act, as it is a necessary component to giving effect to restricted access area declarations, and so is reasonably necessary to protect public order and national security by ensuring that the port of Hastings operates in a secure, safe and efficient environment.

Accordingly, I consider that this provision is compatible with the right to privacy in section 13 and the right to freedom of expression in section 15 of the charter act.

### Conclusion

For the reasons given in this statement, I consider that the bill is compatible with the Charter of Human Rights and Responsibilities Act 2006.

Matthew Guy, MLC  
Minister for Planning

### *Second reading*

### **Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. M. J. GUY (Minister for Planning).**

**Hon. M. J. GUY** (Minister for Planning) — I move:

That the bill be now read a second time.

### **Incorporated speech as follows:**

This bill sets Melbourne's commercial ports on a path to faster growth through increased capacity and competition in the container ports sector.

The bill establishes a new independent Port of Hastings Development Authority as a key first step in fast-tracking the development of Hastings as a future container port.

The authority will complement the Port of Melbourne Corporation in handling the massive growth in trade in Victoria. In addition, a separate container port in Hastings will deliver the benefits of greater competition to Victorian exporters and consumers of imported goods.

Increased capacity is needed urgently to cater for the city's rapidly growing container trade, which has a pivotal role in Victoria's and Australia's economy.

The government is acting now to ensure that a container port is developed at Hastings within the next 10 to 13 years.

Unlike our predecessors, the government firmly believes that the required expansion in container port capacity will be best achieved by an independent authority which will ultimately complement the Port of Melbourne Corporation in meeting the state's need for increased port capacity. This authority will represent the interests of the port of Hastings and the social and economic aspirations of the growing south-eastern suburbs of Melbourne.

The port of Melbourne is Australia's largest container port, handling around 37 per cent of all container trade.

Strong growth in container trade, coupled with the high proportion of containerised freight transported by road, has significantly increased traffic congestion on the roads used by trucks to access the port of Melbourne.

By 2035 the Port of Melbourne Corporation forecasts that the port will be handling nearly 8 million 20-foot equivalent units of containers — nearly four times what it is handling today.

This trend has been clear for some years and demands urgent and decisive action.

Instead of action, the former government gave us years of consultancies, reports and documents. It then took the wrong course by merging the management of the ports of Hastings and Melbourne under the Port of Melbourne Corporation. Instead of the earliest possible development of the port of Hastings, we got a monopoly that would be likely to delay and obstruct development at Hastings.

The coalition opposed the merger and has moved quickly in government to avert its potentially damaging consequences for the container trade and the economy.

This bill lays the policy and organisational foundations to ensure that the deepwater port at Hastings is given an opportunity to reach its full potential as a competitive container port for Victoria and Australia.

The bill establishes the Port of Hastings Development Authority as a transport corporation under the Transport Integration Act 2010 with the primary object to:

manage and operate the port of Hastings; and

facilitate the timely development of the port of Hastings as a viable alternative to the port of Melbourne in order to increase capacity and competition in the container ports sector to manage the expected growth in trade.

The authority's object, functions and powers are consistent with other corporations established under the act. They include a strong, independent board of directors, corporate powers, and annual report and corporate plan requirements.

This charter is similar to the functions and powers of the previous Port of Hastings Corporation but with a clearer object to drive the development of Hastings.

The authority's early priorities will include the preparation of a development strategy and a comprehensive business case. The government will provide funding commensurate with the new authority's expanded responsibilities.

The Port of Hastings Development Authority is established on the same legal basis as the Port of Melbourne Corporation. Land around the port at Hastings is transferred to the new authority, and responsibility for the port waters at Hastings is returned to the Victorian Regional Channels Authority. This will allow the authority to focus on the land-side development of the port.

Earlier development of Hastings as a container port will alleviate the pressures associated with Melbourne's burgeoning container trade and make a major contribution to state and national economic growth.

It will increase container port capacity, put downward pressure on port charges paid by importers and exporters by increasing competition, minimise future congestion around the port of Melbourne and broaden Victoria's future freight transport options.

I commend the bill to the house.

**Debate adjourned for Hon. M. P. PAKULA  
(Western Metropolitan) on motion of Mr Lenders.**

**Debate adjourned until Thursday, 23 June.**

## ADJOURNMENT

**Hon. D. M. DAVIS** (Minister for Health) — I move:

That the house do now adjourn.

### **Feral cats: control**

**Mr LENDERS** (Southern Metropolitan) — The matter I raise tonight is for the attention of the Minister for Agriculture and Food Security, Peter Walsh. Last week I visited the Royal Society for the Prevention of Cruelty to Animals centre in Burwood East. I met with a large number of people from the RSPCA, including president, Hugh Wirth, and chief executive officer, Maria Mercurio, and talked to them about the animal welfare issues that they are currently dealing with.

One of the issues they raised was the high number of cats that come into the care of the RSPCA that they are forced to euthanase. For the last two years more than 56 per cent of cats that have come into the RSPCA's

care have been euthanased compared to 18 per cent of dogs in the last financial year. In the meantime the Minister for Agriculture and Food Security has failed in this year's budget to provide funding for the management of feral cats.

In the Public Accounts and Estimates Committee (PAEC) hearing on Thursday, 19 May, the minister acknowledged that feral cats were a problem and conceded that there was no money in the budget to combat the problem; no money for targeted aerial baiting programs or tracking. Feral cats are a problem for farmers, particularly chicken farmers, for whom feral cats can wreak havoc. Cats breed extremely quickly, and if not tackled effectively, the problem becomes considerably worse over time.

The management and welfare of cats is of concern to the RSPCA; however, the minister has in effect been silent on these concerns except when prompted by questions at the PAEC hearing. The action I seek is for the minister to address the problem of feral cats in the interests of farmers.

I also note that when I went to the RSPCA, because it is in Burwood, I did not have to go down the Morwell bypass, so that was not a problem this time.

### **School buses: Girton Grammar School**

**Mr DRUM** (Northern Victoria) — The matter I raise tonight is for the Minister for Education, Martin Dixon. It goes to school bus travel in the Bendigo-Castlemaine area. Girton Grammar School, which is located in central Bendigo, has a large catchment area for its students due to the fact that it has a history and reputation of exceptional results over a long period of time. It has built a reputation of respect and excellence in the education field over that time. Girton Grammar School is classified as a non-denominational school. This is a classification it shares with the Castlemaine Steiner School. Under the existing conveyancing rules any child can access free of charge the nearest school in various categories. The issue at hand concerns over 30 families from the Castlemaine area which send their children to Girton Grammar, which is a non-denominational school. There is a Steiner school in Castlemaine, which is also a non-denominational school. Those families are struggling to get access to the conveyancing allowance. Whilst these schools are significantly different to each other, they are both classified in the same bracket as non-denominational schools.

This problem raised its head last year and the new Minister for Education, Mr Dixon, put a 12-month

moratorium on any changes to the status quo. Currently the Department of Education and Early Childhood Development has a temporary arrangement in place with Girton Grammar to allow those students in secondary years for which there are corresponding years at the Castlemaine Steiner School to travel to Girton from Castlemaine without cost to the students or their families. This arrangement is in place until the end of this calendar year.

I know the minister is aware of the concerns of these families, and I understand that he is working to clarify this issue regarding school classifications. I ask him if he would inform Girton Grammar School of his findings as soon as possible so the affected families will have as much time as possible to plan for next year's schooling for their children.

### **Ford Australia: exports**

**Mr SOMYUREK** (South Eastern Metropolitan) — I raise a matter for the attention of the Minister for Manufacturing, Exports and Trade concerning Ford Australia. The car manufacturing industry is a vital industry for this state. It provides employment on various levels, including that of component part manufacture. Furthermore, the technology and skills transfers from the car manufacturing industry would be irreplaceable were this industry to be threatened. Ford Australia is a key employer in Victoria's manufacturing sector, both through direct employment and the generation of employment in Victoria's automobile component supply companies. The company is at the forefront of vehicle design and manufacture in this country and indeed in our region.

The announcement by Ford earlier this year that it was reducing production and cutting back on 240 jobs is very concerning. Part of the problem that Ford Australia has is that it has a very limited export market out of Australia. The action I seek from the minister is that he investigate the prospect of providing incentives to Ford Australia to expand its very limited export operations.

### **Essendon Airport: future**

**Mr ELSBURY** (Western Metropolitan) — The matter I wish to raise tonight is for the attention of the Minister responsible for the Aviation Industry, the Honourable Gordon Rich-Phillips, and it relates to the need to retain Essendon Airport as a major piece of aviation infrastructure.

The need for Essendon Airport should be obvious, with its capacity to take small aircraft out of the

ever-growing Tullamarine air pattern. Slotting a small jet or light aircraft between a Qantas flight to Sydney or a Virgin Australia flight to Denpasar just does not add up for an airport like Melbourne Airport at Tullamarine, and that is where the Essendon airfield can take up the need for this market.

The Essendon airfield was proclaimed an airport by the commonwealth government in 1921, and in 1950 it was made Australia's second international airport. As jets became bigger and required longer and broader runways to take to the air and land, Essendon was superseded by the Tullamarine airport as Melbourne's international terminal. Essendon Airport provides regional Victoria with a vital link to hospitals and the specialist medical treatments that Melbourne offers.

Last week I joined the Minister for Health, the Honourable David Davis, at the air ambulance hangar at Essendon Airport to celebrate the bringing into service of four purpose-modified King Air B200 fixed-wing aircraft. These planes provide the air ambulance with the load capacity, range and speed they need to be able to service the far-reaching regions of Victoria and even expand their service into southern New South Wales and parts of South Australia and Tasmania.

Families across regional Victoria deserve the service the air ambulance provides. Neonatal transport, emergency transport and patient transfers are some of the very important roles the air ambulance is able to provide because of Essendon Airport.

Without Essendon Airport the air ambulance would need to land at Tullamarine, which is not an easy task when an A380 airbus is on approach and a crash victim from Hamilton needs to be got on the ground. If you speak to the operational members of the air ambulance service, they say the Tullamarine option increases road travel time by 10 minutes and taxiing delays on the ground at Tullamarine mean it can take as long as 20 minutes for an aircraft to get from the runway to a suitable area for a patient to disembark. This does not go into the difficulty of slotting the air ambulance into the air patterns of a major domestic and international airport. The need for the air ambulance to have an airfield close to the CBD of Melbourne is enough to justify the retention of Essendon Airport.

Essendon Airport also allows for tourist flights, air training, air freight, small-scale passenger services and rotary wing transport. During the Black Saturday bushfires 6500 firefighters from across Australia and New Zealand flew into Essendon Airport. Some 50 000 aircraft movements per year are derived from

these activities, and 2500 jobs are supported both airside and landside at Essendon Airport. A curfew for certain aircraft types is in place between 11.00 p.m. and 6.00 a.m. to further lessen the impact of the airport on neighbours.

**The PRESIDENT** — Time!

### **Road safety: government initiatives**

**Mr FINN** (Western Metropolitan) — I wish to raise a matter for the attention of the Honourable Gordon Rich-Phillips in his capacity as the minister responsible for the Transport Accident Commission. I am sure members of this house would join with me in saying that the TAC has an extraordinary reputation for changing community attitudes to matters pertaining to safety on our roads. In particular, the Drink Drive, Bloody Idiot campaign has over a long time changed the attitudes of millions of people as they drive on our roads. Only a generation or so ago people were regarded somewhat as legends if they were able to drive home and not remember it because they were too drunk. These days that is regarded as socially unacceptable in every way and also very dangerous. That is as a direct result of what the TAC has been able to do. The TAC is also responsible for a number of speed-related campaigns such as the Speed Kills and Wipe Off 5 campaigns.

**Mr Ondarchie** — Saves lives!

**Mr FINN** — The TAC does save lives, as Mr Ondarchie said.

However, there is another menace on the roads that I would like to bring to the minister's attention and that I hope he will bring to the attention of the TAC with a view to perhaps putting together a campaign against this particular menace. It is almost as big a problem as speedsters. This menace is prevalent in the outer suburbs, particularly in the outer western suburbs where there are many new residential developments but the roads may have not kept up with the developments of residences. We might have a highway — or not even a highway but just a road — where each lane is one way. We find ourselves in a situation where people who see it is a 100-kilometre-an-hour zone declare, quite unilaterally, that they do not believe it, so they travel at 60 kilometres an hour, 70 kilometres an hour or sometimes even 50 kilometres an hour. As a result of that we quite often have dozens and dozens of cars lined up for many kilometres. This leads to people becoming extraordinarily angry and frustrated, leading them to do some very dangerous things to try to get

around these characters who take it upon themselves to declare that 100 kilometres an hour is too fast for them.

This is a very important issue, particularly in the outer west, and I think probably in the outer suburbs of Melbourne generally. I ask the minister to raise with the TAC the prospect of it putting together a campaign to alert people to this extraordinarily dangerous practice.

### **Beaumaris: bicycle path**

**Ms CROZIER** (Southern Metropolitan) — My adjournment matter is for the Minister for Environment and Climate Change, Ryan Smith. Last week I met with members of the Beaumaris Conservation Society to discuss an issue that has been ongoing for a decade or more. The Beaumaris Conservation Society is well known to a number of members in this chamber who have spoken previously on the issue, as has the member for Sandringham in the other place, Murray Thompson.

The representatives I met with have a number of concerns about the impact that the Beaumaris bicycle path extension route would have on the land that lies between Cromer and Charman roads. It is an area of land that is unique to this part of Melbourne, and it is one of the longest stretches of undeveloped coastal land in Melbourne. When I walked the route with members of the Beaumaris Conservation Society, there were also a number of locals utilising and walking it on what was a very wet and cold morning.

Southern Metropolitan Region is home to some of Melbourne's best natural features and parks. It has wonderful beaches along Port Phillip Bay, it has the Yarra River to the north of the region and it is scattered with parks such as the Royal Botanic Gardens and Albert Park. The government is committed to a sensible and balanced approach to protecting these and other natural assets within Southern Metropolitan Region and throughout Victoria — an approach that will embrace development where it is sensible to do so while also looking after and protecting many of our city's wonderful parks and reserves.

The issue raised by the Beaumaris Conservation Society was recognised by the Bayside City Council when it formally moved a motion on 3 May in support of the society's efforts to protect this natural piece of coast. I ask the minister if he will meet with me to discuss the issue, to further understand what is proposed and to discuss the concerns of the Beaumaris Conservation Society.

### Port Campbell: headland site

**Ms PENNICUIK** (Southern Metropolitan) — My adjournment matter is for the Minister for Environment and Climate Change, Mr Smith, and it is in relation to the Southern Ocean Beach House site in Port Campbell. In the previous Parliament members of the Select Committee on Public Land Development visited the site because concerns had been expressed by the local community about plans to expand the beach house given the problem with the headland at Port Campbell, which is underpinned by a lot of sea caves. Members, including the minister, will be aware that that part of the coast is prone to unexpected collapse. We have seen London Bridge and several of the Twelve Apostles collapse, and other parts of that coastline could collapse without warning.

There has been a lot of concern expressed about the headland at Port Campbell. Members will remember that the Great Ocean Road used to go all the way around the headland. Now it does not go around it; it goes through Port Campbell, because it was deemed to be too unsafe to go over the area that is underpinned by the sea caves. Those sea caves have been moving further inland towards the Southern Ocean Beach House site.

I have been contacted by Marion Manifold, who is the secretary of the Port Campbell Community Group, about this site, which is currently up for sale, with a request that I raise the matter with the minister. I know that Mr Ramsay has received a letter from the group, and I know that the environment minister and the Premier have also both had letters.

The Select Committee on Public Land Development also considered the possibility of the government acquiring the site and incorporating it into the Crown land that is immediately adjacent. At the moment the beach house site is the last building before that Crown land and the rest of the headland next to the harbour. My request to the minister is that in the interests of the long-term safety of the site he seriously consider acquiring the site, adding it to the Crown land adjacent and having it used it for low-key public purposes.

### City of Hume: Sunbury separation

**Mrs PETROVICH** (Northern Victoria) — My adjournment matter is for the Minister for Local Government, Mrs Powell, and it relates to the coalition government's commitment to give the people of Sunbury the opportunity to decide their future on the issue of the Sunbury out of Hume campaign. It is one of the most emotive issues in the Sunbury community, yet

the former Labor government denied the people of Sunbury the opportunity to decide their future.

**Mr Finn** — Another broken promise!

**Mrs PETROVICH** — Exactly, Mr Finn. It was a broken promise. Instead the former Labor government engaged in duplicity and backflipping on the Sunbury out of Hume issue, creating strong community anger.

In the lead-up to the 1999 state election Steve Bracks promised the Sunbury community that if elected he would conduct a plebiscite regarding Sunbury separating from the City of Hume. In 2000 the Bracks Labor government reneged on its promise to hold a plebiscite.

**Mr Finn** — Another Labor lie.

**Mrs PETROVICH** — Exactly, Mr Finn. The coalition government is committed to listening to the Sunbury community on the Sunbury out of Hume issue and ensuring that planning decisions keep pace with the needs of this rapidly growing community. The action I seek is for the minister to provide the house with a progress report on the Sunbury out of Hume issue.

### Responses

**Hon. W. A. LOVELL** (Minister for Housing) — There were a number of adjournment issues tonight. The first, from Mr Lenders, was for the Minister for Agriculture and Food Security, Mr Walsh, regarding the number of cats that are euthanased by the Royal Society for the Prevention of Cruelty to Animals and the management of feral cats. I note that there is a problem with the number of feral animals in Victoria due to Labor's failure to adequately manage feral animals over the past 11 years.

Mr Drum raised an issue for the Minister for Education regarding school bus travel in the Bendigo region, particularly between Castlemaine and Bendigo, and access to independent schools.

Mr Somyurek raised an issue for the Minister for Manufacturing, Exports and Trade regarding the car manufacturing industry and asked particularly for the minister to investigate the prospect of providing support to Ford to expand its export ability.

Mr Elsbury raised an issue for the Minister responsible for the Aviation Industry regarding the importance of retaining Essendon Airport.

Mr Finn raised a matter for the Assistant Treasurer in his role as the minister responsible for the Transport

Accident Commission and asked him to investigate a campaign against dangerous driving practices.

Ms Crozier raised an issue for the Minister for Environment and Climate Change and sought a meeting between the minister and the Beaumaris Conservation Society.

Ms Pennicuik also raised an issue for the Minister for Environment and Climate Change, Mr Smith. It related to acquiring a part of the headland at Port Campbell and incorporating it into Crown land.

Mrs Petrovich raised an issue for the Minister for Local Government asking her for a progress report on the Sunbury out of Hume issue.

I have written responses to adjournment debate matters raised by Mrs Petrovich on 1 March, Mr Lenders on 6 April, Mr Barber on 4 May and Ms Pennicuik on 24 May.

**The PRESIDENT** — Order! The house stands adjourned.

**House adjourned 10.18 p.m. until Tuesday, 28 June.**

