

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-SEVENTH PARLIAMENT

FIRST SESSION

Thursday, 21 June 2012

(Extract from book 11)

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By authority of the Victorian Government Printer

The Governor

The Honourable ALEX CHERNOV, AC, QC

The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

The ministry

| | |
|--|-----------------------------------|
| Premier and Minister for the Arts | The Hon. E. N. Baillieu, MP |
| Deputy Premier, Minister for Police and Emergency Services, Minister for Bushfire Response, and Minister for Regional and Rural Development. | The Hon. P. J. Ryan, MP |
| Treasurer | The Hon. K. A. Wells, MP |
| Minister for Innovation, Services and Small Business, and Minister for Tourism and Major Events | The Hon. Louise Asher, MP |
| Attorney-General and Minister for Finance | The Hon. R. W. Clark, MP |
| Minister for Employment and Industrial Relations, and Minister for Manufacturing, Exports and Trade | The Hon. R. A. G. Dalla-Riva, MLC |
| Minister for Health and Minister for Ageing | The Hon. D. M. Davis, MLC |
| Minister for Sport and Recreation, and Minister for Veterans' Affairs | The Hon. H. F. Delahunty, MP |
| Minister for Education | The Hon. M. F. Dixon, MP |
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| Minister for Multicultural Affairs and Citizenship | The Hon. N. Kotsiras, MP |
| Minister for Housing, and Minister for Children and Early Childhood Development. | The Hon. W. A. Lovell, MLC |
| Minister for Corrections, Minister for Crime Prevention and Minister responsible for the establishment of an anti-corruption commission . . . | The Hon. A. J. McIntosh, MP |
| Minister for Public Transport and Minister for Roads | The Hon. T. W. Mulder, MP |
| Minister for Ports, Minister for Major Projects, Minister for Regional Cities and Minister for Racing | The Hon. D. V. Napthine, MP |
| Minister for Gaming, Minister for Consumer Affairs, and Minister for Energy and Resources | The Hon. M. A. O'Brien, MP |
| Minister for Local Government and Minister for Aboriginal Affairs. | The Hon. E. J. Powell, MP |
| Assistant Treasurer, Minister for Technology and Minister responsible for the Aviation Industry | The Hon. G. K. Rich-Phillips, MLC |
| Minister for Environment and Climate Change, and Minister for Youth Affairs | The Hon. R. Smith, MP |
| Minister for Agriculture and Food Security, and Minister for Water. | The Hon. P. L. Walsh, MP |
| Minister for Mental Health, Minister for Women's Affairs and Minister for Community Services | The Hon. M. L. N. Wooldridge, MP |
| Cabinet Secretary | Mr D. J. Hodgett, MP |

Legislative Council committees

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

Procedure Committee — The President, Mr Dalla-Riva, Mr D. 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, #Ms Crozier, Mr Drum, Mr Finn, #Ms Hartland, #Mr Leane, #Mr Lenders, #Mr Ondarchie, Ms Pulford, Mr Ramsay and Mr Somyurek.

Economy and Infrastructure References Committee — Mr Barber, Ms Broad, Mrs Coote, #Ms Crozier, Mr Drum, Mr Finn, #Mr Leane, #Mr Lenders, #Mr Ondarchie, Ms Pulford, Mr Ramsay and Mr Somyurek.

Environment and Planning Legislation Committee — Mr Elsbury, #Mr Finn, #Ms Hartland, Mrs Kronberg, #Mr Leane, Mr Ondarchie, Ms Pennicuik, #Mrs Petrovich, Mrs Peulich, Mr Scheffer, #Mr Tarlamis, Mr Tee and Ms Tierney.

Environment and Planning References Committee — Mr Elsbury, #Mr Finn, #Ms Hartland, Mrs Kronberg, #Mr Leane, Mr Ondarchie, Ms Pennicuik, #Mrs Petrovich, Mrs Peulich, Mr Scheffer, #Mr Tarlamis, Mr Tee and Ms Tierney.

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

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

Participating member

Joint committees

Dispute Resolution Committee — (*Council*): Mr D. Davis, Mr Hall, Mr Lenders, Ms Lovell and Ms Pennicuik. (*Assembly*): Mr Clark, Ms Hennessy, Mr Holding, Mr McIntosh, Mr Merlino, Dr Naphthine 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*): Mr Brooks, Ms Campbell, Mr Gidley, Mr Nardella and Mr Watt.

Heads of parliamentary departments

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

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

Parliamentary Services — Secretary: Mr P. Lochert

MEMBERS OF THE LEGISLATIVE COUNCIL
FIFTY-SEVENTH PARLIAMENT — FIRST SESSION

President: The Hon. B. N. ATKINSON

Deputy President: Mr M. VINEY

Acting Presidents: Ms Crozier, Mr Eideh, Mr Elasmr, Mr Finn, Mr O'Brien, Ms Pennicuik, Mr Ramsay, Mr Tarlamis

Leader of the Government:

The Hon. D. M. DAVIS

Deputy Leader of the Government:

The Hon. W. A. LOVELL

Leader of the Opposition:

Mr J. LENDERS

Deputy Leader of the Opposition:

Mr G. JENNINGS

Leader of The Nationals:

The Hon. P. R. HALL

Deputy Leader of The Nationals:

Mr D. DRUM

| Member | Region | Party | Member | Region | Party |
|--------------------------------------|----------------------------|--------|------------------------------------|----------------------------|--------|
| Atkinson, Hon. Bruce Norman | Eastern Metropolitan | LP | Leane, Mr Shaun Leo | Eastern Metropolitan | ALP |
| Barber, Mr Gregory John | Northern Metropolitan | Greens | Lenders, Mr John | Southern Metropolitan | ALP |
| Broad, Ms Candy Celeste | Northern Victoria | ALP | Lovell, Hon. Wendy Ann | Northern Victoria | LP |
| Coote, Mrs Andrea | Southern Metropolitan | LP | Mikakos, Ms Jenny | Northern Metropolitan | ALP |
| Crozier, Ms Georgina Mary | Southern Metropolitan | LP | O'Brien, Mr David Roland Joseph | Western Victoria | Nats |
| Dalla-Riva, Hon. Richard Alex Gordon | Eastern Metropolitan | LP | O'Donohue, Mr Edward John | Eastern Victoria | LP |
| Darveniza, Ms Kaye Mary | Northern Victoria | ALP | Ondarchie, Mr Craig Philip | Northern Metropolitan | LP |
| Davis, Hon. David McLean | Southern Metropolitan | LP | Pakula, Hon. Martin Philip | Western Metropolitan | ALP |
| Davis, Mr Philip Rivers | Eastern Victoria | LP | Pennicuik, Ms Susan Margaret | Southern Metropolitan | Greens |
| Drum, Mr Damian Kevin | Northern Victoria | Nats | Petrovich, Mrs Donna-Lee | Northern Victoria | LP |
| Eideh, Mr Khalil M. | Western Metropolitan | ALP | Peulich, Mrs Inga | South Eastern Metropolitan | LP |
| Elasmr, Mr Nazih | Northern Metropolitan | ALP | Pulford, Ms Jaala Lee | Western Victoria | ALP |
| Elsbury, Mr Andrew Warren | Western Metropolitan | LP | Ramsay, Mr Simon | Western Victoria | LP |
| Finn, Mr Bernard Thomas C. | Western Metropolitan | LP | Rich-Phillips, Hon. Gordon Kenneth | South Eastern Metropolitan | LP |
| Guy, Hon. Matthew Jason | Northern Metropolitan | LP | Scheffer, Mr Johan Emiel | Eastern Victoria | ALP |
| Hall, Hon. Peter Ronald | Eastern Victoria | Nats | Somyurek, Mr Adem | South Eastern Metropolitan | ALP |
| Hartland, Ms Colleen Mildred | Western Metropolitan | Greens | Tarlamis, Mr Lee Reginald | South Eastern Metropolitan | ALP |
| Jennings, Mr Gavin Wayne | South Eastern Metropolitan | ALP | Tee, Mr Brian Lennox | Eastern Metropolitan | ALP |
| Koch, Mr David Frank | Western Victoria | LP | Tierney, Ms Gayle Anne | Western Victoria | ALP |
| Kronberg, Mrs Janice Susan | Eastern Metropolitan | LP | Viney, Mr Matthew Shaw | Eastern Victoria | ALP |

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Thursday, 21 June 2012

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

PETITIONS

Following petitions presented to house:

Higher education: Auslan programs

To the Legislative Council of Victoria:

The petition of the residents of Victoria draws the attention of the house to the announced closure of the full-time diploma of Auslan course at Kangan Institute. This diploma is the only one of its kind in Victoria providing comprehensive high-level Auslan training. With the closure of this course, students will no longer have the opportunity to attain the high-level language fluency necessary to progress to postgraduate interpreting courses or effectively work within other integral areas of the deaf community. The result will place increased strain on an already understaffed Auslan interpreting pool and be a devastating setback in the rights of deaf people and other disability groups which rely on Auslan as a means of communication.

The petitioners therefore request that the Legislative Council of Victoria take action to save the full-time diploma of Auslan course at Kangan Institute thereby ensuring the continuation of comprehensive high-level Auslan training.

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

Laid on table.

Higher education: TAFE funding

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 state government's plans to cut hundreds of millions of dollars from TAFE funding.

In particular we note:

The TAFE association has estimated up to 1500 jobs could be lost as a result of these cuts. Many courses will be dropped or scaled back and several TAFE campuses face the possibility of closure. With 49 000 full-time jobs already lost in this term of government, skills training has never been more important for Victorians.

The petitioners therefore request that the Legislative Council urge the Baillieu state government to abandon the planned funding cuts and guarantee no further cuts will be made.

**By Mr LENDERS (Southern Metropolitan)
(504 signatures).**

Laid on table.

**Ordered to be considered next day on motion of
Mr LENDERS (Southern Metropolitan).**

VICTORIAN CHILD DEATH REVIEW COMMITTEE

Report 2012

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development), by leave, presented report.

Motion agreed to.

Laid on table.

AUDITOR-GENERAL

Reports 2010–11

Mr RICH-PHILLIPS (Assistant Treasurer), by leave, presented government response.

Laid on table.

Mr Lenders — On a point of order, President, the opposition supports these reports being tabled; however, if the government is seeking leave for reports to be tabled, it would be a courtesy to at least let the non-government parties know.

The PRESIDENT — Order! In response to the remarks made by Mr Lenders, obviously the more members are aware of procedures for the day ahead and of reports that are to be tabled, the easier the processing of our business will be. If there are issues, ministers will be aware of them, so there will be no surprises and members will be able to proceed with a more effective debate in consideration of the matters. In future there might be consideration of some warning that these sorts of papers are to be tabled.

PAPERS

Laid on table by Clerk:

Agricultural Industry Development Act 1990 — Murray Valley Citrus Industry Development Order 2012, pursuant to section 8(3) of the Act.

Members of Parliament (Register of Interests) Act 1978 — Summary of Variations notified between 22 May and 20 June 2012.

Multicultural Affairs — Whole of Government Report, 2010–11.

Office of Police Integrity — Victoria Police: recurring themes in the management of high profile investigations, June 2012.

Ombudsman — Report on investigation into allegations of detrimental action involving Victoria Police, June 2012.

Parliamentary Committees Act 2003 —

Government Response to the Public Accounts and Estimates Committee's Report on the Review of the Auditor-General's Report on Access to Public Hospitals: Measuring Performance.

Government Response to the Public Accounts and Estimates Committee's Report on the Review of the Auditor-General's Report on Preparedness to Respond to Terrorism Incidents: Essential Services and Critical Infrastructure.

Subordinate Legislation Act 1994 — Documents under section 15 in respect of Statutory Rule Nos. 42, 43, 47, 48, 49, 51 and 56.

PARLIAMENTARY PRIVILEGE

Right of reply: Cr Rosemary West

The PRESIDENT — Order! Pursuant to the standing orders of the Legislative Council I present a right of reply from Cr Rosemary West, councillor of the City of Kingston, to statements made by Mrs Inga Peulich, MLC, on 8 February 2012.

During my consideration of the application for the right of reply I gave notice of the submission in writing to Mrs Peulich and also consulted with her prior to the right of reply being presented to the Council.

Having considered the application and determined that the right of reply should be incorporated into the parliamentary record, I remind the house that the standing order requires me when considering a submission under the order to not consider or judge the truth of any statements made in the Council or the submission.

In accordance with the standing orders, the right of reply is hereby ordered to be printed and incorporated in *Hansard*.

Reply as follows:

I seek a right of reply to statements made by Mrs Inga Peulich, MLC, about me in my capacity as ward councillor and seek to correct the parliamentary record on those issues on which Mrs Peulich stated in the Council.

Mrs Peulich has made a statement to Parliament in which she claims that I have acted improperly as a councillor of the City of Kingston. Mrs Peulich has accused me of using ratepayers' funds for political purposes to assist my re-election (in relation to ward meeting notices sent by council to central ward residents in accordance with council ward meeting policy) and has claimed that I have abused the trust of ratepayers. She has called on the Minister for Local Government to refer the matter to the Office of Local Government for investigation. Her statement is headed 'Political advertising' and is now easily and widely accessible on the internet.

I have thrice been elected to council on a commitment to 'community consultation before rather than after council decisions are made'. In this spirit, in each of my first two terms, I have held at my own expense at least two ward meetings to which I have invited residents to raise any issues they wish, while nominating on the meeting notice a number of issues already raised with me to which I am seeking their input.

These meetings have been held in council premises and attended by officers who have been able to provide expert advice. I have found them to be very useful in raising new issues and resolving troublesome existing ones and have had good feedback from those who have attended. To quote an email of appreciation from a prominent Kingston citizen received after my February 2012 ward meeting: 'these meetings ... enhance the causes of democracy and community engagement'.

I consider such ward meetings an important means for me to honour and implement section 3E(1) of the Local Government Act, which requires councillors to 'advocate and prompt proposals which are in the best interests of the local community'. Ward meetings assist councillors to act in the community's best interests by bringing residents together to help us define what those best interests might be.

With a number of new councillors in this council term, I was one of several councillors who suggested that Kingston should fund ward meetings, as a number of other councils do. The policy was adopted in mid-2010 by five votes to three, with one councillor away.

The policy is careful to avoid politicisation by ensuring that ward meetings will not be held within six months of state, federal or council elections. Councillors who do not hold a ward meeting can allocate the \$1000 a year of council funds deposited in our ward funds for this purpose as grants to local community groups or individuals as defined by Kingston's ward funds grants policy. The policy states that 'Council business will support councillors in calling a meeting with their local ward constituents'. It provides for 'letter drop, (and) advertising in local media' among other expenses to be paid for out of the ward meeting funds allocation.

My ward meeting was planned, notified to residents and conducted fully in accordance with council policy. I cannot see how this could have breached the Local Government Act or the Victorian Electoral Commission Act, or suggest how such a breach might have happened. As my ward meeting notice does not mention the election which was still nine months away, nor whether or not I am standing for re-election, I cannot see how anyone could seriously believe it is electoral material warranting authorisation.

Before previous elections, publications did not need to be authorised until the election campaign period, which is now 32 days for this year's election.

I therefore seek the opportunity to correct the public record by having my response incorporated in the parliamentary record.

Rosemary West, Councillor, City of Kingston.

Laid on table.

Ordered to be printed.

BUSINESS OF THE HOUSE**Adjournment**

Hon. D. M. DAVIS (Minister for Health) — I move:

That the Council, at its rising, adjourn until a day and hour to be fixed by the President, which time of meeting shall be notified in writing to each member.

Motion agreed to.

MEMBERS STATEMENTS**Teachers: government policy**

Mr EIDEH (Western Metropolitan) — I wonder if the Minister responsible for the Teaching Profession will acknowledge on behalf of the government that teachers work long hours, that they work hard and that they are invaluable members of our community. I wonder if the minister will acknowledge the great commitment that so many teachers make to their students, the children of Victoria. I wonder if the minister will record his thanks for the personal sacrifices that so many make to give long hours to teaching.

While I hold the minister in high regard, I cannot say the same for the policies of the government, which have seen TAFE funding slashed, jobs lost and student places killed. Promises made to teachers by the Premier have now proven to be untruths, and the Premier calls upon teachers to work even longer and harder, as if they do not already work long hours. School hours may be from 8.30 a.m. to 3.30 p.m., but teachers work far longer hours. In my own electorate I have met many a teacher who leaves home at 8.00 a.m. and returns well past 6.00 p.m. five nights a week, and the Premier wants Victorian teachers to work even longer hours. We should appreciate their great efforts and wish that one day we will see them becoming the highest paid teachers in Australia, as promised by this government.

City of Kingston: councillor conduct

Mrs PEULICH (South Eastern Metropolitan) — I have not had the opportunity of perusing the right of reply in detail, but I have scanned it and I have the opportunity of responding. I invite Cr West from the City of Kingston to make a further submission on a range of matters which she has failed to address and which she needs to address in a public arena — that is, a range of conduct that deserves to be investigated and

dealt with, because it is unacceptable and inappropriate behaviour for any elected official.

Every time Cr West is subject to any level of scrutiny she tries to make a connection between me and other members of the council as a way of protecting herself and the inappropriate behaviour she engages in with the support of the Labor Party and the support of Mr — —

Mr Tee interjected.

Mrs PEULICH — So it is now no longer acceptable for members of a family to be involved in the political arena — —

The PRESIDENT — Order! My attention is drawn to a ruling that has been given in the house previously by President Gould, which indicates that members should not be permitted to make a personal explanation on the day of the presentation of a right of reply. While this is not a personal explanation, it is a response on the right of reply. I will uphold the ruling that has previously been established and invite Mrs Peulich to make a comment in respect of this matter on the next sitting day.

Hon. D. M. Davis — On a point of order, President — —

The PRESIDENT — Order! It is not really a point of order; it is me making a ruling.

Mrs Peulich — On a point of order, President, I respect your ruling. However, the matters I intend to raise are not directly and causally related to the only matter that Cr West raised. There are a range of other matters, and it is not a personal reply; it is actually a call in the lead-up to the council election for a proper investigation of this councillor, who has been involved in a range of inappropriate behaviours. I do not believe those have been addressed through the usual processes.

Hon. D. M. Davis — On a different but related point of order, President, I was the subject of a similar statement by the President in relation to comments in the chamber on a matter, and the President ruled that I was immediately able to make a 90-second statement on the matters that related directly to the right of reply.

The PRESIDENT — Order! Which President?

Hon. D. M. Davis — I do not remember whether it was President Chamberlain or President Gould, but I will provide it for you, President. The ruling was made in precisely the opposite direction.

The PRESIDENT — Order! I have only one in the rulings book. Does Mrs Peulich have her response in writing?

Mrs PEULICH — I was not aware it was being tabled this morning, but I am happy to come and talk to you about it, President.

The PRESIDENT — Order! I will postpone the statement at the moment and go to Mr Davis for his statement. I will ask Ms Pennicuik to take the chair, and I will retire from the chamber to talk to Mrs Peulich.

Tom Carter and Jane Herington

Hon. D. M. DAVIS (Minister for Health) — I am pleased to make a 90-second statement today. I want to draw the attention of the house to the recent Queen's Birthday honours list and in particular to two exemplary individuals within the Department of Health.

Tom Carter, who works as a partner notification officer in health protection, was awarded a Medal of the Order of Australia for longstanding service to community health since 1984. He has worked tirelessly in a difficult job that requires confidentiality, compassion and professionalism. It concerns the support of people living with HIV/AIDS, and his significant work in this area is well recognised. I think all in the department and the community and those who have come in contact with him will understand the importance of this award.

I also want to acknowledge Jane Herington, who is the director of aged care and was awarded a Public Service Medal for her service to the Victorian aged-care system.

Mrs Coote — Hear, hear!

Hon. D. M. DAVIS — Mrs Coote knows Jane very well. She is a person whose sensible, grounded and steady approach to policy and to the challenges involved in the aged care portfolio has been of great assistance not just to me but to previous ministers and to the bureaucracy more generally. This set of awards is significant. Jane has overseen a number of key innovations in the aged-care program.

Police: Forest Hill station

Mr TEE (Eastern Metropolitan) — I am very concerned by reports of a robbery by two men who stormed a supermarket at Vermont South on Monday. They demanded cash and terrified staff before leaving with thousands of dollars. This will generate considerable concern for many in the local community. It will also remind many in the community of the

election commitment made by Mr Angus, the member for Forest Hill in the other place, to deliver a 24-hour police station in Forest Hill. I have raised the subject of the failure of the government to deliver on this election commitment previously in this chamber, and I am concerned — —

Honourable members interjecting.

The ACTING PRESIDENT (Ms Pennicuik) — Order! I apologise to Mr Tee. It has always been my view that people should be allowed to deliver their 90-second statements without interjections. It is difficult enough to make your point in 90 seconds, and I think everyone should respect everybody's ability to do that.

Mr TEE — I am concerned that the government and the member for Forest Hill appear to have forgotten this community and this election pledge. After 18 months there has been no progress and no explanation for this delay, nor is there any excuse for it. I am sure many in the community will be wondering what will need to occur before this government prioritises the community by delivering this police station. All that is being asked is that the government honours its election commitment to the Victorian people.

City of Greater Geelong: open day

Mr O'BRIEN (Western Victoria) — Last Saturday, 16 June, I had the pleasure of attending the Geelong open day on behalf of Deputy Premier Peter Ryan. This event was designed to capitalise on the success of the recent Regional Victoria Living Expo. More than 8200 people attended the expo, which was part of the coalition government's broader plan to support balanced population growth across Victoria.

People who had registered their names at the expo were invited to the weekend event on Geelong's magnificent waterfront. I spoke to a number of people who had registered their interest in moving to Geelong. I commend the City of Greater Geelong for organising the open day, and I know other local councils, including the Shire of Southern Grampians, have organised similar successful events. The Shire of Hepburn has a Facebook page to interact with those interested in moving there.

Regional Growth Fund: benefits

Mr O'BRIEN — Regional Victoria, especially Western Victoria Region, which I represent, has so much to offer its residents. It can provide a more balanced lifestyle with more time for family, sports and

recreation. This government is committed to working with regional councils to provide them the infrastructure they need so people can work, invest and enjoy life in regional Victoria.

One fund under the Regional Growth Fund is the Local Government Infrastructure Fund. Councils set their priorities for funding, with minimal red tape. Some council initiatives include: the Rural City of Ararat was provided with \$250 000 for the Ararat Performing Arts Centre and \$300 000 to seal gravel roads; the City of Ballarat was provided with \$1.2 million to replace the Magpie Bridge; the Shire of Corangamite was provided with \$50 000 for the Skipton recreational reserve and \$200 000 for the upgrade of Camperdown Apex Park; the Shire of Glenelg was provided with \$60 000 for a drainage upgrade at the Heywood football oval; the Shire of Golden Plains was provided with \$788 000 towards construction of the Bannockburn Hub; the Shire of Hepburn was provided with \$245 000 for the upgrade of Glenlyon recreational reserve; and the Rural City of Horsham was provided with \$130 000 for the Wimmera Intermodal Freight Terminal.

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

Teachers: discussion paper

Ms PENNICUIK (Southern Metropolitan) — The government has today released a so-called vision paper called *New Directions for School Leadership and the Teaching Profession*. I have not had an opportunity to peruse the paper in detail, but it is reported that the government is looking to sack the worst 5 per cent of teachers, which it calls 'exiting'. That is newspeak if I ever heard it. The government plans on exiting the lowest performing 5 per cent of teachers. It also proposes to differentiate the pay of teachers, paying teachers such as maths teachers more than other teachers. The vision paper is also reported to say that the process of principals trying to deal with poor teachers is unsatisfactory, cumbersome, lengthy and overly complex.

I would say teaching is complex. It is a team effort. What has happened in Victoria is that the government has not funded education in the way it should. If it wants to compete with countries like Finland, which has an excellent public education system, then it needs to lift funding of public education in the state of Victoria, which has been the lowest in the country for the last 10 years. That is what we need for all students in our public schools.

Gowanbrae Community and Children's Centre

Ms MIKAKOS (Northern Metropolitan) — On 14 June 2012 I visited the Gowanbrae Community and Children's Centre. The centre was one of nine centres to receive \$500 000 from the Brumby government to create purpose-built, integrated children's centres, this one in Melbourne's north-west. Moreland City Council also made a substantial investment. It is a very impressive building, offering much-needed community space alongside long day care, kindergarten, maternal and child health services, and an outreach service of Taralye, the oral language centre for deaf children.

Derek Robson Children's Services Centre

Ms MIKAKOS — I also visited Derek Robson Children's Services Centre in Broadmeadows, which is a great long day care service, and I congratulate the work of the director, Jodie Beilby, and the staff in maintaining a friendly environment for the families and children.

Lalor Childcare Centre

Ms MIKAKOS — I was also very impressed with the multicultural Lalor child-care service, which caters for children of many nationalities. I was impressed by the passion and enthusiasm shown by the director of the centre, Lilly Stojanov, and her staff in their role as educators and acknowledge also the important role of Boris Trajkov, the coordinator who helped found the centre. The centre has seen the children of children that it once cared for use this service because of its welcoming environment.

St Francis of Assisi Primary School, Mill Park: out-of-school-hours care

Ms MIKAKOS — I also visited the St Francis of Assisi Primary School out-of-school-hours care service. It was an absolute pleasure to watch the children participate in a mini-Paralympics tournament, crafts and other activities. I congratulate Angela Sicari and her educators on their well-delivered after-school care program.

Kindergartens: Bundoora electorate forum

Ms MIKAKOS — I was pleased to also attend a preschool forum organised by Colin Brooks, the member for Bundoora in the Assembly, who is a strong advocate for his local community. It was apparent that the Baillieu Government has still not cleared up the confusion around the implementation of 15 hours of kindergarten resulting from the letter of the Minister for

Children and Early Childhood Development, Ms Lovell. This was a very well attended event and allowed a lot of issues to be aired.

Lions Club of State Parliament: 10th anniversary

Mr O'DONOHUE (Eastern Victoria) — Ten years ago this month the Lions Club of State Parliament came into being. It is a credit to the Minister for Education, Mr Dixon, who was the inaugural president of this Lions Club for its first six years, and to Mr Barry Brown, who has been secretary and treasurer of the club since its inauguration. Last night was an opportunity to celebrate 10 years of the Lions Club of State Parliament.

It was very pleasing to have the Premier; the Lord Mayor of Melbourne, Robert Doyle; both Presiding Officers, the President of the Legislative Council and the Speaker of the Legislative Assembly; the shadow minister for volunteers and member for Lara in the Assembly, Mr John Eren; previous club president and former member for Keilor in the Assembly, Mr George Seitz; and the incoming president, Mrs Donna Bauer, the member for Carrum in the Assembly, in attendance. It was a wonderful night. In addition, we had Lions club members from across Victoria, including Numurkah, Torquay, Geelong and a range of other places, in attendance. It was a great night.

Throughout its 10 years the Lions Club of State Parliament has supported spinal cord research, Hearing Dogs Australia, the Murdoch Children's Research Institute, the Melbourne Citymission and the Youth of the Year Quest. It has been my absolute pleasure and privilege to be the president of the Lions Club of State Parliament for the last two years. I wish Mrs Bauer all the best in her term as president. I would also like to acknowledge the presence last night of the district governor, Mr Phillip Sheriff, and his wife. It was a great pleasure to have them there. It was a great celebration.

The PRESIDENT — Order! I congratulate the Lions Club on the work that it does in the Parliament, and I congratulate Mr O'Donohue on his term as president. Well done.

As members know, I interrupted Mrs Peulich during her 90-second statement. I subsequently sought her advice, and I thank her for her courtesy in providing that to me. In that context I have decided that the 90-second contribution from Mrs Peulich will start from scratch but on a different matter to that which she started out on previously. She will use another part of the program to address some of the matters she was

concerned about and initially sought to bring to the attention of the house through her 90-second statement.

Planning: Kingston green wedge

Mrs PEULICH (South Eastern Metropolitan) — Thank you, President, for reinstating my time. Your advice is certainly wise, because the longer time to address the extensive list of matters that I initially sought to discuss will probably prove to be more productive. Recently I undertook a comprehensive survey of the views of my community on the issue of the Kingston green wedge review, the problems that local residents face in the abutting suburbs, as well as their hopes and aspirations for the future use of that land. The Kingston green wedge is not a typical green wedge space; much of it is a legacy left over from mining and quarrying. It has been used for tips and landfill and continues to cause an enormous negative impact on local residents in our suburbs. They are not prepared to accept this.

I have received hundreds of responses from people supporting a change. Over 90 per cent want to see the chain of parks vision progressed. Over 90 per cent want to see tips, landfill and material-recycling operations in the Kingston green wedge phased out as permits expire because of nearby urbanisation. Over 80 per cent want to see established businesses which will be locked into the green wedge as a result of the legislation brought in by Labor excised without compromising the chain of parks. There are a range of other visions for better uses of land that the community is prepared to support. I urge the City of Kingston and the Labor Party to make sure that change occurs for the betterment of the local community.

Higher education: TAFE funding

Mr SOMYUREK (South Eastern Metropolitan) — I rise once again to condemn the Baillieu government's cuts to the Victorian TAFE sector. Despite the vital role that TAFEs play in the education and skilling of thousands of Victorians every year, funding to this sector has been slashed by some \$290 million. The government's claim that the manufacturing sector was quarantined from the cuts is a complete myth. Unfortunately the eradication of the full service funding impacts on the hourly costs of every single course provided at every single TAFE.

For 80 per cent of vocational courses which have had their levels of subsidies cut, this will mean many courses are now unviable, as they will cost more to deliver than the funding will provide. The only alternative is to charge students increases of thousands

of dollars in fees. However, given that many TAFE students already face economic or other disadvantage, this option is not a realistic one for the vast majority of students and will effectively mean course closures. Those few courses which are set to attract a higher hourly subsidy rate also face an unfavourable outcome. Because of the cessation of full service provision funding even those courses will be required to operate on a lower hourly funding rate.

Motor Neurone Disease Global Day

Mrs KRONBERG (Eastern Metropolitan) — Today I rise to speak on behalf of the Motor Neurone Disease Association of Victoria, which is celebrating its work and raising awareness about motor neurone disease on its global day. I thank members of this chamber for supporting the cause by wearing the signature blue cornflower today.

Motor neurone disease is a degenerative disease that attacks the nervous system and eventually destroys all voluntary muscular control, including speech and swallowing. It invariably leads to death in a relatively short time. Motor neurone disease affects each person differently, at different rates of progression and has no remissions. Support needs for people living with motor neurone disease include assistance with feeding, communication, movement, transferring, toileting et cetera. It impacts on all activities in daily living for the patient, the carer and their family.

Motor neurone disease generally develops in people over 50 years of age but is frequently seen in people in their 20s and 30s. There is no distinction by sex, race or socioeconomic status; therefore the skills needed to attend to an individual are broadbased. The disease progresses very quickly, and there is an ongoing need for information and skill development on how to talk to people. Only 26 per cent of patients receive community support services, and most carers have high-level needs.

The PRESIDENT — Time!

Waste management: government action

Mrs COOTE (Southern Metropolitan) — Victoria and Australia have very good reputations for recycling. It is important here in Victoria. We have been ahead of the field in using recycling bins and in our general attitude to recycling. One thing we have not been good at is separating the material that goes into landfill. Over the years it has been an issue that needed to be addressed, so I was particularly pleased to see Ryan Smith, the Minister for Environment and Climate Change, announce a \$11.5 million funding package to

improve recycling infrastructure across Victoria, which builds on \$13.8 million in infrastructure funding he has already announced as part of the Victorian coalition government's Conserve, Invest and Save strategy.

As Minister Smith says, it is very important to understand that:

We are continuing our reinvestment of the landfill levy back into the waste management industry to improve our capacity to sort and recover resources that would otherwise be sent to landfill ...

It is really important that materials like plastic and cardboard and a whole range of other things are used properly. Europe, which does not have the luxury of having quite so much land as we do, has been very efficient with its conservation, particularly with hard goods et cetera, because it just does not have space. Traditionally in Australia we have not been as good as we could have been, so I am particularly pleased to see Minister Smith addressing this issue in such a positive way and putting money where it needs to be put.

HEALTH (COMMONWEALTH STATE FUNDING ARRANGEMENTS) BILL 2012

Second reading

Debate resumed from 19 June; motion of Hon. G. K. RICH-PHILLIPS (Assistant Treasurer).

Mr JENNINGS (South Eastern Metropolitan) — On behalf of the Labor Party I indicate that it is our intention, subject to the satisfactory conclusion of the second-reading debate and getting some answers from the minister in the committee stage of this bill, to allow for and support the passage of this bill. It is part of a national reform agenda that was originally commenced during the period of the Labor administration in Victoria in negotiations with other jurisdictions and the commonwealth government through the Council of Australian Governments (COAG) to establish a national level of agreement for health funding into the future.

There was an original agreement struck between the Labor government in Victoria, the national Labor government and other governments across the country in establishing that framework — that level of agreement — which was subsequently refined by the incoming Baillieu government. On various occasions throughout the course of 2011 the Baillieu government took great pride in outlining to the Victorian community what it believed were preferable arrangements in relation to the agreement; in fact

during the course of 2011 the Baillieu government was very keen to identify what it argued were the strengths of the final agreement it struck with the commonwealth. That framework requires the establishment of a funding pool arrangement between the jurisdictions to allow for growth funding and hospital priority funding to be allocated in the future.

During the course of 2011 the Baillieu government gave every indication to the Victorian community that it was very happy with that deal. It continues to indicate that it is happy with the outcomes of that deal whilst at the same time reserving its right to blame others for the frailties and the resource restrictions within the health system in Victoria. It also reserves the right to indicate that the commonwealth may have placed additional restrictions or withdrawn some level of support. In the future this will be a test of the success of the agreement framework and the intent of the arrangements in health reform.

The challenge will be whether appropriate assessments of the needs of the Australian community are demonstrated by the resource allocation that comes through those pool arrangements, whether Victoria maintains its capability and capacity to steer the direction of hospital systems in this state under commonwealth scrutiny and with the support of commonwealth resources, and whether life is given to the intent of the agreement. That is a challenge for all jurisdictions, and it is a challenge for the Victorian government.

Elements of this arrangement relate to the bill before the chamber today. The bill provides a comparatively simple mechanism of administratively establishing the way in which those pool arrangements would occur so that they do not cut across existing reporting regimes in Victoria — for instance, through the Financial Management Act 1994 or other health reporting requirements that occur in Victoria — and that they seamlessly sit within that regime. The bill provides for accountability of the acquittal of those pool funding arrangements between the commonwealth and state. It allows for the appointment of an administrator to undertake the responsibility for acquitting those funds. The appointment of an administrator will be made jointly by the commonwealth and the state.

In that regard this piece of legislation is relatively simple and straightforward. It harmonises with existing accountability frameworks, health legislation and reporting requirements. Those are the prime reasons the Victorian opposition supports this legislation, because it makes sense, it fits within that framework and it enables that framework to be enacted.

Why would I have some concerns? Why would the opposition have concerns about these matters? Why would we seek some answers from the minister at the table in the committee stage about the way in which this will work? The answer is primarily because members of the Labor Party — and I am sure it is the same for some individuals within the Victorian community — have profound concerns about the key elements of the Baillieu government's resource allocation, support, direction and policies, and the priorities it sets for the health sector. That has been demonstrated in the first two years of its administration. It is reflected in its budget settings, its budget priorities and the performance of the health system during that time. Alarm bells are ringing for some people on whether those are sustainable settings and whether the Victorian community needs to keep watch in terms of appropriate resource allocation.

The Victorian government has played and will continue to play a key role in steering the priorities for our hospital service delivery and for ensuring that the financial resources are set in accordance with growth demand needs in the future. By and large that will still lie within state jurisdiction. That is a preferable outcome, so I am not arguing as a first principle that I am opposed to this state steering the health system, using its knowledge and being accountable to local communities, using its capacity to build over time the appropriate pricing and programmatic structure that enables price-based service delivery supported by block funding to our hospital system across Victoria.

We in the Labor Party support those mechanisms, and we will continue to support them because we think they are the best mechanisms in place. We think the state public health administration is more alive to the needs of our community and better integrated through the hospital networks we have established in Victoria and through the board structures that have been in place for a decade, if not longer. The Victorian community has some degree of confidence in the hospital networks, notwithstanding the pressures that our hospital system continues to be under — continuing demand pressures that mean resource allocation can barely keep up with growth demand now and into the future — and notwithstanding some frailties in the performance of the system in terms of addressing individual patient's needs from time to time and falling short of the quality of care that we would expect.

It has to be understood that the residual performance of the Victorian hospital system is of a very high standard compared to other jurisdictions across the world. Certainly we continue to have confidence in the performance of health professionals and other staff who

work within the hospital system, but those staff are under stresses and strains from resource allocation and support available to them. By and large now and into the future the Victorian government will play a critical role in determining those levels.

Before I raise some questions for the minister during the committee stage of this bill, what evidence do I bring to bear on the issues I have raised? I want to provide some confidence to the chamber as to the veracity of what I have said. In the first instance I will quote from a press release provided by the Premier of Victoria on 2 August 2011 which reiterates my point that the Victorian government was indeed proud of this arrangement during the course of 2011. This press release includes the following statements:

The Victorian coalition government today announced it had secured a better deal for Victoria's health system by signing an improved national health reform agreement with the commonwealth government.

...

At the February COAG meeting, and through a series of extensive negotiations since, the Victorian coalition has been able to deliver significant improvements to the benefit of Victoria's health system, including —

This is not an exhaustive list, but a selection from that list —

the injection of an additional \$16.4 billion nationally from 2014–15 to 2019–20, providing up to an extra \$4.1 billion for Victoria

up to an additional \$300 million for Victorian hospitals to be negotiated in 2013 to allow us to maintain higher levels of emergency department and elective surgery services

...

no commonwealth clawback of Victoria's GST revenue, leaving the state's best source of revenue untouched

maintaining state government control over the hospital system in Victoria, to protect Victoria's unique local health service networks and ensure that the strengths of our hospital system are not compromised by inappropriate long-distance interference from Canberra

specific arrangements negotiated by Victoria to protect small rural hospitals, under which the Victorian government will play a key role in decisions regarding which Victorian hospitals received block funding, and

state government access to commonwealth health data to assist in the planning of Victorian health services.

Occasionally the Minister for Health accuses me of verballing him and his government in relation to what I say about the Victorian health system, usually because I echo to him what he has said, and he may not like it

once it reverberates and comes back to him. But I reiterate my argument: in 2011 the Victorian government was very happy with the agreement outcomes. Indeed I reiterate that the government has every reason to be happy about that in quantum terms, because I will be asking the minister questions about the level of commonwealth funding support in the 2012–13 state budget.

I believe the cumulative funding provided by the commonwealth is way in excess of \$3 billion, and I will be asking the minister to outline what he believes that number to be and to share with us the unparalleled, record level of commonwealth investment that will support the Victorian health system in the coming financial year. I will also be asking him to confirm — although he may not be able to completely confirm, because he may not have the figure available to him — goods and services tax revenues, which the Victorian government has complained bitterly about on many occasions during the past 12 months.

GST revenues coming to the state of Victoria, regardless of the way they are calculated and regardless of the proportional share across the nation, continue to grow significantly. I understand that somewhere in the order of \$11 billion in GST revenue will be returned to the state of Victoria in this upcoming financial year. The cumulative effect of \$11 billion in GST revenue, which represents a combination of general purpose grants and specific purpose grants, and in excess of \$3 billion to come from the commonwealth to the state of Victoria for health expenditure means that the commonwealth contribution to Victoria for health services and for services generally is at a record level. This indicates to me that it is fairly poor form for the Victorian government to blame the commonwealth for shortages of support in this coming financial year in relation to budget outcomes and specifically within the health portfolio.

I anticipate that at some point in time — if not today, then in the coming year — the Minister for Health in Victoria will use that excuse to try to extract as much mileage as he possibly can from the frailties of the health system that he administers and blame it on the commonwealth. But the minister needs to understand that it is he who has to take responsibility for budget allocations on behalf of the government in Victoria and their likely outcomes in terms of the service pressures and demands in the hospital system in the coming year and into the future.

I briefly want to make some comments about the lack of growth funding and the inadequate budget support provided by the Baillieu government in the 2012–13

budget, as I highlighted in a press release issued in my name on budget day. That press release reminded the Victorian community that each year during the period 1999 to 2010 an average of \$581 million was invested in health building projects under the Labor administration. This year, under the Baillieu government, that investment has gone backwards, with investment of \$372 million cumulatively over four years.

Under our regime and with Labor's investment strategies, on average \$581 million was invested each and every year during that decade in health infrastructure and building projects. Under the coalition government that has been reduced significantly, so that the funding envelope in this year's budget for the next four years is a total of \$372 million.

What that means is a number of significant building projects are either falling behind or falling off the agenda. Indeed the Monash Children's hospital, a very significant undertaking by Labor and a commitment the community believed was matched at the last election by the incoming Baillieu government, received only an additional \$7.3 million in this year's budget. This means that the 30 000 children in Melbourne's south-east who are waiting for — —

Hon. D. M. Davis interjected.

Mr JENNINGS — If Mr Davis wants to talk a lot about the investment of his government in the Monash Children's hospital, I do not think it will be a very happy day for him because in fact the rate of investment for the Monash Children's hospital, I would argue — and I think the community believes — does not acquit his promises to them and it does not acquit the expectations of families in the south-east. Mr Davis knows full well that he will not be delivering a new Monash Children's hospital during the term of the Baillieu government. He will rely on subsequent terms of government, and he has to be tested by the people of Victoria before he will have an opportunity to finish that project. That is a very distressing issue for the families of the south-east.

A project that the coalition itself took the initiative on, and I congratulate it on taking the initiative of making a promise that Labor had not matched, was to redevelop the Royal Victorian Eye and Ear Hospital, yet only \$2 million was allocated for that project, and that project will clearly not be completed during the term of the Baillieu government. Another project was mentioned as recently as yesterday in question time in the Victorian Parliament, and I am sure Mr Davis was

very proud of his answer. He indicated that he wants to build a bigger hospital in Bendigo than — —

Hon. D. M. Davis interjected.

Mr JENNINGS — Mr Davis knows that the Bendigo hospital, because of the timetable and the project management that he was responsible for, will not be delivered during his tenure as Minister for Health. He may have his commission renewed, subject to the will of the Victorian people, but he is not going to complete the Bendigo hospital with his current commission, nor will he complete Box Hill Hospital.

Indeed there was an additional promise made by the incoming coalition government to support a second hospital in Geelong, and I would be very surprised if it makes a miraculous recovery under the government's period of administration. If it does, I will acknowledge that, but the investment for those hospitals is running a long way behind the allocations that are required and the expectations of the community, which are that Mr Davis would deliver those projects. He will clearly be unable to do so during the term of his current commission.

The critical issue that the Victorian community faces now with the existing service configuration across Victoria is its ability to keep up with growth demand pressures and have its performance continue to improve. The coalition made many promises on coming to government that it was going to fix the system and improve performance delivery. The community is waiting for that to occur.

I have perhaps been surprised by the degree of patience that the Victorian community has demonstrated when they witness ambulance performance times deteriorating under the Baillieu government compared to what was promised, which was to improve ambulance response times and have better delivery for emergency services. There was an expectation that elective surgery waiting lists would decrease. What we have seen under the Baillieu government is that waiting lists are increasing. Indeed the Baillieu government reduced the net number of elective surgeries funded in the Victorian hospital system in its first full-year budget by over 9500. This will lead during the course of the current financial year to an increase in waiting lists from the beginning of the year to the end of the year. That is tracking somewhere around 8000 additional people being on the waiting lists for elective surgery across Victoria in excess of the number there 12 months ago.

Emergency department response times continue to be a vexed issue for hospitals and the government but most importantly for the patients and the staff who work within those settings and understand the stresses that are contained within the system every day. Yet we believe, despite all these pressures, despite the deterioration in service and despite the promises that were made by the Baillieu government, that when it comes to the budget allocations, they are not of the order of magnitude required to keep up with growth demand pressures. I will be asking the minister what role he intends to play in terms of setting the pace for growth demand in the future, because it is the allocation that is determined by the state jurisdiction prior to the budget finally being determined that will ultimately determine the size of the pool funding that comes to our state in the future.

I hope the minister can acquit his responsibility to the Victorian community by arguing for better budget outcomes with his cabinet colleagues than he achieved in the first two budgets, where we have seen the growth rate falling behind, the amount of funding available to support, in particular, elective surgery deteriorating significantly and the performance of the system on a number of measures continuing to deteriorate. Hopefully the minister will be able to turn that around in the future. I would hope for Victorian patients he does so. Even though there might be some political benefit for me if that is not the case, I would be far happier if the Victorian community had a highly functioning system that kept pace with demand, but I doubt that that is likely to occur during this term of the Baillieu government.

There is a limit to the issues that I want to contribute on in this debate. In summary, the mechanics involved in this piece of legislation are relatively simple. They harmonise with existing reporting and accountability frameworks. They sit within the framework of the national health agreement and national health agreement funding arrangements. They enable the state of Victoria to continue to be in a driving position even though it is in a collaborative position with the commonwealth in relation to the future performance of the health system, which I think is appropriate.

On that basis, the Labor Party supports this piece of legislation and supports its intent as a piece of machinery in relation to the application of combined funding arrangements between the state of Victoria and the commonwealth. As members of the Labor Party, we continue to represent people within the Victorian community concerned with quality care outcomes in the health system, who have profound reservations about the level of support that the Baillieu government

has provided to the health system, whether and how it keeps up with demand pressures, how state and commonwealth revenues are best used to support those health priorities and how it can meet those demand pressures now and in the years to come.

On balance, because this issue deals with the administration of the system as distinct from its performance — which I think the minister will be accountable for — we will support this. However, I will be teasing out some of those issues with the minister in the committee stage of the bill.

Ms HARTLAND (Western Metropolitan) — I thank Mr Jennings for giving, as usual, an extremely comprehensive overview of this legislation. The Greens too will be supporting it, but I will be quite interested to listen to the discussion that Mr Jennings will bring forward during the committee stage.

I too have real concerns about the way the health budget has been slashed in this state and the fact that there seems to be very little regard for the kinds of preventive work that needs to occur. I have a list of three or four things that I am very concerned about. One is stopping whooping cough vaccinations for parents and grandparents. I know there is a real problem with whooping cough in the western suburbs. In fact I recently had myself re-vaccinated after a friend of mine got whooping cough. She is in her 40s and had been vaccinated as a child. Her husband and all her children had been vaccinated, but she got whooping cough and was at home for about four weeks. Therefore I am not sure that cutting out the vaccination for whooping cough was such a wise idea.

Community health has had its funding cut. While the minister says it is a very moderate cut, I do not know that the people within community health believe that, especially in relation to women's health and especially around the issues of prevention. I wonder whether the government has looked at the economics of cutting off funding for preventive health, because according to the studies I have read — and I am sure Mr Jennings would confirm this — for every dollar spent in prevention, you save dollars afterwards in terms of chronic health care.

Another subject I have raised quite a few times in this Parliament is the particular cuts that have occurred in the western suburbs. Maybe it has been not so much about cuts but about money that has never been allocated. The Western Region Health Centre dental clinic comes to mind. While the government is now saying that it is allocating \$300 000 to go on and do yet another business plan, the clinic cannot wait until the

next budget. It has already closed once for four days because of equipment failure; what is the minister going to do when this clinic closes permanently because he has done nothing about it before the next budget? Each month 400 children go to that clinic, so that is 400 children in the western suburbs who will not have access to dental care.

The other thing that I find generally disturbing in the budget and in the way this government has treated health is that it obviously came into government on a law and order platform. So we have a great deal of money for prisons — around the \$600 million mark for a new prison in Ravenhall — and I think the budget for protective services officers is now around the \$120 million mark. That money could have gone a long way towards health and education and keeping people out of prison. I think this government has its priorities completely wrong on the budget, especially on health, but I will look forward to the committee stage of the bill and may even pop in a few questions of my own.

Ms CROZIER (Southern Metropolitan) — I am very pleased to rise to speak on the Health (Commonwealth State Funding Arrangements) Bill 2012 and to have been able to listen to the contributions of Mr Jennings and Ms Hartland. I am also pleased that Mr Jennings has indicated that the opposition will be supporting the bill following what I am sure will be a fairly swift committee stage.

The purpose of this bill is to provide for the implementation of a national health reform agreement between the commonwealth and states and territories that was agreed to by the Council of Australian Governments on 2 August 2011. The bill establishes the office of the administrator of the national health funding pool, and I agree with Ms Hartland that Mr Jennings outlined the bill very succinctly and said that it was a fairly simple mechanism for the funding arrangements to occur which will flow through to Victoria.

I will just remind members about a little bit of the history of what happened in finally signing the agreement. As Mr Jennings pointed out, it started under the former Labor government when the then Premier, John Brumby, and then health minister and now Leader of the Opposition in the Assembly, Daniel Andrews, did a deal with the federal Labor government. That deal really was not in the best interests of Victorian patients, and I have to commend the current Minister for Health, Mr Davis, and the current Premier, who went to Canberra and fought on behalf of all Victorians and importantly Victorian patients.

Earlier in 2010 the Western Australian Premier, Mr Barnett, had a number of concerns about that first deal. The resounding verdict was that then Premier Brumby and Minister for Health, Daniel Andrews, signed that deal without taking into consideration what it would actually mean. It was not a good deal for Victorians, full stop. There was a degree of discussion about the agreement, and once Premier Baillieu and Minister Davis highlighted the aspects that were missing from that initial agreement and that Victorian health services and Victorian patients were going to be short-changed, the Labor states then followed suit. While these changes were started under the former Labor government, without the Baillieu government having gone in to bat for Victorians we would have had a deal under which we would be significantly worse off. I commend the health minister and the Premier for taking up that fight, succinctly arguing the case and getting improved services for all Victorians.

Those improved services include the funding aspects that will lead to more hospital beds and, importantly, will provide protection from forced amalgamations of local hospital networks and hospital health services. Mr Jennings made reference to that, and I have to agree with him. He said that Victoria should have a say in its health service arrangements. I think he would agree that fighting for and achieving that particular aspect was a good thing. The deal will also allow for better clinical services and outcomes through reviews of proposed targets for elective surgery and emergency department services. As I already indicated, the deal has also brought forward significant amounts of funding.

I also agree with Mr Jennings that there are significant challenges in this area for all jurisdictions and health services. That is certainly the case. I also agree with Mr Jennings that we have confidence in the hospital staff and that Victoria has a very high standard of care across our health services. We acknowledge all the great work undertaken by the people in our various health services. I know Mr Jennings, Ms Hartland and I all watch what those health workers do, understand what they do and advocate for what they do.

In raising the challenges that the current government faces, it is also fair to remind the chamber of the pressures the Baillieu government was under last year when it was striking this deal. The commonwealth had just taken \$4.1 billion out of Victoria's GST revenue, with very little consultation, and that was in light of what we were facing when we came to government — project blow-outs that placed significant constraints on our budgetary process and fiscal position. We are now talking about the 2012–13 budget, but it is important to remind members of what we were dealing with at the

time the Premier and the health minister struck this agreement. Despite those financial constraints, they went in to bat for Victorian patients and secured a better deal all round. As I said, there were a number of significant gains in this respect.

Mr Jennings talked about the legacy of the health system in Victoria, which has been a leader across the nation. I am pleased to say that is absolutely true. The casemix or activity-based funding model started under the Kennett government. It is a model that has strengthened our financial management and planning of hospital services and was maintained by the Labor government. That model has held Victorian health services in great stead, and on a national level it is looked at by other states as a great model. There are many examples of what previous governments have done. Casemix activity is an area I was closely involved in and had some input into when I was working in the public health system, so I know how it works operationally. Funding is a complex area, and health in itself is a complex area.

To get back to the mechanisms of the bill itself, it will establish the office of administrator of the national health funding pool. The minister for this jurisdiction, who is a member of the Standing Council on Health, will appoint the administrator to the office of the administrator of the national health funding pool.

The administrator will have various functions. As Mr Jennings highlighted very succinctly, the administrator will calculate and advise the Treasurer of the commonwealth of the amounts required to be paid by the commonwealth into each state pool account of the national health funding pool under the national health reform agreement, including advice on any reconciliation of those amounts based on subsequent actual service delivery. The administrator will also monitor state payments into each state pool account, make payments from each state pool account in accordance with the directions of the state concerned and report publicly on the payments made into and from each state pool account and other matters.

The bill provides for the transparency, accountability and safeguards which all members would be interested in ensuring are in place when we are dealing with taxpayers money. We want to put that money to good purpose in relation to health service delivery.

When Premier Baillieu and Minister Davis went to Canberra and argued the case for all Victorians in relation to this health reform, they secured an agreement that allows for greater input from the state and local perspective, so there will be no forced

amalgamations of health services. The agreement allows for new national agencies, including the Independent Hospital Pricing Authority, to set a national efficient price for hospital services and for the administrator aspects I have just highlighted. It also ensures that the pooling arrangements for Victorian hospital funding remain within Victoria.

Although this is a system that is set up by the commonwealth and there will be in effect another layer of bureaucracy administering those funds to the states, that cost will be borne by the commonwealth and not by Victorian taxpayers, so it will not subsequently flow through to health services. I think these are important elements to highlight.

Mr Jennings also highlighted the additional money that is coming to Victoria. I have no doubt that that will be put to our health services in an efficient and effective manner. There are challenges amongst our health services; we all acknowledge that, but I am pleased to say that in addition to the management aspect these reforms will also ensure that the health services will not change as a result of the reform agreement. Also, the proposal for the commonwealth to take over responsibility for home and community care services will exclude Victoria, so Victoria will maintain that control. It is very important that we have a say in relation to how we administer our health funds and how that impacts directly on our health services, whether they are large health services or whether they are small local health services.

In conclusion, I am very proud to say that the Baillieu government has stood up for the interests of Victoria and Victorian patients. This bill will ensure that the financial arrangements that provide commonwealth funding to our hospital services are appropriate and supportive of Victoria's established and effective hospital service system. It is a very good hospital service system which has held us in good stead so far, and I have great confidence that it will do so in the future. I commend the bill to the house.

Mr ELASMAR (Northern Metropolitan) — I rise to speak to the Health (Commonwealth State Funding Arrangements) Bill 2012. The current state of our health system in Victoria is nothing short of woeful. Too many cuts to the health budget by this government have seen elective surgery waiting lists balloon and hospitals struggle to maintain their core services under savage cutbacks in this year's allocations.

Community health centres across Victoria have been hit by cuts of up to 28 per cent to their health promotion programs — essentially disease prevention programs.

That is such a pity, because I am sure that countless lives are turned around due to these vitally important programs which provide medical lifestyle choice advice. The effectiveness of these disease prevention programs is difficult to quantify in scientific or mathematical terms, but basically the long-term gains for our community mean longer and healthier lives, which equals less strain on our acute health services budget.

Having said that, the bill seeks to establish a framework of negotiated working arrangements with the federal government. This is a good bill that allows for the national health reform agreement to move forward. It provides mechanisms to establish the payment, accountability and transparency of funding arrangements under the national health reform agreement. It is my belief that state and federal governments are obligated to govern for the betterment and enhancement of the lives of their citizens. That is why it is essential for these arrangements to be implemented with a view to maximising health benefits for our community.

The bill will see the establishment of a state pool account, and it will quantify the way in which money will be administered to all health networks. It prescribes the management of funds from the pool and the allocation of services provided by local hospital networks to health, teaching, training and research. It also prescribes the financial management and reporting obligations of the administrator. It establishes the office of the administrator of the national health funding pool, and it provides terms for the appointment, suspension, removal and substantive functions of the administrator.

It is a good thing for the people of Victoria that the government is continuing with this funding agreement with the federal government. Opposition members have already declared that we are supporting the bill, but we will be watching closely to see where the allocations are made and what the impacts of the budget cuts are on the people of Victoria.

Mr ONDARCHIE (Northern Metropolitan) — I rise to speak on the Health (Commonwealth State Funding Arrangements) Bill 2012. I am pleased that other members in the chamber are supporting the bill; it is a valuable bill and well worthwhile for the health and wellbeing of Victorians. I commend Ms Crozier's contribution today. It was a good and well-flowing contribution which summed up exactly what this bill is about.

As the chamber knows, since coming into office the government has worked tirelessly to get a better deal

for Victorians through the commonwealth's national health reforms. The government took the Council of Australian Governments agreement of April 2010, which had been signed by the previous government, and through the early part of 2011 the Premier and the Minister for Health, the Honourable David Davis, worked tirelessly to get a better deal for the financial arrangements for the state's health services. The result of the government's commitment to an improved national agreement has ensured that Victorian patients will have access to more hospital beds and that local hospital boards and statewide providers will be protected from forced amalgamations. The agreement provides for better clinical services and outcomes, which is what we are all about, through reviews of proposed targets for elective surgery and emergency department services. It has also brought forward funding for Victorian hospitals. This is an important bill.

Victoria's health system has a number of strong characteristics that have been supported by coalition governments since the 1990s. These include the casemix, or activity-based, funding. Those arrangements have strengthened the financial management and planning of hospital services. I spent a short period of my career as an executive director at the Royal Women's Hospital, so I understand how these things work. It is always difficult to match state and commonwealth funding. But to the credit of the Premier and the Minister for Health, we have been able to come up with an appropriate arrangement.

The devolved governance arrangements that ensure that communities get involved and contribute to the governance and responsibility for their hospitals and health services to local communities are an important mark for Victorians. They get a chance to have their say about how people are treated in their own areas. The health system also has characteristics such as the extensive sub-acute care system, which has provided many older Victorians with the specific health care they need and the clinical services they require. It has contributed directly to the shorter lengths of stay for older people in our hospitals. Elderly Victorians need our support, as do mums and kids and general patients in our hospitals. I am glad the opposition is supporting the bill because it goes a long way.

Tomorrow marks the opening of the Olivia Newton-John Cancer and Wellness Centre, and I will be joining the Premier, the Honourable Ted Baillieu, and the Minister for Health, the Honourable David Davis and others at the opening of stage 1 of the centre. Stage 1 was a workable arrangement between the commonwealth, the state and the hospital.

Unfortunately stage 2 was badly managed by the previous government — the Brumby-Lenders government — and if it had not been for Minister Davis and the Premier picking up my advocacy for the fit-out for stage 2, that may never have been realised. Stage 2 it is not far away. It is a great example of how the leadership that this government has shown will complete the Olivia Newton-John Cancer and Wellness Centre, and it is a delight. I commend the bill to the house.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1

Hon. D. M. DAVIS (Minister for Health) — I seek leave for Ms Crozier to sit at the table.

Leave granted.

Mr JENNINGS (South Eastern Metropolitan) — It is my intention at this stage to ask all the questions that I have of the minister during discussion of clause 1 rather than going through individual clauses. I am hoping the minister might volunteer to us, rather than having to extract it from him myself, the order of magnitude of state and commonwealth funding that is embedded in the state health budget and would be subject to the pool arrangements into the future.

Hon. D. M. DAVIS (Minister for Health) — I will begin with a brief statement. This is largely a machinery bill — that is, a bill about implementing the mechanics of agreements. It is not fundamentally about the size of the allocations but about the mechanism for making those allocations. If the minister will give me a moment, in the interests of precision I will obtain some figures.

I can indicate that the total funding likely to go through the pool in the forthcoming year is \$7.4 billion. About \$3.3 billion of that will be commonwealth money. I might also add that there may be additional payments or arrangements that may occur. For example, we have seen the commonwealth strike additional arrangements with Tasmania in recent days.

Mr JENNINGS (South Eastern Metropolitan) — My interest at this point in time is in the ballpark, as I indicated to the minister when we were preparing to discuss this matter. Within the Victorian budget already

there is a little bit over \$3.3 billion allocated under the national health reform agreement, which will be the component of the commonwealth investment that comes through the pool. Other items that the commonwealth may contribute to may be external to that for specific purposes, as they currently are.

Hon. D. M. DAVIS (Minister for Health) — The member is essentially right; there is a series of other matters that are outside this agreement. Other agreements and other items are listed, and as I indicated there may be more agreements struck.

Mr JENNINGS (South Eastern Metropolitan) — My understanding at the moment is that there is somewhere of the order of another \$300 million worth of investments that have come from the commonwealth and are outside this pool funding arrangement. I think the minister would find that my number is pretty accurate.

Hon. D. M. Davis — Roughly.

Mr JENNINGS — It is roughly \$300 million or a bit over. Within the figures that the minister provided to me there is \$4.1 billion of the pool arrangements. I am going back to the building blocks with this. The minister's first answer was \$7.4 billion, of which \$3.3 billion comes from the commonwealth, which means that the residual \$4.1 billion comes from the state. Is it the intention of the state to reserve and exercise its right to have funding arrangements outside that pool arrangement, just as the commonwealth already has \$300 million outside that agreement in the current budget?

Hon. D. M. DAVIS (Minister for Health) — As the member says, some of the additional arrangements with the commonwealth are outside the agreement. Such arrangements include those struck with the state and those that the commonwealth might undertake quite separately. There are also purely commonwealth schemes that operate, like the pharmaceutical benefits scheme, Medicare benefits schedule and so forth. But the state would reserve the right to also take actions separate from these arrangements too.

Mr JENNINGS (South Eastern Metropolitan) — I am pleased to hear that, and I hope the minister will indicate that it is the intention of the government to not be constrained by the limits of the agreement. I put the proposition to the minister that the government ought not be constrained by the limits of the agreement as being the total envelope in which state investments may be made into the future.

Hon. D. M. DAVIS (Minister for Health) — The member's point is right: essentially the state does not intend to have any formal constraint. But I think it is important, without making out as if it were a Treasury statement on a machinery bill about health, to see the state's capacity in the light of overall national policy. For example, we have seen the withdrawal of significant commonwealth GST in the recent period. In fact in the recent estimates period, and I stand to be corrected, I think the number is \$6.1 billion that has been withdrawn in a series of tranches that include the rejigging of the state's share, which is something in the commonwealth's control, and also the slowdown in the national economy, which has seen lesser GST receipts overall. If I can put it in the broad context in which the member has construed it, without wanting to make a Treasury statement, the state faces the normal financial constraints that would be expected, and some of those are imposed by the commonwealth.

Mr JENNINGS (South Eastern Metropolitan) — I do not necessarily want to give the minister any instructions about the way in which he can best deal with the committee stage in terms of getting through the bill, but I can maybe suggest to him that if he gives me lectures about GST, then he will be asked a question about the GST. There were two things in what the minister just put to me. One was that Victoria's share in relation to GST has been reduced. I encourage the minister to reflect on that statement given that his budget papers for this year indicate that Victoria's share is anticipated to go up from 22.5 per cent of GST revenue in 2011–12 to 23 per cent in 2012–13. Does the minister want to take the opportunity to correct what he said to me?

Hon. D. M. DAVIS (Minister for Health) — As I said, I was not wanting to make a broad Treasury statement, and I am not claiming to be an expert on the total arrangements of GST receipts, but I can indicate that since coming to government there has been a net reduction in GST receipts through two courses. One is the overall reduction in share. Whilst it might bounce around a bit from year to year, the net position has deteriorated since we came to government. The other is the slowdown in the overall size of the pool due the national economy's challenges. I think that is fundamentally correct. In terms of the 23 per cent, as Mr Jennings will understand, Victoria has just shy of 25 per cent of the national population. I have not seen the most recent estimates, but as he will see, that is a shortfall in Victoria's share of GST on his figures.

Mr JENNINGS (South Eastern Metropolitan) — I would strongly suggest that Mr Davis does not go down this path, because I can tell him — because I have read his government's budget papers — that his

government's budget papers say three things in relation to GST revenues.

Hon. D. M. Davis — Probably more than that.

Mr JENNINGS — Three significant things. They say on the difference between 2011–12 and 2012–13 that Victoria's share of GST revenue goes up from 22.5 per cent to 23 per cent. That is one point. On the second point, the absolute revenue that is derived from GST revenue in Victoria goes up from \$10.34 billion in 2011–12 to approximately \$11 billion in 2012–13. That is the second area where the minister is incorrect. The third area where the minister is incorrect is in relation to his assumption that GST revenues across the country are anticipated as reducing during that period of time, because they are anticipated to go up from \$45.6 billion in 2011–12 to \$48.1 billion in 2012–13. The minister is wrong on each and every one of three measures he has referred to in terms of GST revenue, according to the budget papers.

Hon. D. M. DAVIS (Minister for Health) — As the member indicates, this probably is well outside the scope of a machinery bill. Nonetheless, he did raise it, and in a spirit of generosity I was prepared to make some commentary on it. If you take the position from when the coalition came to government — this is probably the salient point, and I will stop at this point — GST was expected to grow at a faster rate and the state's share was expected to be greater, and whilst that is adjusted from year to year, we are still at a lower net point in Victoria than we believed would be the likely position. Further, we are still significantly below the population share.

I probably ought not do this, but reflecting that this has been if not a bipartisan position then a broadly accepted position that for a long period Victoria has not got its fair share, Victoria would have much greater capacity if it were provided with GST on a population basis that more adequately reflected its share of the national population. Further, I think Mr Jennings would agree that Victoria's capacity to deal with these issues would be greater if we did have that share.

The DEPUTY PRESIDENT — Order! If we want to continue this discussion I suggest that both members move that we suspend standing orders so as to allow the debate to occur. We are in the committee stage of the bill. Both the minister and Mr Jennings have expressed their views, and I would like to move on.

Mr JENNINGS (South Eastern Metropolitan) — In fact I had not intended to go down this path. I go down this path only on the basis of the evidence provided by the minister; I just thought it was important. Let the

minister and I agree on the fact that if Victoria gets its share, that is a good thing. If these pooled arrangements enable us to get our share and to grow in accordance with the needs of Victorian citizens, then that is something I hope the government achieves, and I wish it well in those endeavours.

In that regard, can the minister confirm to the committee that in terms of the matching elements within the pooled arrangements — which was the starting point of this story — how that level of pooled funding arrangements, which the minister has reported will be \$7.4 billion in the next financial year, will grow in the future; on what basis that number will grow; and what role the government will play in establishing the growth rate for that increased pooled arrangement? Where does Victoria sit in that regard? Is it a leader or a follower? Is it the pacesetter? Is it responding to projections? If so, to what projections? And what actions will the Victorian government take to lead that growth rate in the pooled arrangements?

Hon. D. M. DAVIS (Minister for Health) — The pool for 2012–13 is already fixed.

Mr JENNINGS (South Eastern Metropolitan) — I knew that when I asked the question. I have already indicated that in 2012–13 it is going to be \$7.4 billion, because the minister told me that. In the next financial year what role will Victoria play in its budget settings, which will drive, if at all, the growth rate in that pool from \$7.4 billion to an absolute number the following financial year?

Hon. D. M. DAVIS (Minister for Health) — The pool is also fixed in that year.

Mr JENNINGS (South Eastern Metropolitan) — How far in advance is the pool set?

Hon. D. M. DAVIS (Minister for Health) — Two years.

Mr JENNINGS (South Eastern Metropolitan) — And the growth rate in the second year has been determined by what mechanism?

Hon. D. M. DAVIS (Minister for Health) — The national health agreement or subsidiary.

Mr JENNINGS (South Eastern Metropolitan) — How will it be determined in the subsequent year?

Hon. D. M. DAVIS (Minister for Health) — The state will provide estimates to the commonwealth.

Mr JENNINGS (South Eastern Metropolitan) — Excellent. We have finally got to the year which my

question concerns. The error in my questioning is that I was not asking the minister the question in relation to 2014–15. For 2014–15 a growth factor will be apportioned on the basis of projections made by the Victorian government in terms of its budget estimates and what its growth rate will be. When the Victorian government sits down to consider the 2014–15 budget, which mechanism does the minister anticipate will be used to determine its budget allocation, which will then effectively set for the commonwealth what the growth in its funding will be?

Hon. D. M. DAVIS (Minister for Health) — To be fair it is a little difficult to give a precise indication of detailed budget discussions for 2014–15 in respect of a bill that is fundamentally a machinery bill that sets up mechanisms. It is probably beyond the scope of the bill and not reasonable to respond to precise budget approaches in 2014–15.

Mr JENNINGS (South Eastern Metropolitan) — I am not quite sure that it is an unfair question. The reason I am not sure is that very large sums of money are going to be acquitted on behalf of the commonwealth and the state of Victoria in terms of the health-care needs of our community. At the moment the amount for the next year is \$7.4 billion. The way in which funding for these subsequent years will be determined and whether it is accountable is a very important first-order issue for how the scheme will run.

If the minister does not have an answer today — because I imagine we could spend a lot of time here and he would still not have an answer — I encourage him as the responsible minister in Victoria to form a view about the way that growth is to be determined. Whether that is the connection between the health-care needs that his reporting mechanisms identify for next year in terms of the accountability of his reporting mechanisms and the reporting mechanisms that the commonwealth has, and whether they overlap one another, are harmonised or are delivered in a timely way to enable the state of Victoria to make a decision in a timely way to set its demand growth needs when it is in the driving seat for the 2014–15 budget, I encourage the minister to reflect on those issues, and, as the person responsible in Victoria, to form a view when he will clearly be driving that outcome.

Hon. D. M. DAVIS (Minister for Health) — I appreciate the suggestion of the member. The government will develop its precise mechanisms in the light of the new national arrangements. Those new national arrangements are yet to begin, and there is a long way to go to have the mechanisms contained in this bill functioning and fully implemented. Talking about 2014–15, we obviously have to get the

mechanisms established and functioning, and the normal policy and population matters would impact at a later point. It is a little way ahead to be precise on the mechanisms of budget decisions for 2014–15.

Clause agreed to; clauses 2 to 35 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

Hon. D. M. DAVIS (Minister for Health) — I move:

That the bill be now read a third time.

In doing so I thank honourable members for their contributions. This is a foundational piece of legislation. It is fundamentally about mechanisms. As has been indicated, the state has renegotiated the health agreement with the commonwealth. It is fair to say that from our perspective there was significant improvement in the nature of those arrangements, and the Premier in particular, along with Colin Barnett, the Premier of Western Australia, can take credit for that.

Mr Jennings — We're being very generous.

Hon. D. M. DAVIS — No, I am not — —

Mr Jennings — No, I mean we are being very generous to allow you to say these things.

Hon. D. M. DAVIS — There is a longstanding tradition of making some comments at the end of a bill's passage. I am just going to put on record that the state will work collaboratively with the commonwealth to seek to make these arrangements function appropriately, and in doing so we will also be wary of safeguarding the state's interests as we go forward.

Motion agreed to.

Read third time.

**APPROPRIATION (2012/2013) BILL
2012 and BUDGET PAPERS 2012–13**

Second reading

Debate resumed from 7 June; motion of Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) and motion of Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations):

That the Council take note of the budget papers 2012–13.

Mr LEANE (Eastern Metropolitan) — It has been an interesting budget debate this year. They always have a common theme, you have to say, where the government members get up and say their budget is fantastic and then the opposition members get up and say, 'No, it is not that great', and it sort of bounces back and forth like that.

In their contributions to the debate some government members have outlined some of the attributes of the budget, especially where they see it has been of benefit in their electorate. However, there was probably not enough of it because government members were preoccupied with two issues: one state issue, the desalination plant, and a federal issue, the carbon tax. I will get to them. I will reply to those statements by government members in relation to their not fulfilling their election promises.

I was here at the start of the previous parliamentary term, when the Bracks government announced its water projects. One of those projects was a desalination plant. I remember the howls from the opposition side of the chamber to the government side of the chamber about how we stole their policy. I remember the screams: 'You policy stealers! How outrageous that you stole our policy!' I accept the criticism that it was a change in the policy of the government at the time. I accept the critique presented by some members of the current government that maybe we were a bit slow in acting to get it into place — that is maybe a fair call — but so far as building the desalination plant goes, it is an investment in the future.

None of us would begrudge future generations — our kids and grandkids — not having to experience a drought. Sometimes it is not just the obvious things that are important during a drought; sometimes it is things like sporting clubs and councils not being able to use grounds and the effect that that can have on childhood obesity and all sorts of other issues. They were the sorts of issues all MPs dealt with during the drought.

The desalination plant is an investment in the future. It has actually come in under cost; I think the former Treasurer was saying that the figure was \$36 million. All the things being said about blow-outs is unbelievable.

I move on to the critique that we cannot do anything, that we cannot fulfil our promises and that the world is going to end because there is going to be a carbon tax at the start of the middle of the year. Just yesterday we had a colourful contribution from Mr Finn talking about how Julia Gillard was elected on a lie. If people think back to the last federal election campaign, they will

remember it resulted in a minority government being formed because the ALP could not form a majority in its own right. It approached Independent members of Parliament. The Liberals undertook the exact same process. The federal Leader of the Liberal Party, Mr Abbott, and the Prime Minister, Ms Gillard, spoke to the Independents and to the small, boutique-type parties like the Greens, and they negotiated an outcome so they were able to form a government.

Honourable members interjecting.

Mr LEANE — I am debating the bill, because I am responding to previous speakers. I know that might be a bit unique sometimes, but I am responding to them.

As far as the carbon tax is concerned, a minority government was formed as a result of negotiations. The minority parties insisted that the carbon tax be part of the deal for their support of the government. Mr Abbott said he would promise almost anything — he said he would just about promise a part of his anatomy, which I cannot mention in this house — to be Prime Minister, so I am sure that he would have agreed with those small groups to introduce a price on carbon if it resulted in him being able to form a majority in the Parliament. We need to be clear on the history of carbon pricing and its role in forming a minority government.

In this Parliament — and I congratulate the coalition parties — the government has a majority in both houses, so there is no impediment to this government fulfilling every election commitment and every policy platform it took to the electorate. However, as we will see, that is far from the case. Far be it from me to say that nothing has been delivered in this budget, because that would be outrageous and ridiculous. As far as Eastern Metropolitan Region is concerned, I see that money has been allocated for two grade separations — one at Rooks Road and one at Mitcham Road. That is in line with grade separations along that rail line that were funded by the Labor government. The President knows that those level crossings have been a huge issue in relation to traffic congestion in Eastern Metropolitan Region, so that is a good thing, and I congratulate the government on that.

I also congratulate the government on the money it has put towards capital works for a number of schools in the metropolitan region. That has been an ongoing program, and I encourage the government to keep doing it.

However, there are a number of policies and promises the coalition government took to the 2010 election that are far from being fulfilled. Previous government

speakers have been pretty obsessed about saying they cannot do anything about the carbon tax, calling the Prime Minister a liar and saying that her government was elected on a lie. Let me say that at the last Victorian election a number of people, such as the people of Doncaster, would have voted for the coalition's commitment to build a heavy rail from Doncaster. Those who voted for the Baillieu government voted the government in on a lie. Those who voted that way may be the teachers who went to the polling booths believing the commitment — it was a commitment, not a concept — from Mr Baillieu that he would make them the highest paid teachers in Australia. They elected the Baillieu government on a lie.

The voters who were concerned about health and had family members in the health system went to the ballot boxes and voted in the Baillieu government because the coalition committed to 800 extra hospital beds. It promised 100 extra beds in the first year, and then using weasel words said it meant the first financial year, but those beds have not been delivered in the first financial year at all and we are now dealing with the second budget. Those voters elected the Baillieu government on a lie.

It is the same for the voters who thought that the Baillieu government was fair dinkum about building a rail line to Tullamarine airport. They elected the Baillieu government on a lie. The bike riders believed that the Baillieu government would continue spending and increase spending on bike tracks. I know there is a bike track committed to be built in Eastern Metropolitan Region. Those bike riders have that passion for bike riding, and that is why they voted for the Baillieu government, but they voted the government in on a lie.

I get back to the fact that the Baillieu government has a majority in both houses and therefore, insofar as its legislative program goes, it has no impediments at all. It does not have to negotiate, and it does not have to do any deals with anyone. It has no impediments to implementing all its programs, policies and everything it said it would do, which it has not done. Any government speaker who gets up and blames everything on everyone else and gives the reasons the government cannot deliver on the policies and promises it took to the election in late 2010 needs to speak about the real reasons the government is not delivering on its promises rather than blaming everyone else in the world.

The government needs to explain why it took that series of promises to the electorate if they are not being

fulfilled. The government never meant them to be fulfilled. It is all right to blame the federal government, but the government should talk about itself and tell us how it is going to implement those policies. The government has two more budgets before the end of this term. It has promised level crossings, grade separations, a rail line to Doncaster and the jewel in the crown: two protective services officers (PSOs) on every train station in its first term. The government may achieve that, but I very much doubt it.

The government came in on a law and order program. It said we were unsafe, that things were terrible and it was scary to walk down the street. Maybe we should have had thoughts about moving to Chechnya rather than staying in Victoria because it was all so scary. In the *Herald Sun* we read that Mr Finn did not even want to go to the ATM down the road because he thought it was so scary — even though there are two PSOs in front of this building all the time. But the coalition was the stakeholder that was scaring everyone. All of a sudden that has all gone away. I have not heard one government member in this term say how scary it is, even though crime rates have gone up, and the government was going to bring it all down and things were going to be safe.

Since the coalition declared in 2010 that Victoria was unsafe I have been waiting for the day when the Premier and the Deputy Premier call a press conference and say, ‘Yes, we have done it all; it is safe. We are declaring the state safe now, and you can get out there. All those elderly people we scared the hell out of for two years can now get out there because it is safe. It is not as bad as other jurisdictions in the world’ — which is true and has always been relatively true. I have been waiting for them to tell us that because we have got two PSOs on every train station and we have got extra police, criminals are scared. The government has come in tough on legislation and tough on justice and it has built new prisons everywhere, so it is all safe.

But there will always be degrees of being unsafe out on the streets. It has always been that way and it always will be, but it is all relative. Voters who elected the Baillieu government because it was going to make us safe, those voters who went to the polls saying, ‘I am electing this government because it told me it would make me 100 per cent safe’, elected the Baillieu government on a lie.

I have said that there are some good things in this budget, but as far as delivering all the things that the coalition promised in 2010, it falls miserably short, and I expect the next budget to fall short. There may be a big comeback towards the end of the term and in the

last budget the government may throw some money around, but it could be a bit too late. We will wait. We know that every government does some good things and every government does some bad things, but we wait in anticipation and hope we get a lot more good things from the government in a bigger hurry than at the moment. We will see.

Mr FINN (Western Metropolitan) — I am always disappointed when I follow Mr Leane in debate in this house because inevitably there are matters that I wish to discuss but in his contributions Mr Leane always raises matters that I feel it necessary to comment on and that may divert me from my original plan. Today, unfortunately, it is no different because he spoke about broken promises and a whole range of nonsense that he is fond of going on with, but I remind him that in the term of the Bracks government the very first promise broken by that government was in the north-west of Melbourne. The promise to build a rail line to Tullamarine airport was broken. It was only a matter of weeks after the 1999 election when the then Premier, Steve Bracks, said he could not do that.

If Mr Leane wants to get up today and talk about broken promises, then perhaps we could talk about the tollway in his electorate. Remember Steve Bracks saying, ‘No tolls on the Scoresby’, or EastLink as we now know it. Remember that? It was one of the great broken promises of our time, or at least until the carbon tax came along anyway. It is very tempting to talk for the next 13 minutes purely on the matter of law and order and police in this state, because I do not know where Mr Leane has been if he thinks things have not improved. Has he not noticed the number of police who are out and about? Has he not noticed the number of police who are visible? Has he not noticed that as a result of the increased police presence on our streets it is safer for all of us? I hope Mr Leane will open his eyes, take a look around and see what is happening, not just in his own area but around the state generally.

It is a truism of economic life in this country that whenever a Labor government is elected it will make a mess. Throughout my life whenever Labor has been elected disaster has followed. Back in the 1970s Prime Minister Gough Whitlam created the sort of economic disaster that led Australia to a situation that in some ways perhaps we still have not recovered from. After that we had Paul Keating as Treasurer; we remember him. He gave us the recession we had to have, a million unemployed and a degree of misery this country had not experienced. Then we had the Cain and Kirner governments in Victoria. Thank God for Jeff Kennett, otherwise Victoria would have gone under as a result.

Then we had the Bracks and Brumby governments. We were told throughout the course of its 11 years that Labor had learnt. We were told by John Brumby, first as Treasurer and then as Premier, that Labor had learnt its lesson and was economically responsible. He said Victoria was in good hands economically, but we found out after the 2010 election that Labor had been having a lend of us the entire time — for the entire duration of its government. We found out that Victoria was on the ropes economically and that the money Labor had told us about was not there — another Labor lie.

Of course there is only one thing that Labor does better than stuffing up the economy, and that is spinning lies; it does it better than anybody else imaginable. In 2012 we can look back at the 11 years of Labor, and once again are faced with the situation of having to pick up the pieces and put them together. We have done it before federally. At the minute the Queensland government is in the process of picking up the pieces after Labor wrecked Queensland. The government in New South Wales is in the process of doing so after Labor wrecked New South Wales. I think Premier Colin Barnett is picking up the pieces quite successfully in Western Australia after Labor wrecked Western Australia. No doubt the federal opposition leader, Tony Abbott, will have to do the same thing when he is elected at the next election — that is, when the people get a chance to have a say and remove the most incompetent and dishonest government this country has ever seen.

The point I make on this occasion is that the only difference between the Bracks and Brumby governments and the Cain and Kirner governments is the speed at which they wrecked things. Cain and Kirner did a sensational job of dragging Victoria down, but they did it very quickly. Bracks and Brumby just took a little bit longer. Nonetheless, they left a mess, and now we have to fix it. What the Liberal-Nationals government will build here in Victoria will be wonderful for every Victorian, but first we have to lay the foundation. It is no use building a great edifice of economic joy if the foundation is shaky, and unfortunately that is the situation we are in today as a direct result of the 11 years of the Bracks and Brumby governments. For Labor members — and the Greens, for that matter; what is the difference? — to come into this chamber and lecture us about the promises that we have not kept and tell us what we should be spending more on is all well and good, but if they had not left the state broke, we might be in a situation where we would be able to do what we said.

The economic situation in Australia will deteriorate very rapidly very soon, particularly here in Victoria, the

manufacturing heart of Australia. We are going to be hit particularly hard by the carbon tax, which I believe is just 10 days away from hitting us. Victorian business and industry will be hit particularly hard, and we will see a lot of our industry either move offshore or go broke. Either way, there will be a lot of jobs lost. When you hear members of the Labor Party get up and talk about ‘working families’, you should keep in mind that the working families they talk about will not be working for a lot longer. That is the unfortunate fact of the matter, and it will be so because this carbon tax is the most regressive, appalling tax, on business in particular, that this country has ever seen. The carbon tax is an extraordinary attack on business, jobs and working families the likes of which we have never seen in the history of this country.

It is worth pointing out at this point that the carbon tax is not a tax even remotely related to the environment. There will be some — Mr Barber may be one of them — who will talk about the environmental benefits of the carbon tax, but there are none; it is a total nonsense. What the carbon tax is about is income redistribution; it is an economic reform. That is what the federal government is talking about now, economic reform. What it is talking about is slugging those who have got it and —

Honourable members interjecting.

Mr FINN — Some of it — only some — goes to those who have not got it, but a good portion of it goes to the government, and some of it even goes overseas. Unfortunately that is something the federal government has been most successful in hiding. As Victorians and as the Victorian government, we are acutely aware that we have some very difficult times ahead. They will be difficult as a direct result of, firstly, the economic mess left by the previous Labor government and, secondly, the carbon tax, which is being thrust upon us from Canberra, even though the Prime Minister of the day promised solemnly to the Australian people before the last election that there would be no carbon tax under any government that she led. We all remember that.

Mr Ondarchie interjected.

Mr FINN — There would be, Mr Ondarchie, no carbon tax. Here we are, just days away from this destructive and unnecessary great big tax on everything which is going to create so much misery for so many people across this state. This tax will present some real challenges for the Victorian government, as it will for every government throughout Australia. We are already seeing the challenges facing the federal government as a result of the backlash from the people of Australia

who do not want this tax. The Australian people do not want this tax, and they are making that view known. The Australian people have been making that view known for quite some time now, but they have been totally ignored by the Labor-Greens coalition government in Canberra, and we have to put up with that until those same Australian people get the opportunity to throw this mob out at the first chance they get.

The western suburbs I represent are in much need of infrastructure and government and taxpayer support. In fact every cent of this budget could very easily have been spent in the western suburbs. We could talk about the needs, for example. Mr Leane talked about level crossings needed in the eastern suburbs. I know we have some level crossings in the west that need attention, particularly one in St Albans, which is in the process of being addressed and will be addressed before the end of our first term, but a whole range of matters need to be resolved as a result of the neglect of the west that Labor perpetrated over its 11-year term.

We have spent many millions of dollars on schools and hospitals. Mr Davis has spoken about the extraordinary situation where the intensive care unit at the Sunshine Hospital was used as a film studio. We as a government decided that that is probably not the best use for it. Instead of shooting a television series in the hospital, we decided we might treat sick people. This is novel for Labor. This is something that Labor probably had not thought of; indeed it is quite radical. But under our government we will see more people being treated at Sunshine Hospital where the intensive care unit will go ahead instead of the space being used as a backdrop for *Stingers* or something similar.

Another substantial contribution is for works at the Melbourne zoos and in particular at the Werribee Open Range Zoo, which is one of my very favourite places. I suggest that anyone who has not been there should get there. If you have children or grandchildren, you might like to take them during the coming school holidays. I will certainly be going down at some stage, because it is a magnificent place, and the work and the planning they have been doing there over the last couple of years is making it even better. I was at the opening of the gorilla enclosure, and that alone is worth going to see. Those gorillas are big and fairly strong — and pretty stropy too the last time I was there. We have put \$13.7 million into works at the Melbourne zoos and a good portion of that will be going to the zoo at Werribee. My son loves the place; I reckon he would live there given half a chance.

There are many other things that we could talk about. We could talk about the autistic school in the west, which is coming along very nicely. We could talk about the upgrade to the West Gate Bridge. We could talk about the upgrade to the West Gate Freeway. We could talk about the \$14 million upgrade to Galvin Park Secondary College, and I know my friend and colleague Mr Elsbury has been most enthusiastic about that project for quite some time. There has been quite substantial funding of infrastructure and projects in the western suburbs, but we need more. We have been neglected for a very long time.

I give a commitment here today to the people of the western suburbs that this government will serve the best interests of the people of the west in a way that the previous government never did. No more will the people of the western suburbs be ignored. No more will they be taken for granted. No more will they be used and abused. This government actually cares about them.

Mr VINEY (Eastern Victoria) — There is not very much that Mr Finn and I agree on in political life, but I have to say that he said something just then that we do agree on. I saw the lowland gorillas in Zaire, which is now called the Democratic Republic of the Congo, which of course means that it is not democratic because any country that has to put ‘democratic’ in its name probably is not. I actually saw the lowland gorillas in the wild, and I agree with Mr Finn that the silverbacks are very big, particularly when they come down out of a tree and stare you in the face about 6 inches from your eyes. They could tear both Mr Finn and I apart with one hand.

It is interesting that Mr Finn, like many members of the coalition in their budget speeches, has wasted the opportunity to sell the budget, to talk about the things that matter to Victorians, to talk about the investments that are being made in his electorate, to talk about the importance of education, to talk about the importance of health services and the things that the government is doing to make them better. Coalition members have used their budget speeches to attack the former Bracks and Brumby governments, to attack the federal government, to attack a carbon tax and not to use the opportunity of the budget speech to actually talk about what they are doing.

There was no better example of this than Mr Finn’s speech just now. In 11 years of government I was always proud to talk in my budget speeches about what we had done in the budget — the investments we have made in the schools in our local electorates, the fact that we had made a commitment to redevelop or rebuild or

renovate every single public school in the state of Victoria, the investments that we had made in our ambulance services, the fact that we had introduced two-officer crewing, the fact that we rebuilt so many ambulance stations around the state, the fact that we extended and expanded mobile intensive care ambulance services and the fact that we had invested in every single hospital across the state.

We invested massively in capital projects. We did things such as develop the Parkville precinct strategy to see the impending establishment of the comprehensive cancer centre in that precinct. We made massive investments in the innovation infrastructure for our medical research. We invested comprehensively in police and community safety. We employed several thousand new police officers and thousands more nurses, and we reinvested in education, putting teachers back in front of students. These were the things that we always talked about in our 11 budgets. But what we are seeing with this budget is that because they have nothing to sell, coalition members have spent the entire time talking about a carbon tax, introduced by the federal government, and about the supposed economic failures — —

Mr Finn — Do you support the carbon tax?

Mr VINEY — I say to Mr Finn that I am not responsible for a carbon tax. It is a federal government matter. My point — —

Mr Finn interjected.

Mr VINEY — We will see, Mr Finn, whether the doomsayers such as yourself — —

Mr Finn interjected.

Mr VINEY — What I support — —

Mr Barber — On a point of order, Acting President, on relevance, contained within this budget is a car tax brought in by the Liberals, but there is no carbon tax.

The ACTING PRESIDENT (Mr Ramsay) — Order! I sought guidance from the Clerk. I have been in the Chair for a number of budget presentations, and they have been very far reaching. In respect of Mr Viney, I will not uphold that point of order, but I do draw him back to his budget contribution.

Mr VINEY — I will say this to Mr Finn, through you, Acting President, that what I support is action on climate change. What I support is action that will reduce carbon emissions in this country and throughout

the world. Unlike Mr Finn, my doomsday is not about the impact of a carbon tax, it is about the impact of carbon. That is my doomsday; that is what I am concerned about. We as a government had strong commitments to ensuring Victoria was able to adapt and develop for a low-carbon future. This government is obsessed with attacking the Prime Minister and the federal government at every opportunity and predicting that a disaster will occur in four or five days time.

That may well be the position that Mr Finn and others want to take. I would have thought that their budget would give them an opportunity to spruik and sell what their budget was about — to sell what they were doing for Victorians and to sell what they were doing in relation to education. But what we have seen is a budget that is cutting across the board. It is cutting TAFE courses, it is cutting opportunities for young people and it is abandoning the Labor government's commitment to renovate and redevelop every single public school in the state. Because of those cuts, it is a budget that is destroying the fabric of our society in Victoria.

In response to Mr Finn's specific attacks on the Bracks and Brumby governments and their economic records, let me simply say this: 11 years of economic growth, 11 years of employment growth, 11 years of budget surpluses and 11 years of AAA credit ratings!

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Higher education: TAFE assets

Ms TIERNEY (Western Victoria) — My question is to the Minister for Higher Education and Skills. Can the minister confirm that TAFE boards will need his approval to sell off assets or to sell off rural campuses to help meet funding shortfalls, and can he advise the house on his government's policy on such sell-offs?

Hon. P. R. HALL (Minister for Higher Education and Skills) — Like universities, TAFE institutes need the permission of the minister when there is a significant sale of assets. That is how they have been dealt with in the past; they have such permission and that will continue to be so. I might add that during my time when significant assets have been sold, it has been by an arrangement whereby the proceeds of that sale have been reinvested in the TAFE institutes infrastructure. That is the policy position as it has been, and it continues to stand.

Supplementary question

Ms TIERNEY (Western Victoria) — I think the minister has part answered my next question, but I will be seeking a commitment. I understand the minister's department is providing advice to TAFE boards that they might need to seriously consider the rationalisation of assets. Will the government provide moneys to TAFEs so they are able to make the transition to its new world order for TAFEs, and in the selling off of assets will the moneys gained by these sales be put back into the local TAFE for increased provision, or will it simply go to Treasury?

The PRESIDENT — Order! It is interesting that the minister anticipated Ms Tierney's question when her supplementary question is supposed to be responsive to his answer and not the other way around. At any rate, there were three questions in the supplementary question. I suggest the minister might address the one that he thinks is the most pertinent.

Hon. P. R. HALL (Minister for Higher Education and Skills) — I think I can give one answer which encompasses the number of issues raised within the question. As I have said before, there is a process now where each TAFE institute is required to submit a transition plan — that is, a transition to the new funding arrangements with the government — and that transition plan will identify a whole range of issues, including the issues raised by Ms Tierney. Once those are known, the government will be responding. I confirm my answer to the original question that where there has been an asset sale undertaken by a TAFE institute, the practice has been that those moneys have been reinvested for infrastructure for that TAFE institute. I do not see any need to vary from that policy.

Teachers: discussion paper

Mrs PEULICH (South Eastern Metropolitan) — My question without notice is also to Mr Hall, the Minister responsible for the Teaching Profession. I ask: could the minister inform the house of the purpose of the discussion paper on school leadership and the teaching profession released earlier this day.

Hon. P. R. HALL (Minister responsible for the Teaching Profession) — I thank my colleague and Parliamentary Secretary for Education, Mrs Peulich, for asking this question. It gives me the opportunity to point out to all members the availability of a discussion paper, which has now been published on the department's website, which looks at new directions for school leadership and the teaching profession. I want to make clear what the purpose and intent of the

publication of this document is — that is, that we all should be concerned about learning outcomes in our schools.

We know the prime determinant of learning outcomes is the quality of teaching that takes place in our classrooms around this state. Therefore, in terms of that intention and that aim of government to lift learning outcomes, we have put a discussion paper before the public of Victoria — not just the government but the public of Victoria, and I hope the opposition parties will also contribute — which identifies some of the areas we think we should be looking at in improving that quality of teaching within Victorian schools.

Governments have a responsibility to provide education for over 500 000 students. They are the numbers of students enrolled in Victorian government schools. We employ somewhere over 40 000 teachers in Victorian government schools, and therefore we have some responsibility to the people of Victoria to ensure that the service we deliver through education is the best possible that we can achieve. In that sense we always should be looking at ways in which we can improve.

We should be pretty proud of the system we have in Victoria. We do pretty well, but there is room for improvement, there is no doubt about that. When you look at learning outcomes and compare those internationally you can see that we can do better and we should be aiming to do better. Moreover, if we choose to do nothing and stand still, then in relative terms we will be going backwards. We need to look for continuous improvement. This paper, therefore, in three main areas seeks discussion.

The first of those areas is in recruitment and training of potential teachers. Many members would be aware now that the Australian tertiary admission rank scores for entry level into teaching courses have been gradually reducing over the years. We should be encouraging our best and brightest young people into the teaching profession, as well as providing the opportunity for those with other experiences to enter teaching as well, because it is both young and old that we should be focusing our attention on in attracting teachers into our workforce.

We also need to look at the suitability of the training courses that have been undertaken by teachers. We need to ask ourselves questions such as, are the current structures for teacher training the most appropriate ones. I am pleased that the department has undertaken some trial projects with a number of our training institutions and universities, looking at and evaluating different teacher training programs.

Another area we need to look at is embedding in the teaching profession a culture of continuous improvement and professional development. We need to make sure that the job satisfaction of teachers is such that it sustains them in that profession. This paper looks at a number of ways in which we can look towards establishing that culture of excellence and performance improvement within the teaching force.

Finally, the third main area looks at school leadership. I think the importance of that role in our schools goes without saying. School leaders undertake the very responsible task of managing their workforce and responsibility for the learning outcomes of their schools. Consequently we need to make sure that the support structures and learning opportunities for leaders are also available.

Regional and rural Victoria: TAFE funding

Mr VINEY (Eastern Victoria) — My question is to the Minister for Higher Education and Skills. We have now seen that Advance TAFE in East Gippsland has been forced to close eight regional campuses, specifically at Yarram, Heyfield, Orbost, Swifts Creek, Mallacoota, G-tec at Bairnsdale and the Port of Sale and Cafe Rossi in Sale following the savage cuts in his state budget. Will the minister now act to protect small rural TAFE campuses and the communities they serve and rule out further campus closures?

Hon. P. R. HALL (Minister for Higher Education and Skills) — In response to Mr Viney's question, it is important to put the full story on the record. First of all, while it is true that Advance TAFE has announced the closure of some of its outreach campuses, it has also indicated a willingness and preparedness to serve those communities as and when required through the delivery of training programs within those communities. Moreover, some of the campuses which Mr Viney mentioned — —

Hon. M. P. Pakula interjected.

Hon. P. R. HALL — When you are ready.

The TAFE has said the G-tec operation at Bairnsdale campus will be moved to probably within 1 kilometre down the road to its main campus in Bairnsdale. Yes, it is a rationalisation of some of the points of delivery; I acknowledge that.

I have had discussions with the member for Gippsland East in the Assembly, Mr Bull, and I also have had discussions with Advance TAFE institute itself, looking at ways in which we can better deliver programs to those areas. By way of interjection, Mr Pakula said it

would be out of the back of a caravan, but I say, far from it. There are opportunities to co-locate some of the services in those smaller outreach centres in East Gippsland. I can assure the house that we are diligently working with other organisations within those communities so that we can look at co-location of a number of service points. That is a sensible way of doing it. It is a rational way of doing it, and that is what my attentions and those of my colleagues, particularly the member for Gippsland East, Mr Bull, are working on.

Supplementary question

Mr VINEY (Eastern Victoria) — I note the explanations from the minister, which were about delivering services as and when required, rationalisation of points of delivery and co-location. I guess I am confused as to how you could co-locate the delivery of programs that involve those programs being closed with the closure of the campuses. I am asking if the minister could advise how students in those towns to which I have referred can get their training without campuses or courses in their towns — because they are both being closed — and how they can achieve those things and fulfil their dreams if those campuses and courses are closed?

Hon. P. R. HALL (Minister for Higher Education and Skills) — Mr Viney introduces a new element to this debate — that is, he is now talking about course closures. If we want to talk about course closures, then I can advise the house that in respect of the announced 36 course closures by Advance TAFE in East Gippsland, 9 of those had not had enrolments either last year or this year. I can further advise that 6 of those have also had no enrolments whatsoever this year.

When looking at course closures Mr Viney needs to consider, in relation to the way that his question was framed, that while there are a number of course closures — and I am not for 1 minute overjoyed by any course closure whatsoever — many of those courses have had small numbers in enrolments both last year and this year. In fact 18 of those have had less than 10 enrolments this year.

Mr Viney talks about being troubled by co-location and joint service delivery, and perhaps a later question will give me more opportunity to answer those concerns in a fulsome way.

Early childhood services: infrastructure funding

Mr ONDARCHIE (Northern Metropolitan) — My question this afternoon is to the Minister for Children and Early Childhood Development, the Honourable Wendy Lovell, and I ask: can the minister advise the house of any new capital grant rounds that will build upon recent announcements to support high-quality early learning facilities for Victorian families and communities?

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — I thank Mr Ondarchie for the question, and I note his strong advocacy for early childhood services in the northern region, which resulted in him being nicknamed the Kinder King after he recently announced grants for 17 kindergartens to the value of \$8.2 million in Northern Metropolitan Region.

Just weeks after providing almost 100 kindergartens with \$40 million in capital grants, the Victorian coalition government has today announced a further round of \$36 million in grants. Over our first two years we have provided a record \$80 million investment in the children's capital program. This is the latest funding from that commitment, which is open for applications. Our record funding is proof of the Victorian government's dedication to providing our children with an early childhood education that is unparalleled in Victorian history. I encourage children's services from right across the state to apply for these grants. The \$80 million children's facilities capital program is a combination of state funds and national partnership funding.

The latest grants round includes three grant types. The same grants we have had before — that is, up to \$1.5 million for new integrated centres and up to \$300 000 for upgrades to existing centres — were increased by 50 per cent on the grants that were available under Labor, but we have also included a new category for new early learning facilities, which is a grant of up to \$600 000.

As a government we know how important early childhood development is — as is helping services and communities to adjust to the new challenges they face, like population growth — and 15 hours of kindergarten per week for four-year-olds is part of universal access. The early years are a critical time in a child's development, and it is vital that we support early learning in order to enhance a lifelong approach to education. We are working with the early childhood service providers to deliver the next generation of

children's centres and kindergarten facilities, which will give families choice and ensure that Victorian children have access to high-quality early learning environments.

Regional and rural Victoria: TAFE funding

Mr VINEY (Eastern Victoria) — My question is to the Minister for Higher Education and Skills. In asking this question about GippsTAFE I note his answer to the previous question about Advance TAFE where he alleged that courses have closed because they have low numbers. I would have thought that as Gippslanders like me, Mr Hall and Mr Bull, the member for Gippsland East in the Assembly, would understand that part of the cost to government of delivering programs and services to regional Victorians, including people in Gippsland, is funding programs that might have lower numbers because that is an important way of delivering to regional Victoria. In GippsTAFE's case we have now seen hospitality courses closed and also the community pharmacy studies —

The PRESIDENT — Order! On this occasion the Deputy President is providing a commentary or an editorial rather than a context in which he is asking the question. He certainly knows better than most members how to deliver questions. I ask him to refrain from the editorial, which only invites the minister to argue and be provocative, and to put his actual question in context.

Mr VINEY — The context of my preamble is that in the case of GippsTAFE we are seeing hospitality courses, the restaurant in Morwell and community pharmacy studies at Warragul being closed. How will those students be able to achieve their training and fulfil their dreams if those courses and campuses are closed?

Hon. P. R. HALL (Minister for Higher Education and Skills) — As I said before, there is a lot of conjecture, but what is happening at this stage is not final. I know GippsTAFE has floated possibilities without any firm or definitive decisions. Mr Viney spoke in particular about a restaurant training facility in Morwell. To my knowledge there has not been a categorical statement by GippsTAFE or anybody else that that particular facility is closing.

At this point in time the claims made by Mr Viney in his question are premature. As I have explained to the house before, there is a process by which each of the TAFE institutes will sit down with government and work through how they expect to transition to the new funding arrangements. At that point in time there will

be some more definitive decisions in respect of those matters raised by Mr Viney.

Supplementary question

Mr VINEY (Eastern Victoria) — I thank the minister for his response. I am not sure whether the minister has been reading the same media as me, but it has been announced that at least 45 teachers will lose their jobs at GippsTAFE, and they are the teachers delivering the programs that I have just listed. My question is: if those teachers lose their jobs, how will the courses be delivered in order to provide those training opportunities to the young people currently using the facilities of GippsTAFE?

Hon. P. R. HALL (Minister for Higher Education and Skills) — As I said, you can read the media or you can take official advice, and I have not had the official advice from GippsTAFE as to whether it is proposing to close the restaurant training facility in Morwell. When I have that advice I will tell Mr Viney, but until such time it is conjecture in the media. I am not prepared to make any definitive comment on media speculation without having that formal advice from TAFEs on their decisions.

Mildura Base Hospital: services

Mr DRUM (Northern Victoria) — My question is to the Minister for Health and Minister for Ageing, David Davis. Can the minister update the house on what the Baillieu government is doing to support the delivery of health-care services in Mildura?

Hon. D. M. DAVIS (Minister for Health) — I am very pleased to answer this question from Mr Drum. He is a strong advocate for his electorate of Northern Victoria Region and works very closely with Peter Crisp, the member for Mildura in the Assembly, who is a fierce advocate for Mildura and is always talking to me about health services and the opportunities for greater provision of health services in Mildura.

As the chamber will understand, Mildura is one of the most distant points in the state, and it deserves strong support given that it draws patients to Mildura hospital from the surrounding northern part of Victoria, parts of South Australia and parts of southern New South Wales. Mildura faces particular challenges because of distance, and for that reason deserves our very strong support.

The government has commissioned an independent review of Ramsay Health Care's delivery of services in Mildura. The report makes it clear that Mildura Base Hospital is providing a good level of service, an

acceptable level of service, consistent with and in some instances better than other subregional hospitals in Victoria. The government commissioned the review to be better informed about the performance of the private sector partners at that hospital. It did this before the negotiations with Ramsay Health Care about an extension of the term of the Mildura Base Hospital contract, as is required under the current existing contract.

The service agreement has been in place for 10 years and is a document of almost 300 pages. It is clear that Ramsay's service delivery was judged to be fully or substantially compliant with 93 per cent of those requirements. More than 80 per cent of public hospital admissions of people from the Sunraysia catchment are admissions to the Mildura Base Hospital. That is a much higher percentage, because of distance, than is achieved by Victorian hospitals of similar size and function, underlining the importance of that health service to people in northern Victoria. It is consistent with expectations, as I said, given the distances.

Mildura hospital generally provided the number of services and met the service targets for which it has been paid under its service agreement. Mildura hospital did very well on elective surgery and other key matters. However, there is one area where it needs to improve, and that relates to emergency department attendances. We have addressed that through the provision of \$5 million in the budget and additional commonwealth money to help support related matters in the emergency department; that is an additional allocation of money.

We are currently working our way through the issue of the expansion of the emergency department for the people of Mildura, recognising that the growth in demand in that area has been significant over the last decade. It is true to say that there probably should have been earlier provision of expanded capacity at the emergency department under the previous government. What is clear is that the review shows there is good performance by Mildura Base Hospital, and Ramsay Health Care has performed well in this capacity — —

Mr Jennings — What are you going to do about it?

Hon. D. M. DAVIS — I will tell you what we are doing about it, Mr Jennings: we are spending more than \$7 million to expand the emergency department to pick up your failure over 11 years to take proper action to expand the emergency capacity. We have allocated the money.

Teachers: reward payments

Ms MIKAKOS (Northern Metropolitan) — My question is to the Minister responsible for the Teaching Profession. I refer to a *Herald Sun* report of 7 June on the minister's plan for panels in schools to assess performance pay for teachers. Can the minister advise of the cost in time and resources of assessors, parents and principals having to read some 40 000 applications and, presumably, having to interview some 40 000 teachers to determine who gets the promised pay rise and who does not?

Hon. P. R. HALL (Minister responsible for the Teaching Profession) — Ms Mikakos would know that it was her government which introduced trial performance pay systems in Victorian government schools. We have continued with that trial process, but when it had the opportunity Ms Mikakos's government introduced it and established the process by which those performances were assessed. In exactly the same way, perhaps with the incorporation of some others who might have a view on that, we can gauge and assess the performance of teachers now.

This assessment process has been undertaken without considerable cost to the school community, the way that Ms Mikakos's government planned it. We do not believe that having further input from parents or other bodies is an excessive cost, particularly when what we are paying for is quality education, and performance pay can help in that regard.

Supplementary question

Ms MIKAKOS (Northern Metropolitan) — The Victorian education sector has had to resort to learning about the minister's plan for the panels largely through media reports, which seems to be the main policy process of the government. The discussion paper that the minister released earlier today makes scant reference to panels; in fact it only refers to panels in relation to the appointment of principals. The *Age* is reporting today that the government wants to sack up to 5 per cent of non-performing teachers. Will there be panels of principals, assessors and parents involved in drawing up this hit list?

Mrs Peulich — On a point of order, President, the supplementary question is on a related theme but is vastly different to the first question that was asked.

Hon. M. P. Pakula — On the point of order, President, Ms Mikakos's initial question was about the role of panels, and the supplementary question was about how those panels might have their roles extended.

Mrs Peulich — On the point of order, President, it is my understanding that the first question asked about the cost of panels.

The PRESIDENT — Order! I must admit that I was also concerned about Ms Mikakos's supplementary question because in my view it went to a different matter, which was about teachers who might not be performing to a required standard and that there might be some process for evaluating their performance and perhaps making decisions upon that performance. I think that is a much different matter in many ways to the first question, which I think was a very specific question in respect of panels. I invite Ms Mikakos to reword a bit of her supplementary question to tie it back more to the substantive question.

Ms MIKAKOS — Both questions relate to the issue of the panels assessing the performance, and therefore perhaps the non-performance of teachers, in terms of determining the performance pay of teachers. Essentially my supplementary question to the minister is: will those panels play a role in assessing the termination of employment if a teacher is in fact assessed as not performing satisfactorily?

The PRESIDENT — Order! I think that is a better phrasing of the question at any rate.

Hon. P. R. HALL (Minister responsible for the Teaching Profession) — In the preamble to the supplementary question Ms Mikakos pointed out that the discussion paper that was distributed this morning goes to the principles of certain issues rather than to the detail of certain issues. That is exactly the intention. If the opposition wants us to prescribe in minute detail every single process that would meet those principles, it would be an encyclopaedia, not a genuine discussion paper.

In reply to her question, I say to Ms Mikakos that if she has a view that panels should be involved in the assessment of underperformance of teachers, then she should make a submission, and we will hear what her views are.

Ms Mikakos — On a point of order, President, the question related to whether in fact the panels will play a role; it was not an opportunity for members of the opposition to make submissions. The minister should respond — —

The PRESIDENT — Order! Firstly, there is no point of order: Ms Mikakos is simply debating the minister's answer. Secondly, I think the minister was most responsive to her question.

Food manufacturing: Asian markets

Mr FINN (Western Metropolitan) — My question without notice is directed to the Minister for Manufacturing, Exports and Trade, and I ask: can the minister inform the house of new export opportunities which will see food manufacturers grow their businesses in the markets of Asia?

Hon. R. A. DALLA-RIVA (Minister for Manufacturing, Exports and Trade) — I thank the member for his question and for his interest in the expansion of food manufacturing into the export markets of Asia. Recently I was at Parwan Valley Mushrooms in Bacchus Marsh, where we officially opened — —

Honourable members interjecting.

Hon. R. A. DALLA-RIVA — It is interesting that those opposite seem to be able to relate to mushrooms. On a serious note, we opened a \$10 million automated production facility. This facility will produce over 2500 tonnes of mushrooms a year and employ more than 80 people. This will enable Parwan Valley Mushrooms not only to increase its production output but also to improve its capacity and increase its domestic market share up to 7 per cent. It will also increase its capability to seek new export markets in the emerging Asian area. I was also very pleased to see that the company is investing in high-tech manufacturing processes that increase productivity — for those who do not understand it — increase diversification and generate job growth. It also has a fully automated irrigation system, a customised prepacking line and multiple climate control systems.

Honourable members interjecting.

Hon. R. A. DALLA-RIVA — Opposition members will have to read *Hansard* because they will not understand what that means.

We know how important the food industry is in Victoria, and regional Victoria is extremely important. That is why recently we were with the Deputy Premier to announce a \$90 million upgrade for SPC Ardmona to secure the future of its Goulburn Valley operations and create 45 new jobs. Not only will it do that but it will reduce its processing costs by \$12.5 million and cut annual water use by 242 megalitres.

This major investment in SPC Ardmona will improve — dare I say it — productivity in its operations. It will provide greater certainty to the employees and it will enable the region's fruit and vegetable growers to move into new product ranges and

create new jobs, generate future employment and secure future export opportunities into Asia. SPC Ardmona has 870 full-time equivalent staff.

I was also at the Seven Fields facility. This is a manufacturing plant that is developing and designing capacity for processing fruit more efficiently — dare I say it — and being more productive. That will enable, for example, the packing of 3 million cartons of citrus fruit per season. While I was there I saw they were also developing a machine for export to the United States.

I was also at Tripod Farmers. They provide clean and washed lettuce. You see it as a complete product in the supermarkets. They are currently cutting and delivering into Singapore within 24 hours. Just as you see it when you go to the supermarket, it is going into Singapore in bulk. It was fascinating to see the manufacturing process behind a really efficient productive environment for the mass production of lettuce varieties.

Where is the Labor Party in terms of its approach to food manufacturing? We see that the Mildura Labor Party branch president, Ali Cupper, has publicly supported plans for the Murray-Darling Basin plan — —

Mr Lenders — On a point of order, President, the minister was asked to answer a question on government administration, and now he is straying to commenting on the internal operations of a branch of a political party.

The PRESIDENT — Order! I uphold the point of order. I felt the minister was doing well in his provision of an answer to the question until he started on a press release rounding up on the opposition, which is not what we are to do in question time. That is against the standing orders and established principles in respect of question time, particularly when it refers to internal party matters. That is what we have established as part of the rules of this house. I ask the minister to continue, but without reference to the opposition's branches.

Hon. R. A. DALLA-RIVA — I am pleased to announce that we are committed to the manufacturing sector here in Victoria. We are committed to export markets for our \$50 million trade engagement. We are focused on improving manufacturing. Those opposite want to talk it down.

Vocational education and training: student numbers

Ms PENNICUIK (Southern Metropolitan) — My question is to the Minister for Higher Education and

Skills. In statements the minister has made in this house and elsewhere he is careful when talking about the cuts to vocational education and training to justify them by saying there has been a blow-out in the training budget. Not so other members of the government. The Skills Victoria training market quality report of this year shows the blow-out has, in fact, been in private training providers. There has been a 308 per cent growth in private training providers and only a 4 per cent growth in public TAFEs. However, other members of the government, such as the Treasurer and the Deputy Premier, talk in Parliament and are reported in the press as talking about an unsustainable TAFE budget. Will the minister make sure that they are telling the truth with regard to this?

The PRESIDENT — Order! I have trouble with this question. For a start, there is a reflection on ministers in another place. The implication is that they are not telling the truth. I have concerns about that. I also have concerns about the fact that Ms Pennicuik is asking a minister to tell other ministers to tell the truth. I find that a rather contorted question. I suspect that might be because Ms Pennicuik was running short of time. I invite her to put a precise question to the minister, but not the one that she has offered at this point.

Ms PENNICUIK — Thank you for your assistance, President. I presume the minister would agree with statistics from the — —

The PRESIDENT — Order! The member should ask a question, but certainly not a question asking that the minister make sure that other people do not lie and that they tell the truth. I request that the member put a pertinent question to the minister that falls within his jurisdiction and responsibility.

Ms PENNICUIK — Other members of the government are contradicting the minister — —

Honourable members interjecting.

The PRESIDENT — Order! I ask Ms Pennicuik to put the question.

Ms PENNICUIK — I ask the minister: what is the accurate picture with regard to the increase in student enrolments and costs in vocational education and training?

Hon. P. R. HALL (Minister for Higher Education and Skills) — In terms of the facts of the matter and increases in costs, I can advise the member on areas on which I have already reported. When this training system was introduced by the previous government —

it commenced on 1 July 2009 — the annual budget for the market-driven training system was \$800 million and was expected to rise by 2012 to \$855 million. It grew to \$1.3 billion. In terms of the increased costs of the system and the unfunded blow-out in the system, I can advise the member — I think with some degree of accuracy, because it is in print and has been part of the budget records over that period — that the blow-out in costs has been of the magnitude that I have just described which, this financial year, is of the order of \$400 million unbudgeted. It is a black hole and a blow-out. That is the fact of the matter. That is the actual increase in the cost.

In the first part of her attempted question Ms Pennicuik spoke about the growth in particular sectors. It is true that the most significant growth that has occurred over that time has been in the non-government registered training organisations. I am not sure of the exact figures presented by Ms Pennicuik, but they are reliably reported in those quarterly reports of training activity by the department. I have great faith that those figures, as reported in those documents, are accurate.

Supplementary question

Ms PENNICUIK (Southern Metropolitan) — The minister has confirmed what I was saying, which was that the blow-out has been with the private providers. The other justification is that there has been a ballooning of courses. Why is it then that the cuts that the government is making in the budget to the TAFE sector are resulting in the loss of well-established courses in TAFE institutes, both metropolitan and regional, that have been running for years — some up to 20 years — with well-established infrastructure? In addition, because of the cuts to the public service provision, some institutes are losing well-established infrastructure, such as the library at Chisholm Institute of TAFE. Why will the government not pull this back? It does not fit with its justification about a blow-out in courses when it is actually cutting across courses that have been there for a long time.

The PRESIDENT — Order! There was a seed of a question there at about the 25-metre mark.

Hon. P. R. HALL (Minister for Higher Education and Skills) — I was hoping, President, that you might be able to help me in terms of clarifying exactly what the question was that was embedded in that speech. I listened carefully because I try to honestly respond to questions. I think the question related to injustice — I suppose that is a term Ms Pennicuik may find appropriate, if I may paraphrase her question — about course withdrawals in TAFE institutes when the actual

course expansion has been more in the non-TAFE sector.

All I can say is that we have a market system where there is a balance of providers, both public and non-public. We have applied subsidies to training that we believe are appropriate to meet the needs of individuals and also the Victorian economy. The same provisions apply to both private and TAFE providers, and that was a balance of decisions that sought to meet training needs within the budget available.

The PRESIDENT — Order! Just before I call Mr O'Donohue to ask his question, we are running into trouble. Twice in question time today we have run into trouble with members who have tried to produce editorials in their questions rather than to put a preamble that is relevant to the question for the minister. In both cases the members have then got into trouble with their questions, partly because they have been pressed for time because they have used it all up on the editorial, and secondly, because they have been so focused on getting their opinion out that they have not actually been able to frame a question that is pertinent to the minister in respect of a response.

The issue with questions, as members know, is that when you put a question you are allowed a preamble and you are allowed to make some remarks to support the question. Essentially those remarks are to provide a context for the question so that the minister and the house to some extent know where the member is coming from, why the member is seeking this information. That is okay, and obviously it is part of the process of question time.

Members need to be careful about getting into editorials and their own opinions ahead of the question, as distinct from setting that context, because it does two things. One, is that it sometimes derails the questions, as we have seen twice today, and more importantly, it actually makes it very difficult for me to get the minister to respond in a pertinent manner to the question because the minister is then in a position to respond to the opinion and to argue and debate rather than to provide an answer. I have difficulty in reining in a minister and saying, 'Minister, please respond to the question rather than entering into a debate' if in fact the question itself has been one that encompasses debate and opinion.

I call Mr O'Donohue. I hope he does not transgress.

Aviation industry: regional airports

Mr O'DONOHUE (Eastern Victoria) — Thank you for your ruling, President. My question is to the

Minister responsible for the Aviation Industry, Mr Rich-Phillips, and I ask: can the minister update the house on the status of the coalition government's commitment to upgrade regional airports?

Hon. G. K. RICH-PHILLIPS (Minister responsible for the Aviation Industry) — I thank Mr O'Donohue for his succinct question. I am very pleased to have this opportunity to talk about the Regional Aviation Fund, which the Victorian government funded in last year's budget and which is a very important mechanism by which the Victorian government can support regional airport operators, particularly municipalities, in upgrading what is often very old infrastructure.

Last month Mr Viney asked me a question about upgrades to the Latrobe Regional Airport, and I was very pleased to confirm that the Victorian government, through the Regional Aviation Fund, was committing \$1.24 million to the upgrade of the Latrobe Regional Airport, which is in Mr O'Donohue's electorate. Of course that project will go a long way to supporting the work of GippsAero, which is a major aerospace manufacturer in Victoria based at that facility in the Latrobe Valley. The Victorian government is very pleased to continue support for GippsAero via that upgrade.

I was also pleased last week to visit Warrnambool with the member for South-West Coast in the Assembly, Dr Naphine, to announce a further project through the Regional Aviation Fund. I was pleased, with the Warrnambool City Council, to announce that the Victorian government will commit \$2 million to the Warrnambool airpark project, which is an important project put together by the Warrnambool City Council to undertake a range of infrastructure upgrades on that airport — runway and taxiway upgrades and vital underground infrastructure upgrades — to support the development of that facility.

That facility is incredibly important for the Warrnambool community. It is a facility that not only provides access to the Warrnambool area but is also incredibly important for businesses operating on the airport and those operating within the Warrnambool municipality. A number of large businesses that operate within the Warrnambool municipality are seeking ready access between Warrnambool and Melbourne. The upgrade of that facility will go a long way to facilitating that sort of direct access between Warrnambool and Melbourne.

The project that has been proposed by Warrnambool City Council — —

Mr Lenders interjected.

Hon. G. K. RICH-PHILLIPS — It is operated by Warrnambool City Council. Mr Lenders points out that it is actually not within the municipality of Warrnambool, but it is operated by Warrnambool. The project is a \$4.5 million project that has been proposed by the Warrnambool City Council. The Victorian government has contributed \$2 million towards that project, and the council is also making a contribution towards it.

For the project to proceed, though, the Warrnambool City Council needs the commonwealth government to come on board. Last week we had the announcement of a round of Regional Development Australia funding by the Minister for Regional Australia, Regional Development and Local Government, Simon Crean, on behalf of the commonwealth government. The Victorian government and the Warrnambool City Council, including the mayor of Warrnambool, were disappointed to see that the commonwealth had overlooked the Warrnambool airport redevelopment.

For this project to proceed it is essential that the commonwealth gets on board. I call on those members opposite who represent western Victoria to advocate with their federal colleagues to ensure that the commonwealth makes its contribution to this project so it can proceed for the benefit of the Warrnambool community.

RULINGS BY THE CHAIR

Questions on notice: reinstatement

The PRESIDENT — Mr Tarlamis has referred to me a question that he put on notice. It was question 4499, and it was directed to the Minister for Employment and Industrial Relations for the Minister for Innovation, Services and Small Business. Mr Tarlamis has sought my consideration of whether the question he asked has been appropriately answered or whether it should be reinstated on the notice paper. I have had some angst regarding this particular request. The matter concerns Bosch at Clayton, and I am not sure that Bosch could be described as a small business, and therefore I am not sure that the minister for small business was the appropriate person to actually send the question to.

Interestingly enough, the minister did seek to provide some sort of answer to Mr Tarlamis. As a courtesy to Mr Tarlamis, on this occasion the Minister for Innovation, Services and Small Business, Ms Asher,

provided an answer. It would be true to say that the answer does not respond to each of the matters for which Mr Tarlamis sought a response, and on that basis I will reinstate the question on notice on the notice paper. I suggest it may well be that the minister comes back and says it was not her jurisdiction anyway. As I said, I am not sure that this was the appropriate minister to put those questions to. I have not spoken to her, and I believe she may well have provided an answer as a matter of courtesy but not necessarily because she has jurisdiction in this area. For the sake of progressing the matter, I will reinstate it.

An honourable member interjected.

The PRESIDENT — Order! Bosch could end up as a small business, but we certainly hope not.

Members statements

The PRESIDENT — Order! With 90-second statements we keep a tally of the number of statements that each party has over the week, and I am also guided by hymn sheets provided by the respective Whips. On this occasion Mr Ondarchie's name was not on one of my sheets this morning, and I understood the quota for the Liberal Party and The Nationals had been reached. That turns out not to have been the case. As Mr Ondarchie asked at the time for the opportunity to present a 90-second statement, and because I was being decisive — I say to Mr Lenders — rather than through any fault of Mr Ondarchie's, I will allow Mr Ondarchie to proceed with his 90-second statement at this point.

MEMBERS STATEMENTS

Australian Lithuanians: book launch

Mr ONDARCHIE (Northern Metropolitan) — Thank you, President, for the opportunity to speak today. On Sunday, 10 June, I was pleased to launch a new book called *Australian Lithuanians*, written by Dr Luda Popenhagen, who is currently working at California State University but spent most of her life in Australia. The book acknowledges the great work the Lithuanian community has done in Australia since its members migrated here some time back. I acknowledge the work of Mr Dennis Gaylard, the president of the Australian Lithuanian Community in Melbourne, and Mr Algis Simkus, OAM, president of the Australian Lithuanian Foundation, for inviting me and giving me the opportunity to launch this new book.

Samoan community: independence celebrations

Mr ONDARCHIE — On another matter, on Saturday, 9 June, I was pleased to attend the Epping Memorial Hall to celebrate with the Samoan community 50 years of Samoan independence. I acknowledged His Excellency Mr Lemalu Samau Tate Simi, the High Commissioner of Samoa to Australia, and Mr Falanaipupu Mino Su'a, chairperson of the Samoan Community Link of Victoria. I recognise the great work that the Samoan community does, particularly in the Northern Metropolitan Region. I was pleased to visit and celebrate with its members. They acknowledged that despite the number of representatives of Northern Metropolitan Region in this Parliament, only one attended — which was me.

The PRESIDENT — Order! I also convey birthday greetings to Mr Ondarchie on a milestone birthday, which I understand is coming up next week. Congratulations!

Sitting suspended 12.54 p.m. until 2.02 p.m.

**APPROPRIATION (2012/2013) BILL
2012 and BUDGET PAPERS 2012–13**

Second reading

Debate resumed.

Mr KOCH (Western Victoria) — I am pleased to make a contribution to the debate on the recent state budget that has been brought down in some of Victoria's most difficult circumstances. In a period when we see shrinking revenues both at a state and federal level to a degree not experienced in the last decade, particularly in the areas of GST, land transfer transactions, payroll tax and other taxes being in serious decline, the Baillieu government has stepped up to the plate, not only furnishing us with a sizeable surplus but also retaining our AAA rating. We are one of only two states to maintain a AAA rating, and this has an ongoing value of over \$200 million annually in savings to this state on the current loans. I might also add that these loans were not of this government's making. We are the first to acknowledge that things are tough, and I again indicate that this is not of our making nor entirely of the previous government's making, although it must carry some of the blame.

Unlike the opposition, the Baillieu government has a vision and is working tirelessly to get the budget back on track and into a sustainable position without further tax increases. Over the last 11 years under the previous government Victoria was recklessly spending at a rate

of 7.3 per cent, with revenue growing by only 6.7 per cent. It was a disaster in the making even without what has occurred federally or internationally. The evidence is clear: the irrational expenditure on the desalination plant, the myki ticketing system, the overruns with smart meters and almost every other infrastructure undertaking pursued over the period from 2004 to 2010.

To put it simply, the Victorian budget is no different to our own household budgets. If it is not kept in check, then everything we value is at risk. Last week in the first of the budget responses we heard a lot of emotive tripe from the Greens suggesting that they are the only ones with a plan and that Victoria would be better under their leadership. Thankfully that is something none of us will have to endure. They even went as far as insinuating that the Premier did not know where the western suburbs were or had ever visited them. Again, what a nonsense! Why would people take them seriously?

Alas, the usual rant from Labor was also forthcoming. Labor has its ongoing negative campaign running in top gear — a campaign, I might say, that fails and falls over with the smallest amount of scrutiny. The ongoing spin — something the opposition has finetuned and is renowned for — that suggests regional Victorians have been forgotten financially by this government is far from the truth, as we all know. Rural shires had seen their rate bases eroded through continual cost shifting over the 11 years of Labor. They cannot believe the turnaround in their fortunes. Our commitment of \$4 million over four years to the 40 smaller municipalities for roadworks and bridgeworks, which does not require matching funds from them, has been an overwhelming success.

The community also recognises Labor's shortfalls, especially in the areas of finance and managing contracts. It is now seen as a given that anything touched by the former government, particularly infrastructure, repeatedly ran over budget and over time. My earlier examples of the desalination plant, myki, smart meters and the regional water grid, including the north–south pipeline and the great Melbourne–Geelong interconnection, clearly demonstrate this.

Our ongoing support for regional Victorians in Western Victoria Region, the area I represent, speaks for itself. The budget commitment to better roads has seen big inroads into highway duplication on both the Western Highway from Beaufort to Buangor and the Princes Highway from Winchelsea. Municipalities have not been sitting on their hands either, with much work

taking place. The upgrading of rail and the additional passing lane on the Warrnambool line are but two examples.

The allocation of funding to our hospitals and health service centres is little short of unbelievable. In this budget Barwon Health again received \$93 million towards its further development and towards 64 more beds. Ballarat Health Services received \$46 million for major works, including a further 60 beds and the much-needed helipad that Labor ignored and talked down for 11 years. Hospitals further west, including those in Colac, Terang, Timboon, Portland, Hamilton and Casterton, shared \$485 000 towards medical equipment purchases critical to their better performance.

Greater police resources continue to flow into regional centres under this budget — something appreciated across the state but no more so than in western Victoria. More police numbers in Ballarat, Geelong, Warrnambool and our other regional cities is a further reflection of our commitment to safer communities and roads. A new \$13.6 million police and State Emergency Service facility at Waurn Ponds will also see a further complement of police numbers in that community.

A \$200 million school capital program will fund new schools and essential facility upgrades. School maintenance programs have been stepped up, and additional new capital works are taking place. Land has been secured, and the new secondary college in Torquay is under way. Both Northern Bay P-12 College and Phoenix P-12 Community College alone will share over \$18 million, and there is a further \$2.5 million for Woolsthorpe Primary School in this budget's modernisation program. School maintenance programs continue to be required to a greater extent than ever before due to the neglect of the previous government. We are tackling this head on, with further funding being made available for the 2012–13 year.

It is a good story in western Victoria. This last budget has been well received by regional Victorians, who believe they were forgotten by Labor. They were promised so much and delivered so little. This budget delivers a responsible plan to drive economic growth, create jobs, deliver more infrastructure and improve community services across the state. This is something that was never sought by those in the opposition when they were in government. We, and more importantly Victoria and Victorians, look forward to having our finances restored, thus enabling us to pursue opportunities that will secure better times for Victoria. That is an outcome we hope will lift the current burden

off our children's and grandchildren's shoulders in future years. I commend the bill to the house.

Ms MIKAKOS (Northern Metropolitan) — I rise to speak today on the coalition's horror second state budget, a budget that has overwhelmingly failed Victoria's families and its young people. The handing down of the 2012–13 Baillieu government budget has left more and more Victorians — —

Hon. D. M. Davis — You were the underperformer, given question time.

Ms MIKAKOS — What was that? I am an underperformer?

Hon. M. J. Guy interjected.

Ms MIKAKOS — We have two ministers here wishing to make their Baillieu government budget contributions, and perhaps they may wish to take up that opportunity later today so they can talk about how their do-nothing government has been dithering and is actually doing nothing whilst trying to put out spin to convince Victorians that this government is decisive and taking decisive action. We see the Baillieu government ministers sitting on their hands, perhaps with the exception of Mr Guy, who seems to be engaging in rampant destruction of Melbourne's livability at the moment as he tries to promote himself as Victoria's alternative premier.

It is no surprise that we are seeing a great deal of dissatisfaction with the handling of the Premier's job and we are seeing members of the government leak to the media constant speculation about the leadership of the government. Clearly there are question marks about the Deputy Premier, Peter Ryan, and his involvement in the Simon Overland scandal, and we are also seeing questioning around the Premier's performance. A move is afoot to get the numbers together to take Mr Guy down to the lower house and to elevate him to the top job.

I particularly want to address two issues in relation to the budget to do with jobs and education. Victorians rely on having jobs and a strong economy to support their families. Education is necessary to provide every young person in this state with an opportunity to find a job and achieve their dreams and aspirations. In relation to jobs, over the last 17 months of the Baillieu government the Victorian economy has got worse.

Employment in particular is getting worse. In relation to the employment growth target for the current financial year, there is the prediction of it plummeting to zero. This is a far cry from the promise the Treasurer

made that he would create 55 000 jobs a year. That has proven to be a cruel hoax on the Victorian people, with employment growth in the next financial year predicted at only at 0.25 cent. If Victorian families were hoping that this time around the budget would create jobs, then they would be sadly disappointed.

In relation to public service jobs, the government has moved to sack 4200 public servants. In relation to the impact this will have in Victoria, the government has been at pains to say that front-line services will not be affected, but time and again the Labor opposition has exposed this as untrue. In fact a number of services that are very important to Victorian families will be impacted upon.

The most recent instance of that relates to the provision of further education and training and the absolute decimation of the TAFE sector, and I come to that now. There has been \$290 million slashed from the TAFE sector, and this is already having an impact on job cuts, campus closures and the end of some courses. We heard more about that in question time today. Minister Hall was seeking to wash his hands of those closures, but he cannot walk away from them and the impact that his cuts to the TAFE sector will have on the opportunities for our young people to undertake further education and training.

I have spoken to some of the staff at Northern Melbourne Institute of TAFE, which has campuses in both Preston and Epping. It supports young people in my electorate who are very concerned about their job security and about the quality of training they will be able to undertake once many of the courses are cut. Choices will be limited in terms of the types of courses that people will be able to undertake.

Also in relation to the TAFE cuts, we saw one of the most heartless impacts in relation to my local TAFEs in the cut to the Auslan course currently offered in both Broadmeadows and Richmond in my electorate. There has been an announcement by the Kangan Institute of TAFE that it will be unable to offer the Auslan course because it has become unviable due to the state budget cuts. That is a particularly galling outcome given that this is a language that members of the deaf community rely on to participate in our community. The last course that remains available to them in Victoria is now set to go. I am very hopeful that the minister will step in and reverse this appalling loss.

In the brief time available to me I will say a few things about education. I am concerned that the Baillieu government is continuing to ignore schools in my electorate. When the government came to office it had

not listed a single school in Northern Metropolitan Region as one it was going to deliver funding to in its four-year term of office, and that is what is occurring 18 months down the track. During the Kennett years the northern and western suburbs were ignored, and we are seeing that all over again — the northern suburbs are missing out.

I refer to a recent visit I made, together with Bronwyn Halfpenny, the member for Thomastown in the Assembly, and Daniel Andrews, the Leader of the Opposition and member for Mulgrave in the Assembly, to William Ruthven Secondary College, which has missed out on receiving further funding to complete the final stage of its redevelopment. Labor members were actively involved in ensuring that many schools in the north received funding, and that is why the first stage of that redevelopment was able to be completed.

The first stage of the redevelopment of Charles La Trobe College was also able to be completed, but the second stage of the college is still waiting to be funded. That stage involves the construction of a senior campus auditorium which was committed to by the previous government. There is no funding in the budget for the Olympic Village P-4 campus of Charles La Trobe College, but thankfully the member for Ivanhoe in the Assembly has been a great advocate on behalf of that school. After a recent fire the member for Ivanhoe managed to get a portable classroom to replace the damaged classrooms. Brunswick Secondary College is still waiting for funding from this government.

Mr Ondarchie interjected.

Ms MIKAKOS — It is no surprise that the *Whittlesea Leader* of 8 May ran a story about the budget entitled ‘Slim pickings for Whittlesea in budget’, because that is exactly what the northern suburbs got from this budget. Mr Ondarchie is quoted in that article as saying the northern suburbs would benefit. I ask him to point out exactly where those benefits are. Mr Ondarchie has been unable to deliver any benefits. It is no wonder, because he is actively lobbying to get Mr Guy to go down to the lower house at the next election so that Mr Ondarchie himself can take the no. 1 position for the Liberal Party to try to save his skin. If he stays at no. 2, he is going to struggle to be re-elected, given the lack of performance so far by the Liberal Party when it comes to providing for the northern suburbs.

I am particularly appalled by some other results in the budget, including cuts to the education maintenance allowance. This important program supports schools to

provide breakfast programs and uniforms, books and other support to disadvantaged children, many of whom live in my electorate. As a result of this cut, I am concerned that many public schools in my electorate will have to pull back on some of the support they offer struggling families. I wonder where the priorities of this government are when its members would cut such an important program, as well as scrap the \$300 School Start bonus, which helped families with children starting prep or year 7.

I refer to the area of early childhood. Those early years are particularly vital for children, because the support that preschoolers get during this time is absolutely critical to ensuring that they get the best start to their education. We all know this state is experiencing a baby boom at the moment, which is putting more pressure on infrastructure, particularly in the growth suburbs in areas like the city of Whittlesea, yet there is not a single dollar in the budget for infrastructure funding for kindergartens this year. The Minister for Children and Early Childhood Development had the gall to come in here and announce the opening of a new funding round that will rely on federal money. The minister, Mr Ondarchie and Liberal backbenchers should be sending a thankyou note to the federal Minister for School Education, Early Childhood and Youth, Mr Garrett, for all the money he is providing to kindergartens around the state, because the money the federal government is providing is the only reason those kindergartens will be able to afford to expand their services to meet the 15 hours of universal access to kindergarten next year.

I particularly note the government is ignoring the *Report of the Protecting Victoria's Vulnerable Children Inquiry*, on which the government said it was placing a great deal of importance earlier in the year. That report recommends an increased investment in universal child services, including in kindergartens, as a way to prevent involvement of families in the child protection system. After this important report was released, I was particularly appalled that the government would choose to put not a single dollar into infrastructure in this year's state budget. Of course the minister can run around and cut ribbons on Labor-funded projects for kindergarten services, but it will only be a matter of time before she runs out of ribbons. The fact is that any ribbons she cuts in the future will be paid for by the Gillard Labor government.

In relation to health, only a minuscule amount of money has been provided to the Royal Victorian Eye and Ear Hospital — \$2 million out of a once promised \$165 million; that hospital is in my electorate. There is nothing in the budget towards Northern Health's

academic research precinct, which I have spoken about on numerous occasions, which would help that hospital retain much-needed medical staff. Nothing has been done to address hospital waiting lists and the banking up of ambulances at hospitals. In fact things are getting much worse.

In relation to transport, bus routes 573 and 571, which run through the northern suburbs, are being cut. There are no new bus routes to assist that growing community.

In the area of youth, there are cuts in the budget for youth mentoring and yet again no money for the promised Bairnsdale youth centre.

In conclusion, this is a dreadful budget for Victorian families. It is particularly galling that education is receiving so many cuts. I would have thought that should be a top priority of the government, and I hope government members address these issues in the future. There is no decisive action on the part of the Baillieu government at the moment. This is a do-nothing government that is allowing this state's economy to decline so that people will lose their jobs. Government members do not care. All they are doing is looking after their mates.

Hon. B. N. ATKINSON (Eastern Metropolitan) — Very recently a survey was published by the Lowy Institute that showed 23 per cent of young people aged between 18 to 29 said it did not matter what kind of government they had in Victoria or Australia. In editorial articles on that survey teachers copped the blame from many commentators. Those commentators said teachers were covering too many other forms of government in a user-friendly manner in schools and were not extolling the virtues of our democracy. I do not think teachers should have copped the blame from the commentators; I think we as politicians are to blame. The reason is because so often we are involved in petty debates attacking individuals rather than contesting ideas, and we are perceived too often to be consumed by partisan political agendas, which to young people — and no doubt to most Victorians — shows a disinterest in the issues that really matter to young people.

At this time we talk about the budget, and I have listened to a lot of the speeches. I am concerned that so many of those speeches have again focused on issues that are extraneous to the budget itself and to the services and facilities that Victorians expect and require both as individuals and as companies to continue to build this state and to create opportunities for the future.

I am sympathetic to the government in the way it has had to approach this budget and what it has had to cope with. I think members, and Victorians generally, need to be aware that the world is experiencing the worst economic circumstances since the Great Depression, and that includes 2008 and 2009, the global financial crisis, during which many people tried to paper over the cracks in the world financial system. Many of the chickens hatched in that period are now coming home to roost. What is happening in Europe and in the United States has repercussions for the entire world. It is impacting upon China, it is upon impacting Japan and it is impacting upon us. Going forward it will continue to impact upon us and the ability of our governments to continue to provide services and infrastructure because of what is happening in terms of finance, particularly with the world's banking system, and the access that we in Australia will have to funds.

We have seen in Europe in particular but also in the United States just how crippling debt can be. Too often in this country we have resorted to debt at inappropriate times. From both sides of the house I have consistently advocated that debt is allowable and that we should not just round up on debt as a bad thing all the time. But debt, where it exists, needs to be related to long-term infrastructure. Too often countries around the world have failed to understand the importance of the correlation between debt and long-term infrastructure to investment in the future. One of the real problems we have in Australia is that there has been an increasing reliance on debt and a failure of the federal government to recognise some of the conditions worldwide and the likely impact of those conditions on not just the national economy but also on particular state economies.

We often hear about the two-speed economy in Australia and about the success of the mining industry, particularly in Western Australia and Queensland. Clearly those two states have fared quite well in recent years, but I suggest to members of this house that the mining boom has at best 10 years to go and probably more like 5 years to go. China, our biggest customer, is already developing mines of its own in Inner Mongolia, part of its own territory, and is buying into and establishing mines in countries such as Africa. It has bought into Australian mines and is also looking at other BRIC nations — Brazil, Russia, India and China — to establish sources of supply for its minerals. In fact its economy is slowing down too, because Europe and America are buying less from China at the moment because of the recession activity in their countries and because they are struggling with their debt levels. But it is going to get worse.

In the future, if nothing else, China will be a price maker, not a price taker. So in Australia we need to be sure that we do not have an overreliance on the mining industry. We need to recognise that what Victoria has to offer in terms of financial services, manufacturing, horticulture and agriculture, education services and so forth, are important areas of our economy that we need to protect and that we need to plan for in terms of future opportunities. In that sense I congratulate the government on the efforts it is making to promote Victorian industry, particularly the manufacturing sector, in China and in India.

Can I suggest to the government — to the Premier, if I might be so bold — that areas like Indonesia ought also to be very strongly part of our outreach in the future in promoting our manufacturing sector and some of those other areas such as education, financial services and horticulture. So too should Chile. We should not forget Japan and Korea and some of our other traditional areas and trading partners, because Victoria simply must continue to build on the very strong foundations it has had in those industries. As the mining boom peters out, and I believe that will be in five years from the sorts of studies I have done, we are going to be in a very important place for Australia in terms of driving the national economy, as we have been over so many years.

We need to consider government investment, and I think this budget makes efforts to look at investment in the future. We certainly need to be looking a lot more at infrastructure. We need to look at the skills gaps, and I note that the TAFE education system has been a focus of many people's contributions to this debate. I think skills development is a very important issue, but the truth is we also need to look at what is the most effective way of developing those skills. Where there is minimal demand for courses, we have to look at different ways of providing that skills training.

We certainly need to be mindful that — and the Treasurer has battled this in the case of the budget, and I dare say he will continue to battle it, as will his federal colleagues going forward — the tax base is being eroded by changes in technology, by our ageing population, by competition from other countries and by the decisions corporates make about their worldwide supply chains. We have also been adversely affected by comparatively higher interest rates than most of our trading partners, China being a notable exception. We have also been seriously affected by the Australian dollar, and I might well be labelled a cave dweller or even the village idiot, but I suggest that it is perhaps time to consider fixing the rate of the Australian dollar.

I supported the floating of the Australian dollar at the time it was done by a previous federal Labor government. It was an appropriate action at that time. But right now the Australian dollar has become play money for worldwide investors. The value of the dollar is going up and down in a speculative market according to the wants and needs of international speculators and with absolutely no regard for the fundamentals of the Australian economy. The problem with that is that it is in the long term destroying some of our best industries. We are competitive; Victorians are particularly competitive. Victorians are particularly innovative. But the fact is that our industries are being undermined by speculation in the Australian dollar, which, as I said, has no regard for the fundamentals of our economic performance. It is making significant inroads into the viability of many of our tourist businesses, of our manufacturing businesses, of other export-related industries and even of our education services, which are such a significant and valuable export for Victoria.

I have always regarded education services as a valuable export and not simply because of the export dollars the sector brings in through the students coming to Victoria. More importantly, all the students who study in Victoria and go back to their own country usually go to a leadership position. They move up through the ranks of politics, through the ranks of business and through the ranks of their communities into important positions in those communities. These are people who have had a taste of Victoria, who understand our lifestyle, who understand the way we operate and who, because of their education here, have a link to Victoria. They are such an important asset for us going forward, and I am not sure that we do enough about that. I think we are losing some of our education export opportunities through the recruitment of international students for two reasons: one, the cost due to the high Australian dollar being in a speculative situation, and two, the visa policy the federal government has implemented.

This budget has been framed in very difficult circumstances. What concerns me is that I think there is worse to come. In my view, despite the fact that I am an optimist at most times and a glass-half-full man, the reality is that the trends and circumstances in Europe in particular but also in the United States are such that we are headed for significant further upheaval in global markets. Unfortunately Victoria is not an island unto itself, and many issues — as I said, speculation on the Australian dollar is simply one example — are having a substantial impact on the ability of the government to provide services efficiently and effectively to Victorians.

It certainly does not escape me that there are a number of significant wage claims out in the marketplace at this time. Whilst I think it is important that people are fairly remunerated for the work they do, it is time we had a really big think about Australia's place in the world, because if we go to a situation where we are going for landmark wage claims, we are really going towards substantial job losses as a consequence. There is no doubt that in many industries — and retail is a classic example — the number of people who are now buying online is growing very strongly. Online buying is eroding the tax base of the national government, and because a lot of those taxes are related to GST, it is therefore also eroding the base of state taxes.

Not only that, but online buying is creating a situation where retailers are unable to pay a range of other taxes, including payroll tax, some sales duties and so forth, because their businesses have been eroded by online sales. They simply cannot compete and are finding it increasingly difficult to maintain momentum in terms of employment growth against that sort of competition.

We are facing significant structural change in the world today and significant structural change here in Australia. Some of what we are dealing with economically is cyclical, but much of it is structural. It is a great pity that we in this debate and in other debates have not tackled some of those issues and looked at some of the ways in which we might address change, government responses and the way in which governments might continue to provide effective and efficient services to meet the needs of Victorians rather than simply trying to carpet one another and participate in debates on issues that really are very much at the fringe of what ought to be the vital issues — issues that very much concern those 18 to 29-year-olds who have lost faith in democracy as a concept and do not believe we would be any worse off if we had some other form of government, be it a dictatorship, a socialist government or whatever.

The ACTING PRESIDENT (Mr O'Brien) — Order! I thank Mr Atkinson for that presidential speech. I at one stage wondered whether the rhetorical phrase 'village idiot' was unparliamentary, but I am prepared to refer those matters to the President for his own consideration.

Mr ONDARCHIE (Northern Metropolitan) — I rise this afternoon to speak on the budget papers 2012-13. Victoria is in a very unfortunate financial position. We have lost \$6.1 billion in GST revenue. As others have alluded to today, there are external market pressures domestically and internationally imposing on the financial position of this state, and we

are still feeling the effects of the neglect and mismanagement over the 11 years of the Bracks and Brumby-Lenders governments.

Ms Mikakos took the opportunity today to talk about taking credit for things that have happened in the north, but what she failed to do was accept responsibility for the situation that the Labor government left this state in. I am talking about a desalination plant that is costing Victorians \$2 million a day for the next 27 years; a myki ticketing system that has an \$857 million blow-out; smart meters, which have had an \$800 million blow-out; electronic gaming licences, which lost about \$3 billion in potential revenue; the HealthSMART database project, which was introduced by the Leader of the Opposition and member for Mulgrave, Daniel Andrews, when he was the Minister for Health, was abandoned by this government when it was found to need a further \$80 million for completion; the LINK database, which was abandoned after it was found that it would require a further \$100 million to become operational; and the regional rail link, amongst other things, which has blown out by \$1.1 billion. What Ms Mikakos and others opposite have failed to do is accept responsibility for the condition they left this state in.

Under the previous government expenses grew at an unsustainable average of 7.3 per cent over 10 years to 2010–11, and Victoria's public service grew at an average of 5.3 per cent between 2006 and 2010 while the annual population grew at an average of 2 per cent. I am sure Victorians can work this out. This budget is responsible, conservative and it is right for its time. It will deliver a surplus of \$155 million, which is projected to grow to \$2.528 billion by 2015–16. The focus of this budget has been on health care, transport improvements and school upgrades which will secure Victoria's future.

Many members opposite have talked about the state of the budget. We, as members of the government, know we have taken a responsible position, because we have determined that our own salaries and those of senior public servants will be limited to a 2.5 per cent increase in line with what we expect from others for the next 12 months.

Ms Mikakos and the members for Yan Yean and Ivanhoe in the other place have all made commentary about this budget and its support for Victoria's northern metropolitan area, which I represent. I have to say there have been some remarkable achievements. There was \$10 million for a new primary school in Doreen South, including classrooms, a gymnasium and a new administration facility. Over \$6 million was put aside

for the acquisition of land in Epping North for school facilities. There was \$10.4 million for a youth foyer in Broadmeadows to support structured assistance and accommodation for young people at risk.

There are 17 new kindergartens, with over \$40 million in capital grants for Northern Metropolitan Region that I and the Minister for Children and Early Childhood Development announced in the last few weeks. In particular there was \$1.34 million for the Olympic Village children's hub, which will include a preschool, maternal health services, child care, playgroups and community meeting rooms. In terms of supporting our youth, there is \$6.35 million for the Parkville youth justice centre and \$10 million to decentralise and make less scary a Children's Court facility at Broadmeadows.

There is \$2 million for sports maintenance work at the State Netball Hockey Centre at Royal Park. There is \$58 million under the stewardship of the manufacturing minister for high-performance manufacturing across Victoria, and I am sure that Northern Metropolitan Region will benefit from that. There is \$56 million for the creation of more than 220 privately owned homes, 110 social housing properties and a 110-bed aged-care home, all of which will be constructed in the north of Melbourne. There is also \$336 million provided for child protection and looking after our kids.

Ms Mikakos talked about jobs in her presentation today. One of the biggest impacts on jobs we are going to see in the state of Victoria is that dreaded carbon tax, and not once today did she say she either supports the carbon tax or is against it. She could have said she was standing up for working families in Victoria and denounced the carbon tax. She failed to do so, as she failed to support the north for many years of her time in government. There was \$179 million allocated for metropolitan rail network maintenance, and just this week I was pleased to announce \$12 million for the upgrade of Cooper Street around Melbourne Wholesale Fruit, Vegetable and Flower Market in Epping.

There is \$1.14 billion for mental health, and there is going to be equipment for more than 22 new community care unit beds at the Austin Hospital and \$3 million of additional funding to run new and innovative intensive day-patient programs at the Royal Children's Hospital. A range of things have been supported in this budget, and people are saying interesting things about it. It is not just me; what are people saying about the state budget? As reported in the *Herald Sun* of 3 May, Patrick Ansell said:

Daniel Andrews seems a little annoyed with Ted's budget. Let's hear Daniel explain how he would restore Victoria's financial position to a healthy level, given it was the

government he served that forced Ted to deliver a tough budget.

On the same date Jason from Berwick is reported as saying:

I want Labor back. They open the chequebook every year and spend, spend, spend. A billion here for myki, a billion or two there for smart meters. As I look out the window to pouring rain ... countless billions wasted on a desal plant.

Joe from the bush said, also in the same section:

After 10 years of spending and waste under the last lot, we now have to tighten our belts to pay for it all under this lot. Sounds familiar, doesn't it? Labor blows it, we suffer; the Libs drag it back ...

This is what the readers of the *Herald Sun* are saying. The opposition members like to quote from the papers fairly regularly and put stories into the papers, but in the *Herald Sun* of Friday, 18 May, the editorial names a number of things. It talks about HealthSMART. It talks about the myki smartcard. It talks about the desalination plant and the north–south pipeline and it says:

These white elephants were launched by the Bracks and Brumby governments and cannot be blamed on the Baillieu government, which must pick up the pieces.

That is the reason why we have a responsible budget that is right for its time. It is a budget that indicates to all Victorians that we have to live within our means. That is why the Treasurer, the Premier and the whole cabinet in the state of Victoria have delivered to Victorians a responsible budget.

Mr DRUM (Northern Victoria) — It is with great pleasure that I join in the appropriation debate. I think we now have a situation where the people of Victoria can look at this budget as a defining budget. The reason I think it is a defining budget is that we now have two clearly different directions for the major political parties in this state. Victorians now have a clear alternative, where they can look at the government they have at the moment — a government that is reining in spending in tough financial times — and know they have a government that will deliver the services we can afford.

Victorians also know that over 11 years the previous Labor government was unable to bring in any one of its expenditure totals in budget in any one of its 11 years. At the start of every year the members of the previous government would sit down and work out how much they were going to spend in the next financial year. Yet whether the Treasury was under the control of Mr Lenders, who is now rejoining us, or whether it was under the control of the former Premier, John Brumby, in not one of those years was Labor able to prove to the people of Victoria that it could manage the state's

finances. Why did expenditure outstrip the Labor government's estimated revenue in every one of its 11 years? As everyone knows, Labor cannot manage money.

In the coalition we have had one year in government. It was a year in which we were stripped of over \$2 billion in projected revenues. As we headed into the last election we thought we knew what was to be made available to us once we took over the government offices. However, due to a different arrangement that has now been put to us by the Commonwealth Grants Commission — a diminishing pool within the GST returns, as opposed to what was estimated — we have had to make reductions on the run and tighten our belts to make sure that we bring our budget in on budget. We have been able to do that in the most difficult times.

Victorians have a clear choice. They can look at a Labor Party and a potential Labor government that they know will overspend every year. They also know Labor will increase debt every year. I think when Victorians look to the north and see the financial strife that the New South Wales and Queensland governments have got themselves into with increased debt levels, they will be very grateful that the Labor Party's reign in Victoria was stopped at 11 years and that the future financial plan for Victoria sees the state's debt not being raised to \$35 billion, as was forecast under the previous government, but capped at around \$20 billion to \$22 billion. That has been put in place by the Treasurer, Mr Wells.

It is not as though Labor has learnt from its time in government when it overspent each and every year. Right now we have a situation where opposition members are out there screaming for the coalition in government to be spending more money. I will go through a list of their claims that I have with me.

The shadow Minister for Women's Affairs, Danielle Green, the member for Yan Yean in the Assembly, wants another \$25 million for financial assistance to community health centres — it would be nice if we could have it. Adem Somyurek wants 32 manufacturing support programs reinstated. He does not say how he would fund them; he just wants them back. Mr Merlino, the member for Monbulk in the Assembly, wants a new secondary college at Mernda — he wants more than \$25 million for that — and he wants another one at Seddon. He does not say how much he wants for that one; he just wants another school there.

The shadow minister for skills and apprenticeships, Mr Herbert, the member for Eltham in the Assembly, wants \$290 million put back into the TAFE sector.

Brian Tee says he wants the urban growth areas change reversed because it is going to put too many cars on the road, but he does not say how much the detrimental effect of not going ahead with Minister Guy's plan is going to cost the state or Melbourne. The opposition transport spokesperson, the member for Northcote in the Assembly, wants to reverse any public transport fare increases. Wade Noonan, the member for Williamstown in the Assembly, wants money reinstated for an advice line. The shadow Minister for Roads, Luke Donnellan, the member for Narre Warren North in the Assembly, wants more bike path funding.

Daniel Andrews, the member for Mulgrave in the Assembly, wants the state government to pay for new infrastructure for Qantas out at the airport, but he does not say how he would fund it. The shadow Minister for Sport and Recreation, John Eren, the member for Lara in the Assembly, is not quite sure whether he wants to spend more money or save money: he wants more investment to keep major events here but is not quite sure about our \$60 million investment in Lakeside Stadium. We cannot quite work out what he wants.

Mr Merlino wants \$29 million spent on school education maintenance allowances. Mr Eren wants \$46 million returned to the Community Support Fund. Mr Andrews wants all the Department of Primary Industries' offices that are going to close to be reopened. He does not say how he would fund them; he just wants them reopened.

On it goes. Mr Jennings wants an additional \$616 million put into the health system. The shadow minister for employment, Tim Pallas, the member for Tarneit in the Assembly, wants \$13 million put back into small business promotion. The shadow Minister for Planning, Brian Tee, wants \$9 million put back into planning. The shadow Minister for Housing, Richard Wynne, the member for Richmond in the Assembly, wants \$8 million put back into housing programs. Again, no-one is saying how they are going to fund any of this.

The opposition roads spokesperson, Luke Donnellan, wants \$33 million put into a roads program, and he has been critical of any increases in revenue that may be raised through fines in the future. Regional and rural development spokesperson Jaala Pulford says it is wrong for this state to be planning to gain \$740 million through state taxes. Maybe she is going to give that money back. Mr Donnellan wants another \$115 million to be put into a cycling strategy. Mr Lenders has called for another \$205 million to be put into the Future Farming strategy, even though it has been superseded by Minister Walsh's plan, which is far superior.

We now have a situation where on the promises by the Labor Party that have been tagged by finances alone the cost is over \$2 billion. Plus Labor is going to reinstate 4200 public servants, which is another \$3 billion recurring per annum. That is over \$5 billion. If you look at all the promises Labor members have made which do not have dollar signs attached to them, you find there is another \$1 billion. We are talking about \$6 billion which the previous mob want to lump onto Victoria at a time when everybody knows we simply cannot afford it.

But it does not make any difference to Labor. Labor will keep borrowing, increasing state debt and overspending. When you look at the financially responsible nature of the coalition government, you will find that eventually we will be in a much better place than rival states to the north of us which have had to endure Labor's spending, increased debts and mismanagement for longer periods of time.

Mr Lenders interjected.

Mr DRUM — It may have been a better story for Victoria had we not gone ahead and built a desalination plant. Into the future we are going to have to lump Melbourne Water users with a 30 per cent increase in their water rates. I wonder who they are going to blame? Are they going to blame the current coalition government when that happens, or will they have enough hindsight to look at the rabble that was the former government which rushed into a policy that it said was a fraud? Instead of building a desalination plant that would have been an opportunity to give this state water of last resort at a much smaller cost to the people of Melbourne — maybe the people of Melbourne would have accepted that — the former government built something three times bigger.

Then you have the financial genius — and I am being a little bit cynical here — of Mr Lenders. He thinks it is better to get water into Melbourne to fill up a dam in Sugarloaf Reservoir — that is already full, by the way — by pumping water through a 70-kilometre pipeline than it is to pump it 2 kilometres from the Yarra River. I will let Mr Lenders dazzle us with the financial genius that supported that water plan at another time. It will be similar to the genius who went ahead and built the north-south pipeline before he did a feasibility study for it and before a cost-benefit analysis was done. The previous government got an idea and then ran its cost-benefit analysis concurrently with the building of the pipeline.

I do not know, Acting President, whether you built your transport company along such lines, but I imagine you

would have first checked the profitability and the feasibility of the business and you would have made sure that your business was going to be financially viable before making a major investment. That was not so with the previous government which got an idea, put the excavators into action and did the cost-benefit analysis as the project went through. When we asked the Treasurer or the Minister for Water, ‘How much is it going to cost us for a unit of water when it arrives in Melbourne?’, do members know what they told us? They said, ‘We can’t tell you’.

We are not going to talk about the \$3 billion loss from the poker machine revenue; we are not going to talk about that, and we will not talk about myki. We will not talk about any losses. All I will say is that for 11 years the Labor government continually overspent to the tune of approximately \$1 billion every year. There was about an \$11 billion overspend over its term of government. The Labor government got it wrong to the tune of about \$11 billion. We would like to have it back; however, I do not think we are going to get it back for Victorians, and unfortunately we will have to make do with what we have.

Now at least Victorians have a clear choice: they can go down the path of supporting Labor, which they know will spend and spend and borrow and borrow and rack up state debt, or they can get behind what the coalition government is doing with responsible financial management and delivering services to the people of Victoria in the best way it can.

Mr RAMSAY (Western Victoria) — I understand I am the last member to speak on the budget papers this afternoon. I am not sure if that is on the premise that they were keeping the best to last or, in fact, whether that was my place in the pecking order for a reason. I take on board Mr Viney’s words, and I will be speaking about many of the good things that the budget has given to my electorate of Western Victoria Region.

However, one has to go back into the past because the budget was framed against the background of some of the activities of the previous government and obviously some liability was attached to it. I am going to present a contribution this afternoon that is about hope and optimism for the future. I will also demonstrate that we have a budget of leadership, sustainability and consolidation in the face of a Labor legacy that had the state of Victoria heading into receivership.

I have heard contributions from the other side of the house criticising a responsible budget and bemoaning the fact that the state could not continue in an artificial mist of largesse along the lines of previous budgets that

were overcommitted or underfunded or just did not deliver. Those on the other side consist mainly of new graduates from the school of trade unions whose motto is ‘spend, spend, spend’. It does not matter where the money comes from; there is no accountability or transparency, just spin, spend and spin.

I say to the members on the other side that Victorians have at last had a budget that is not only a blueprint for fiscal responsibility but also a vision for Victoria to be the leading state in the nation. It is a budget that will protect the state’s financial integrity with an operating surplus of over \$155 million, a AAA rating, the single biggest investment in infrastructure the state has ever seen — \$5.8 billion — and net debt declining to 6 per cent of gross state product by June 2016.

Despite the financial challenges of a global economy that has certain countries teetering on the edge of recession, a Labor federal government that has a shocking track record of waste and total mismanagement with projects like pink batt insulation, wasteful Building the Education Revolution funding, green schemes that were buried, the national broadband network — which is a bloated dinosaur that people will not be able to afford — and a spending program that makes even a drunken sailor look competent, Victoria is taking steps to reverse the trend of having more expenditure than revenue, because that is not sustainable. While federal Labor is squeezing Victoria by reducing its GST share by \$8 billion, it continues to bludgeon Victoria with the threat of withdrawing from the regional rail link, using Fair Work Australia as the big stick to nationalise occupational health and safety and using the state’s irrigators as the pawns to have Victoria sign up to the Murray-Darling Basin plan.

On 1 July federal Labor will introduce a carbon tax with a carbon price that will be the highest in the world. A country that produces only 1 per cent of greenhouse gas emissions will see a federal government imposing a penalty — a cost — on every man, woman and child in Australia that no other country in the world imposes on its population. If that kick in the guts is not enough, it is also changing the superannuation rules so that the superannuation contributions of those over 55 years of age will be capped at half the present rate. Here we have a federal Labor government that is removing the incentive from those who want to be self-reliant while happily increasing the cost of living for everyone in Australia.

This budget continues on from the last budget, where we saw record levels of investment in health, education and infrastructure. In fact this is the only government that has delivered nearly 96 per cent of its election

commitments in the first budget cycle. It has delivered a reduction in business costs through a 3 per cent reduction in WorkCover costs, and the priority to remove regulation and red tape, which has been stifling small business, has been welcomed by small business.

Mr Barber — Car tax or carbon tax?

Mr RAMSAY — Unfortunately, you were not listening, Mr Barber. I have mentioned carbon tax a number of times.

Mr Lenders interjected.

Mr RAMSAY — The \$1 billion Regional Growth Fund, which I am very happy to talk about, Mr Lenders and Mr Barber, is providing local government and rural communities with funding for capital projects that we have not before seen invested in such a strategic way. It gives rural communities the chance to grow and seize opportunities for expansion.

While Labor and the unions create hysteria around the coalition government reducing the unsustainable growth of the public service and having departmental programs refocus on productivity and industry need, it was the irresponsible Labor promise of funded programs on the never-never that has led us to having to make the hard decisions for the sake of all Victorians. The way the unions are using vocational training as a political tool to further their own interests is a disgrace. That they did not make the hard decisions to stop the uncontrollable beast of unsustainable, uncapped subsidised training with no criterion of industry need is another disgrace and, and as with so many other bungled projects, the Baillieu government has been left to restructure vocational training and further invest in quality programs. It will provide an extra \$1 billion over four years and increase the subsidy for industry-recognised apprenticeship programs. While we clean up Labor's mess the vision of Victoria being the leading state continues with many good budget announcements.

In my region \$38 million has been allocated to the Ballarat Western Link Road and \$46 million to the Ballarat hospital, which includes a helipad and 60 new beds. The sum of \$42 million for the Western Highway between Buangor and Beaufort has been promised and delivered, and \$62 million has gone to the farmers in Ripon to boost productivity and profitability.

Mr Lenders interjected.

Mr RAMSAY — We have more to do. They are things that Mr Lenders never had the courage to do. I am looking for this government to review payroll tax,

which is a significant cost to small business. I am pleased to see the reforming of the fire services levy is now under way. Admittedly it is not happening quite as quickly as I would have liked, but having tried to reform the fire service levy for 10 years, Mr Lenders would understand there are some significant and complicated issues associated with it.

This is a responsible budget that deals with the past but provides for the future. I support the budget papers.

APPROPRIATION (2012/2013) BILL 2012

Second reading

Motion agreed to.

Read second time.

Ordered to be committed later this day.

APPROPRIATION (PARLIAMENT 2012/2013) BILL 2012

Second reading

Debate resumed from 24 May; motion of Hon. G. K. RICH-PHILLIPS (Assistant Treasurer).

Mr LENDERS (Southern Metropolitan) — I rise to speak on this bill, and I will raise a number of issues. The Labor Party will not be opposing this bill, but there are a number of interesting constitutional issues that come through here. I will explore them in my contribution to the second-reading debate, and I give notice to the Assistant Treasurer that I wish to explore them further in the committee stage. I will make a couple of observations about this bill. I do not normally talk about the tabling of the statement of compatibility when I speak, but if one goes to this bill's statement of compatibility, one can see it says, in the third-to-last paragraph:

In line with the wishes of the presiding officers, appropriations in the bill are made to the departments of the Parliament.

That opens up the discussion that I wish to have during the second-reading and committee stages. I am pleased Mr Rich-Phillips is in the chamber. I reiterate that the statement of compatibility says:

In line with the wishes of the presiding officers, appropriations in the bill are made to the departments of the Parliament.

That opens up a discussion about how the Appropriation (Parliament 2012/2013) Bill 2012 fits in with the general role of the executive government. A member could rightly say that I was the Treasurer, finance minister or parliamentary secretary for 10 of the 11 budgets before this happened, so I am not seeking to offer any new material. But this budget is different, and it is more pertinent to talk about it now rather than at other times.

I take members to schedule 1 on page 4 of the bill. When you go through the budget and look at the departmental funding model, you will find — and Mr Rich-Phillips will correct me if the figure I am quoting is wrong — that all output lines have been indexed up by 2.5 per cent. If we go through the summary in schedule 1, we find that the Auditor-General's line has been indexed up by exactly 2.5 per cent. When we go to the Legislative Council, we find that the figure spent for this year is down on last year. If you take out the departmental funding model — it is not trick accounting: you just put last year's figure of 2.934 million and add 2.5 per cent, which gets you to 3.007 million — the actual provision in this appropriation is for \$2.861 million. That methodology gets you effectively a 4.9 per cent cut in the budget of the Legislative Council.

Similarly there is a 4.9 per cent cut in the budget of the Legislative Assembly, a 5.6 per cent cut in the budget of the parliamentary investigative committees, a 9.1 per cent cut in the Department of Parliamentary Services and no cut, or status quo, which is last year's appropriation plus the departmental funding model, for the department of the Auditor-General.

The proposition I wish to make here is that the Parliament budget across all parliamentary departments — that is, the five parliamentary departments — has effectively been cut by 7.4 per cent. If last year's base of \$106 549 000 were indexed by the departmental funding model, it would have been \$109 274 000. What is being sought to be appropriated is \$101 175 000, so the Parliament has effectively had a 7.4 per cent cut to its appropriation.

The central question I am asking is how this happens and what the governance process is by which this happens. In the statement of compatibility we see that the Assistant Treasurer — and I am sure he simply put his name to the statement of compatibility that the Treasurer tabled in the Assembly — has said:

In line with the wishes of the presiding officers, appropriations in the bill are made to the departments of the Parliament.

What I read from that is that the Presiding Officers have recommended a 7.4 per cent cut in the parliamentary

budget. I am not seeking to play games with this; I am just putting the evidence of two documents in front of me. I am not arguing a case about whether the Parliament should be subject to budget cuts. What I am seeking to establish is how we get to a 7.4 per cent cut in the parliamentary appropriation, assuming the departmental funding model will be passed. Even without the departmental funding model we have \$106 million becoming \$101 million. That \$106 million would have been \$109 million by the time you added the departmental funding model to it. We have a statement from the Assistant Treasurer that it is in accordance with the wishes of the Presiding Officers, and we have a 7.4 per cent cut to the Parliament afterwards.

I refer the house to an email from the President. This email went out on 7 May. It says:

As you are aware, the state budget requires Parliament to implement savings of ...

and it goes through a series of figures: \$4 million, \$4.1 million, \$4.2 million, \$4.3 million et cetera. It continues:

Parliament is further informed that these savings will continue, indexed in the same manner, beyond 2015–16.

What we see is 'the state budget requires' and that the Presiding Officers 'wish', and then we have from the President a series of things in an email that has gone out to all members. I will not dwell on all of them, but they include the halving of training budgets and an overall reduction by 20 per cent in members' electorate office budgets. There are two unfunded joint investigatory committees and three unfunded Council committees. I am assuming that refers to the government's policy announcement that it will have joint investigatory committees overseeing the Independent Broad-based Anti-corruption Commission and the FOI commissioner. There are also unfunded regional sittings.

Nowhere in the joint letter from the Speaker and the President to all members outlining cuts does it say that the Presiding Officers are not supportive of the cuts. I am not arguing there should not be a cut to the Parliament's budget, and the Labor Party will vote for this piece of legislation. What I am seeking from the minister at the committee stage, or he can take my question on notice, is an indication of the governance process as to how we get a 7 per cent-plus cut to the budget of the Parliament, which it is said the Presiding Officers wish to happen.

There are a couple of things that concern me a little. I am trying not to be flippant about this, but a series of choices appear to have been made about what is going

forward. I heard from members of a committee — and without specifying the committee, I am pleased Mr Philip Davis is about to speak; I hope he does not rip my throat out if I mention his committee — that the webcasting of the Public Accounts and Estimates Committee will not continue in the next parliament sitting period. If that is the case, I am interested to hear from Mr Rich-Phillips or Mr Davis — and I hope Mr Atkinson in his capacity as a member will come and join the committee stage — about who made the decision.

Did the Public Accounts and Estimates Committee request the Presiding Officers do this as part of the budget process? Did the executive government make the decision, or did the Presiding Officers say, ‘We have an envelope’? In the end this appropriation bill only gets here because the Governor or the Lieutenant Governor signs a message to the Assembly requesting the appropriation. It only comes through the executive government.

The electorate office budget has been cut by 20 per cent. Where does that come from? Is that a directive from the budget and expenditure review committee? Is that a decision of the Presiding Officers? Is there some process out of the joint house committee? Where has this figure come from?

As a former Treasurer, I am truly fascinated by the issue of carryovers. Focusing on the line of the Auditor-General’s department — and leaving the Parliament right out of this lest there be any claim of self-interest or vested interest — I am not seeking a clarification from the minister, but as I understand from the budget papers the Auditor-General can carry over 3 per cent of his budget without needing to go to the Treasurer for approval. If the Treasurer were to decide, for example, on a policy change to vary that carryover, how would the Auditor-General be notified? Similarly, members of Parliament have their electorate office budget and understand the rule that there is a carryover at present, but if the executive government decides to change that carryover, what notification would go to the Auditor-General or a member of Parliament that the rules are changing?

What I am hoping to hear from the Assistant Treasurer, either at the committee stage or by correspondence later on, is about the process. If the Auditor-General’s carryover rules were to change — I know the Auditor-General is a fairly formidable individual for a Treasurer to take on — and as the head of a public sector management authority under the Financial Management Act 1994, how does he know and how can he plan?

One of the great things about carryovers and knowing what they are is that you get rid of some of that nonsense of everyone spending everything by 30 June lest they lose it. It allows flexibility. My question to Mr Rich-Phillips is: how can the departments of the Parliament or individual members with budgets under the Department of Parliamentary Services know if the rules are about to change? I have been assured the rules are not changing for this financial year for any of the bodies under the Appropriation (Parliament 2011/2012) Act 2011.

There has also been discussion, rightly or wrongly, that travel for parliamentary committees is changing as a way of cutting the cloth for the budget. Of all the vital issues, there is the well-publicised decision about the dining room not offering suppers anymore during late night sittings. Quite frankly, with no disrespect to the dining room as I like the food it offers, I do not like the food it presents late at night. I am quite happy to pay for my food, but what I am asking is how are these priorities decided? I am looking to hear from the minister on that area.

I have covered off most of the areas, but again, as a courtesy to the minister, I will flag the clauses I will be talking to in the committee stage. I am also interested in clause 3 of the bill, which has the title ‘Issue of moneys’ and says:

- (1) The Treasurer may issue out of the Consolidated Fund in respect of the financial year —

and it talks about the amount —

- (2) If —
 - (a) in respect of the financial year 2012/2013 the amount payable in respect of salaries and related costs ...

Without reading them out to the house, a whole series of references is set out.

As we see from schedule 1 of this bill, all the parliamentary departments, other than the Auditor-General, have had cuts to their budgets. If there is an EBA (enterprise bargaining agreement) that pays, say, the 2.5 per cent that the government seeks for parliamentary staff, where is that coming from? Part of the answer, I assume, is through all these cuts and savings that have been announced. More significantly, how does it interrelate with clause 3(2)(b) of the bill. It says:

the amounts specified in the relevant items in Schedule 1 are insufficient to provide for the payment of the increased amount payable in respect of salaries and related costs —

They are automatically appropriated. Given that in the next committee stage we will be talking about the Treasurer's advance dealing with this, I am trying to get an understanding of the interrelationships. As I read this, if the Presiding Officers sign an EBA with the Community and Public Sector Union for 2.5 per cent, or 12.5 per cent, this automatically gets paid from somewhere. As a courtesy I am flagging to the Assistant Treasurer that in committee I will be asking him about clause 3 and where that money will be coming from.

The other thing I will seek some advice from him about goes back to my central point about the carryovers. Clause 5 of the bill talks about:

- (1) The amounts to be applied to an item specified in Schedule 1 shall not, except as provided in ... section 31 of the Financial Management Act 1994, exceed the amount specified for that item.

Basically this comes down to transfers between departments. As I see it, if you look at the Financial Management Act and at the parliamentary appropriation bill, it goes back again to carryovers. The Parliament has a depreciation amount which is paid for under the Consolidated Fund, but the Parliament cannot access that amount to pay for the stonework it is doing without the authority of the Treasurer. I have no issue with that, because as a previous Treasurer dealing with the previous presiding officers I made certain determinations in that space. However, I am interested in whether there is any change proposed. As I said, it goes back to my central proposition of carryovers — that is, whether there is any change proposed to apply to the transfer between parliamentary appropriations.

The final thing I will touch on goes back again to the parliamentary investigatory committees budget. I will leave aside the issue of the Legislative Council in relation to the 4.9 per cent cut and the ability of the Council to staff its committees. I will be absolutely political here, because I do not see any point in fighting for more staff to service Legislative Council committees when the government constantly uses its numbers to not let those committees do anything. That is a debate for another day, because it is a hypothetical debate unless two members of the government suddenly see it in their interests to actually have some scrutiny. I was not born yesterday, and I am not going to waste the time of the house, so I will not pursue the issue of Legislative Council committees, because I am saving my breath to cool my porridge. However, I will comment more along parliamentary investigatory committee lines.

An honourable member interjected.

Mr LENDERS — There is no porridge in the dining room.

These investigatory committees have had a 5.6 per cent cut in their budgets. I am happy to go through my methodology again if I need to. If you were to put the departmental funding model on it, they have had a 5.6 per cent cut, and given that the departmental funding model is what the government is offering in wages, it is a 5.6 per cent cut.

In addition to the 12 committees we already have, the government will establish a supervisory committee for IBAC. I think the legislation is the sixth iteration of the independent, broadbased anticorruption commission bill — whatever the bill that will be passed in this house is called. It might have been IBAC iteration 5. I think — again I am happy to stand corrected — the Freedom of Information Amendment (Freedom of Information Commissioner) Bill 2011 also established an investigatory committee, and if it did not, the government's policy is clearly to establish joint investigatory committees in both those areas.

For the purposes of the department, in relation to parliamentary investigatory committees we have seen a 5.6 per cent cut in the budget. We know the Independent Broad-based Anti-corruption Commission Committee will be established. We know the FOI commissioner committee will be established. We know that 11 of the 12 existing committees have new roles. I am sure Philip Davis will rip my throat out unless I advocate for the Public Accounts and Estimates Committee to have more authority; he has grand designs for the Public Accounts and Estimates Committee doing more things. Leaving all that aside, assuming the 11 other committees are doing what they normally do, we still have a clear issue in that the government has given a phenomenally large reference to the Family and Community Development Committee to deal with the really sad issue of religious abuse, for want of a better term. I am sure there is a more formal term to describe that issue.

I am glad Ms Crozier has walked into the chamber, as I have spoken about the committee she will be trying to chair. She would presumably like to have the resources to be able to deal with the extraordinary reference she has been given on top of the existing two, if my memory is correct, that are before that committee.

The proposition I make is that, again, I find it hard to see how these committees are going to do this task with a 5.6 per cent budget cut when we have gone from 12 to 14 joint investigatory committees. Even if the two new ones have only a perfunctory role, they are still

new committees that will be required to draw on the staff from this particular pool, and they will have running costs. With Ms Crozier's committee, if it has to put ads out, we all know there is going to be a huge time constraint.

To put it mildly, I am intrigued. In a policy sense, I am interested in how this determination has been made. If the situation is — and I suspect this is what Mr Rich-Phillips will tell me — that the expenditure review committee of cabinet has made a decision to put savings onto the Parliament, then that is the process, because in the end a message will not come to the Assembly requesting supply unless the Lieutenant-Governor or the Governor signs it, and they will not sign it unless the Treasurer asks them to sign it. In the end the executive government determines what happens here in this house, and this house can either suggest an amendment or vote no. It is contrary again to the statement in the second-reading speech where the Treasurer said that it is 'in line with the wishes of the Presiding Officers' that this be the budget. What we have here is that this is a policy decision.

I will accept the premise that the executive government has to sign it to make a cut to the budget of the Parliament. I will not argue the rights or wrongs of that. I will accept the premise that that is what has happened, but I am very keen to explore how the choices are made as to what then happens. This is a role we need to grapple with, and it is probably best illustrated by the Family Community and Development Committee reference. It is one of a series of parliamentary joint investigatory committees, and the reality is that the only references they have are what the executive government gives them. That is because at this particular juncture the same party controls the Legislative Assembly, the Legislative Council and the executive council. It is hardly surprising where the references come from.

However, there is no escaping the fact that these are parliamentary committees. Theoretically the 12 government members chairing them are independent. Theoretically they are carrying out the terms and conditions of their inquiries with vigour and independence and reporting to the chambers of Parliament. Suddenly what has happened is that the budgets of those committees have been cut, yet new matters have been given to them by the executive government to look at. There is no recognition that the budget has been effectively cut by 5.6 per cent. How is the decision made as to whether hearings are shortened? How is the decision made as to whether travel is cancelled? How is the decision made as to whether ads are put in the paper?

Mr Barber — Sitting fees withheld?

Mr LENDERS — Sitting fees withheld? How is the decision made over whether the hearings are going to be shorter or whether the number of support staff is going to be reduced? Those are the issues I wish to explore.

Without further ado, I have spoken longer than I intended, but this is a serious set of propositions we have an opportunity to discuss in this chamber. Often in these debates, as I have watched them over the years, a member gets up and complains about the cable on their printer or about their electorate office door not closing. The time has come for that sort of debate to pass. The debate should really now be on this fundamental issue: the threshold the executive government has determined through the Governor's message and how that reconciles with the Presiding Officers' request, or wish, for this to happen when there are cuts in four of the five parliamentary departments and there is the status quo in the fifth. I urge the house to vote for the bill, but I look forward to the committee stage.

Mr P. DAVIS (Eastern Victoria) — I do not intend to engage in the substantive matters that were raised by the Leader of the Opposition as I understand he was trying to engage with the Assistant Treasurer, who I am sure will expeditiously respond to the points that have been made, but I wish to respond to one point Mr Lenders made. I simply say to Mr Lenders that he does not always want to believe what he reads in the paper, particularly the small paper.

In relation to the broader issue, this debate is often pedestrian. That is the polite way of putting it. It does not really achieve a great deal other than a lot of platitudes and recognition of various diligent members of the parliamentary staff who go about their business in a very professional way and earnestly endeavour to service members in the way in which they have been directed.

I wish to talk about some other matters. Firstly, I acknowledge the general context of the Appropriation (Parliament 2012/2013) Bill 2012 as being a difficult fiscal environment for the government, and therefore, as Mr Lenders properly pointed out, there are some funding cuts to the Parliament consistent with cuts to other output groups in relation to the state budget. The state of Victoria depends on the parliamentary departments to deliver services to support elected representatives and the institution of Parliament. In the difficult economic environment it is clear that the government has had to act in a way that will ensure proper fiscal responsibility.

Announcements have been made with respect to breaking the legislative nexus between the salaries of commonwealth parliamentarians and Victorian parliamentarians. Parliamentary and ministerial salaries will be limited to a maximum of a 2.5 per cent increase for the next 12 months. A review will be conducted of salaries, allowances and other arrangements for parliamentarians. Allowances paid to the Premier, ministers and parliamentarians will be fixed at their current terms and conditions for the next 12 months. Savings of \$4 million per year are being applied to the overall operating budgets of the departments of the Parliament of Victoria.

The government has provided in the budget \$3.6 million for the parliamentary precinct program. I know the Presiding Officers are disappointed that it is not a much larger amount. I can sympathise with that, given the chaotic state of this building. However, that is just the current reality in which we live. I noted the President's comments in the earlier debate on the state budget in terms of the fiscal position of the state and the broader economic impacts that follow.

I want to make some general comments about what I describe as core functions of Parliament which are supported by the Appropriation (Parliament 2012/2013) Bill 2012. Those core functions include of course the operation of both houses and the activities of the parliamentary committees — as the Leader of the Opposition noted, I am chair of one of those joint committees — and importantly the services provided to the houses of Parliament, being the Hansard transcription and webcasting.

I have to say I congratulate the Parliament and all of those associated with progressively implementing a webcasting system for opening up Parliament and making Parliament more accessible to the wider community by webcasting live the proceedings of both chambers of the Victorian Parliament, and more recently broadcasting the Public Accounts and Estimates Committee's public hearings this calendar year. Last year we had audiocasting alone, and I will come back to that issue shortly. There has been some significant investment in capital, and that is to be commended. I have to say that from the experience of the recent estimates hearings it was quite a seamless transmission from our point of view.

The library provides another core and essential service to the Parliament by providing media monitoring for members, briefings on legislation, a research function and maintaining a website, again relating to public access. The Parliament has traditionally provided an education officer. I understand the education officer has

retired and left that position recently. It is a concern to me that, as I understand it, that position is not to be filled in the immediate future. It is in fact part of the core business of the Parliament to be transparent. The best way to be transparent is to have the proceedings of Parliament understood by the community, and an education officer seems to me to be part of that key area.

Other areas that are core functions that I am referring to at the moment include the security of the Parliament. The security comes in many layers: we have contractors who stand on the steps during what you would call ordinary business hours; there are protective services officers, who engage in various levels of security; and also we have parliamentary attendants, who provide a degree of supervision of the chambers particularly.

I have to note — I make some comments about this every year, and I am going to be consistent — that I regard the security services around Parliament as being quite deficient. My view is that it is a veneer and that it is quite possible for people to enter and leave the premises of the Victorian Parliament without facing any difficulty in that access. To that end I will relate my most recent story. It is not just Japanese tourists who wander around the corridors and walk into my office after hours, as I have experienced from time to time.

In this particular case I had made arrangements to meet someone here only last week. I said I would meet them at the back door. After a while they did not turn up, so I rang them on their mobile phone and they advised me they were in what used to be referred to as the Premier's corridor, which meant they were standing at the doors to the library. I asked, 'How did you get in there?', and they said, 'You said, "Come in the back door", so I did'. That person came past no — nil — barrier or security at all to get into the building. They did not know what the back door was; they just went in the first door they saw. What I say is it just proves my point again, as I have said for the past six years or longer: we spend a huge amount of resources on security services for Parliament, but it is a veneer. I am not going to describe in a public proceeding exactly where that access is, as it might encourage somebody else to come in that way, but we need to do better.

As has been mentioned, there has been a review of catering. I know the Presiding Officers have received a report. This is the fifth or sixth review of catering in this place since I have been a member, and hopefully this time something will happen to improve the catering services in the Parliament, rather than the alternative.

I have had a look through the budget papers, the departmental annual reports and the parliamentary appropriation bill. I think I am better informed by looking retrospectively at budget papers to understand how the funding of Parliament operates. It seems to me there is a fundamental issue around the resourcing of Parliament which does not come out simply in the accounts of the Parliament as published in the reports of the departments of the Parliament. The analysis I have done shows that the \$4 million to \$4.3 million savings per annum, which are the targets to be achieved over the next four years, can be most easily met within the parliamentary services output group because this is an area which substantially underspends its appropriation.

It seems from the analysis that I have done — and I do say this comes from looking at the budget papers over time rather than departmental reports — that there is in fact a significant surplus between the target and the actual in terms of those net figures, and over time we are talking of an approximate surplus approaching, in some instances, \$4 million. In fact I think in the previous four-year period there was an average contribution towards a surplus of \$3.3 million more than had been budgeted each year.

There is a question, in my view, about how the savings agenda of Parliament is to be achieved. I am particularly concerned about a number of aspects. There will be no sympathy for members of Parliament having their electorate office and communication budgets adjusted. However, members of Parliament can reasonably be surprised to know that 3 hours after the Public Accounts and Estimates Committee hearings on the parliamentary appropriations the Presiding Officers chose to inform members by way of an email about savings which could well have been advised to the estimates hearing. I was surprised to find that email after the fact of an estimates hearing when it would have been appropriate for the courtesy to be paid to the Public Accounts and Estimates Committee to advise the committee that it was a proposal which would be announced that day.

I also note that in terms of priorities, as Mr Lenders properly said, we now have, as of last Friday, been advised through what I describe as whispers from staff, at least to me as chair of my committee, that there will be no webcasting of parliamentary committees in the next year, which is a great disservice to the public access to Parliament. While I understand that there is a cost relating to that, I would have preferred that in this matter there had been some consultation with my committee and indeed all committees.

Particularly in relation to the matter of Hansard services and transcription, I understand that the Presiding Officers are further considering how those services will be provided. It is my view that if the parliamentary committees are expected to fund private sector transcription services, that will simply be a cost shift from the Department of Parliamentary Services to the committees' budgets and will not achieve any net savings. In fact it is likely to be more costly in total to the overall parliamentary budget. It will certainly have a major effect on the ability of the parliamentary committees to undertake their public inquiries.

In particular I am concerned with evidence that was led by the Speaker at the hearing on 7 May in relation to establishing a parliamentary emporium, or shop, which will provide what I can only suspect will be baubles and trinkets for sale to the visitors to Parliament House, as a priority ahead of providing proper resources and much-needed support for Hansard services to parliamentary committees. It seems to me that, as the Speaker advised, there is no business plan for the establishment of this business unit within Parliament House and that the actual cost for fit-out, staff and stock has been grossly underestimated.

The reason small businesses fail is that they do not undertake business plans, and it seems surprising to me that the Parliament of Victoria would start a commercial operation, if that is what it is to be, without having undertaken a proper and comprehensive feasibility study about what the burden on the Parliament will be of an operation which will be run at the cost of services provided to the Parliament as a whole, and from my perspective particularly the access by parliamentary committees to Hansard services, but I do support the Appropriation (Parliament 2012/2013) Bill 2012.

Hon. B. N. ATKINSON (Eastern Metropolitan) — I seek to participate in this debate because I think it is important to provide a perspective from the Presiding Officers with regard to matters that have been raised by Mr Lenders and matters that are not necessarily within the purview of the Assistant Treasurer, notwithstanding that he has carriage of this legislation in this place.

For the benefit of the house, I indicate first of all that the process with regard to the Parliament budget is that Parliament drafts what it believes it needs in its budget from an operating basis, and it also looks at matters of capital works that need to be done and then submits those as part of the budget expenditure and review committee (BERC) process. That submission is considered and there are discussions and dialogue between BERC and the Parliament. Parliament is

advised of the outcomes of its submission and is also advised to what extent its appropriation will be met with regard to ongoing funds.

On this occasion I take up the words that Mr Lenders referred to, 'In line with the wishes of the Presiding Officers', which is not correct insomuch as the sum of money that has been provided to the Parliament as an appropriation is a sum determined by the Department of Treasury and Finance — by government — rather than by the wishes of the Presiding Officers, because the Presiding Officers would have believed that a position of status quo on our operating budget would have been the bare minimum position for us, given the cost pressures, and that indeed there was a requirement for more funds.

It needs to be said that the government has factored into our budget a 2.5 per cent indexation increase in funds for the year, but subsequent to that the Department of Treasury and Finance and the government, in line with requirements made of all government departments, sought the assistance of the Parliament in contributing to what is a very difficult budget process for the government by reducing our appropriation and looking at the operation of the Parliament to cut some of our costs.

There is an argument about that in terms of the appropriateness of some of this process for a Parliament because clearly the Parliament is not part of the executive and it is not just another government department. The introduction of a separate appropriation bill for Parliament in 1992 was a development that was supposed to recognise the independence of the Parliament from the executive government. To have this requirement to reduce costs is a difficult situation for Parliament to embrace, and certainly for the Presiding Officers to embrace, but nonetheless I understand, and I know the Speaker understands, the very difficult economic climate and budgetary position of the government this year. We have attempted to meet the requirement to reduce our funds.

The reduction for the Parliament was around \$4 million when we first sat down to do a line-by-line analysis of the budget. That sum has accelerated somewhat and is probably closer to \$5 million, but at the very least it has increased to \$4.6 million because an additional sum is required for the Parliament to meet \$600 000 for the rental of St Andrews Place. That information was only conveyed to us in the last two weeks and has forced us to look at the budgets again.

I have put in place the budgetary process, a process certainly understood by Mr Philip Davis, the chair of the Public Accounts and Estimates Committee, who has made a worthwhile contribution to this debate. I concur with Mr Davis that the core functions of the Parliament are the running of the houses and the running of the committees and some of the support services, including the library, security and Hansard. I would add buildings, grounds and maintenance and the catering department. Many areas support this Parliament.

It is interesting that Mr Davis indicated he had looked at the Department of Parliamentary Services over a period of time. He suggested that the department consistently underspends and that therefore there is an opportunity for it to cut funds from its budget without impacting on such areas as the committees, the library or security. What I would say to that is that members need to be aware that 70 per cent of the budget of Parliamentary Services is held by members of Parliament and dealt with by members of Parliament; only 30 per cent of the department's budget is a central budget. That central budget looks after such things as IT, security, catering, Hansard, the library, buildings, grounds and maintenance — all central functions which support members as well as the Parliament when it meets or when its committees meet, but that is only 30 per cent of its budget. Some 70 per cent of its budget is in the hands of MPs, and it is MPs who underspend their budget every year. The reason the budget is unspent to the tune that Mr Davis talked about in this debate — and he was right — is that members of Parliament do not spend all the money in their budgets, and their budgets are turned back in.

When the Presiding Officers decided there needed to be a 20 per cent cut in members' budgets, we looked at — as did Mr Davis — the use of those budgets over a period of five years. We determined that the level of underspending, and the problems we had in terms of trying to make cuts in other areas, was such that we had to visit that 20 per cent cut on members of Parliament. It is regrettable, but it is the only way that we can address the shortfall in funds provided to us on the request of the government for us to cut in effect \$4 million from our budget — \$4.6 million when you take in the extra rent of St Andrews Place.

Interestingly, quite apart from what we have in terms of the budget, we also have a number of things that we will have to fund from the budget that have not been provided for, including the cost of regional sittings in Bendigo and Ballarat, the oversight committees — the Independent Broad-based Anti-Corruption Commission and FOI committees at this point — higher energy costs, a 27 per cent increase on the rent in St Andrews

Place, which is the \$600 000 I mentioned, Legislative Council committees and electorate office rents above a threshold. I cannot recall the exact figure of that threshold; I think it is about 3 per cent.

Market rental increases have been running for four or five years at well above the indexed rate the Parliament is provided by Treasury and Finance to meet members' office rentals. As members will have experienced, that has meant we are increasingly having to look at relocating offices to new locations — mind you, at a capital cost — simply to try to keep a lid on those rents. In many cases the relocations end up putting members in less exposed areas, in secondary or even tertiary locations to what they have had previously.

In addition, if there are any productivity payment offsets over and above the 2.5 per cent wage offer that the government has earmarked for Parliament staff in the current wage negotiations — to which Mr Lenders referred — prospectively there is no provision for us to be provided with additional resources to meet that additional cost. That will have to be found somewhere in the budget, despite the fact we are already facing a shortfall.

As has been discussed on a number of occasions, some capital works, such as the funding for the replacement of the front steps, has not been provided in full — about half of that funding has been provided — and the stonework that is so important to the integrity of the building has not been funded beyond a current program that will end in December. There is a real issue if we do not get access to further funds, because to take the crane away and bring it back at a later date will cost around \$750 000 — if the crane is available, because that crane has come from overseas — and we also have employees who in effect have been trained on the job because of the unique nature of the work with this building. If that workforce is lost, there are concerns about whether it can be reassembled. It is not just a question of money; it is a question of skills.

There is an expectation that the Department of Treasury and Finance will be prepared to entertain further submissions from the Parliament. We have been encouraged from our representations to the Minister for Finance and the Treasurer and the Department of Treasury and Finance staff about access to prior years surpluses, and depreciation funds are certainly in a better position than we had expected when we sat down to start on the budget. That will provide us with some comfort in terms of some capital works.

In the past we have had been able to access prior years surplus funds, including in the last budget for the

operation of the legislative committees in this place. There is no certainty on that, because obviously it depends on the government's ability to provide the money. Things are tight for the government, as has been explained to us, so we are not assured of those funds, but we know we are assured of a good hearing, and we certainly welcome that.

In terms of matters such as webcasting and changes to Hansard transcripts, no decision has been made at this point. In fact we have scheduled further meetings to consider the budget again. We went through the budget earlier, but that was before this additional \$600 000 needed to be found, so we are now going through the budget again to look at areas where we might have to make savings or priority decisions. Some of those decisions are regrettable.

We recognise the value of broadcasting to the public. We also recognise the value of the education office. The chances are the education office will become part of a library function, so it is not going to be lost to the Parliament. In terms of broadcasting, obviously everybody has an opinion on what the priorities in this place ought to be. The opinion of one well-placed person in this house about where our priorities should be — and this would no doubt be of great interest to Mr Davis — was that perhaps what we should do to save money is stop broadcasting the Parliament's proceedings; not the committees' proceedings but the Parliament's proceedings. That would mean we would be the first Parliament in Australia, and probably the world, to go in that direction. I am not sure how that fits with what we would be talking about in terms of access to the Parliament, engagement with the public, educating people about the Parliament and open and transparent government. I am not sure how that all fits, but that was somebody else's priority as to what we should do instead of some of the other things that we have been looking at.

As I said, not all the decisions have been made. I understand Mr Davis's concerns about the lack of advice on the 20 per cent cut to members' budgets on the day we appeared before PAEC, and I apologise to him for that. That is a courtesy that we probably should have extended on the day. Mr Davis would be aware we covered a wide range of matters. I regret that that was not mentioned, and I accept it may well have been a significant matter that the committee's members may have had some views on.

The reason we sent out that memo at that stage, and that is effectively the only decision that has been conveyed to members, is we did not want members to be in a position of having that information at the last minute

and not being able to arrange their finances or to be expending money on wants rather than needs when they may well have preferred to retain funds for next year. The rollover has been preserved into next year, and I think that is a very important thing.

I indicate that because of the budget circumstances the Presiding Officers have undertaken a review of the catering department. We are also undertaking reviews of the library and the Legislative Council, and we are looking at a range of other initiatives to try to save money while maintaining the integrity of the core functions of the Parliament that Mr Davis, Mr Lenders and I believe, and the minister and government also believe, are important.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1

Mr LENDERS (Southern Metropolitan) — I would like to use clause 1 to deal with the statement of compatibility issue that I raised in my contribution to the second-reading debate. It states, and I quote:

In line with the wishes of the presiding officers, appropriations in the bill are made to the departments of the Parliament.

I invite the minister to respond to the second-reading debate by saying how that can be reconciled with the decisions made by the executive on a macro level about the budget. While the Presiding Officers are responsible for the departments of the Parliament, there is also the issue of the independent officer of the Parliament, the Auditor-General, who reports through the Presiding Officers. I ask the minister to reconcile the statement that these are the wishes of the Presiding Officers with the submission to the budget and expenditure review committee of cabinet, which was much larger than was received by the Presiding Officers.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I thank Mr Lenders for his question. I assume he is referring to the second-reading speech rather than the statement of compatibility to the extent that I see that sentence in the second-reading speech. I guess I would go to the exact wording of that sentence, because it has been raised a couple of times in the second-reading debate and I do not know that it has necessarily been accurately interpreted in that debate. The sentence reads:

In line with the wishes of the presiding officers, appropriations in the bill are made to the departments of the Parliament —

meaning they are made to the five separate silos of the Parliament. I do not know that that would be read as meaning the quantum is necessarily in accordance with the wishes of the Presiding Officers. The other point I make is that this sentence reflects the standard terminology of parliamentary appropriation second-reading speeches and has been used for at least the last 14 years.

Mr LENDERS (Southern Metropolitan) — Without wishing to prolong this particular debate, I thank the minister for picking up that I missed the second heading. I suggest to him, and again this is not an exercise in saying the executive government is being evil or sinister or whatever, that perhaps in future years, for the sake of accuracy, the speech could say something along the lines of ‘within the macro parameters set by the budget and expenditure review committee of cabinet, the Presiding Officers recommend’. Nevertheless, I accept the minister’s answer.

The DEPUTY PRESIDENT — Order! Is there anything further?

Mr BARBER (Northern Metropolitan) — There is bound to be. I have a couple of things. Also in the second-reading speech the minister says:

Prior to 30 June actual unapplied appropriation will be finalised and the 2012–13 appropriations adjusted by the approved carryover amounts pursuant to the provisions of section 32 of the Financial Management Act 1994.

I presume that relates to money currently underspent — that is, a carryover has to be money you have not spent, not how much you have overspent — and that when it says appropriations will be adjusted, they will be adjusted upwards so that the carryovers are in fact carried over in addition to the amounts we see in the bill in front of us.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — That is essentially correct. The most obvious example of the carryovers is the underspend in electorate office budgets that the President referred to in his contribution. The formal process occurs after those are quantified post 30 June. They are then approved for carryover by the Treasurer, which has been the longstanding practice.

Mr BARBER (Northern Metropolitan) — The President in his contribution said that because MPs were underspending and frequently carrying over their

budgets, the decision was taken to cut the office budgets of MPs. The Greens do not generally have that problem, I am here to tell you. The only money made available to the Greens is the money that an ordinary MP would get through their budget. When we move onto the next bill I will ask the Assistant Treasurer how much the opposition leader, the member for Mulgrave in the Assembly, Mr Andrews, gets out of the Department of Premier and Cabinet budget. I understand it is around \$1 million, making the Premier the single biggest donor to the Labor Party in Victoria, and I will ask if that has been cut back.

Hon. G. K. Rich-Phillips — The taxpayer.

Mr BARBER — With funds that he controls. Let me put it to you like that.

Hon. M. P. Pakula interjected.

Mr BARBER — What I am pointing out here is that the only funding, Mr Pakula, that the Greens get from this government or got from the previous government is what we three as ordinary MPs get through our electorate office budgets — not the \$1 million that was given by the former Premier, Mr Brumby, to Mr Baillieu and is now given by Mr Baillieu to Mr Andrews. I want it to be clear that it is a cut in the budget and is not somehow related to the business of the carryover, which of course is a provision that MPs can use if they do not spend their budget. It is a 20 per cent cut to the electorate office budgets of all MPs, and the provisions of carryover will continue to apply through some separate method.

I am seeking some clarification. When we were told our office budgets were cut we said we are pulling together here, we are all making all the cuts we can, not just to the Parliament but across the state budget. Is it clear that all electorate office budgets for MPs are being cut by 20 per cent compared with last year?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I guess that is a matter for the Presiding Officers. Like you, Mr Barber, I received a communication from the Presiding Officers last month around their intention with respect to electorate office budgets. This is where we draw the distinction between the general appropriation bill, which reflects the decisions of the government, and the parliamentary appropriation bill, which stands aside as a separate bill. The government needs to make decisions around the aggregates — someone has to make the decisions — which are reflected in this bill. But the decisions within that bill are a matter for the Presiding Officers, and the

President has spoken about the Presiding Officers' decision around electorate office allocations.

Hon. B. N. ATKINSON (Eastern Metropolitan) — I indicate that Mr Barber's understanding is correct — every MP's budget was cut by the same amount, with the qualification that the budgets actually vary a little bit from year to year because there is a population indexation in them. There are several members for whom the cut may only be about 19 per cent and a couple of members for whom the cut might be 21 per cent because of the population changes and the ratio that applies in providing that electoral office budget, but that is the only difference. Otherwise it has been an equal policy across all budgets.

Mr BARBER (Northern Metropolitan) — I would like to move on then to the question of the parliamentary investigatory committees, and I presume this relates to the joint committees only.

Hon. G. K. Rich-Phillips — Yes.

Mr BARBER — As Mr Lenders said in his second-reading contribution, some new functions have been added to committees. That includes the FOI commissioner oversight committee, if you like, and the Independent Broad-based Anti-corruption Commission oversight committee. Has there been an estimate of the likely workload of these committees and how much of the budget they will consume in the sense that most of their budgets are the salaries of the staff who support those committees?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — That is a matter for the Parliament — the allocation of resources between joint committees in a budgetary sense and the allocation of resources in the sense of workforce between the committees. In the past governments have sought to make allocations to particular joint committees. You may be aware that in the previous Parliament or the one before that the then government sought to make a specific allocation to the Public Accounts and Estimates Committee through the same mechanism we use today to allocate funding to joint committees. The idea of government making a specific allocation to PAEC was not necessarily reflected in the ultimate decisions of the Presiding Officers as to the allocation among joint committees.

We recognise that there are some additional committee responsibilities coming to the Parliament in terms of joint committees, but this budget — and when I say 'this budget', I mean the overall budget — has been framed in an environment where the government has had to make decisions as to priorities, and as a

consequence, this is the level that the government has felt is appropriate for joint committee funding.

Hon. B. N. ATKINSON (Eastern Metropolitan) — I think there are two pertinent matters in this too. The first one is that in terms of the allocations to the committees, the Speaker and I have gone through a process — for the first time to my knowledge in the Parliament — where we have met with each of the committee chairpersons and discussed their expected workflows, requirements, staffing levels, the progress they have made on current references and expected further references in an effort to address the funding allocations to each committee. I think that was a particularly constructive process, and I think that is going to result in a fair and equitable distribution of the funds available.

In regard to the two oversight committees that Mr Barber mentioned — and I will pick up on the Family and Community Development Committee as well, which was raised in the debate — the Premier and the Attorney-General have indicated that additional resources will be made available by the government for the Family and Community Development Committee inquiry, which is a very important inquiry. Ms Crozier, with her executive officer and in consultation with others, has developed a framework for that inquiry and a budget in terms of the resources that she believes will be necessary to conduct the inquiry, and she provided that to the Presiding Officers.

The Presiding Officers have written to the Premier and advised him of the expected resourcing required for that committee. I know the Premier was particularly keen to receive that communication because this is an inquiry that he is very concerned should get off to a quick start and be an effective process. He recognises the sensitivities of it as well and the community interest in it, so from that point of view he has expressed an interest in receiving the information that went to him either yesterday or this day so that he would be in a position to make a decision on the resourcing, which may well include secondment of specialist people as distinct from a funding allocation to the Parliament that is then used by the committee in line with the committee's expectations of what it needs.

In terms of the two oversight committees, the Premier has indicated to the Presiding Officers that he will talk to us or advise us in future about our concerns over the funding of those committees, and I daresay the reason for that being at a later time is that the workload has not yet been established. The precise timing of the establishment of those committees has not been determined, as I understand it. It certainly has not been

conveyed to the Presiding Officers and the Parliament, so therefore I think it is a matter of resolving what is going to happen in the process and then looking at the resourcing at that time, and as I said, the Premier has indicated that he is certainly prepared to enter into a dialogue in terms of the resourcing of those committees.

Mr BARBER (Northern Metropolitan) — Thank you, Deputy President, thank you, President, and thank you, Minister. It is more than just handy having the person responsible for the budget right there assisting the Assistant Treasurer. Maybe we can move onto the next budget and we will see the Minister for Health jump down there and explain his area, as well as the ministers for planning and higher education — it would be great.

I think that has more or less answered my question in the sense of, 'We do not yet know'. My question went to the two specialist committees and the resources they will use. The President has told us that there is not yet an estimate for that and therefore it is not included. Therefore my specific question could not be answered, but nevertheless it is included in line item 4 now, so it will have to come out of this line item unless there is any special appropriation, I guess, or Treasurer's advance along the way.

However, when it comes to parliamentary investigatory committees the total amount is going down, as Mr Lenders said — it is listed at \$6.678 million. I presume the majority of that is for the staff who actually do the work of the committee and any other resources they need. There is a strictly limited pool of hours; you cannot ask people to just do more work when they are working for the Parliament.

Mr Rich-Phillips is quite right in pointing out that in some ways these moneys and the decisions about how they are being spent are controlled by the Parliament. Parliament decides whether a series of investigations will be initiated or whether a few will and so forth. However, that creates some difficulties for a budget, which comes at the end of a process. My questions today have been about how that budgeting is done; I have no doubt it is done to the best of the President's ability with the moneys available.

I have just one question on that. Contained within the investigatory committee's line item, or somewhere else, are the sitting fees that MPs are paid to sit on the committee — for example, when I was a member of the Public Accounts and Estimates Committee we got paid extra money on top of our existing salaries just for showing up. I wondered whether those amounts are in

that line item or some other line item in this bill, and whether they have been cut back in any way?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am advised that those allowances are funded through the committee budget.

Mr BARBER (Northern Metropolitan) — The latter part of my question was whether they had been cut back in any way?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — My understanding is that those are made by regulation, and they have not changed.

Mr BARBER (Northern Metropolitan) — I was trying to find the statute or the regulation. I could not find it in the Parliamentary Salaries and Superannuation Act 1968.

Clause agreed to; clause 2 agreed to.

Clause 3

Mr LENDERS (Southern Metropolitan) — Firstly, I note that apart from the Auditor-General's office, each of the parliamentary departments has had a real cut. As I flagged during the second-reading speech, my question to the Assistant Treasurer is about an EBA (enterprise bargaining agreement) being struck at 2.5 per cent. I assume this would be funded from the budget. For argument's sake, if the EBA were struck at 3 per cent, am I correct in thinking that the provisions of clause 3 mean that would automatically be paid for by the Treasurer out of the general budget and not out of the Parliament's budget?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — As is consistent with the general appropriation bill, clause 3 gives the Treasurer discretion to issue funds out of the Consolidated Fund with respect to wage outcomes above those built into the general appropriation bill.

Mr LENDERS (Southern Metropolitan) — I take it that means such a wage increase would be appropriated under the provisions of the appropriation bill or special appropriation and would not be required to come out of the budget of Parliament?

Hon. B. N. ATKINSON (Eastern Metropolitan) — I do not know that the minister is in a position to determine a future decision of the government, but I would say that under the previous government the Parliament was in fact required to fund the additional amount between the government's benchmark for wage increases and the ultimate figure that was given to staff.

That had to be found from the Parliament's budget. The additional amount was found from Parliament, and it was not reimbursed. We also face a similar situation with electorate officers. Negotiations are about to start for their EBA, and we could be in the same position.

Mr LENDERS (Southern Metropolitan) — I guess I am anticipating debate on the appropriation bill, which has an identical clause 3. I understand what Mr Atkinson has said in his capacity as minister for the Parliament — for want of a better term — but my question here really comes to: what then is the meaning of this clause? If this authorises the Treasurer to draw the wage difference out of some fund — the Consolidated Fund — why then is the Parliament being asked to fund it? I understand if it is for the following year and in order to find savings, but by my reading it is quite a clear authority for the Treasurer to draw a warrant to pay for the difference. Why would the Treasurer not do that?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — Mr Lenders is making an assumption that there is going to be an outcome above 2.5 per cent and that the Parliament will be required to fund it. This clause provides the Treasurer with the capacity to make an appropriation out of the Consolidated Fund for an amount above that. Obviously it would depend on the circumstances of a particular case. If the Presiding Officers decided to award a 20 per cent increase just because they felt like it, then the government would probably be inclined to get the Parliament to cover it. It would depend on the circumstances of any negotiation, so it is a hypothetical situation at this time.

Mr LENDERS (Southern Metropolitan) — In one sense I accept the Assistant Treasurer saying it is hypothetical, but the legislature is being asked to pass a piece of legislation that deals with such a contingency, so it is a legitimate question. On the hypotheticals, if we are talking of wage agreements, the nurses and the police certainly got more than the 2.5 per cent, so the question is not an unreasonable one to ask about the appropriation going forward.

I will leave it be, but I am somewhat perplexed that the Parliament is being asked to authorise the Treasurer to draw from the Consolidated Fund under clause 3 of this bill and that we will be asked to adopt the same provision in the general appropriation bill, yet the minister is saying, 'Even though the Parliament authorises the Treasurer to do so, the executive government is actually going to say, "But we need all these other outputs offset by savings to pay for it"'. If that is the reality, that is the reality, but I am perplexed that the Parliament is being asked to authorise this

drawing on the Consolidated Fund if there is no intention from the executive government to use this bill to do so. It is just a statement. I think the minister has answered that that is the case.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I will respond briefly to Mr Lenders. Mr Lenders's statement assumes that a decision has been made on a particular outcome. At this stage there is no outcome, and therefore there is no government decision. This clause provides a capacity for the Treasurer to issue an amount out of the Consolidated Fund.

Clause agreed to; clause 4 agreed to.

Clause 5

Mr LENDERS (Southern Metropolitan) — This touches a bit on some of the issues raised by Mr Barber on clause 1, which included the issue of carryovers. This clause obviously gives authority for movement between outputs. I will use it to ask a general question to the minister on carryovers. Carryovers, as the house well knows, are regulated by the Financial Management Act 1994, which empowers the Treasurer to vary them. There is a default carryover, as I understand it, of 3 per cent that individual units can exercise under the Financial Management Act, and then there are discretionary carryovers above and beyond that.

I will put a proposition to the minister. I realise that he is the minister representing the Treasurer in this place. In some senses it is an unfair question because if the same question had been put to me while I was representing the Treasurer in these debates, as I think it might have been, it would have been hard to answer.

I put the proposition to the Assistant Treasurer that if the government changes its policy on carryovers, it would be an appropriate position that when that policy change is made, particularly at budget time in the first week of May, all the bodies affected by the change to the carryover provisions should be alerted of it at that stage. Generally budget time is still eight weeks before the end of the financial year. If they find out at the end of the financial year, we get into that crazy situation where people spend because it is there rather than making informed decisions.

I ask the Assistant Treasurer whether he agrees with the general proposition that it would be courteous to advise people at the earliest possible moment — and that is presumably at the time of the budget — that there is a change of circumstances for the end of the financial

year. I ask that without holding him to a statement of government policy.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I agree with Mr Lenders that as a general proposition certainty around budgeting is a good thing. I would also say to Mr Lenders that this is obviously a decision for the Treasurer once 30 June is passed, but I am not aware of any intention to change the policy in respect of this matter.

Mr BARBER (Northern Metropolitan) — I have a comment, which is the same one I have every year when it comes to the budget, particularly in relation to this clause, and it is the 'What are we actually doing here?' spiel. This clause allows the government to move amounts around between appropriation lines if it really needs to. As we know, budget appropriation lines themselves do not particularly tie the government down to anything.

I can see I have the Assistant Treasurer's interest, so I will elucidate. We only need to go to the High Court case described as *Combet v. Commonwealth* — the WorkChoices advertising case. From the highest court in the land we discovered that once a government has a budget it can pretty much spend that money however it wants. The court did not support the claim of Mr Combet and Ms Roxon that money that was appropriated for the purpose of improving productivity in the economy, which I think was the original budget output, could not be used to run ads to announce a WorkChoices program that was coming but had not even been legislated for yet.

In reality, despite all of our best efforts here to try to hold the government to account for what it intends to do with the money, when it comes down to the hard edge of what parliamentary appropriation bills do, the answer is not much except release a lot of money for another year, allowing the government to go about its merry way.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — In responding to Mr Barber I draw a distinction between the parliamentary appropriation bill and section 31 of the Financial Management Act, which does provide the capacity to move among the silos that Mr Barber refers to, and the general appropriation bill to which section 31 does not apply.

Clause agreed to; clause 6 agreed to; schedule 1 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

Motion agreed to.

Read third time.

WILLS AMENDMENT (INTERNATIONAL WILLS) BILL 2011

Third reading

Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations) — By leave, I move:

That the bill be now read a third time.

Ms PENNICUIK (Southern Metropolitan) — Just briefly, I have had a chance to read the report entitled *Inquiry into the Wills Amendment (International Wills) Bill 2011*, which was sent to the Legislative Council's Legal and Social Issues Legislation Committee. The report has come out with two recommendations regarding public education in particular, which was highlighted by the submitters to the committee. This is a practice that the Council should use more often — that is, to send bills to this committee so they can be fleshed out and useful recommendations, such as those on this bill, made. The benefits that have been identified, particularly by the submitters — —

Hon. D. M. Davis — The law institute.

Ms PENNICUIK — Yes, the Law Institute of Victoria made a submission, and its point of view was clarified through the committee process. I would advocate that that is what we should do more often with bills in this chamber.

The PRESIDENT — Order! I will take that as a speech on the third reading.

Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations) — I thank the committee for the work it has done and in particular for the presentation of the report that was tabled earlier this week. I thank the committee members and in particular the chair, Mr O'Donohue.

Motion agreed to.

Read third time.

WORKING WITH CHILDREN AMENDMENT BILL 2012

Introduction and first reading

Received from Assembly.

Read first time on motion of Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations); by leave, ordered to be read second time forthwith.

Statement of compatibility

Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations) 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 Working with Children Amendment Bill 2012.

In my opinion, the Working with Children Amendment Bill 2012, as introduced to the Legislative Council, is compatible with the human rights set out in part 2 of the charter act. I base my opinion on the reasons outlined in this statement.

Overview of bill

The bill makes a number of amendments to the Working with Children Act 2005 (the act) that strengthen the protection of children by:

strengthening the tests that must be satisfied before an assessment notice is given;

changing and expanding the categories of offences, including making murder a category 1 offence and adding a range of older offences that, despite being serious, are not presently captured by the act;

ensuring that persons who have been convicted of or charged with serious offences and who apply for a WWC check are not able to work with children while an assessment of their application is being conducted;

ensuring that persons who have a current WWC assessment notice but are convicted of or charged with serious offences have their assessment notice suspended while their eligibility is reassessed;

clarifying provisions relating to applications to VCAT by persons subject to supervision or detention orders under the Serious Sex Offenders (Detention and Supervision) Act 2009.

Human rights issues

The bill raises a number of human rights issues. However, it is my view that the provisions are compatible with the charter act for the reasons set out below.

Changes to application categories

The bill makes a number of amendments that change the category of offences and increases the range of offences that attract the provisions of the act.

Clause 3 makes the offence of murder a category 1 offence. This means that the secretary must refuse to give an assessment notice (section 12(2)). In such circumstances only VCAT can grant an assessment notice.

Clause 4(2) amends section 13(1)(g) to render applications by persons charged with murder as a category 2 application, thereby requiring the secretary to refuse the application unless the secretary is satisfied that the person would not pose an unjustifiable risk to children (section 13(2)).

Clause 5 expands the offences that render the application a category 3 application, including a range of older Victorian offences that have since been amended.

I consider that these amendments are consistent with the offences already listed in the act, and with the overriding purpose of protecting children. They do not effect any changes that would result in incompatibility with human rights in the charter act.

Clause 10 — Suspension of a person's assessment notice during reassessment

Under section 21 of the act, the secretary must reassess a person's eligibility to hold an assessment notice in certain circumstances, including when she is notified that the person has been charged with or been convicted or found guilty of a category 1 or 2 offence. However, under the current act, a person is currently able to engage in child-related work pending the reassessment. Category 1 and 2 offences are serious matters and, in the government's view, this does not provide sufficient protection for children.

Proposed section 21B(1) of the bill changes this position to provide that the secretary must suspend a person's assessment notice upon being made aware that the person has been charged with or been convicted or found guilty of a category 1 or 2 offence. The secretary is then required to reassess the person's eligibility to hold an assessment notice pursuant to section 21 of the act. A person whose assessment notice has been suspended is treated as not having a current assessment notice for the period of the suspension (proposed section 21B(3)). This means that a person whose assessment notice is suspended would be guilty of an offence if he or she engages in child-related work during the suspension period. In addition to the reassessment under section 21, proposed section 21B(2) provides that the secretary may reinstate the person's assessment notice if the charge against the person is withdrawn, the charge is dismissed by a court, or the person is acquitted of the offence by a court.

Proposed section 21B of the bill also requires the secretary to notify in writing any person whose assessment notice is suspended and any person (of whom the secretary knows) who is or is proposing to, engage that person in child-related work, or any agency with whom the person is listed.

I consider that these provisions are compatible with the human rights in the charter act. I acknowledge that suspension occurs automatically; that this may involve a significant restriction upon a person's ability to engage in their employment; and that the notification to the person's

employer and agency with whom they are registered may affect the person's reputation. As a result, it is arguable that the right to privacy (section 13) is engaged.

I do not consider that the right to a fair hearing (section 24(1)) is engaged because:

a suspension resulting from a charge of a criminal offence will not affect the right of the person to have the charge heard and determined by a court in the normal way; and

the suspension is not a civil proceeding to which the person is a party under section 24. (The terms of section 24 in this regard are quite different to article 6 of the European Convention on Human Rights in this regard making overseas decisions on that article inapplicable in this context.)

I do not consider that the provisions engage the rights in sections 26 (right not to be tried or punished more than once) and 27 (right not to have a penalty imposed for a criminal offence which is greater than that which applied at the time of commission of the offence) of the charter act. The purpose and effect of the WWC provisions is not to impose additional penalties on offenders for a criminal offence but to protect children. While the presumption of innocence in section 25(1) will need to be respected by the secretary and VCAT in carrying out their reassessments where a person is charged with an offence, the provisions are compatible with that right.

In my view, the provisions are compatible with the right to privacy in section 13. Section 13 rights have to fit with the interests of children and the responsibilities of society and parents and guardians in protecting children as well as the specific right of children to protection under section 17 of the charter. Category 1 and 2 offences are serious matters. Category 1 offences include serious sexual offences committed by an adult against a child victim. Category 2 offences include serious violent and drug-related offences. The fact that a person has been convicted of or charged with such an offence raises very real concerns for the safety of children. I consider it is appropriate that the person is suspended from engaging in child-related work until the secretary or VCAT are satisfied that the person does not pose an unjustifiable risk to the safety of children.

Conclusion

For the reasons given above, I consider that the bill is compatible with the Charter of Human Rights and Responsibilities Act 2006.

Hon. Richard Dalla-Riva, MLC
Minister for Employment and Industrial Relations
Minister for Manufacturing, Exports and Trade

Second reading

Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations).

Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

The sexual and violent abuse of children are appalling offences against innocent and vulnerable victims that can inflict a lifetime of pain and suffering.

The objective of the Working with Children Act 2005 (the act) is to help protect children from physical or sexual harm by requiring that people who work with, or care for, children have their suitability to do so checked by a government body.

Since commencement of the act in 2006, and as of 30 April this year, over 910 000 Victorians have applied for a working-with-children check and approximately 1024 people have been issued with a negative notice, thereby preventing them from lawfully engaging in child-related work.

On 30 June 2011, the working-with-children check completed its five-year phasing in of 20 occupational categories so that all people engaged in child-related work across these 20 occupational fields are now required by law to obtain a working-with-children check.

However, the government has become increasingly concerned about the operation of a key aspect of the scheme, namely the tests that are applied when deciding whether or not to issue a working-with-children check.

This concern applies both to the tests the Secretary to the Department of Justice is required to apply when assessing applications and to the tests VCAT is required to apply when it considers a category 1 application or reviews a decision by the secretary.

The top priority of the tests for deciding on working-with-children-check applications should be the interests of children and their families. However, the tests that apply under the current law are too focused on the interests of the individuals who apply for checks.

The changes proposed by this bill will instead ensure working-with-children-check tests give priority to the interests and welfare of children and their families, including when VCAT is reviewing decisions by the secretary to refuse to issue a working-with-children check for applicants whom the secretary has assessed as posing an unacceptable risk to children.

The bill also makes three other substantive amendments, as well as various housekeeping or consequential amendments.

Purposes of the bill

The main purposes of the bill are to:

strengthen the tests to be satisfied before a working-with-children check is given or maintained;

prevent a person, who has made a category 1 or 2 application, from engaging in child-related work while his or her application for a check is assessed;

make murder a category 1 offence;

authorise the Secretary to the Department of Justice to revoke a working-with-children check if the holder fails to provide the secretary with requested information.

I now turn to the key substantive elements of the bill.

Strengthening the tests to be satisfied before a working-with-children check is issued

The bill will strengthen the tests applied by the secretary and the Victorian Civil and Administrative Tribunal (VCAT) for obtaining and maintaining a working-with-children check to provide more guidance in determining a person's suitability to hold a working-with-children check and thereby engage in child-related work.

At present, upon receiving an application for a check, the secretary determines the category into which the application falls:

category 1 applications include the most serious sexual offences committed by an adult against a child as well as child pornography offences;

category 2 applications are the most serious sexual, drug and violent offences;

category 3 applications include less serious offences.

For category 1 applications, the secretary must refuse to issue a working-with-children check and must issue that person a negative notice.

Category 2 and 3 applications have a statutory test to be applied by the secretary, and on review, by VCAT.

For category 1 applications:

in deciding the application, VCAT applies an 'unjustifiable risk to the safety of children' ('unjustifiable risk') test and a 'public interest' test;

VCAT cannot direct that a working-with-children check be issued unless it is satisfied that the applicant does not pose an unjustifiable risk to the safety of children and it is in the public interest to do so.

For category 2 applications:

the secretary applies the 'unjustifiable risk' test;

in reviewing category 2 decisions, VCAT applies the same test in addition to the 'public interest' test.

For category 3 applications:

the secretary must give a working-with-children check unless satisfied that it is appropriate to refuse to do so ('appropriate to refuse to do so' test);

in reviewing category 3 decisions, VCAT applies this same test and the 'public interest' test.

Apart from these category applications, the secretary can also refuse a working-with-children check in exceptional circumstances, where there is a significant link between the offence and a risk to the safety of children. For these cases both the secretary and VCAT apply the 'unjustifiable risk' test.

Once a person has a working-with-children check, they are subject to weekly ongoing monitoring by Victoria Police. If the holder of the check is subsequently charged with, convicted or found guilty of a relevant offence, the secretary must reassess their eligibility and can revoke the check if the person is deemed unsuitable to engage in child-related work.

The amendments made by the bill will strengthen the 'unjustifiable risk' test so that:

the secretary and VCAT cannot be satisfied as to the 'unjustifiable risk' test unless satisfied that a reasonable person would allow his or her child to have direct contact with the applicant in an unsupervised capacity while the applicant is engaged in any type of child-related work. That is, would a reasonable person as parent or guardian agree to their child being cared for by the applicant in an unsupervised capacity?

further, the secretary and VCAT must be satisfied that the applicant is able to engage in any type of child-related work without posing an unjustifiable risk to the safety of children. This recognises the portability of a working-with-children check once issued.

The 'appropriate to refuse to do so' test is maintained for category 3 applications, but the bill strengthens that test by adding to it in a similar manner to the changes to the category 1 and 2 tests.

In addition to strengthening these tests, the bill will clarify that the 'public interest' test is a secondary test to be considered by VCAT only after VCAT has determined that the applicant does not pose an unjustifiable risk to the safety of children or that it is not appropriate to refuse a working-with-children check.

Removing the ability to engage in child-related work on an application receipt or during a period of reassessment on category 1 and 2 notifications

The bill will add further protections for children by removing the right of an applicant to engage in child-related work on an application receipt or during a period of reassessment, where the applicant or person who holds a check has a serious criminal history or charge.

This amendment will make it an offence for a person with a charge, conviction or finding of guilt in relation to a category 1 or category 2 offence from engaging in child-related work while their application is being assessed or their suitability to engage in child-related work is being reassessed.

In the case of a person who already has a working-with-children check and has been charged, convicted or found guilty of a category 1 or category 2 offence, the secretary will be able to immediately suspend that person's working-with-children check while their suitability to engage in child-related work is reassessed. If the charges are withdrawn or dismissed by a court, the suspended check can be reinstated.

There is a strong public interest and expectation that people with a serious criminal history or facing serious criminal charges should not be able to work with children until such time as it is determined otherwise.

For those applicants who have no criminal history there will be no change and they can continue to expect to be automatically issued with a working-with-children check. For applicants with a relevant charge or offence, a full assessment is conducted by the secretary prior to engaging in child-related work. People in these categories intending to engage in child-related work will be required to obtain their working-with-children check prior to commencing work rather than relying on an application receipt.

Murder as a category 1 offence

A further substantive amendment is to make murder a category 1 offence. Currently, murder is treated in the act as a category 2 offence. The change to a category 1 offence is considered more in keeping with the need to protect children and the treatment of serious offenders. As a category 1 offence, the secretary will be required to refuse a working-with-children check and issue a negative notice where an applicant has been convicted of murder. The applicant may, however, apply to VCAT for a working-with-children check.

Revoking a working-with-children check for failure to provide requested information

The bill will provide the secretary with the power to revoke a working-with-children check where the holder fails to provide the secretary with requested information. Currently, the secretary can request that a person who holds a working-with-children check to provide further information during a reassessment. If the holder fails to provide the information, the secretary can suspend that person's check for up to six months. After this six-month period, however, the suspended working-with-children check becomes valid again even if the requested information has not been provided.

The bill will give the secretary the power to revoke a working-with-children check where the person holding the check fails to provide the requested information following the suspension period. A revoked working-with-children check prevents that person from lawfully engaging in child-related work. If the person still wants a working-with-children check, then they can apply for one in the usual manner and undergo the usual assessment.

This amendment strengthens the scheme by ensuring that people who may present a risk to the safety of children are not able to maintain their working-with-children check and engage in child-related work unless the secretary has been provided with all relevant information.

In addition to the substantive amendments the bill seeks to improve the operation of the scheme through a number of housekeeping amendments.

Clarifying provisions relating to applications to VCAT by persons subject to supervision or detention orders

The bill will prescribe persons subject to supervision and detention orders under the Serious Sex Offenders (Detention and Supervision) Act 2009 as a category of person unable to apply to VCAT for a review of the secretary's decision except in the case of mistaken identity. This aligns with the current treatment of registered sex offenders under the act.

Clarifying the process to be applied for conducting a reassessment of a person's ongoing suitability to hold a working-with-children check

The bill will clarify the process to be applied by the secretary when reassessing a person's ongoing suitability to hold a working-with-children check where there has been a relevant change in circumstances. Specifically, the secretary will be required to conduct a reassessment according to the test which applies in respect of the offence which triggered the reassessment rather than any offence already considered by the secretary or VCAT in granting the current working-with-children check.

Capturing earlier Victorian offences

The bill will capture earlier Victorian offences within the act. Adding the earlier version of the offences of 'causing injury intentionally or recklessly' and 'obscene exposure' as defined in the Crimes Act 1958 and the Summary Offences Act 1966 respectively, will enhance the rigour of the scheme by allowing such offences to be considered by the secretary when assessing a person's suitability to hold a working-with-children check.

Streamlining the move from a volunteer to an employee working-with-children check

Finally, the bill will streamline the process for moving from a volunteer working-with-children check to an employee check. The secretary will be able to consider an application from a volunteer who wishes to move to an employee working-with-children check without having regard to any offences or conduct that were already considered in issuing the volunteer working-with-children check. This will improve the timely processing of applications.

Consequential amendments

The ability of the secretary to suspend a working-with-children check needs to be reflected in the accredited driver exemption provisions in the Transport (Compliance and Miscellaneous) Act 1983. The bill makes consequential amendments to this act to ensure consistency between the schemes.

There is strong public acceptance of and support for the working-with-children check scheme. The amendments made by this bill will strengthen and improve the operation of the scheme and enhance the protection of children from physical and sexual harm, in line with the government's ongoing commitment to protect children, support their families and build stronger, safer communities.

I commend the bill to the house.

Debate adjourned for Ms MIKAKOS (Northern Metropolitan) on motion of Mr Leane.

Debate adjourned until Thursday, 28 June.

FORESTS AMENDMENT BILL 2012

Introduction and first reading

Received from Assembly.

Read first time for Hon. D. M. DAVIS (Minister for Health) on motion of Hon. R. A. Dalla-Riva; by leave, ordered to be read second time forthwith.

Statement of compatibility

For Hon. D. M. DAVIS (Minister for Health), Hon. R. A. Dalla-Riva 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 Forests Amendment Bill 2012.

In my opinion, the Forests Amendment Bill 2012, 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 bill is to insert a new legislative scheme in the Forests Act 1958 (Forests Act) to provide for the collection of firewood for domestic purposes from areas of state forest without a licence or permit. The bill will insert a similar scheme into the Crown Land (Reserves) Act 1978 (Crown Land (Reserves) Act) to apply to certain land reserved under that act. The bill will also make consequential amendments to the Land Act 1958 (Land Act), the National Parks Act 1975 (National Parks Act) and the Wildlife Act 1975 (Wildlife Act).

Human rights issues

Right to privacy

Section 13 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 or to have his or her reputation unlawfully attacked.

An interference with privacy will not be unlawful provided that it is permitted by law, is certain and is appropriately circumscribed. Any interference will not be arbitrary provided that the restrictions on privacy are reasonable in the particular circumstances and are in accordance with the provisions, aims and objectives of the charter act.

Clause 11 of the bill engages the right to privacy because it makes a consequential amendment to section 83 of the Forests Act, which relates to search warrants. The amendment engages the right to privacy to the extent that section 83 relates to residential land.

Presently, a warrant may be sought under section 83 only where an authorised officer believes that forest produce that is liable to the payment of royalties, dues or other charges has been taken from state forest. Following the amendments

made by the bill, only some, but not all, forest produce, will continue to be liable to the payment of fees, dues and royalties: the new scheme creates circumstances in which firewood will be free. This creates a gap in the applicability of section 83. In order to avoid this, clause 11 amends section 83 so that a search warrant may also be sought where timber (as defined in section 3 and which includes the wood subject to the new firewood scheme) is suspected of having been taken in contravention of the act or the regulations, and regardless of whether the forest produce is liable to the payment of royalties, dues or charges. This will be a more relevant basis for seeking a warrant when wood subject to this scheme is potentially involved in suspected criminal activity under the Forests Act.

Warrants under section 83 (as amended by the bill) will still only be able to be sought from a magistrate based on the sworn evidence of a member of the police force or an authorised officer as to suspected illegal conduct with respect to forest produce. In this respect, the reach of the amended provision will be similar, if not identical, to the reach of the existing provision. As such, entry to land under section 83 will continue to be lawful, reasonable and not arbitrary, because an authorised officer will be acting under the authority of a search warrant issued by a magistrate and within defined parameters specified by the warrant. For these reasons, to the extent that section 83 relates to residential land, it will not limit the right to privacy.

Cultural rights

Section 19 of the charter act provides that Aboriginal persons have the right to maintain their distinctive spiritual, material and economic relationship with the land and waters and other resources with which they have a connection under traditional laws and customs. The bill may engage this right.

Clauses 5, 16, 22 and 23 of the bill insert consistent offence provisions into the Forests Act, the Crown Land (Reserves) Act, the National Parks Act and the Wildlife Act, in relation to the unauthorised collection of fallen or felled trees (within the meaning of the term in the bill). The insertion of the new offences may be perceived to restrict the ability of Aboriginal persons to conduct hunting and gathering activities involving firewood on the various tenures of Crown land to which these acts relate. However, as the unauthorised collection of firewood is already an offence under various provisions (for example, section 96 of the Forests Act and section 190 of the Land Act), the new offences do not create any new restrictions nor do they restrict the exercise of any current rights of Aboriginal persons to collect firewood. The bill does not therefore deprive Aboriginal persons of a relationship with the land.

Right to be presumed innocent

Section 25(1) of the charter act provides that an accused has the right to be presumed innocent until proven guilty according to law. Clause 10 of the bill amends section 82 of the Forests Act by changing the existing reverse legal onus to a reverse evidentiary burden, in relation to the ownership of timber (as defined in section 3), which includes the wood subject to the new firewood scheme. Although the change results in a lesser burden applying to an accused, the change nevertheless limits the right in section 25(1) of the charter act.

(a) The nature of the right being limited

The right to be presumed innocent until proven guilty is a fundamental common-law principle. It requires that the prosecution must prove that the accused committed the charged offence beyond reasonable doubt. This means that the prosecution must generally prove all elements of a criminal offence.

Human rights jurisprudence provides that limitations on the right are generally able to be reasonably justifiable in circumstances where they require an accused to adduce (or present) evidence in order to raise an exception to an offence (as distinct from proving the exception, or disproving an element of the offence) and where the ability to do so relies on particular knowledge of the accused. As the discussion below illustrates, that is the case in relation to the amendment to section 82 of the Forests Act.

(b) The importance and purpose of the limitation

The amendment to section 82 of the Forests Act is being made to ensure that the presumption as to ownership of forest produce in that section can continue to operate in a fair and reasonable manner following the introduction of the new scheme. The presumption is central to the effective enforcement of the Forests Act, which, in turn, supports the sustainable management of forests and forest produce. This is an important purpose because forest produce (for example, a wide range of wood products including firewood, as well as other products such as honey and eucalyptus oil) supports a range of private consumption and commercial and industrial activity in Victoria. The continued existence of these resources depends on management of the various naturally occurring ecosystems from which they grow, and the effective enforcement of the act enables this to occur.

(c) The nature and extent of the limitation

The amendment to section 82 will require an accused to produce evidence to a court on the question of having a lawful basis for having acquired timber. In the case of a person to whom proposed section 57Q(4) applies, the accused will be required to present or point to evidence as to the taking of fallen or felled trees from a particular firewood collection area during a firewood collection season for domestic use as firewood. In all other cases, an accused who has been acting lawfully will be able to present evidence as to ownership by producing a licence, permit or other authority which authorised the accused to interfere with or acquire the forest produce in question.

The accused's right to be presumed innocent is limited because he or she could be found guilty of an offence under sections 57Q or 96 of the act if he or she fails to present evidence that raises the exception in section 57Q(4), or that otherwise indicates that the accused held a valid and relevant licence, permit or other authority.

The extent of the limitation is reasonable because the evidentiary burden should be easy and practical for an accused (who has been acting lawfully) to discharge. The evidentiary matters discussed above will always be within the particular knowledge of the accused, and it will seldom be the case that any other person has evidence in relation to those matters.

Importantly, too, it should be noted that, before any person can be found guilty of offences such as those mentioned above, the prosecution will still be required to prove the basic elements of the offence beyond reasonable doubt (for example, that a person has taken fallen or felled trees from state forest).

(d) The relationship between the limitation and its purpose

The limitation achieves the purpose of enabling the Forests Act to continue to be effectively enforced. It does so by avoiding the scenario where, without the evidentiary burden, prosecutors would need to prove beyond reasonable doubt in each case that a person took timber from a place in state forest other than a firewood collection area and at a time other than during a firewood collection season, and that it was taken for a use other than domestic use as firewood. If the act required this, few prosecutions under the act would ever be successful, because the prosecution will seldom have the benefit of knowing, or being able to prove, precisely from where in state forest timber has been removed. The enforceability of the act would be compromised.

(e) Any less restrictive means reasonably available to achieve its purpose

As noted above, the evidentiary burden in section 82 is required for the effective enforcement of the act. State forest comprises approximately 3.4 million hectares, or approximately 15 per cent, of the land area in Victoria. It would be impossible and unrealistic for prosecutors and enforcement staff to be required to produce evidence about the exact location from which a person removed timber from state forest in every case. Accordingly, there is no less restrictive means that is reasonably available to achieve the purpose of the limitation.

(f) Any other relevant factors

There are no other relevant factors.

For the reasons set out above, I consider that the amendment to section 82 of the Forests Act is compatible with section 25(1) of the charter act.

Clauses 18 and 21 of the bill make corresponding amendments that apply with respect to firewood collected under the Crown Land (Reserves) Act. The amendments have the same effect as the amendment to section 82 of the Forests Act in that the existing reverse legal onus provision in section 200 of the Land Act ceases to apply to timber collected from regional parks in which the new firewood scheme operates. Instead, a reverse evidentiary burden will apply in new section 30A of the Crown Land (Reserves) Act.

The analysis and conclusions for clause 10, above, apply equally to clauses 18 and 21 of the bill, although the importance of the purpose of the limitation is to promote the enforcement of the Crown Land (Reserves) Act rather than the Forests Act. This is important in its own right because of the need to protect the natural resources specified in section 200 of the Land Act which are found on land reserved under the Crown Land (Reserves) Act.

Conclusion

I consider that the bill is compatible with the charter act because, although it may engage the section 13 right to privacy and the section 19 cultural rights, those rights are not

limited by the bill, and the limitation on the right to be presumed innocent under section 25(1) is justified under section 7(2) of the charter act.

Hon. David Davis, MLC
Minister for Health
Minister for Ageing

Second reading

Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations).

Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

Firewood is an important source of fuel for heating and cooking in many parts of regional Victoria. The government is committed to making domestic firewood collection on public land simpler and more affordable by abolishing the need to obtain a firewood permit. This will reduce the burden of red tape associated with personal firewood collection and make it easier for households to access an annual supply of firewood.

The Forests Amendment Bill 2012 (the bill) will create the legislative framework for the new scheme. It will amend the Forests Act 1958 (the Forests Act), make related amendments to the Crown Land (Reserves) Act 1978 (the Crown Land (Reserves) Act) and make consequential amendments to the Land Act 1958 (the Land Act), the National Parks Act 1975 (the National Parks Act) and the Wildlife Act 1975 (the Wildlife Act).

Overview of the legislative scheme

The new legislative scheme will apply to the collection of firewood in state forest and in those regional parks where firewood collection for domestic use is currently allowed. The scheme will apply to fallen or felled trees — or parts of those trees — collected in designated firewood collection areas during firewood collection seasons.

In summary:

the bill will abolish the need for a domestic firewood permit;

it will establish two firewood collection seasons in each financial year;

it will establish a process for designating firewood collection areas in state forest and those regional parks where firewood collection is currently allowed;

it will provide the flexibility to ensure that firewood supply can be managed over the long term and local needs and unforeseen circumstances are able to be dealt with;

it will create a series of offences aimed at encouraging appropriate collecting behaviour; deterring illegal commercial firewood collection activity; and providing checks and balances to ensure that firewood collection is sustainable into the future and is undertaken in a socially and environmentally responsible manner; and

it will enable a person who is unable to collect firewood for themselves to nominate another person to do so on their behalf.

Previously, firewood permits typically contained information on where, and how much, firewood could be collected and under what conditions. In the absence of permits, these and other matters will now be dealt with in legislation, either in the relevant acts or in regulations. In this way, the Victorian community will have clear, legislatively defined, expectations of the scheme.

While the bill will reduce the red tape burden on individuals, it does not alter the basic position that the government, through the Secretary to the Department of Sustainability and Environment (the secretary), retains control of the firewood resource in state forest and other relevant public land, and its supply from that land. The supply of domestic firewood from these areas will complement what is available from commercial suppliers operating on both public and private land.

Establishing firewood collection seasons

The bill will create two firewood collection seasons in each financial year — a spring season from 1 September to 30 November and an autumn season from 1 March to 30 June. These seasons will be consistent across the state and aim to minimise the risks to people, the environment and infrastructure by avoiding firewood collection during winter, when the ground is wet and at risk of damage, and during summer, in the period of highest fire risk.

The secretary will be able to shorten a season, either across the state or in part of the state, if it is considered necessary to do so for reasons of public safety because of actual or likely fire danger.

Designating firewood collection areas

The bill will enable the secretary to designate firewood collection areas where firewood may be collected. Firewood collection areas will be located, where possible, to avoid sites of environmental and cultural significance and make use of the by-products of activities such as commercial timber harvesting and road construction.

The bill will provide the secretary with the flexibility to open and close firewood collection areas during a firewood collection season. This will assist in managing the supply of firewood through a firewood season and also the availability of collection areas should unexpected conditions, such as floods, affect particular areas.

Ensuring a sustainable firewood supply

The bill includes several features which aim to ensure that there is a supply of firewood for those who need it, particularly in parts of the state where the firewood resource is limited. These provisions will assist in managing firewood supplies from public land over the long term.

In particular:

the bill will impose various limits on the amount of firewood which can be collected, personally or on behalf of another person or by a household. The maximum personal collection limit will be 2 cubic metres per person per day, regardless of whether the firewood is collected personally or on behalf of another person. The maximum household collection limit will be 16 cubic metres per financial year. This may be collected by members of a household or on behalf of a member of a household;

the bill will enable the secretary to limit the amount of wood a household can collect in a financial year from a particular region, should this be considered necessary in the interests of ensuring the long-term supply of firewood in that part of the state;

the bill will also enable the secretary to restrict collection in specified firewood collection areas to a class of persons — for example, the residents of a particular municipality — if required to manage firewood supply.

Establishing appropriate firewood collection rules

The bill recognises that the new scheme requires checks and balances — or rules — for it to work. It strikes the appropriate balance between introducing a simpler and more affordable system for domestic firewood collection on the one hand and, on the other, ensuring that there is a sustainable firewood resource, that appropriate environmental safeguards are in place, and that there are strong deterrents to illegal commercial operations.

The bill will therefore create a series of offences with appropriate penalties, depending on the severity of the offence. Currently, the penalties for most offences under the Forests Act relating to illegal firewood collection include up to one year's imprisonment. These offences can only be dealt with through the courts. Consequently, several new offences will be created as strict liability offences to establish the basis for their enforcement through the issuing of infringement notices. This will provide a compliance tool to encourage adherence to the collection rules, while retaining the option of taking a case to court if warranted in the circumstances.

There are two main sets of new offences:

those relating to firewood collection outside a firewood collection area and/or outside a firewood collection season, or otherwise relating to exceeding the limits imposed by the scheme; and

others relating to breaches of the firewood collection rules inside a firewood collection area during a firewood collection season.

In relation to the first category, the bill will create offences in the Forests Act, the Crown Land (Reserves) Act, the National Parks Act and the Wildlife Act in relation to the unlawful collection of wood on land under those acts. These aim to deter illegal firewood collection in areas where firewood collection is not permitted. To ensure that there is no incentive to collect domestic firewood illegally in one land category or another, the offences and associated penalties will be identical in each of those acts.

To encourage compliance, the bill will create a strict liability offence of unlawfully collecting up to 2 cubic metres of wood, and more serious offences, with penalties consistent with the existing offences in the Forests Act, of unlawfully collecting more than 2 cubic metres. The more serious offences also aim to deter illegal commercial operations.

Offences in the second category include those aimed at protecting the environment — in particular, cutting down or damaging a tree (or shrub), whether dead or alive, and cutting or taking away wood which is visibly hollow or growing moss or fungi.

In addition to the serious offences previously referred to, the bill will create several other offences aimed specifically at deterring illegal commercial operations. These include:

selling wood collected under the scheme;

requesting or accepting reward for collecting firewood on behalf of another person; and

collecting more than the maximum amounts per household per financial year.

The penalties for most of these offences are high but are equivalent to those under the Forests Act currently applying to illegal firewood operations.

The bill will also enable regulations to be made which will supplement the rules included in the primary legislation. The regulations will cover matters of an operational nature and additional measures to protect environmental values.

Informing the public

The bill will require the scheme to operate transparently. In particular:

any determination of the secretary must be published in the *Government Gazette*;

the plans of the firewood collection areas must be lodged in the central plan office; and

signage must be erected at firewood collection areas.

In addition, the Department of Sustainability and Environment is committed to placing a range of information on its website and in departmental offices, and to publicising key elements of the scheme.

Consequential and other amendments

The bill will make several consequential amendments to the Forests Act and the Land Act to ensure that various provisions, which previously applied to domestic firewood collected under a permit, will continue to apply in the absence of firewood permits and associated fees. These provisions include the power in the Forests Act to apply for a search warrant when it is suspected that forest produce has been illegally taken, and provisions in the Forests Act and the Land Act that deal with the ownership of forest produce.

Conclusion

The bill reflects the government's commitment to removing the need for domestic firewood permits and to creating a simpler and more affordable system for domestic firewood collection. At the same time, appropriate checks and balances,

including a strengthened regulatory framework, will ensure that the scheme will be sustainable and that firewood will continue to be available to the Victorian community for domestic use.

I commend the bill to the house.

Debate adjourned on motion of Mr LENDERS (Southern Metropolitan).

Debate adjourned until Thursday, 28 June.

RESIDENTIAL TENANCIES AMENDMENT BILL 2012

Introduction and first reading

Received from Assembly.

Read first time for Hon. M. J. GUY (Minister for Planning) on motion of Hon. R. A. Dalla-Riva; by leave, ordered to be read second time forthwith.

Statement of compatibility

For Hon. M. J. GUY (Minister for Planning), Hon. R. A. Dalla-Riva 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 Residential Tenancies Amendment Bill 2012.

In my opinion, the Residential Tenancies Amendment Bill 2012 ('the bill'), 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 amends the Residential Tenancies Act 1997 to clarify the consequences of a third successive breach of a duty provision. In particular, the bill clarifies that a person who has issued two previous breach of duty notices has the capacity to issue a notice to vacate or a notice of intention to vacate (as the case may be) on the instance of a third breach of the same duty provision.

The bill also makes amendments to improve the administration and repayment of bonds, including amendments to improve the payment and payment out of bond loans provided by the director of housing on behalf of private tenants.

Human rights issues

Section 13 — privacy and reputation

The right of a tenant or resident not to have the tenant or resident's home unlawfully or arbitrarily interfered with may be engaged when a notice to vacate is issued. The amendments proposed by this bill clarify that a person may

only serve a notice to vacate for a breach of a duty provision, if the tenant or resident has previously been served with two successive breach of duty notices for a breach of the same duty. Therefore, any interference with the tenant or resident's home or family will be lawful.

If a notice to vacate is issued and the tenant or resident remains in the rented premises, the person seeking eviction may only regain possession of the rented premises if the Victorian Civil and Administrative Tribunal (VCAT) grants a possession order. VCAT may only grant a possession order if VCAT is satisfied of a number of factors, including that the person was entitled to give the notice to vacate. Therefore, while the right is engaged, any interference with the family or home will not be arbitrary or unlawful and will be subject to review. Accordingly this right is not limited.

Conclusion

In my opinion, the Residential Tenancies Amendment Bill 2012 is compatible with the charter act.

Hon. Matthew Guy, MLC
Minister for Planning

Second reading

Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations).

Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

This is a bill to amend the Residential Tenancies Act 1997, to improve its operation and efficacy. The bill will clarify the operation of provisions that enable individuals to serve a notice to vacate or a notice of intention to vacate following successive breaches of a duty owed to them. The bill also makes a number of changes to provisions relating to the lodgement and paying out of residential tenancy bonds.

A key component of Victoria's residential tenancies legislation is the concept of duties that are owed by parties to an agreement regulated under the Residential Tenancies Act. These duties may differ depending on whether the agreement relates to a rented premises, a room in a rooming house, or a site located at a caravan park or a part 4A park. In general, the duties cover issues that may arise from the use and maintenance of rental accommodation, including, for example, duties not to cause damage to the premises, duties not to cause a nuisance or interference, duties to provide certain information, and duties to ensure quiet enjoyment.

Under section 208 of the act a person to whom a duty is owed under a duty provision may give a breach of duty notice to a person in breach of that duty. The notice must, amongst other things, specify the breach, give details of loss or damage caused by the breach, and specify the actions that the person must take to either remedy the breach or compensate the person to whom the duty is owed.

The breach of duty notice must also include information about the consequences of non-compliance with the notice, including that a notice of intention to vacate or notice to vacate may be given if a similar breach is committed in the future.

Therefore, the act envisages that successive breaches of the same duty will provide a person with grounds to issue a notice to vacate in the case of a landlord, rooming house owner, caravan park owner or part 4A site owner, or a notice of intention to vacate in the case of a tenant or resident. However, it is currently unclear how many breach of duty notices are required before a person gains the right to serve a notice to vacate or notice of intention to vacate.

The intent of the legislation is that such a notice can be served at the point of a third breach of the same duty. However, recently the Victorian Civil and Administrative Tribunal has interpreted the legislation as requiring the service and expiry without compliance of a third breach of duty notice before a notice to vacate or notice of intention to vacate can be served.

The amendments introduced by this bill make it clear that a notice to vacate or notice of intention to vacate may be served by a person who is owed a duty, provided that the person has served a breach of duty notice for a breach of the same duty on two previous occasions.

While there is no need for a third breach of duty notice to be issued, it should be noted that the bill specifically preserves the option for a person to elect to issue a third breach of duty notice, rather than proceeding with a notice to vacate or notice of intention to vacate. Should this option be pursued, the bill states that the third notice will need to expire without compliance before a notice to vacate or notice of intention to vacate can be subsequently served.

The bill also makes a series of amendments to part 10 of the act, which establishes the Residential Tenancies Bond Authority and sets out requirements for the lodgement and repayment of residential tenancy bonds.

Section 406 of the act places a duty on a landlord, upon receipt of a bond from a tenant, to lodge that bond with the Residential Tenancies Bond Authority, which will hold the bond in trust for the landlord and the tenant. The bill makes clear that this duty includes any instalment payments or part payments of a bond which may be made by a tenant. Some landlords have taken the view that the bond need only be lodged once all payments had been received, a practice that can lead to the tenant being disadvantaged if a dispute arises and the bond instalments have not been lodged with the bond authority.

The bill also removes another area of conflict between landlords and tenants in relation to the repayment of bonds. A key component of the bond system is that all parties have an equal say on the amount of bond to be paid to each party at the conclusion of a rental agreement. The bond authority has received complaints from tenants who have signed blank or incomplete bond claim forms and have subsequently received an amount of bond that was different to the amount verbally agreed with their landlord or agent. The bill addresses this by making it an offence for a landlord to request or obtain a tenant's signature on a bond claim application form if the form does not specify the amount of bond to be refunded and the apportionment, if any, of that amount. A maximum penalty of 20 penalty units applies to this offence.

The bill simplifies and improves processes relating to bond loans made by the director of housing. In recognition that finding the money for a bond may be difficult for those on low incomes, the director of housing has the capacity to provide a bond loan in certain circumstances. Such loans may cover the entire bond or a partial amount of the bond.

Sometimes a tenant who is eligible for a bond loan may pay the bond in advance of receiving a loan from the director of housing, in order to secure the tenancy. While there is a process by which the bond authority can substitute the bond paid by the tenant with the bond loan, this process requires the signature of the landlord. The bond authority has received many complaints from tenants who have been unable to obtain their landlord's signature for a variety of reasons ranging from the inconvenience of additional paperwork through to concerns that to do so might be contrary to other provisions of the act.

The bill places an obligation on the bond authority to refund an amount of bond paid by a tenant and substitute that bond with an equivalent amount of bond provided by the director of housing. This amendment removes the need for a tenant seeking a bond substitution to obtain the landlord's signature before lodging the necessary application. The landlord will still be alerted to the substitution, as the bill requires the bond authority to notify the landlord of the substitution.

The bill simplifies the process by which the director of housing can be reimbursed the amount of a bond loan following the conclusion of a rental agreement.

A joint application from the tenant and the landlord is generally required in order to release a bond loan at the conclusion of a tenancy. Often there is little incentive for either the landlord or the tenant to make such an application if neither party is to receive any direct monetary benefit. For example, a tenant may have little incentive if the money is to be refunded to the director of housing. Similarly, a landlord may have little incentive if he or she is making no claim on the bond.

As a result, the Residential Tenancies Bond Authority currently holds over \$740 000 in bond loans that are effectively frozen as it has no legislative capacity to directly repay any of these moneys to the director of housing.

The bill enables the bond authority to make direct payment to the director of housing if it receives a new bond for a different tenancy in the same premises and no application for a refund of the previous bond has been made within 12 months of the date of receipt of the new bond.

Direct payment to the director of housing can only be made in circumstances where no application for a refund of the bond has been made within 12 months of the date on which a new bond for the premises is received by the bond authority.

Importantly, this amendment will have a direct impact on private tenants on low incomes by ensuring there is over \$740 000 in additional money available for bond loans to assist low-income renters to secure access to rental accommodation.

The bill also simplifies the process for repayment of a bond to the director of housing via application, by removing the requirement for a joint application to be made by a landlord and tenant. Instead an application may be made for repayment of the director of housing solely by the landlord.

Finally, the bill makes an amendment to ensure that the Consumer Affairs Legislation Amendment (Reform) Act 2010 is not automatically repealed before all of its provisions have come into operation.

The introduction of this bill will result in practical improvements and alleviate specific areas of confusion and dispute in the administration of residential tenancies legislation.

I commend the bill to the house.

Debate adjourned for Hon. M. P. PAKULA (Western Metropolitan) on motion of Mr Leane.

Debate adjourned until Thursday, 28 June.

APPROPRIATION (2012/2013) BILL 2012

Committed.

Committee

Clause 1

Mr LENDERS (Southern Metropolitan) — I will be brief in speaking to clause 1. After reading the statements made by the Minister for Water and the Premier, my understanding of the debate that we have had over the last three weeks about the water authority dividends and the uncertainty as to the size of dividends and payments is that Melbourne Water is, through a series of complex measures involving the water retailers, going to pass on the savings that resulted from the desalination plant coming under budget by over \$300 million in the current financial year. Melbourne Water is not going to take those savings as a dividend but is actually going to somehow pass them through to the retailers and consumers by not putting up the prices next year.

This is an appropriation, but ultimately this is money the executive government is seeking to spend. Even though Melbourne Water has lost \$308 million — and if we go to budget paper 3, we can see that figure — or even if it is \$230 million, as the Minister for Water seems to say, it has lost some hundreds of millions of dollars, and government policy has not changed the stipulation that the dividend on the water authority be 65 per cent. My observation is that greater government borrowing will be required for this appropriation to be met, because the budget surplus is gone. I will assert that that is the case.

I would be interested to know whether the Assistant Treasurer feels the need to comment on that, given the appropriation does not specify a surplus or a non-surplus because the Borrowing and Investment Powers Act 1987 allows the Treasurer to borrow subject to loan council approval. My observation is that

this much-vaunted budget is now in deficit if the super dividend is not being taken out of Melbourne Water.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — It will come as no surprise to Mr Lenders that I do not agree with his proposition. One of the key issues here is the question of timing. The current matters that have been under discussion with respect to Melbourne Water relate to the 2011–12 financial year, and any dividend that was to be paid by Melbourne Water with respect to the 2011–12 financial year would be collected in the subsequent year. There are 16 or 17 different dividend-paying bodies, and an aggregate assessment has been made by Treasury of what contribution they will make to the general government sector over the coming years. As a consequence we do not expect that any change affecting Melbourne Water is going to have an effect on this budget year.

Mr LENDERS (Southern Metropolitan) — As part of the debate on clause 1, I make the observation that the dividends raised by the government have gone from roughly \$300 million to roughly \$800 million in the budget papers. There is a note saying that a portion of this is cash flow rescheduling from the State Electricity Commission of Victoria. However, that is a sole reference. The last time I looked at the State Electricity Commission of Victoria I could see that if it drew down every single cent it had, it could probably pay about \$300 million of that.

I make the observation that the next candidates for dividend increases from the government are the water authorities. Given that the government has chosen not to put dividends on anything other than the four Melbourne water authorities, the government is either relying very heavily on those water authorities or it has changed policy and is starting to put dividends on bodies like country water authorities, hospitals, arts centres or various other establishments. I am sure the government is not doing that. I will not ask the minister about it; I know the answer he will give. I have heard speeches in this house once or twice before about defining where dividends come from.

However, I make the observation that these budget papers are opaque. The best chance a citizen would have of working out where these moneys are coming from would be to look at the annual reports later in the year, and even that depends on some nice little arrangement between the Department of Treasury and Finance and the Auditor-General's office as to prepayments and how and on which side of the financial year things are recorded. I alert the Assistant Treasurer that I will be watching these very closely over the next little while. I suspect we will find that

there was a presumption of much bigger dividends out of Melbourne Water.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I briefly point out to Mr Lenders the issue of interim dividends, which were not necessarily collected last year, being brought forward to the current year. I also point out that the government has no intention of imposing a dividend on hospitals.

Clause agreed to; clause 2 agreed to.

Clause 3

Mr LENDERS (Southern Metropolitan) — Most of the issues I wish to raise under clause 3 I raised under clause 3 of the previous bill, the Appropriation (Parliament 2012/2013) Bill 2012. Again I draw to the attention of the Assistant Treasurer the fact that this clause authorises the Treasurer to essentially draw a warrant to pay whatever funds are necessary to deal with any EBA (enterprise bargaining agreement) arrangements. I draw to the Assistant Treasurer's attention the provisions under the part of the schedule relating to the Department of Treasury and Finance where these contingent amounts are listed.

I know he will say it is hypothetical — it is the same debate as previously — but the teachers and TAFE EBAs are very current, and I could list the various EBAs. The government will have made some consideration as to how much should be provided for them. Again, I specifically put to the Assistant Treasurer that if an EBA is settled for more than 2.5 per cent, this authorises the Treasurer to draw a warrant to pay for that. Will the department then be required to find savings, or will money simply be drawn from the Consolidated Fund?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — It is hypothetical because it would depend upon the circumstances of the particular EBA. Obviously the government has said that government wages policy is 2.5 per cent with increases above 2.5 per cent to be funded through productivity related to the negotiations — the workplace outcome. That may take different forms in different negotiations. At this point in time it is not possible to give Mr Lenders a hard and fast answer. It will very much depend upon the nature of individual negotiation outcomes. Again, the Treasurer is not required to do this; this is giving the Treasurer the discretion if required.

Clause agreed to; clauses 4 to 8 agreed to.

Schedule 1

Mr LENDERS (Southern Metropolitan) — Deputy President, to assist procedurally, what you and other Deputy Presidents have done in the past is to allow the chamber to go through schedule 1 department by department and then approve that particular schedule. In schedule 1 I have an issue with the Department of Business and Innovation. I say at the outset that my questions on these schedules will be quite limited because members of my party had the option of taking individual ministers through the Public Accounts and Estimates Committee process and it is unfair to expect too much specificity from the Assistant Treasurer.

Using the same methodology I used for the Appropriation (Parliament 2012/2013) Bill, where I started with the 2011–12 component and added the 2.5 per cent for the departmental funding model, my observation is that when you apply that to the provision of outputs in the Department of Business and Innovation, there has been a 6.1 per cent cut in funding. For a government that talks about creating jobs and stimulating growth in the state and taking a role in partnering job growth, that cut is quite contrary to its rhetoric of super trade missions to India, China and various other places. Does the minister care to reconcile how the government can slash 6.1 per cent out of a budget and still expect to deliver these extra services?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I say to Mr Lenders that the decisions the government had to make with this budget reflect the reality of the environment in which we are operating. A number of new initiatives have been funded for the Department of Business and Innovation in the course of this budget, covering areas that have been canvassed in the house over the last couple of months. I will not go through them in detail, but they include international engagement in manufacturing et cetera. The reality is this budget has had to be cut to fit the cloth we have as a consequence of the tight revenue picture.

The DEPUTY PRESIDENT — Order! We now turn to the Department of Education and Early Childhood Development.

Mr LENDERS (Southern Metropolitan) — Again I draw my observations about this department using the same methodology — add the departmental funding model and put in what is in the outputs — and we see a real 1.7 per cent increase in funding for the department. I congratulate the government on that increase. The raw figure may well be through administrative arrangements. Given the growth in student numbers, and the main component of the Department of

Education and Early Childhood Development is obviously wages and wages are related to the student resource packages at schools, which has a strong correlation to the number of students, a large component of this increase in funding reflects population growth and demographic change picked up by increased student numbers. This 1.7 per cent funding increase probably just picks up the population growth in the department.

A teachers EBA is up for renegotiation. My question to the minister is: where is the provision for the payments for high-performance teachers about which the government made a massive statement? If I believe the Minister for Education's rhetoric about 70 per cent of teachers getting performance payments, while on the face of it there is 1.7 per cent in funding growth, which essentially matches population growth, where is the provision in this output to pay teachers more?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — Mr Lenders would appreciate that this department is not just about schools and education. Obviously vocational education and training is a big part of this department as well. To look at the aggregate number and apply that to schools is not entirely reflective of the situation. Again, wage costs in this department have increased in accordance with government wages policy and a negotiation is under way to deliver an outcome against government wages policy. Any increase above the 2.5 per cent would be in the context of those productivity outcomes that the government has spoken about over the last 12 months and would be funded accordingly.

The DEPUTY PRESIDENT — Order! Anything further on education? We will move to the Department of Health.

Mr LENDERS (Southern Metropolitan) — I take some pride in having been a minister or parliamentary secretary involved with the Department of Treasury and Finance for my entire period in the Bracks and Brumby governments bar eight months when I was Minister for Education. I find it extraordinary that when I look at the outputs of the Department of Health, using my formula again of adjusting up for the departmental funding model, I see a 31 per cent cut in outputs. I know the Minister for Health is busy doing more important things, like factional business in the Liberal Party and spin and blaming former governments, and I know that he has a man safe where he stores a lot of things, but I ask the minister — to quote a member of a political party I despise — to 'please explain'.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am pleased to assure Mr Lenders that there has not been a 31 per cent cut in the health budget. What Mr Lenders is seeing is the impact of the new commonwealth health agreement where the way in which — —

Mr Lenders — A 31 per cent cut!

Hon. G. K. RICH-PHILLIPS — I could just stop the answer there. The reality is that the way in which the cash was received and handled by government no longer applies. There is now that commonwealth funding, which is reflected in the explanatory memorandum for the bill. I think the figure is around \$3.3 billion. That is not coming through the appropriation bill. As a consequence of the commonwealth-state funding agreement it is now recognised as a grant coming into the Department of Health, and that is why the appropriation number is lower, but there is no net impact as a consequence.

Mr LENDERS (Southern Metropolitan) — The Assistant Treasurer valiantly defends the Minister for Health. I will accept the minister's assurance at face value simply because I have great faith in Tanya Plibersek, the federal Minister for Health, and Wayne Swan, the federal Treasurer, delivering their parts of agreements to boost funding to states, but on the face of this you would think the commonwealth has picked up the lion's share and Mr David Davis has been asleep at the wheel. However, I accept the minister's answer.

Ms HARTLAND (Western Metropolitan) — If I could follow Mr Lenders with a very specific question about a funding cut in relation to women's health services. They have found just this Monday that their funding will take quite a massive cut. When you consider it in terms of there being a 30 per cent increase in population and that these organisations have not received a funding increase for some 15 years, except for indexation of course, these services are already running on the smell of an oily rag.

It is quite clear that prevention is better than cure and that family violence costs the Australian economy more than \$13 billion a year, so I am not quite sure why the government thinks these cuts make any sense. As I understand it, in terms of preventive women's health services there is a cut of about \$350 000 in the first year. I know the Chair will not want me to editorialise, but that funding is little more than one single toilet to be used by a PSO (protective services officer). I would have thought that women's health was more important, and I would like the minister to explain why it is that these cuts have been made.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I thank Ms Hartland for her question and her interest in what is an important matter. Ms Hartland asked about a reduction of around \$350 000. I am not able to give her that level of detail, but I can point out to her that in this budget, with respect to primary, community and dental health in the 2012–13 budget year, funding is \$396 million, and the overall health allocation is now \$13.6 billion, which is about a \$500 million increase.

Ms HARTLAND (Western Metropolitan) — There is an approximate cut of around \$35 million in community health, and there are specific cuts in preventive health and family violence services. These services found out on Monday that their budgets would be cut. The minister has said that these are moderate cuts, but if this funding is actually going to protect a woman's life, I do not know how any cut can be moderate. The cuts have been announced. That might be the figure that has been spent on community health, but \$35 million worth of cuts is happening, and I do not understand why the government is doing that. I would like some kind of explanation.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I say to Ms Hartland that this budget has been framed in a very challenging situation. In terms of the overall allocation to the health budget, there is an increase, but within that decisions need to be made as to resource allocations. The Minister for Health has had to make decisions around those particular programs and has made a decision accordingly.

Ms HARTLAND (Western Metropolitan) — I can only presume then that the government has very little regard for the health and safety of women, and that is why these cuts have occurred.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I say to Ms Hartland that that is clearly not the case. Decisions have to be made within the overall funding envelope for the Department of Health. Decisions had to be made across government as to savings in order to deliver this budget. The reality is that we would like to spend more money in a whole range of areas, but the current environment does not allow that.

Ms HARTLAND (Western Metropolitan) — I do not know how far you will allow me to go with this, Chair, but I have to say that there is \$600 million for a prison at Ravenhall and \$120 million for PSOs, but there does not appear to be enough money to protect women in their homes.

The DEPUTY PRESIDENT — Order! The Department of Human Services.

Mr LENDERS (Southern Metropolitan) — Again the observation I make here is that if you apply the model of adding the departmental funding model to the outputs, funding for the Department of Human Services has been cut by a smaller amount than some of the departments but still cut by 0.1 per cent. Again, the government has had much fanfare about engaging new child protection officers as part of the budget decisions of Minister Wooldridge, the Minister for Community Services. The Minister for Community Services has spruiked the delivery of new services in the Department of Human Services, yet there is effectively a 0.1 per cent budget cut. That cut in itself obviously means that there is an effective cut of 1.5 per cent because of population growth. My question to the minister is: what gives to allow the minister to announce that much more is being delivered? The two just do not appear to be reconcilable.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — Mr Lenders refers to the appropriation bill. I draw his attention to the overall spend for the Department of Human Services, which reflects an increase for the 2012–13 year. Obviously decisions have had to have been made in the current environment. Minister Wooldridge has put together a \$336 million package in response to the Cummins report. That picks up not only on initiatives in the Department of Human Services but also on initiatives across Health and Justice and other agencies. It is a whole-of-government response, not just a DHS response.

Mr LENDERS (Southern Metropolitan) — I accept the minister saying that Minister Wooldridge's response was for more than just DHS, but the minister has very proudly spoken of all the extra services to be delivered. When we look at the Department of Human Services, yes, capital has gone from \$50 million to \$70 million, and that is all very good, but the operating budget — the thing that pays the day-to-day wages of staff and the grants that are given to the not-for-profit organisations that do so much of the critical work for government in this area — has been cut.

Again I am very conscious that the minister can speak in macro terms and that the detail is a more appropriate line of discussion for the Public Accounts and Estimates Committee, but I make the observation that, despite a very strong and proud rhetoric about things being done, there is actually a cut in this budget. I make that as an observation. I have perused the PAEC record once again, but it is not all that enlightening.

The DEPUTY PRESIDENT — Order! The Department of Justice is the next department for consideration.

Mr LENDERS (Southern Metropolitan) — Again I make the commentary that there has been an increase in this department. If this were an increase in the parts of the department that were designed to keep young people out of prison, I would give the government full marks. However, quite sadly, although this is not a second-reading contribution and a narrative about closing down TAFEs and prison numbers going up, there is a strong correlation.

I have a specific question for the minister. If he cannot answer it here, I ask him to take this one on notice. The Treasurer has made a lot of comments both in government and previously in opposition about how you measure the costs of projects, whether you do it in nominal terms, whether you do in net present value and so on. I noticed that the Minister for Health was throwing around some terms that I think he was a bit bewildered by, but that is a matter for another debate.

This is about appropriations for 2012–13, and obviously the new public-private partnership (PPP) in the western suburbs, in Truganina, has not yet been put into these budget papers; it is in the forward estimates but not in the appropriation bill. However, when the government records that in an appropriation bill, will it be recording the cost in 2040 dollars, like the Treasurer does when he refers to the desalination plant, or will it be recording the cost in 2012 dollars, which it has done to date in relation to its public-private partnership prison? I probably should have asked the same question regarding the Department of Health and the new, bigger Bendigo hospital. My question is: will these dollar figures be recorded like governments have traditionally done, in 2012 dollars, or, like the Treasurer does when he talks of the desalination plant, in 2040 dollars?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I thank Mr Lenders for his question. I will make a couple of points to Mr Lenders. The recording of these projects, including PPPs, can be particularly complex in the way they are brought to book. The desalination plant is an example of that; it is a very complex project in the way it is brought to book. However, these projects will be brought to book in accordance with the accounting standards.

Mr BARBER (Northern Metropolitan) — Is it not the case that there is no accounting standard for PPPs?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — It would depend on exactly what sort of

model of PPP it was, but there are accounting standards for how things are brought to book in the government accounts. The reality is that each PPP is generally different. You would not find two PPPs that are identical in the way they are structured, but there are accounting standards as to how matters are brought to book in the government accounts.

Mr BARBER (Northern Metropolitan) — The minister must have taken a bit of a detour between his time on the Public Accounts and Estimates Committee and when he became Assistant Treasurer. I think he fell into a parallel universe and did not notice. There are no standards for how PPPs are treated in the government accounts. The Auditor-General has had plenty to say on that subject. The only appearance of PPPs in the government accounts is where there are cash flows from the budget to the private provider and back again, and then they are treated as simply some of the discounted cash flows back to today's date.

The specific example that Mr Lenders was raising was the desalination plant. There are cash flows from Melbourne Water to the desalination plants, but I presume they will not appear anywhere in the central budget sector.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I do not know that there is a point of difference between what Mr Barber is saying and what I am saying. The point I was making is that when things are brought to account in the government accounts, it is done in accordance with accounting standards. Now Mr Barber is saying things may not be brought to the government accounts, and that can be the reality of some PPP structures, but things that are brought to account are brought to account in accordance with accounting standards.

Mr BARBER (Northern Metropolitan) — No, they are not, because there is no accounting standard. There is no accounting standard that says you treat a PPP as the sum of its discounted cash flows. That is the very point I am making. That is the best that the government is willing to do at the moment for payments that come from a PPP to us, whether it is these fancy balloon payments that some successful PPP bidders immediately hand to the government at the beginning or whether we start to collect the rent from the Melbourne Convention Centre 20 years from now or whenever it is. I cannot let it stand and be said that there is an accounting standard for PPPs, because at least the last time the Auditor-General and I had a talk about this there was not, and he saw that as a significant problem.

Ms HARTLAND (Western Metropolitan) — I have one question about the Department of Justice. This is again about a very specific project, Project Respect, which is recognised as being the lead agency dealing with women who have been trafficked into Victoria. In its inquiry into people trafficking for sex work the Drugs and Crime Prevention Committee came up with a set of recommendations, and part of that was a recognition of the need to support ongoing work in this area. Project Respect has lost all of its funding; it receives no state government funding. It is the lead agency that works with women who have been trafficked, yet it is getting absolutely no money. It is one of those projects that makes a huge difference to the lives of women, but it has been completely defunded.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I would say to Ms Hartland that decisions have had to be made in the context of the budgetary environment. I am not familiar with the particular project she is referring to. Obviously that is a serious issue, but the government has had to make decisions in the context of the funding available within this department in terms of which areas it needs to pursue and which areas it cannot pursue at this point in time.

Ms HARTLAND (Western Metropolitan) — Can I ask the minister to take that question on notice and seek an explanation as to why Project Respect has lost its funding and also whether this funding has gone to any other agency that is dealing with trafficked women?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — If I can get some further details from Ms Hartland, I will be happy to follow that matter up.

The DEPUTY PRESIDENT — Order! The committee will now deal with the Department of Planning and Community Development (DPCD).

Mr LENDERS (Southern Metropolitan) — The government is pretty big on decisive action — or so we hear. I noticed here, again using the methodology I have applied, that the outputs in the Department of Planning and Community Development have been decisively cut by 26.3 per cent. There have been no administrative arrangements on this. I know there was the circular sent to departmental secretaries about the move of Regional Development Victoria (RDV) to the Department of Planning and Community Development from what is now the Department of Business and Innovation. However, the government then clearly changed its mind because the Premier quite clearly — and decisively, I might add — responded to an

adjournment matter of mine by saying that would not happen.

I am intrigued. I find here that we have a 26.3 per cent cut in outputs. I also note that in the schedule there is \$125 million put down for the Regional Growth Fund. The appropriation bill obviously reports on expenditures during the financial year 2010–11 out of its predecessor, the Regional Infrastructure Development Fund (RIDF), but there is no reporting in the appropriation on this \$125 million for the previous year, the first dynamic year of the dynamic Deputy Premier's eight-year super Regional Growth Fund. He must have discovered it in India or China.

I have two questions for the minister. How does one do all the stuff that DPCD does, seeing that we are getting the largest outer urban growth to make housing affordable in the inner solar system, if you believe the very dynamic and decisive Minister for Planning? Is there also \$125 million allocated for the Regional Growth Fund that it appears is not being spent? How do we as a Parliament reconcile that all these great projects coming from the Minister for Planning are being done to open up outer suburbs — all these Gough Whitlam-esque things he is doing? Also, how do we get any assurance here that the Deputy Premier is going to spend the \$125 million that has been outlined and is generally a bit slow in being spent?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — In response to Mr Lenders I say that on his second point about the Regional Growth Fund I am sure that the Deputy Premier would be happy to outline to Mr Lenders the projects that he has approved under the Regional Growth Fund. That reporting would be in accordance with the requirements of the Regional Growth Fund Act 2011.

In terms of the broader question around the appropriation, I can tell Mr Lenders that within that change there are a number of machinery-of-government changes, and there is also a change with respect to the treatment of what was the Regional Infrastructure Development Fund, which I am advised was included in the other figure. As it has now come out to the Regional Growth Fund that represents one component of the change. The other component represents machinery-of-government changes in various areas in the department.

Mr LENDERS (Southern Metropolitan) — The second thing I request the minister to take on notice is could the minister inform me about what the administrative arrangements are? I am curious whether his briefing note was prepared before the Premier

changed his mind on where RDV is located, but that would in itself be interesting.

I am intrigued by the minister saying that the Regional Growth Fund was in the other line. At item 4 of the schedule there is a \$48 million provision for last year. I am presuming in good faith that that was a transition from the Regional Infrastructure Development Fund to the new super Regional Growth Fund, but the Deputy Premier has very vigorously stormed around the state beating his chest and talking about \$125 million more being spent than was spent by the former Minister for Regional and Rural Development, Jacinta Allan, the member for Bendigo East in the Assembly — a bigger spend. Yet here we have a figure for 2011–12 of \$48 million. That was completely under the Baillieu-Ryan government; there was not a nanosecond of the Brumby government in there. The Deputy Premier has been going around regional Victoria, hand on heart — 'Honest man; trust me' — saying that he has been spending \$125 million a year, and this year we have got a figure of \$125 million.

I obviously have a political point to make that I do not believe the Deputy Premier, but I understand accounting lines can be challenging, because sometimes these projects are approved before the funds are actually handed over to the bodies to which they have been given. I suggest to the minister that there is a pattern here of saying one thing is happening and then finding that the results are not reflected.

I make the observation that there appears to be an underspend, and I ask the minister to take on notice that a reconciliation would be appreciated, because it would be very churlish of me to suggest that the Deputy Premier is promising one thing in regional Victoria and not delivering it through the budget and expenditure review committee.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am happy to take that on notice for Mr Lenders. I am confident that the Deputy Premier is delivering what he is saying he is delivering.

The DEPUTY PRESIDENT — Order! Mr Barber on the Department of Premier and Cabinet.

Mr BARBER (Northern Metropolitan) — I flagged this question when speaking on the previous bill that we were dealing with. Can the minister tell me how much is provided from the Department of Premier and Cabinet to the Leader of the Opposition for the maintenance of his office and associated functions?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am not able to give Mr Barber that

specific line item. I am able to tell him that it is funded through the strategy policy advice and support output group of the Department of Premier and Cabinet, but I do not have that specific number for him.

Mr BARBER (Northern Metropolitan) — I would like to have that specific number.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I can take that on notice from Mr Barber and ascertain whether that number is available. I do not know whether it has been made available historically or whether it can be made available, but I will seek to get that number for Mr Barber.

Mr BARBER (Northern Metropolitan) — The minister has said he would like to take that on notice. If the minister goes to the existing notice paper, to questions on notice, at question 718 he will see that I asked this question in relation to last year's budget, where it currently sits on the notice paper unanswered. I have very little faith, I am sorry. I like the minister, but I have very little faith that the question will be answered, because I asked the same question via the notice paper on 26 May 2011 and still I have not got an answer from the minister's government.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — All I can say to Mr Barber is that in getting ready for — —

Mr Viney interjected.

Hon. G. K. RICH-PHILLIPS — In relation to this matter, in following up for this committee stage, I must say that I did have a look to see if Mr Barber had put any of these matters on notice with respect to this budget, with the intention of getting those answers, but I did not look back at last year's questions. I will endeavour to get that number for Mr Barber.

Mr BARBER (Northern Metropolitan) — Just for the record, I have 10 other questions sitting on the notice paper in relation to last year's budget that still have not been answered a year later. Maybe the minister will get around to getting answers on those. I ask the minister why he cannot obtain the answer for me with the facility of his advisers in the box who can make a call to the Department of Premier and Cabinet.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — My response to that goes to the question of materiality. This is a bill that is appropriating \$39 billion worth of expenditure. The reality is that the level of detail that Mr Barber is seeking is at a very low level in respect of the overall appropriation. Whether officers are available at the Department of Premier and

Cabinet or the Department of Treasury and Finance or not, I do not know that that is the type of question we can reasonably take without notice in the committee stage like this. I have said to Mr Barber that I will seek to obtain that information for him, and I will do that.

Mr BARBER (Northern Metropolitan) — It might be material or it might be immaterial, but I am sure that there are plenty of local members on the government side who saw some very small amounts to be quite material to them when they got to announce them in the budget papers when they came out, and they will be material enough for the government to cut the ribbon on them.

The point I am making, as I did in an earlier debate, is that the only resources available to the Greens to carry out their parliamentary functions are those of three ordinary MPs. Those moneys have been cut, as the minister has heard, by 20 per cent. We all thought we were doing our bit. We understood the budget was tough. We have heard Ms Hartland just now talking about some other very pressing demands. We certainly did not run around complaining and moaning and putting out press releases when all MPs had their electorate office budgets cut.

What I want to know is: was anything shaved off the Leader of the Opposition's \$1 million line item within the Department of Premier and Cabinet? That is about an extra \$17 000 he gets for every one of his MPs. As it is traditionally, the Greens get nothing from any government — Labor or Liberal — and yet we carry 13 shadow portfolios each, we come in here and we form a position on every bill and we assist the government with its urgent matters of legislation and crises that arise from time to time. So I would be very appreciative if the minister, as a personal favour to me, was able to track down that piece of information from the Department of Premier and Cabinet at some later date and also tell me how it compares to last year and whether there has been any amount shaved off that.

Mr LENDERS (Southern Metropolitan) — I note that the Department of Premier and Cabinet has had a 4.2 per cent reduction in its appropriation. My question to the minister — again, in the spirit of his response to Mr Barber, I am happy for him to take it on notice — relates to the fact that the Premier made much of setting up the regional offices of his department when in opposition and when in government. I have previously inquired and been told that offices have been set up in Ballarat and Bendigo, but I am still awaiting news of whether the much-vaunted offices in marginal seats — in the towns of Seymour and Bairnsdale — have been put in place. I am cynical enough to note that it is the

electorates the government wishes to take off the opposition where those department offices have been set up, but in the electorates that it has won and is now taking for granted the offices have not been established.

What I seek from the minister on notice is a progress report on whether those remaining offices that were promised are being set up and on how the staff members are being categorised. Are they front-line staff, or does the government efficiency dividend apply to the new offices in Ballarat and Bendigo? Secondly, how does the government create those new offices in Bairnsdale and Seymour when 4100 public servants are in effect getting pink slips? How do they fit into the front-line services — the two that are there and the two that have not yet been constructed? How would the government construct them under the efficient government programs?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am happy to take that detail on notice for Mr Lenders. I point out to Mr Lenders that with respect to Ballarat and Bendigo, they are large regional cities in Victoria. Mr Lenders might like to attribute a political motive to them, but they are large regional cities in Victoria and the government believes they justify an office. As to other details, I will take them on notice for Mr Lenders.

The DEPUTY PRESIDENT — Order! The Department of Primary Industries.

Mr LENDERS (Southern Metropolitan) — Given that much of my budget contribution was regarding this department, I note for the record that the appropriation has been cut by 2.6 per cent, despite the department, through administrative arrangements, having a lot of new functions. I will leave that as a comment and sit down.

The DEPUTY PRESIDENT — Order! The Department of Sustainability and Environment.

Mr LENDERS (Southern Metropolitan) — Again, this is a department near and dear to my heart. I note that the outputs for the Department of Sustainability and Environment have been cut by 17.8 per cent. Mr Rich-Phillips said in his opening comments that times are tough and the government makes decisions, but it is interesting to note that the choices it makes and where it makes the decisions reflect a bit on what the government stands for. I accept that as a political point. The government does not believe in climate change and is cutting environmental programs, so it is fairly clear what it believes in. I will make a statement, and if the minister wishes to comment he obviously will.

I refer to items 5 and 6 in the schedule — that is, the additions to the net asset base, and provision of outputs pursuant to section 15 of the Environment Protection Act. Of course what I refer to here is the water trust money. For the benefit of the house, this comes from a levy which is set by the government every four years; the Minister for Water sets it. The levy was set four years ago by the Minister for Water at 5 per cent of metropolitan water authorities and 2 per cent of regional water authorities. I am still waiting to read in the *Government Gazette* that this regulation has come back — it has not come back yet — but the minister, in the budget papers and through his media announcements when caught with his hand in taxpayers pockets again, said it would be the same as it was previously.

Of course the revenue of urban water authorities in particular will go up significantly to pay for the desalination plant; that is a reality. Water costs will increase because of the desalination plant, and by leaving the rate at 5 per cent the government will be generating a lot more revenue. Of course this is a government that said it could not undo the desalination contract but would do whatever it possibly could to take the burden off water users, but it has not adjusted the rate, which it could do and what we see here is evidence of that.

We know from the budget papers, and this is on the public record, that the levy raised \$70 million last year and assuming that the regulation is not disallowed by either house it will raise \$117 million each year for the next four years. That is not a trick question; I state that as it is on the public record. We have heard from the Minister for Water and the Premier, and both of them have said that this will be spent on environmental programs. They said — very much hand on heart — that it will be spent on environmental programs because we are a caring, sharing, light green government and we like the environment.

Mr Barber interjected.

Mr LENDERS — It was tongue in cheek for *Hansard* — in parenthesis. We saw in last year's Department of Sustainability and Environment annual report the secretary reporting that \$47 million of the \$70 million was spent in the first year. Of course that financial year included some four months of the Brumby government, one month in caretaker mode and seven months of the Baillieu government. We saw \$47 million — from my observation — primarily spent on environmental projects that were the legacy of the Brumby government but which the minister and the Premier said would continue.

In the 2011–12 year we see between the two figures of \$963 000, which is provision of outputs under item 4, and \$28 million under item 5, that — according to my reading, and I am happy to stand corrected — instead of \$47 million having been spent, less than \$30 million of the \$70 million was spent. In the provision going forward for 2012–13 we see the rounded figure of \$15 million being spent on the environment.

The government has increased the environmental levy from \$70 million to \$117 million. The minister has reduced spending from \$70 million to \$47 million in the government's first year, from \$47 million to \$31 million in its second year and, if you believe these budget papers, from \$31 million to \$15 million in the third year. I put it to you, Minister, that this is nothing but a cash grab in which the Minister for Water has his hands firmly in the pocket of every Melbourne water user for \$102 million of the \$117 million raised.

You may wish to respond, Minister, through the Deputy President. I make that assertion, and quite frankly I think it stinks.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I thank Mr Lenders for his question. I think there is a timing issue with the figures Mr Lenders has raised and that he is actually a year out of sync, but that does not substantially change the point he was seeking to make. I read 2012–13 as \$70 million and 2013–14 as \$117 million and so on.

The point I would make here is that, as Mr Lenders points out, this money is raised under the provisions of the Water Industry Act 1994 — I think it is division 9 of that legislation — and it is to be applied to certain environmentally related projects. The government has indicated through the course of this budget that there is around \$179 million worth of projects for which these funds will be used and that the determination is made for a four-year period. The funds are raised and the unallocated funds will be allocated to appropriate projects under that legislative provision in future years.

Mr LENDERS (Southern Metropolitan) — I am fully aware of the provision in the Financial Management Act 1994 that allows the Minister for Finance to sweep the fund if it is not used. What I put to the house is we had the Premier and the Minister for Water saying, 'Trust us, we're going to spend this money. The fact that we didn't in the first year was obviously an oversight. Trust us, we're going to spend it'. And within a week of those statements the first of the 10 catchment management authorities started issuing pink slips to its employees. That was West

Gippsland; it is in the Deputy President's electorate, and he can correct me on the numbers.

If I am right, two out of the five rivers that flow into the Gippsland Lakes — or it might be three — are in the area covered by the West Gippsland Catchment Management Authority. As the floods hit Gippsland, of the 65 staff at the West Gippsland Catchment Management Authority 17 of them were given pink slips saying their services were no longer required and a further 8 were asked to apply for their own jobs.

We have the government saying, 'We're going to spend it in these programs and we'll announce them as we go on', but at the same time, under the guise of the government's efficiency dividend, the West Gippsland CMA got rid of between 17 and 25 of its 65 employees. You can roll into that the Mallee CMA, the Wimmera CMA, the Glenelg-Hopkins CMA, the Corangamite CMA — and I do not know about the other five.

The proposition I put is that the government saying that somehow or other this money is going to be spent on these projects that the environmental levy normally pays for is incongruous with its actions. Going back to West Gippsland, what is happening now in the West Gippsland Catchment Management Authority area post the Queen's Birthday weekend floods? The staff members have their pink slips to finish on 30 June. At the moment they are trying to restore rivers, they are trying to restore fences, they are trying to deal with the environment — they are trying to do all the things that a catchment management authority's operational staff deal with.

I know the minister is bravely carrying out the brief he has, which is to defend the indefensible, but again I flag that the government has been caught red-handed saying one thing and doing another. It is using the guise of water bills to prop up the government bottom line, whether it be dividends or whether it be environmental levies. Again I expect the minister to valiantly use whatever accounting words he is asked to use to defend the indefensible, but I am onto this, the Labor Party is onto this and the public is now onto this, and we will not rest.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I take on face value what Mr Lenders has said with respect to West Gippsland CMA. I have no reason to believe that what he is reporting to the house is not correct. All I would say to Mr Lenders is the government has indicated that a number of projects will be funded through the levy and a number of those projects have been announced.

The DEPUTY PRESIDENT — Order! The Department of Transport.

Mr LENDERS (Southern Metropolitan) — I make the observation that expenditure is down 2.3 per cent — that is, the provision of outputs. Mr Rich-Phillips looks puzzled. My methodology is that you start with \$4.535 billion, you add 2.5 per cent to get to \$4.64 billion, so you manage the departmental model and then you put it again until it is actually in the requested appropriation, and that is down 2.3 per cent. It is done to have a real figure. Governments can always say it is more than last year with inflation, so it is an inflation-adjusted figure.

The government selectively grabbed from the Victorian transport plan the 5 per cent above CPI increases in the first two years on the fare box, which was a provision for extra services. The government has increased its revenue on its portion of the fare box by 5 per cent above CPI by definition. I state the obvious: the government is again using revenue-raising measures to build its budget bottom line without a commensurate increase in the services that go with them. It is an observation, and I will leave it at that.

Mr BARBER (Northern Metropolitan) — The minister will be gratified to know that this question definitely falls within his materiality test, so I am confident he has the answer to it. It relates to myki. In the capital works budget paper under the Department of Transport area he will find the relevant figure for the expenditure and TEI (total estimated investment) on myki. It is that item I would like to ask him a question about. How much extra has the government allocated to myki in this budget beyond that which was previously allocated in budgets we have seen in the past?

If the minister is running to last year's budget paper, I would tell him not to worry about it. Last year's budget paper contained no TEI or information about myki because it was said that the government was renegotiating myki. But if we go back to the year before that, at that stage the TEI for myki was listed in the budget papers at \$461 million. As the minister will be able to see, in this year's budget paper that amount has gone up. Can the minister confirm for me how much it has gone up by and why?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — Mr Barber is correct in referring to the \$461 million TEI. The figure now, I am advised, is \$611 million TEI. That reflects scoping changes to make it work and drawing down on contingency.

Mr BARBER (Northern Metropolitan) — I, like pretty much every Victorian, would like to know what the total final bill for myki is. The expenditure to 30 June 2009 was predicted in those budget papers to be \$269 million. The estimated expenditure for 2009–10 was \$134 million, and that left a remaining expenditure of \$59 million in those budget papers. Despite that money presumably having been spent in 2009–10 — or at least a fair bit of it — we have actually gone backwards, and we have \$610 million in total estimated investment. How much do we still have to spend this year and in the remaining period?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — The remaining expenditure is \$22 million beyond 2012–13.

Mr BARBER (Northern Metropolitan) — And how much this year?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — It is \$182 million for 2012–13 and \$22.5 million beyond.

Mr BARBER (Northern Metropolitan) — The minister would understand it is hard to put these numbers together because we have estimates from the 2010–11 budget of how much was going to be spent and then myki in the first year of the minister's government basically went behind the dark side of the moon and the government does not know how much was even planned to be spent that year. Now when it comes out from behind the dark side of the moon, we are told, 'There's still about \$200 million to go'. Does that mean the government has had to chip in another \$200 million in capital spending, because this is a capital item, to make myki work?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am not sure what Mr Barber means by 'chip in' an extra \$200 million. As indicated before, there were some scope changes that the government made, and this is also drawing on contingencies which were allowed for the project.

Mr BARBER (Northern Metropolitan) — Would Metcard extension be capitalised and therefore come within this item?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am advised no, that that is shown as operational expenditure.

Mr BARBER (Northern Metropolitan) — It cannot be that, so it must be the government's rescoping changes that the minister has referred to. When the announcement was made, I thought that meant the

government had fixed myki and it was going to find some way to save money. In fact I think the terminology that both the Premier and the Minister for Public Transport used was that the government had de-risked the contract, and apparently the way the contract was de-risked was to throw maybe another \$200 million at the contractor to do the job that he was supposed to do in the first place. In the process Metcard machines were ripped off trams and the government said there would be no way of buying, for the first time in 110 years, a tram ticket on the tram. Is there any way for me to get some kind of breakdown of this extra \$200 million that the government has now thrown at myki, and what it is that we actually got for that?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — As to whether a breakdown is available, I would have to take that on notice and look at whether it is possible to do that. The decision the government faced was how to complete the implementation of myki and have an operable ticketing system at the end of it. The reality is I am not in a position to go into a lot of detail around the process the government had to go through to get to that point, but clearly a very substantial investment had been made in myki on behalf of Victorian taxpayers. There were basically two options: does the government walk away from that or does the government seek to make that work? The government elected to try to make that investment work and in doing so obviously preserve some value from that for taxpayers.

Mr BARBER (Northern Metropolitan) — So you made it work by rescoping it? I did not notice in that announcement and I have not noticed since then as a regular public transport user any extra bells and whistles. In fact from the point of view of the user interface we actually get less service out of this because now we are not going to be able to buy or top up a ticket or do anything on a tram anymore. The minister said he rescoped it. In what way did he rescope it, and what did that rescoping tot up to in terms of the \$200 million?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I would have to take on notice the details of the question of rescoping and the costs associated with that. Mr Barber has highlighted the proposed change to the availability of single-use tickets et cetera. The detail of that I can take on notice and get him that further information.

Mr BARBER (Northern Metropolitan) — We have previously sought in this place a copy of the secret myki review that presumably contains all these answers. Believe it or not, the cost of the myki review

also blew out somewhat dramatically and in the end, I have discovered, came up to something like \$450 000. However, I am somewhat constrained in discussing that further given that I have taken the government to the Supreme Court in relation to that document, so I will not go any further on that.

The DEPUTY PRESIDENT — Order! We will now move on to the Department of Treasury and Finance.

Mr LENDERS (Southern Metropolitan) — Item 4 in the schedule for the Department of Treasury and Finance is headed ‘Advance to the Treasurer to enable Treasurer to meet urgent claims that may arise before Parliamentary sanction is obtained, which will afterwards be submitted for parliamentary authority’. In my time at the table this was always one that got everybody very excited, including Mr Rich-Phillips. The observation I would make first is that this item is down by 34.4 per cent. Using my methodology, adjusting up 2.5 per cent for inflation and then looking at what the figure is, \$779 million basically becomes \$799 million. Only \$524 million is being requested, so we have seen a 34.4 per cent cut in the Treasurer’s advance (TA).

In my recollection, and of course different governments operate in different ways, we used to have a figure of roughly 0.75 per cent of the budget as the contingency for flood, fire, famine, pestilence — all those types of things. I know that members of the government are climate change sceptics and therefore perhaps think they can trim this amount because the weather patterns are not as erratic as climate change believers think they are; however, what we see here is a 34 per cent cut in the amount set aside as a contingency fund.

Mr Barber just spoke about the myki review, which has come out of the contingency from last year and back into the budget proper, given that that review is over. Certainly any contingency that was in place for nurses wages is obviously out there now and is back into the full flow. I understand that the minister is not going to talk about EBA costs; nor would I — although I would like him to — and nor do I expect him to, but it would seem to me that coming forward this year we certainly have big risks to the government from Victorian public sector wages and teachers wages, and in total value that is probably double that of nurses or close to it. We have a lot of uncertainty, I would have thought, in partnership agreements set up with the commonwealth — the uncertainty has not gone — so the observation I would make is that it seems an extraordinarily low figure to have in the budget unless it is a balancing item to pretend there is a surplus that is

not really there. A balancing item, I suggest, would need to be balanced a lot more to deal with the water dividends that are gone.

I guess my questions to the minister are in relation to the fact that the figure appears very skinny. I am just wondering whether that still includes the various provisions that are in the budget for contingent liabilities. Have they been scaled down, or what am I missing, when on 1 May 2012 the Treasurer is of the view that risks are one-third less than they were on 2 or 3 May 2011, or whatever it was, when he brought down the last budget? Why is risk down by one-third?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I guess answering Mr Lenders's questions goes to the use of TA (Treasurer's advance). The appropriation bill refers to advances:

... to enable Treasurer to meet urgent claims that may arise before Parliamentary sanction is obtained, which will afterwards be submitted for Parliamentary authority.

I guess it goes to the nature of what is meant by 'urgent claims'. The reality is, yes, the TA allowance is smaller for the 2012–13 year, which will mean the scope of matters on which it can be expended will be reduced. The bill shows a number of line items that were recipients of TA for the previous financial year.

When we did this exercise a couple of years ago I recall raising a TA item with Mr Lenders that he had approved, which was a purchase of artworks. That may have been legitimate; I do not remember the details at the time. It just sticks in my mind as a use of TA. I guess it goes to the definition of whether or not that amounts to an urgent draw on the state's resources. The reality is with a smaller available TA the capacity to fund those types of expenditures versus the type that Mr Lenders spoke about — fire, flood, famine and the other risks —

Mr Lenders — Pestilence.

Hon. G. K. RICH-PHILLIPS — Pestilence. Obviously the priority is going to have to be to those risks and where those risks are assessed, rather than what might have been more discretionary expenditure in the past.

Mr LENDERS (Southern Metropolitan) — Perhaps we should provide the relevant bit from the Book of Genesis to assist Mr Rich-Phillips in the various forms of pestilence. We have had most of them. My central proposition has not changed. I accept Mr Rich-Phillips's point that governments need to be more frugal. I am not disputing that, but I am surprised

at his cynicism that the Treasurer's advance would have been used for anything other than those things.

Leaving that aside, we are not here matching the views of treasurers in Labor governments with treasurers in coalition governments. We are matching a request from Treasurer Wells from one year with the other. Again I can make the political point that I think this is just a swing item, with fingers crossed, eyes closed and hoping that the surplus will be there, or it could be a more measured assessment of the issues that are there. I specifically alluded before to the provisions that are made for contingent liabilities. Has that provision for contingent liabilities been changed, and what is the provision in there?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I thank Mr Lenders for his question. This is an interesting area of the appropriation bill. I guess I would point out to Mr Lenders that the risks that have been assessed in the budget are the same as were reported in last year's budget papers — there is a statement of risk in the budget papers. The risk assessment is the same. The reality is that in the current environment the government needs to manage resources in a much tighter way than may have been necessary in the past, and that is reflected in the smaller TA that is provided for in this appropriation bill. I guess it goes back to the point I raised before around some of the items that may have been funded by TAs in the past that perhaps were not as urgent as they were discretionary in their nature. That capacity is not going to be there.

Mr LENDERS (Southern Metropolitan) — This will be my last contribution unless provoked, and that is the Parliament will not be able to test the veracity of what Mr Rich-Phillips has said in good faith until not June 2013 but June 2014. Mr Rich-Phillips says, in effect, 'Trust us and we'll tell you about it in June 2014', because that is the nature of the next schedule, so effectively the Parliament is now being asked to approve the Treasurer's advance of the last four months — or technically five months because of the caretaker period — when I was the Treasurer and the first seven months since Mr Wells became Treasurer. The Parliament is being asked to note that now. We will not be able to verify Mr Rich-Phillips's answer until May 2014, when we see the appropriation bill for that year.

The only observation I would make from that is that Mr Rich-Phillips says the same risks are there, but I am bewildered. If the same risks are there and if it is not for a budget-balancing item, why has Treasurer Wells decided 12 months later that the same risks are there but

he needs only 65.6 per cent of the cover he had for those risks a year ago? I do not think we are going to get an answer. In the interests of moving on, I will leave it as a statement. I think the minister is replying in good faith and to the best of his ability, but I am surprised that Treasurer Wells has suddenly thought that the world is one-third less risky now compared to what it was a year ago.

Hon. M. P. PAKULA (Western Metropolitan) — I, too, believe the minister has been attempting to answer all of Mr Lenders's questions in good faith. I am interested to listen to the discussion about — —

Mrs Coote — Where have you come from? We were doing well without you turning up!

Hon. M. P. PAKULA — And if you do not interrupt me, I will not go very long, either, Mrs Coote.

While we are dealing with the matter of contingent liabilities, I note that the figure for the Treasurer's advance for 2012–13 is \$524 133 000, which is to include, as is shown, urgent claims. In budget paper 5 — the minister can take my word for it or I can show it to him — there is a reference to gambling licences under contingent liabilities. As the minister would know, the licences of the current licensees end on 15 August, so within the 2012–13 year. At that point there is the question of whether compensation is payable to them. It has been well reported that the amount of compensation that they believe is payable to them is \$600 million each, which would be \$1.2 billion in total, but there is \$524 million set aside here.

The budget papers make reference only to the views of the previous government. The budget papers say that:

... the previous government formed the view that neither Tatts Group nor Tabcorp will be entitled to compensation after the expiration of their current licences.

Is the fact that the TA number is so low a reflection of the fact that the current government holds the same view?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I thank Mr Pakula for the question. I am sure he will not be surprised if I do not say a lot around that particular matter, other than that the TA that is in the bill represents the TA that the government estimates it requires for 2012–13, which is not necessarily the time frame — it is hypothetical — for when that other matter could be resolved.

Hon. M. P. PAKULA (Western Metropolitan) — I do appreciate that the minister might not want to say too much. Do I take it from his comment that it is the

government's view that, if the matter were to be resolved, that would be outside the 2012–13 financial year? If he cannot say, he cannot say; I understand that too.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am very reluctant to say anything on this matter. It is in the budget papers. It reflects a contingent liability. The position is set out in the budget papers, and I do not think it would be prudent for me to say any more beyond that.

Hon. M. P. PAKULA (Western Metropolitan) — Then I simply ask the minister if he can explain why it is that the budget papers — and these are budget papers produced 18 months after his government took office — make reference to the view of the former government and make no reference to the view of the government of the day. It seems to be immaterial what the view of the previous government was. What would be material would be the view of the government of the day. The budget papers still make reference only to the view of the previous government. If the minister needs a reference, it is page 202 of budget paper 5 in the final paragraph of the item headed 'Gambling licences'.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I would answer Mr Pakula's question, noting the reference to the language of 'previous government', by saying that the government's position is the government's position until it changes. The people who make up a government may change, but until the government consciously changes its position, what was the government's policy remains the government's policy.

Hon. M. P. PAKULA (Western Metropolitan) — I thank the minister, and I appreciate the position he is in. I know the government would not be in a position to reveal to the Parliament what advice it might have, because it is a sensitive matter. I suppose the concern that is raised by the reading of this paragraph is that it could appear from this that the government is solely relying on a view formed by a former government without having taken any steps to satisfy itself of its own view and receive advice of its own. I would be comforted if the minister could assure us that the government has taken steps to form a view of its own, without necessarily telling us what that is.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — All I can say to Mr Pakula is that the view the government may have is not the view of the Brumby government, the Baillieu government or the Bracks government — it is the view of the Victorian

government. Until the Victorian government changes its view — —

Mr Lenders — What did you say ‘previous’ for then?

Hon. G. K. RICH-PHILLIPS — I note that you have referred to that language, but I am saying that until the Victorian government changes its view the government’s view is what is articulated as the government’s view.

Mr LENDERS (Southern Metropolitan) — I am not going to ask the minister to comment; I think he has said what he feels he can say. I will just make the observation that when we go to schedule 3 of the bill — and I will only refer to ‘Payments from Advance to Treasurer, 2010/2011’ because I do not intend to pull the schedule out — it does not say that the advance for the Mary MacKillop celebrations was an advance from the previous government and that a different one in the same financial year that crosses over was an advance from the current government. No effort is made in any of this to distinguish the two. Mr Rich-Phillips is right: it is the government of Victoria.

This is the only place in the budget papers where the word ‘previous’ is used, and I will stand corrected if someone finds another one. It is the only time. I would be so churlish as to say that it is cowardice. I would be so churlish as to say it is an unusual reliance on a view that a previous government may have formed in difficult circumstances, and it does not appear very decisive to me.

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.

I thank all members for their contributions to the debate over the last two months, including during the committee stage.

Motion agreed to.

Read third time.

BUDGET PAPERS 2012–13

The ACTING PRESIDENT (Mr Elasmarr) — Order! The question is:

That the Council take note of the budget papers 2012–13.

Question agreed to.

PAPERS

Laid on table by Clerk:

Subordinate Legislation Act 1994 —

Documents under section 15 in respect of Statutory Rule No. 44.

Legislative Instruments and related documents under section 16B in respect of a Ministerial Order made under the Livestock Disease Control Act 1994.

ADJOURNMENT

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I move:

That the house do now adjourn.

Premier: leadership

Mr LENDERS (Southern Metropolitan) — Tonight, on the last day of this parliamentary sitting, I raise a matter for the attention of the Premier. Victoria is a wonderful place. I think Victoria has always been a place in which we Victorians can take great pride.

Mrs Coote — Live, work and raise a family.

Mr LENDERS — Mrs Coote, ‘live, work and raise a family’ is certainly part of it, but I think Victoria is a great place. It is a place where all of us have spent most of our lives, if not all of our lives. It is a place where we have the great joy and privilege of serving citizens. It is a place that responds to leadership.

Victoria is also a place where we can do much better as a society as we go forward. I reflect, for the Premier, on this Parliament. We could organise ourselves better. We could sit more decent hours or longer hours but over different times. That is a debate we have when talking about standing orders or government business programs. We could deal with the issue of why we will have a six or eight-week winter break. We could have smaller periods of time when the house could recess so people can either have holidays during school holidays, go on study trips or do whatever the things are that matter to them.

We are at a stage in Victoria now where a lot of the narrative is about blaming other people. The blaming of other people is such that there is a problem. How do we address and fix the problem? I am not playing with the words of 'fix the problem, build the future'; I am saying that fixing problems requires bringing out the best in the community. There will be times in every political debate when people take up a partisan position and go to the other side. Often that is caused when one side or another is provoked by the opposite side.

But leaving all that aside, the action I seek from the Premier is for him to bring in a new style of leadership that brings out the best in Victorians, that encourages Victorians to be better and take responsibility for what they are doing, that has a vision going forward, that does not at every juncture seem to find someone else to blame or a reason for not achieving things. I genuinely urge him to look to that style of leadership, to reflect over winter and look at a way that he can bring out the best in people rather than bringing out less than the best in people. If he could do that, we would be prouder to be Victorians. The leadership is his. I hope he does it. I urge him to show Victorians the action that will let this place be better and bring out the best in us rather than bringing out mediocrity.

Roads: Western Victoria Region

Mr RAMSAY (Western Victoria) — My adjournment matter is for the Minister for Roads, the Honourable Terry Mulder. I note that the 23-kilometre duplication of the Princes Highway west between Waurm Ponds and Winchelsea is progressing well, with significant works completed and VicRoads providing good briefing updates of the works to be done.

My question to the minister is in relation to the national agreement between the federal and state governments on the next leg of the committed duplication of the Princes Highway between Winchelsea and Colac, which is a \$515 million commitment between the federal and state governments. I commend Minister Mulder and the Liberal candidate for Corangamite, Sarah Henderson, for their hard work in achieving this commitment for commuters who travel this road and those of us living in Western Victoria.

I would like to raise another matter in relation to the options being considered for the Woolpack Road extension in Bacchus Marsh. While an option for Geelong commuters to link to the Western Highway through an extension of a roundabout, and the provision extending the Avenue of Honour was agreed to by all the main stakeholders, VicRoads is now reviewing all options, one of which is an easement through Tripod

Farmers, owned by Mr Frank Ruffo and his family. Tripod Farmers produces the bulk of lettuces for Coles supermarkets as well as for this country, and I am advised by Mr Ruffo that an easement option would traverse his prime lettuce growing business. While I understand that the consultation process is yet to be completed, I advise the minister of the concern expressed to me by Mr Ruffo that his business would be severely affected if this option was successful.

AED Legal Centre: funding

Ms PULFORD (Western Victoria) — The matter I wish to raise this evening is for the attention of the Minister for Community Services, and the action I seek is for her to do all in her power to ensure that the Association of Employees with Disability's AED Legal Centre has adequate funding to continue doing its great work in standing up for people with disabilities who experience difficulties and/or discrimination in employment or education.

By way of background, the service was established in 2008 and commenced with 160 clients. It now has over 230 clients including many who require crisis assistance. Clients include people who have lived all of their lives with a disability. I have been advised of other examples of people who have had to make considerable adaptations in their lives as they have been afflicted with a disability in the course of an existing employment or education relationship. The minister has responsibility for the welfare of those in Victoria who live with a disability, and I hope she will be able to stand up for this advocacy group given there are many members of the community living with a disability who have been profoundly impacted by the TAFE funding cuts.

AED representatives have today met with my colleague the member for Yan Yean in the other place, Danielle Green, who is the shadow minister for disability services, and told her of their fears that the demand for their legal services will skyrocket given the discrimination that will occur due to the government defunding support for students with disabilities attempting to study at TAFE. Students with disabilities expect to lose the support of Auslan interpreters, support with note taking and the support of other aides which allows them to participate in study in the way that other members of our community can.

The service simply needs funding of the order of \$70 000 to resource a full-time position for a third lawyer at the service. Otherwise it will be forced to close its books on 30 June and will not be able to assist any new clients. I hope the minister is able to give this

matter her urgent attention. The funding deadline for this organisation looms. It does important work, and it would be a truly wonderful thing if the government could see its way to making the right choice on this occasion. Government is all about choices, and I hope it can take the decision that is required to make modest funds available so that the Association of Employees with Disability can continue to do the great work it does in supporting members of our community.

Small business: Starting Your Business workshops

Mrs COOTE (Southern Metropolitan) — My adjournment matter this evening is for the Minister for Innovation, Services and Small Business, Ms Asher. I would like to recognise a terrific program the minister has embarked upon, offering the Starting Your Business workshops, which she has asked her department to conduct right around Victoria. Last year some 3000 businesses across the state took part in the small business unit's workshops and seminars. The important part of this, it would seem, is to help small businesses start up, to talk about employing people, to provide an understanding of financial management and to cover a whole range of issues involved in setting up, starting and running a successful small business.

The next workshop is going to be in the St Kilda town hall at 5.00 p.m. on Tuesday, 26 June, and I think this is a terrific opportunity. Southern Metropolitan Region has many small businesses, including a number of microbusinesses. It is interesting to note that many of the microbusinesses are run by women. They employ one or two people but are extensive; there are thousands of them. They enable people to combine being parents, in many instances, with a whole range of challenges, and involve people working from home or at other small premises. They are made up of vibrant people who need some support and assistance, so I am very pleased to see this program operating.

In addition, in the South Melbourne part of the Albert Park electorate, not far from my office in Port Melbourne, we have a precinct of people who work in the film industry, in video games and in a whole range of new technologies. They are seen as world leaders in their field. They need some work specific to them and some understanding of the pressures they have. The issue on which I seek assistance from the minister is to ask that when the Starting Your Business workshop is held in the St Kilda town hall next Tuesday, those offering it take the time to work with those specific groups — the microbusinesses and the women running them and the people working in the film and video game industries — to make quite certain that their

specific needs are catered for in terms of establishing and maintaining a small business.

Planning: North Melbourne development

Mr TEE (Eastern Metropolitan) — The matter I wish to raise is for the Minister for Planning, and it is convenient he is in the chamber. It relates to a 16-storey residential development proposed by Woolworths in North Melbourne. The proposal is before the planning minister. I have met with local residents, who have been advised that the minister has been unwilling to meet with them — —

Hon. M. J. Guy — That is not true. I have met them three times.

Mr TEE — What they told me was that the minister had not met with them and that they had not had an opportunity to raise their concerns despite a number of requests made to him. They have advised me they do not support the development. In November 2011 Melbourne City Council said the proposal was an overdevelopment. Unfortunately, subsequent to the minister sacking the Central City Standing Advisory Committee in December 2010, the council has had no formal mechanism to consult with the minister. I note that notwithstanding the minister's assurance that he would replace that advisory committee, it has still not been replaced some 18 months later.

Residents in the community have no formal access to the minister; they have no way of being heard. They are concerned about the height of the proposal, they are concerned about the lack of car parks and they are concerned about the impact on local traffic. Local schools are at capacity, and there is limited open space. The residents are concerned about the impact this development will have on the amenity of the area.

In the spirit of bipartisanship and trying to work this issue through, I ask that the minister consider having some sort of independent process and that he take himself out of the loop, perhaps referring this matter to a panel so that the issues the community has raised can be objectively considered in terms of the capacity of existing infrastructure to meet this demand. This will ensure that local views are considered and that the local council is considered.

Clearly members of the community should have an opportunity to be heard; their opposition should be considered. I note that this issue has been opposed by the ALP. I am trying to find a way forward which will ensure that the real issues are addressed. I would urge the minister to make an informed decision.

City of Kingston: councillor conduct

Mrs PEULICH (South Eastern Metropolitan) — The matter I raise tonight is for the attention of the Minister for Local Government, and it concerns Cr Rosemary West, who had a right of reply tabled in the Parliament today. In addition to that I have a list of concerns involving Cr West and her impact on the governance of the City of Kingston.

In that right of reply statement, which I will not dwell on but just mention in passing, the councillor said that her use of funds for the distribution of a newsletter — unauthorised in terms of the internal council processes as well as in terms of the Victorian Electoral Commission rules, which are translated into the Local Government Act 1989 — was in accordance with the council ward meeting policy. She then spent a substantial part of her statement talking about her first two terms, which were not the subject of the matter that I raised.

I do not believe the City of Kingston is in a position to address the long list of concerns that have been expressed regarding the conduct of Cr West, who unwisely submitted a right of reply today. Anyone who reads it will see it as an exercise in spin, something at which Cr West, as a former award-winning journalist, is adept.

I understand Cr West has voted on motions authorising the reimbursement of that money. This happened on 27 February in an ordinary meeting. It is on the website, and members can go and have a look at it. Cr West voted for it again last night. The councillor ward meeting policy says there is a \$1000 limit. Her expenditure was \$2251, so at the very least it is in breach of a range of policies concerning that matter.

Serious concerns about another matter have been raised with me and with other councillors, as well as with the minister in the house, the Minister for Planning, Mr Guy. They were submitted by Judy Nicholson, a planning consultant representing Archibald's Honey at a panel process. Lester Townsend was a panel member, and Cr West regrettably made a verbal submission to the panel and subsequently took part in voting on the matter in council. I believe that would be a classic Winky Pop action that needs to be investigated.

In addition to that I am advised by several councillors that Cr West, as a coordinator of the green wedges group, continues to campaign on a range of green wedge issues in Kingston and afield. Concerns have been expressed about her having an ongoing apprehended bias and a conflict of interest. Importantly

she received a gift of a bursary, to which she owned up, for a trip to Toronto in Canada. She has failed to declare that in her register.

I call on the Minister for Local Government to consider this range of matters and what appropriate action can be taken to address what constitutes a track record of probity concerns. I also ask the minister to consider whether it may be appropriate to appoint a mentor to assist with the governance issues in the City of Kingston. I believe council staff are enduring the wrath of Cr West in many ways.

Manufacturing: careers program

Mr SOMYUREK (South Eastern Metropolitan) — I raise a matter for the attention of the Minister for Manufacturing, Exports and Trade, Mr Richard Dalla-Riva, concerning the discontinuation of funding for the Careers in Manufacturing program, otherwise known as CiM.

Skills and training in the manufacturing sector are important drivers of the industry. The government likes to wax lyrical about the importance of productivity improvements to the sustainability of the manufacturing sector. The minister ought to realise that skills and training are key drivers of productivity. It defies logic that this government can cling to productivity improvements as a panacea for the problems of the manufacturing sector while it culls TAFE funding. It also defies logic that this government can cling to productivity improvements as a panacea for the problems of the manufacturing sector when it cuts funding to a program that has as its objective attracting young people to the manufacturing sector.

One of the reasons why we have a skills deficit in the manufacturing sector is that manufacturing is not seen to be an attractive option for young people entering the workforce. Programs like CiM were developed to demonstrate to young people in years 9 and 10 that there are diverse and extensive career options in the manufacturing sector. Tours at major manufacturing firms such as Holden, Kraft, Qantas, BlueScope, AutoHorizon and Fox have been run by the CiM program administrators, and Boeing had also expressed interest in being involved. The program has provided over 14 500 students with an insight into a range of manufacturing and engineering opportunities, and this would otherwise not have happened.

In view of the above I request that the minister take immediate action to reinstate the CiM program funding.

Planning: Darebin City Council

Mr BARBER (Northern Metropolitan) — My adjournment matter is for the attention of the Minister for Planning, and I am gratified that he is in the chamber tonight. It relates to the integrity of the administration of the Planning and Environment Act 1987 at the City of Darebin.

In terms of process my colleague Mr Trent McCarthy, a councillor at the City of Darebin, has been attempting to raise the standards by which the Planning and Environment Act 1987 is administered. He has attempted to have various major developments automatically sent to the full council, as occurs at most other councils, rather than the planning committee, which comprises only five of nine councillors and can grant permits under legal delegation. Each of these attempts has been resisted by the Labor councillors.

Since December 2011 Mr McCarthy has moved the following: a motion to abolish the planning committee, which was quashed by Labor councillors, particularly the bloc of five Labor right councillors by the names of Asmar, Tsitas, Katsis, Chiang and Morgan; a motion to introduce a compulsory public disclosure register of councillor relationships with developers, lobbyists, MPs, political parties and other vested interests — again, quashed; motions to overturn or review planning committee decisions to grant permits that seemingly breached council's own planning policies or were not given proper scrutiny — notable cases are the Cedar Meats development on the corner of High and Bent streets, Northcote, and a four-storey development on quiet Simpson Street, Northcote, which was approved in record time with no questions asked by councillors; and motions to allow public questions at planning committee meetings, consultation meetings between development applicants and objectors, and the introduction of a trigger so that applications attracting more than 20 objections automatically go to a full council. All the motions were rejected by the majority on that council.

The minister has responsibilities and powers under the Planning and Environment Act 1987 to ensure the integrity of the administration of that act. It would not be the first time that audits and inquiries in relation to the administration of that act, either by the minister of the day or by individual councillors, have led to recommendations requiring the planning department to take action on how that act is administered. Leaving at the door any questions or suggestions that have been floated in the media this week about other inquiries under way, I ask the minister to make his own inquiries into the administration of planning at the City of

Darebin and whether the council is appropriately using its powers.

International Student Legal Advice Clinic: funding

Hon. M. P. PAKULA (Western Metropolitan) — My matter is for the Attorney-General. Last night I attended the third birthday of the International Students Legal Advice Clinic at the Salvation Army premises in Bourke Street. Both Major Brendan Nottle of the Salvation Army and I spoke in regard to the ongoing funding issues ISLAC is having. Members might recall I have previously raised in this place the matter of ongoing funding for ISLAC. The clinic was due to close in October or November 2011, but as a result of public pressure the government organised funding via Victoria Legal Aid to see it through to 30 June 2012. But 30 June is rapidly approaching — it is only nine days away — and no funding has been secured to support ISLAC's ongoing operation beyond that date.

This government holds itself out as being a friend to international students and made quite an issue of it when it was in opposition in the 56th Parliament. Most members would appreciate that the issues confronting international students — whether they be tenancy, course or immigration issues — are the sorts of issues that suggest international students often need some kind of legal support. This clinic has been of enormous use to international students. It has supported hundreds and hundreds of them over the last couple of years. If it closes, it will be a major detriment to international students.

ISLAC, which operates through the Western Suburbs Legal Service, can function fully on a little over \$300 000 a year, and as members know, international students contribute far more than that to the Victorian economy. The government is currently saying it is a matter for Victoria Legal Aid, but members would also be aware that in the last budget Victoria Legal Aid was a beneficiary of indexation only. It has its own challenges given extra police, harsher sentencing laws and the like. It should not be a matter for Victoria Legal Aid to fund ISLAC out of its budget. ISLAC is a very important resource for international students. It can be funded at a little over \$300 000 a year. My request to the Attorney-General is that he ensure before 30 June that ISLAC has an ongoing and independent source of funding so that it can continue to operate.

Warrnambool Alternative VCAL Education School: future

Ms TIERNEY (Western Victoria) — My adjournment matter this evening is for the Minister for Education, and it is in relation to the Warrnambool Alternative VCAL Education School, or WAVE. The WAVE program was established in 2010 as a satellite school to Warrnambool College. Prior to that it was auspiced by Brauer Secondary College, Mortlake College and Hawkesdale P-12 College as a community school. The school was established to re-engage students who were finding it difficult to engage in mainstream education in the region.

Currently there are 32 students aged between 14 and 19 enrolled at the school. Students include young mums, indigenous youth and intellectually impaired students, as well as students with mental illnesses. Organisations involved in the school include Brophy Family and Youth Services, Worn Gundidj, the Western Region Alcohol and Drug Centre, and Western District Employment Access, as well as local police helping out with counselling and other programs.

There have been a number of positive outcomes achieved at the school. We have seen an improved completion rate, employment transfers and entry into trainee and apprenticeship programs. We are seeing an improvement in attendance and in the culture at the school; however, it is clear the students do not see mainstream education as an option. WAVE provides an option for those in the community who are doing it really tough, and it provides them with friendships and mentoring when they are going through difficult times.

Whilst there are some positive outcomes being achieved at WAVE, there are some issues that require the attention of the minister. The site is in desperate need of repairs, as it currently fails many standards and does not meet level 9 of the building code, which is a requirement for accredited Victorian certificate of applied learning programs. Earlier in the year it was reported in the Warrnambool *Standard* that the school was warned that it could be shut down because the buildings were unfit for use. As I understand it, Warrnambool College has made presentations to a number of Liberal members of Parliament, both state and federal. As yet it has not received a response or any information as a result of those meetings or visits to the school.

Reports of the school closing and the current state of the buildings are detrimental to its students, who are already facing significant challenges, so tonight I urge the minister to provide the necessary funding to bring

this important facility up to a standard alongside our mainstream schools as a matter of urgency.

Alpine Health: aged-care beds

Ms MIKAKOS (Northern Metropolitan) — My matter this evening is for the Minister for Health. I wish to express my concern at the lack of action taken to proceed with the much-needed high-level aged-care beds in Bright for Alpine Health. In 2010 the Brumby government provided \$150 000 to Alpine Health to develop its \$40 million plan to build a two-storey hospital in Bright that will include much-needed specialist aged-care beds.

In fact the member for Benalla in the other place crowed at the time about his lobbying prowess when \$150 000 was allocated by the Brumby government for the development of the Bright Hospital master plan. Dr Sykes mentioned in his media release of 30 September 2010 how he had met with then health minister Daniel Andrews, so clearly Daniel Andrews acted decisively in delivering the funding at that time.

The master plan has since been finalised; however, since the Baillieu government has come to office no further funding has been allocated, preventing the plan from progressing any further. In an article in the *Border Mail* dated 27 April and headed 'Hospital funds sidelined again', Mr Bruce McDonald, chair of the Bright Hospital Redevelopment Committee, was reported as saying that the current hospital in Bright:

... was outdated and the aged-care centre unable to cope with high-needs patients.

He says there are repetitive examples of elderly couples having to travel as far as Wangaratta to find a suitable aged-care bed and others having to move town as they plan for old age.

The Bright Hospital Redevelopment Committee is seeking \$200 000 to conduct a feasibility study for the next step of the plan. However, this year's budget overlooked the funding required, and the coalition government has ignored the needs of the people of Bright.

I call on the minister to advise when the Bright community can expect to receive funding for the feasibility study into this much-needed hospital and these high-level aged-care beds.

Responses

Hon. M. J. GUY (Minister for Planning) — I have a number of matters to deal with. Firstly, there are three written responses. The first is for Mrs Peulich, dated

29 March, the second is for Mr O'Donohue, dated 24 March, and the third is for Mr Elsbury, dated 7 June. These written responses are here for those three members tonight.

As to the matters raised verbally, one was from Mr Lenders to the Premier in relation to a new style of leadership. That is an interesting and memorable type of slogan from Mr Lenders.

Mr Lenders interjected.

Hon. M. J. GUY — I am sure he remembered using that slogan in his pre-parliamentary occupation. I will nonetheless refer it on to the Premier, despite it being more comic than anything else. However, I will refer it to the Premier and he will respond to the Leader of the Opposition in the upper house.

Mr Ramsay raised an issue for the Minister for Roads, Mr Mulder, in relation to Princes Highway west. Mr Mulder will be asked to respond to that.

Ms Pulford raised an issue for the Minister for Community Services, Ms Wooldridge, in relation to — I think I have it right — the Association of Employees with Disability regarding some funding, and I will have Ms Wooldridge reply to Ms Pulford directly on that issue.

Mrs Coote raised a matter for the Minister for Innovation, Services and Small Business, Ms Asher — —

Mr Tee — Where is she?

Hon. M. J. GUY — Actually, where is Ms Pulford? I was just asking for clarification, so Mr Tee asks a good question.

Mrs Coote raised an issue for the Minister for Innovation, Services and Small Business, Ms Asher, in relation to small business workshops and seminars, and I hope the minister will reply to that.

Mr Tee raised a very interesting issue for me, which I will deal with now, in relation to an application — a live application, I might add — in North Melbourne. While I do not want to directly comment on the future of a live application, I will give some background so that I can discharge this issue tonight.

The first point I should make is that — —

Mr Barber interjected.

Hon. M. J. GUY — This is not the by-election now, Mr Barber; these are responses to adjournment matters.

Mr Tee claimed to know my diary movements in his adjournment matter. He is sadly wrong. The meeting I have just come from prior to being here was with a number of community groups. The members of Planning Backlash and many other community groups remarked how I meet with more of them more frequently — in fact every three weeks — than any other planning minister for the last 20 years, so it is very interesting that Mr Tee would now come in and seek to claim that he knows what my diary movements are.

Mr Ondarchie — Short on facts again.

Hon. M. J. GUY — Very short on facts, as Mr Ondarchie says. I have met a number of times with people in relation to development proposals from community groups, including the one Mr Tee incorrectly mentioned tonight in his address.

In dispatching this issue I would like to point out that this proposal would have been consistent with not just amendment VC71 of the previous government, which he supported and I knocked out, but density targets 400 metres from activities areas, as per the previous government, which Mr Tee claims the Labor Party now opposes.

It would not have just been called in by the development facilitation unit — a unit which called in and identified 30 projects a year and which I have scrapped. It is also consistent with Melbourne 2030, which identified certain areas, including this one, for high-density development. Mr Tee supported that but now cries crocodile tears in this chamber about it in the middle of a by-election in the relevant seat, saying that somehow Labor opposes it. Labor somehow opposes it in the middle of a by-election after 11 years of planning policy, during which Mr Tee worked for one of the planning ministers who put in place these very planning laws he now says Labor opposes. I find it quite astounding that he would raise an issue about an application in an area where Labor spent 11 years putting in place planning laws to say that these kinds of applications should succeed.

Mr Lenders — That is a very decisive answer!

Hon. M. J. GUY — It is a very decisive answer, Mr Lenders. It is very decisive because it is right. It is very decisive because Mr Lenders's colleague is wrong, and it is very decisive on the point that Labor's policy for the last 11 years said developments like this are completely acceptable in the area identified. The only difference now is that Labor has gone into

opposition — funny that! — and Labor members suddenly oppose it.

I give some credit to the Greens for being consistently against everything — not against some things strategically here or there but consistently believing the world should go back to living in humpies and that we should be closing down every power station that exists in the world. At least they are consistent in the Neanderthal approach. The Labor Party, on the other hand, had a policy in government. It has now gone back into opposition. In many ways it is completely bizarre that Labor's credibility could be shredded so publicly and so quickly by a shadow Minister for Planning who worked for the then Minister for Planning who put these laws place. I consider that matter now dealt with.

Mrs Peulich raised a matter for the Minister for Local Government — —

Mr Tee — On a point of order, President, the minister has indicated that he considers the matter dealt with. The question I had for the minister was whether or not he would refer this matter to an independent panel to consider. He has not responded to that request.

Hon. M. J. GUY — On the point of order, President, I said as part of my comments on Mr Tee's point that a live application is in process. I will not be making a comment on a live application. As anyone would know, legally a minister would not make a comment on a live application. I will deal with the matter by the substantive points around it but not comment on the live application process.

Mr Tee — On the point of order, President, I was not asking him to comment on it, I was asking whether or not as part of that process he would refer the matter to a panel to consider. He would still be able to consider those recommendations as the minister, and it would be a live matter before him, but the question was whether he would refer it off to a panel before he took it on for consideration.

The PRESIDENT — Order! I thank Mr Tee for the point of order. There are two aspects I need to bring to bear in this. First, I cannot direct a minister on how they will dispatch a matter, whether it be at the time a matter is being put to a minister or in subsequent correspondence and answers provided to members. Second, what the minister has said is that there is a process in place and he will go with that process. From the point of view of the answer that the minister has given, I think that is an adequate response because it reflects on a process. If once that process is exhausted there is a continuing concern or some matter that needs

review or adjudication, then perhaps that is a time to suggest to the minister an extra step in that process.

The minister's response — and I am paraphrasing — is that this is in effect a matter on foot, as part of a process. From my point of view, if he were to flag that he was going to change that process at this point, that sets a difficult precedent and gives some fairly interesting messages to the people who are already faithfully participating in the process. To that effect, the minister has dealt with the matter that the member has raised tonight.

Hon. M. J. GUY — Mrs Peulich raised a matter for the Minister for Local Government relating to a councillor in the City of Kingston. She raised a number of important points, and they will be referred to the Minister for Local Government for immediate action.

Mr Somyurek raised a matter for the Minister for Manufacturing, Exports and Trade in relation to issues in that industry, and I will ask Mr Dalla-Riva to deal with those issues.

Mr Barber raised a matter for me about the City of Darebin, and I will take that on notice and provide him with a written reply.

Mr Pakula raised a matter for the Attorney-General, Robert Clark, in relation to International Students Legal Advice Clinic funding. Mr Clark will have a written reply for Mr Pakula.

Ms Tierney raised a matter for the Minister for Education, Mr Dixon. I believe it was in relation to the WAVE school in Warrnambool. I will have Mr Dixon reply to her concern directly.

Ms Mikakos raised a matter for the Minister for Health, who is also the Minister for Ageing, David Davis, in relation to Alpine Health, which is in the north-east of the state.

With that, President, I wish you a pleasant seven weeks away from Parliament.

The PRESIDENT — Order! Thank you, Mr Guy. The house stands adjourned.

House adjourned 6.57 p.m.