

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE COUNCIL**

**FIFTY-SEVENTH PARLIAMENT**

**FIRST SESSION**

**Tuesday, 9 October 2012**

**(Extract from book 16)**

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The Honourable Justice MARILYN WARREN, AC

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## 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 Elasmarr, #Mr Elsbury, Ms Hartland, Mr Leane, Ms Mikakos, Mr O'Brien, Mr O'Donohue, Mrs Petrovich, #Mr Ramsay and Mr Viney.

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

*# Participating member*

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**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 Elasmarr 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, Ms Crozier and Mr O'Brien. (*Assembly*): 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'Donohue. (*Assembly*): Mr Brooks, Ms Campbell, Mr Gidley, Mr Nardella, Dr Sykes and Mr Watt.

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*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

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**FIFTY-SEVENTH PARLIAMENT — FIRST SESSION**

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**Deputy Leader of the Opposition:**

Mr G. JENNINGS

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**Deputy Leader of The Nationals:**

Mr D. DRUM

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**Tuesday, 9 October 2012**

**The PRESIDENT (Hon. B. N. Atkinson) took the chair at 2.04 p.m. and read the prayer.**

### ROYAL ASSENT

**Message read advising royal assent on 18 September to:**

**Energy Legislation Amendment Act 2012**  
**Evidence Amendment (Journalist Privilege) Act 2012**  
**Planning and Environment Amendment (VicSmart Planning Assessment) Act 2012**  
**Port Management Further Amendment Act 2012**  
**Racing Legislation Amendment Act 2012**  
**Residential Tenancies and Other Consumer Acts Amendment Act 2012.**

### PARLIAMENTARY COMMITTEES

#### Membership

**The PRESIDENT** — Order! I advise the house that I have received a letter from David O'Brien. He writes to advise me of his resignation as a member of the Scrutiny of Acts and Regulations Committee of the 57th Parliament, effective immediately. His resignation comes by way of a letter signed on 9 October.

I have also received a letter from Donna Bauer, the member for Carrum in the Assembly, and in accordance with section 21 of the Parliamentary Committees Act 2003 she has resigned her position as a member of the Family and Community Development Committee, a joint investigatory committee of the Parliament. Her resignation is dated 12 September.

### QUESTIONS WITHOUT NOTICE

#### TAFE sector: transition plans

**Mr LENDERS** (Southern Metropolitan) — My question without notice is to the Minister for Higher Education and Skills, Mr Hall. I refer to the leaked transition plans of 13 September in which TAFE providers seek government approval for the sale or closure of more than 20 Victorian TAFE facilities. Will the minister guarantee that any proceeds from the sale of any and all TAFE facilities will be reinvested in local TAFE and training services?

**Hon. P. R. HALL** (Minister for Higher Education and Skills) — The TAFE reform panel is undertaking work currently and just last week concluded interviews

and meetings with all TAFE institutes throughout Victoria. As I have said in this house on a number of occasions, the task of the reform panel is to make recommendations to cabinet about certain matters. The issue of assets will be one of those matters, and after consideration of the requests and recommendations made by the TAFE reform panel the government will make decisions. I am not going to say categorically here and now what cabinet may or may not decide after its deliberations. I will, however, say to Mr Lenders by way of general response that when good arguments have been put forward for asset disposal the practice in the past has been that funds from that asset disposal have been reinvested in TAFEs.

#### *Supplementary question*

**Mr LENDERS** (Southern Metropolitan) — We have a very comprehensive document as to the transition plan, but specifically regarding the \$50 million asset sale from the Prahran campus of Swinburne University of Technology, which is in the transition plan, will the minister undertake that that component will be reinvested in TAFE and vocational education in Prahran?

**Hon. P. R. HALL** (Minister for Higher Education and Skills) — The government is working very closely with Swinburne University in respect of its future plans regarding that particular asset in Prahran — the current campus. Swinburne has clearly indicated publicly that it expects to vacate its direct operations from that campus by the middle of next year. Currently the government is working with Swinburne and other potentially interested parties — government or otherwise — regarding future use of that land. That will be a decision taken by government on receipt of the TAFE reform panel's recommendations.

#### Medical graduates: internships

**Mr RAMSAY** (Western Victoria) — My question without notice is to the Minister for Health, David Davis. Can the minister outline to the house the Baillieu government's efforts to provide training places for graduates of Victorian medical schools and any remaining challenges in the provision of adequate places for all graduates in 2013?

**Hon. D. M. DAVIS** (Minister for Health) — It is an important question that the member asks, and it is a matter about which the Australian states and territories feel very strongly indeed. At the 2006 Council of Australian Governments meeting there was agreement by first ministers that there would be an increase in commonwealth-funded university places for medical

graduates but also that there would be growth in fee-paying places at universities. That agreement was revisited several years after that meeting, but the essential point remained that the commonwealth took on the responsibility of providing trainee or internship places in the private sector — in private hospitals and GP settings — and the states took on the responsibility of providing internship places for medical graduates in public facilities.

The states, by and large, have delivered on their side of the bargain. In Victoria's case there has been a 71 per cent lift in the number of post-university interns in our public centres — in our public hospitals and at our major — —

**Mr Jennings** — What is the number under your administration?

**Hon. D. M. DAVIS** — It has gone from 404 to 707, of which only 17 are commonwealth-funded places. What I have to say is that the commonwealth needs to live up to its commitment from 2006 to provide places in private settings. Victoria has taken the decision to prioritise graduates of Victorian universities. Meanwhile the commonwealth has sought to move around the countryside trying to put a cap on full-fee-paying places. Ministers involved with exports will understand what a very strange step it is to put a cap on the export of education services. It is the commonwealth's intention to do that as a way of avoiding its full responsibilities.

At a recent hook-up between SCOH (Standing Council on Health) ministers the commonwealth made it very clear that it was prepared to go forward and deliver on its commitments. Within 6 hours the commonwealth had changed its mind and decided to go in a different direction and to start a fight with the states as a way of avoiding responsibility for its commitments.

All of us believe that medical graduates need to have proper internships. Proper internships cannot all be provided in the public sector. Victoria has lived up to its side of the bargain, lifting by more than 70 per cent the number of internships that are provided in our public institutions. Unfortunately the commonwealth has not lived up to its side of the bargain. I have put to SCOH, I have put to — —

**Mr Jennings** — What have you done?

**Hon. D. M. DAVIS** — I can tell Mr Jennings one thing I have done. I have put to the commonwealth a set of costed places within its area of responsibility here that it can fund. There are more than 100 places in Victoria — at Epworth and Cabrini. They will cost the

commonwealth some significant investment, but it is time the commonwealth lived up to its 2006 commitments. None of us — —

*Honourable members interjecting.*

**Hon. D. M. DAVIS** — I have just told you. None of us want to see medical students who are available and able to do internships not getting those internships. The commonwealth needs to move quickly now to live up to its side of the bargain. It will have support from the states to facilitate and assist with the implementation of private sector places. There is support in Victoria's case from Epworth and Cabrini, major private hospitals that can provide very significant support for interns. There need to be high-quality internships where standards are not compromised, but the commonwealth must pull its weight.

### **Firefighters: compensation access**

**Ms HARTLAND** (Western Metropolitan) — My question today is for the Assistant Treasurer, Mr Rich-Phillips, in his role in relation to the Victorian WorkCover Authority. It is my understanding from a conversation I had with the minister and a response to an adjournment question from Mr Lenders on the issue of presumptive legislation for Victorian firefighters that the minister had directed the Victorian WorkCover Authority to prepare some advice with respect to presumptive legislation. Can the minister tell me when this work will be finished and when he will be able to release the advice?

**The PRESIDENT** — Order! I am happy to call the minister, but I caution members about referring to private conversations when they bring forward questions. It is a rather fraught practice, I would have thought, and may well lead to fewer such conversations in the future.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I thank Ms Hartland for her question and her interest in this issue. I know she has given notice of her intent to introduce a bill with respect to this matter. At the regional sitting in Bendigo Mr Lenders raised the issue of presumptive legislation with respect to certain firefighters.

As I indicated to a Public Accounts and Estimates Committee hearing earlier this year, the government has asked the Victorian WorkCover Authority (VWA) to undertake some work with respect to presumptive legislation. As I think I indicated in response to Mr Lenders, there is already a mechanism in place under the Accident Compensation Act 1985 to allow

diseases to be declared with respect to certain occupational groupings, but prior to that occurring the causal link has to be established to a very high standard. The work VWA and Treasury have undertaken is to determine whether that causal link exists at that required standard. There have already been around 20 diseases declared under that legislation with respect to certain occupations, and it is important that the same standard is achieved in the consideration of presumptive legislation with respect to firefighters.

*Supplementary question*

**Ms HARTLAND** (Western Metropolitan) — My question was not actually answered; I asked when that advice would be released. It is clear the system is not working at the moment when you consider the case of Mr Brian Potter, a Country Fire Authority member who trained and worked at Fiskville who has not received compensation. I would like the minister to clarify when the advice will be available and if he will release it.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Obviously I am not going to comment on individual cases Ms Hartland refers to, but the government will consider that advice and provide its response in due course.

**China: trade mission**

**Mr P. DAVIS** (Eastern Victoria) — I have pleasure to direct a question to the Minister for Manufacturing, Exports and Trade. Can the minister update the house on the exciting opportunities in the Chinese market for Victoria's food and beverage industries?

**Hon. R. A. DALLA-RIVA** (Minister for Manufacturing, Exports and Trade) — I thank the member for his question. We have just returned from the super trade mission in China where we saw the recognition by consumers in China of the importance of a clean, green environment in terms of the capacity for us to supply high-quality nutritional foods and beverages. With us on the super trade mission were 100 companies from Victoria's world-class food and wine industries. This super trade mission was the largest ever to leave the shores of Australia, and it may well have been the largest single trade mission ever to arrive in China. There were 400-plus businesses and more than 650 delegates, and collectively the delegates visited 13 cities.

In terms of the food and beverage industry, it was an opportunity for many who had not been to China to build relationships, to look at business opportunities and to understand why we have such an enormous

amount of trade with China, particularly the export market availability. It was also an opportunity for Chinese investors to assess the business opportunities available to them and what was available in Victoria.

I will give some examples. I am happy to provide some presentations from the Put Victoria on Your Table function, which had more than 400 guests in Tianjin. This preceded the wine master class presented by wine critic Jeremy Oliver to a select group of 25 Tianjin wine merchants. There was also a business matching session where each of the delegates were able to put their product on show for potential buyers and distributors. We were pleased to address the dairy industry forum in Tianjin. I also attended the Victorian agribusiness forum at the Shanghai Municipal Agriculture Commission, where I spoke about our state-of-the-art agricultural sector.

We have already seen some results from the trade mission. We have seen Swisse Vitamins announce 140 new jobs in Victoria after gaining access to the Chinese market through major retailers. We have seen Victorian wineries win unprecedented access to the Chinese market, including 1000 new wine bars which will be established through Sunny Estate. We have seen Tatura Milk Industries sign a memorandum of understanding with Aiyumye to supply an initial \$3 million worth of infant milk formula to the Shanghai market, with an additional \$15 million worth of follow-on product to begin from next year.

We also saw opportunities in the supply of cherries, red table grapes and crimson plums, particularly at the time of Chinese New Year when red fruits are popular as gifts to friends and work colleagues. Here the counter-seasonal climate plays to Victoria's advantage. We saw many companies during the super trade mission achieve great success in concluding business agreements across a range of exciting opportunities.

As we explained to those heading off on the trade mission, this was about establishing and building strong and enduring relationships and partnerships that will deliver a sustainable pipeline of business collaboration and cross-investment between Victoria and China into the future.

**Higher education: TAFE funding**

**Mr LENDERS** (Southern Metropolitan) — My question without notice is to the Minister for Higher Education and Skills, Mr Hall. I refer to the 2010–11 annual report from the minister's department which highlights the impact on Sale teenager, James of enrolling in a diploma of business at Advance TAFE. In

the 12 months that followed the report the government has cut funding to the diploma of business to just \$2 an hour, and the Advance TAFE diploma James was studying has been cut entirely. Are these the outcomes the Premier was referring to when he promised to support quality training from quality providers with quality outcomes?

**Hon. P. R. HALL** (Minister for Higher Education and Skills) — The first thing I want to say with respect to this is to again repeat to the house the record investment this government is making in training in this state — that is, an extra \$1 billion in training over the next four years. This is a record level of investment and beyond that which was ever contemplated by the previous government.

Further, in terms of managing the system implemented by the previous government — and let us not forget this was a system implemented by the previous government — a training subsidy allowance has been allocated to each of the 2000-odd accredited training programs in this state. In respect of those studying at a diploma level, because of the access to a VET (vocational education and training) FEE-HELP arrangement, which was put in place under the previous government and is being maintained by the current government, students studying at a diploma or advanced diploma level have access to VET FEE-HELP loans that are income contingent, meaning that students do not have to repay any of that loan until their income reaches a certain level, and currently that stands at around \$44 000.

The student to whom Mr Lenders refers would have access to a VET FEE-HELP loan in the same way as has every other diploma and advanced diploma student in Victoria. I repeat, while there have been changes in terms of the assignment levels, there has been no denial of opportunity for students to participate in training programs across the state. Indeed the intention of the government is to broaden the scope.

One of the very exciting initiatives that is likely to arise out of the Gippsland provision is one that is on the record and which we all know about as a result of a report by Professor Kwong Lee Dow into higher education provision in the Gippsland region, and that is the opportunity to have technology-enabled learning centres spread across the region, which will enable programs like the one referred to by Mr Lenders to be delivered more broadly across the region.

Far from casting a shadow of gloom across the sector, as the opposition seems prepared to do at every opportunity, the government and I are confident that we

will work with providers to provide a greater range of training and higher education opportunities for people throughout the state.

*Supplementary question*

**Mr LENDERS** (Southern Metropolitan) — I thank the minister for his answer. I note that in his opening line he said the government was spending a record amount of money on training, and I ask: will the minister put a portion of this record amount into refunding the fees for the course James was studying at Advance TAFE in Sale, in the minister's electorate, for which the minister has said he has a record amount of money? Will he refund the course fees?

**Hon. P. R. HALL** (Minister for Higher Education and Skills) — It seems a strange request to ask me to refund money to a particular student. If the student to whom Mr Lenders referred wishes to seek assistance from me, I would be more than happy to speak with or receive correspondence from that person and discuss that situation with him or her.

**Shepparton: work and learning centre**

**Mrs PETROVICH** (Northern Victoria) — My question is to Ms Lovell, a colleague in Northern Victoria Region and the Minister for Housing. Can the minister update the house on the work and learning centre pilot initiative?

**Hon. W. A. LOVELL** (Minister for Housing) — I thank the member for her interest in those less fortunate than ourselves who need assistance to find employment. At the last election the coalition promised \$4.6 million to establish five work and learning centres in areas where there is a high concentration of public housing tenants and in areas where there is a high concentration of unemployment. We have announced four of those locations. The first two were in Geelong and Carlton; both these centres are really kicking goals in assisting public housing tenants into employment. We announced a further two centres in Ballarat and Moe some time ago, and they are now up and running. In fact I am conducting the official opening of one of them next week.

Last Friday I had the pleasure of announcing the fifth site in my home town of Shepparton. This is a fantastic outcome for Shepparton. Shepparton has a high level of unemployment and a lower level of educational attainment. It has a particularly high level — 28 per cent — of working-age people who are welfare dependent. A couple of weeks ago the *Age* printed an article about Shepparton which made a lot of people in

Shepparton very angry. It talked about disadvantage in Shepparton. People were angry because it did not reflect their experience of living in Shepparton. It was discussed at a local council meeting, and there was quite a lot of anger about it. My philosophy is not to be angry about that article but to put in place programs that will address that disadvantage and make a real difference to those in Shepparton who do not have a job.

The work and learning centre will link people with training, support and services. It will also help people achieve their employment and training aspirations. It is being delivered in conjunction with the Brotherhood of St Laurence and the Salvation Army Pathways program in Shepparton. The Salvation Army Pathways program has a long history of providing housing support, training and employment services and has strong links with other agencies, including the City of Greater Shepparton. For the work and learning centre, it has established even more strong links with GOTAFE, the Apprenticeship Factory and other training and employment agencies in Shepparton. I wish Craig Kelly and the team at Pathways, together with the Brotherhood of St Laurence, all the best for their operations in Shepparton. I look forward to going back there when the centre is fully operational and seeing it achieve outcomes for the people of Shepparton.

#### **TAFE sector: transition plans**

**Mr LENDERS** (Southern Metropolitan) — My question is to the Minister for Higher Education and Skills, Mr Hall. On 19 June he advised the house that he would provide a letter of comfort to TAFE institute boards that find themselves in an operating deficit and without cash reserves. The leaked TAFE transition plan document shows that six TAFES are expecting operating deficits in 2013. What is the government's financial estimate of the cost of bailing out TAFE institutes in 2013?

**Hon. P. R. HALL** (Minister for Higher Education and Skills) — There is a process in place with the TAFE reform panel, which is working with each of the TAFE institutes on all matters associated with the Refocusing Vocational Training plan. An essential part of that is the commercial and financial position of each of those TAFE institutes. The TAFE reform panel will report to cabinet with recommendations on those matters, including those financial matters, and at that point in time the cabinet will frame a response.

#### *Supplementary question*

**Mr LENDERS** (Southern Metropolitan) — I thank the minister. I note that the leaked transitional plan document actually said cabinet was going to consider this yesterday. My question to the minister then is: by what date will TAFEs be told how much of the tens of millions of dollars they have asked for in the transitional plans will be provided to them?

**Hon. P. R. HALL** (Minister for Higher Education and Skills) — In an answer to an earlier question today I indicated that the TAFE reform panel concluded its meetings with all the 18 TAFE institutes late last week. It is now deliberating on those meetings and framing recommendations for cabinet's consideration, and I expect that it will take an appropriate time to ensure that it has given due consideration to the input from all the TAFE institutes. I would expect that in a matter of weeks, rather than months, that report will be available to cabinet.

#### **Planning: government initiatives**

**Mrs COOTE** (Southern Metropolitan) — My question is to the very excellent Minister for Planning, Mr Guy. Can the minister advise the house what action the Baillieu government has taken to speed up planning processes, cut red tape costs and inject greater certainty into the planning system?

**Hon. M. J. GUY** (Minister for Planning) — I thank Mrs Coote for her very excellent question and for her interest in the Baillieu government's reform of the planning system. I am pleased to inform the chamber about the latest update the government has made to reform our planning system by way of ministerial direction 15. It is an important reform to our planning scheme amendment process. It will speed up the planning process in Victoria and provide greater certainty for councils, for residents and for all people who are involved in the planning system in the state.

Importantly, as you would be aware, President, every council is governed by a planning scheme. Changing that process can sometimes take a very long time. It can also inject a huge degree of uncertainty into the planning system. In fact of the amendments that followed a full process in the 12 months to 30 June 2012, only 33 per cent were under 12 months and 38 per cent took more than 18 months to process. More than 30 per cent of all amendments — in fact it was nearly 35 per cent — took longer than 12 months.

Some months ago I appointed the Underwood committee to review the planning system in Victoria. It

made some recommendations in relation to the planning scheme amendment process, many of which the government agreed with. To ensure a more straightforward, consistent and efficient process of planning scheme amendments, what I have done through ministerial direction 15 is put time limits on planning scheme amendments. Those with a planning panel will now take no longer than 12 months; those without a planning panel hearing will take no longer than 9 months.

**Mr Barber** interjected.

**Hon. M. J. GUY** — Importantly, this government does not just believe in ensuring that those processes are limited and that those time limits apply to local government. For Mr Barber's benefit, they also apply to state government. They apply to everyone, whether they are from state or local government; they apply to all people involved in this system. That is why the government is injecting this level of certainty.

These reforms do not just apply to councils, they apply to everyone participating in a planning scheme amendment process. It is about a fair, transparent and realistic approach to managing planning scheme amendments. It is one that, again, will save cost and time, and it will put certainty into the process, which is what Victorians have been calling out for in terms of planning scheme amendment reform. It is further evidence of the Baillieu government's planning reform agenda, a commitment to modernise and contemporise the planning system we inherited.

### **TAFE sector: community service obligations**

**Mr LENDERS** (Southern Metropolitan) — My question is to the Minister for Higher Education and Skills, Mr Hall. In the house on 6 September the minister asserted that the report from PricewaterhouseCoopers on the government-commissioned investigation into the cost of TAFE community service obligations was considered by cabinet and the report was therefore subject to cabinet-in-confidence provisions. Does the minister stand by that statement?

**Hon. P. R. HALL** (Minister for Higher Education and Skills) — Yes.

### *Supplementary question*

**Mr LENDERS** (Southern Metropolitan) — I thank the minister for his very succinct answer. My succinct supplementary question is: how can cabinet consider a report that was never completed?

**Hon. P. R. HALL** (Minister for Higher Education and Skills) — Cabinet assigns work at various times to different people. Consideration is given to that work when an assignment is made, and in some cases there are interim and progress reports fed back to cabinet. That was the case on this particular occasion.

### **Women: TAFE funding**

**Mrs KRONBERG** (Eastern Metropolitan) — My question without notice is to the Honourable Peter Hall, Minister for Higher Education and Skills. I note the recent claims from the Victorian TAFE Association that new training subsidy levels in Victoria discriminate against women. I ask the minister: are these claims true?

**Hon. P. R. HALL** (Minister for Higher Education and Skills) — I thank Mrs Kronberg for raising this question. It is an important one for me because I was outraged at the press release issued by the Victorian TAFE Association on 26 September claiming that training allowances are biased against women in the state of Victoria. It is an outrageous claim by the association, which was selective in cherry picking a few courses. There is no veracity in that claim at all, and for Senator Chris Evans to stand alongside the director of the Victorian TAFE Association and support those claims showed that both had sunk to the lowest levels of integrity. What was claimed is simply not the case.

As I said, the claims made by the Victorian TAFE Association are based on the association cherry picking 10 particular courses with high levels of female enrolment and suggesting that all training programs in which women participate at a high level have suffered downward changes in terms of the training allowance. I could equally have cherry picked a number of courses with high-level enrolments of women where subsidies have increased, in some cases quite significantly. I could have picked certificate III in hairdressing, which has a 94 per cent female enrolment, as one of those examples. The training subsidy for that course has increased from \$8.66 to the highest TAFE funding level of \$10.50. If you look at private registered training organisations, the funding level for the course they provide has increased from \$7.70 to \$10.50.

The certificate IV course in mental health has a 76 per cent female enrolment, and the subsidy level has been increased by 23 per cent. For the diploma of nursing the subsidy level has been increased by 12 per cent. They are increases compared with the biggest payment made to TAFE. If I were to extend that to what private providers were paid prior to that, then that percentage increase would be significant. For example,

certificate IV in alcohol and other drugs work has a 70 per cent female enrolment. The subsidy increased from \$6.93 to \$8.50 for small TAFEs and for private providers from \$6.60 to \$8.50.

I could go through courses like certificate IV in dental assisting, certificate IV in aged care, certificate IV in allied health assistance and certificate IV in nursing. The point I make is that the TAFE association is doing its members a great disservice, and the way in which the federal government is associating with the association shows it has reached the lowest level of integrity. It does not reflect well on it at all.

There is no gender bias in the way training subsidies have been set. In fact overall what we are doing is providing greater opportunity for all Victorians to train, whether they choose to enrol with a public or a private provider. For the Victorian TAFE Association and Senator Chris Evans to suggest otherwise is disgraceful.

## PETITIONS

### Following petitions presented to house:

#### 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 house the state government's plans to cut hundreds of millions of dollars from the TAFE funding. In particular, we note:

1. the TAFE Association has estimated up to 2000 jobs could be lost as a result of these cuts;
2. many courses will be dropped or scaled back and several TAFE campuses face the possibility of closure; and
3. 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 urges the Baillieu state government to abandon the planned funding cuts and guarantee no further cuts will be made.

**By Mr LEANE (Eastern Metropolitan)**  
(339 signatures).

Laid on table.

#### Swinburne University of Technology: Lilydale campus

To the Legislative Council of Victoria:

This 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:

1. since these cuts were announced, Swinburne has announced the closure of its TAFE and university campus at Lilydale;
2. 240 local jobs will be cut, and the future of 2500 students is uncertain as a result of this campus closure; and
3. 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 urges the Baillieu state government to abandon the planned funding cuts, guarantee no further cuts will be made and work to secure the future of Swinburne University Lilydale campus.

**By Mr LEANE (Eastern Metropolitan)**  
(198 signatures).

Laid on table.

#### National Centre for Farmer Health: funding

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the house the state government's decision to cease funding for the National Centre for Farmer Health. In particular, we note:

1. the likely closure of the National Centre for Farmer Health due to the Baillieu government's decision to cut its \$1 million annual state government contribution;
2. the detrimental impact this funding cut will have to the health, safety and wellbeing of farm men and women, farm workers, their families and communities across Australia; and
3. that the Baillieu government's decision to cut funding for National Centre for Farmer Health will mean that the centre will no longer be able to carry out its important work such as research, service delivery and community for farming communities across regional Victoria.

The petitioners therefore request that the Legislative Council urges the Baillieu state government to immediately reinstate funding for the National Centre for Farmer Health and guarantee no further cuts will be made.

**By Ms TIERNEY (Western Victoria)**  
(66 signatures).

Laid on table.

**SCRUTINY OF ACTS AND REGULATIONS  
COMMITTEE**

***Alert Digest No. 14***

**Mr O'DONOHUE (Eastern Victoria) presented  
*Alert Digest No. 14 of 2012, including appendices.***

**Laid on table.**

**Ordered to be printed.**

**PAPERS**

**Laid on table by Clerk:**

Accident Compensation Conciliation Service — Report, 2011–12.

Australian Centre for the Moving Image — Report, 2011–12.

Australian Grand Prix Corporation — Report, 2011–12.

Bairnsdale Regional Health Service — Report, 2011–12.

Ballaarat General Cemeteries Trust — Minister's report of receipt of 2011–12 report.

Beaufort and Skipton Health Service — Report, 2011–12.

Beechworth Health Service — Report, 2011–12.

Benalla Health — Report, 2011–12.

Bendigo Cemeteries Trust — Minister's report of receipt of 2011–12 report.

Calvary Health Care Bethlehem Limited — Report, 2011–12.

Central Gippsland Health Service — Report, 2011–12.

Central Murray Regional Waste Management Group — Minister's report of receipt of 2011–12 report.

Cobram District Health — Report, 2011–12.

Country Fire Authority — Report, 2011–12.

East Grampians Health Service — Report, 2011–12.

East Wimmera Health Service — Report, 2011–12.

Education and Early Childhood Development Department — Report, 2011–12.

Emergency Services Superannuation Board — Report, 2011–12.

Emergency Services Telecommunications Authority — Report, 2011–12.

Geelong Performing Arts Centre Trust — Report, 2011–12.

Gippsland Southern Health Service — Report, 2011–12.

Hepburn Health Service — Report, 2011–12.

Highlands Regional Waste Management Group — Minister's report of receipt of 2011–12 report.

Interpretation of Legislation Act 1984 — Notice pursuant to section 32(3)(a)(iii) in relation to Statutory Rule No. 99.

Kilmore and District Hospital — Report, 2011–12.

Legal Services Board — Report, 2011–12.

Library Board of Victoria — Report, 2011–12.

Lorne Community Hospital — Report, 2011–12.

Mallee Track Health and Community Service — Report, 2011–12.

Mansfield District Hospital — Report, 2011–12.

Melbourne Recital Centre Ltd — Report, 2011–12.

Members of Parliament (Register of Interests) Act 1978 — Summary of Returns, June 2012 and Summary of a Variation notified between 21 June 2012 and 5 October 2012 and Summary of Primary Return, September 2012.

Metropolitan Fire and Emergency Services Board — Report, 2011–12.

Museums Board of Victoria — Report, 2011–12.

Nathalia District Hospital — Report, 2011–12.

National Gallery of Victoria Trustees — Report, 2011–12.

Ombudsman — Report on the Investigation into an alleged corrupt association, October 2012.

Omeo District Health — Report, 2011–12.

Orbost Regional Health — Report, 2011–12.

Parliamentary Contributory Superannuation Fund — Report, 2011–12.

Planning and Community Development Department — Report, 2011–12.

Planning and Environment Act 1987 — Notices of Approval of the following amendments to planning schemes:

Alpine Planning Scheme — Amendment C31.

Bass Coast Planning Scheme — Amendment C64 (Part 1).

Boroondara Planning Scheme — Amendment C91.

Cardinia Planning Scheme — Amendments C104 and C190.

Casey Planning Scheme — Amendments C152 and C170.

Glennelg Planning Scheme — Amendment C93.

Greater Bendigo Planning Scheme — Amendment C135.

Hume Planning Scheme — Amendments C166 and C172.

- Macedon Ranges Planning Scheme — Amendment C67 (Part 1).
- Maribyrnong Planning Scheme — Amendments C113 and C116.
- Melbourne Planning Scheme — Amendments C161 and C193.
- Melton Planning Scheme — Amendment C128.
- Mitchell Planning Scheme — Amendment C100.
- Mount Alexander Planning Scheme — Amendment C52.
- Moyne Planning Scheme — Amendment C56.
- Nillumbik Planning Scheme — Amendment C67.
- Stonnington Planning Scheme — Amendments C135 and C162.
- Strathbogie Planning Scheme — Amendment C58.
- Whittlesea Planning Scheme — Amendments C137 and C167.
- Wyndham Planning Scheme — Amendments C180 and C200.
- Yarra Planning Scheme — Amendment C151.
- Queen Elizabeth Centre — Report, 2011–12.
- Rural Northwest Health — Report, 2011–12.
- Seymour Health — Report, 2011–12.
- Statutory Rules under the following Acts of Parliament:
- County Court Act 1958 — No. 104.
  - Firearms Act 1996 — No. 101.
  - Infringements Act 2006 — No. 107.
  - Juries Act 2000 — No. 106.
  - Local Government Act 1989 — No. 100.
  - Magistrates' Court Act 1989 — Nos. 105, 109 and 110.
  - Racing Act 1958 — No. 102.
  - Road Safety Act 1986 — No. 103.
  - Subordinate Legislation Act 1994 — No. 108.
  - Transport (Compliance and Miscellaneous) Act 1983 — No. 111.
  - Wildlife Act 1975 — No. 99.
- Subordinate Legislation Act 1994 —
- Documents under section 15 in respect of Statutory Rule Nos. 99, 100, 102 to 110.
  - Legislative Instrument and related documents under section 16B in respect of —
- Declaration of 27 September 2012 made under section 52 of the Accident Towing Services Act 2007.
- Notice of exemption made under section 5(2)(b) of the Meat Industry Act 1993.
- Order of 29 August 2012 declaring certain motor vehicles not to be motor vehicles made under the Road Safety Act 1986.
- Order of 26 September 2012 determining the circumstances in which compensation is payable and the maximum amounts of compensation payable for queen bees and hives made under the Livestock Disease Control Act 1994.
- South Gippsland Hospital — Report, 2011–12.
- South West Regional Waste Management Group — Minister's report of receipt of 2011–12 report.
- Tallangatta Health Service — Report, 2011–12.
- Terang and Mortlake Health Service — Report, 2011–12.
- Timboon and District Healthcare Service — Report, 2011–12.
- Treasury and Finance Department — Report, 2011–12.
- Tweddle Child and Family Health Service — Minister's report of receipt of 2011–12 report.
- Upper Murray Health and Community Services — Report, 2011–12.
- V/Line Corporation — Report, 2011–12.
- V/Line Pty Ltd — Report, 2011–12.
- Victoria Grants Commission — Report, 2011–12.
- Victoria Law Foundation — Report, 2011–12.
- Victoria State Emergency Service Authority — Report, 2011–12.
- Victorian Arts Centre Trust — Report, 2011–12.
- Victorian Curriculum and Assessment Authority — Report, 2011–12.
- Victorian Law Reform Commission — Report, 2011–12.
- West Gippsland Healthcare Group — Report, 2011–12.
- Western District Health Service — Report, 2011–12.
- Wimmera Health Care Group — Report, 2011–12.
- Yarram and District Health Service — Report, 2011–12.
- Yarrawonga Health — Report, 2011–12.
- Yea and District Memorial Hospital — Report, 2011–12.
- Proclamations of the Governor in Council fixing operative dates in respect of the following acts:

Energy Legislation Amendment Act 2012 — 27 September 2012 (*Gazette No. S324, 26 September 2012*).

Health (Commonwealth State Funding Arrangements) Act 2012 — Whole Act (except sections 31 and 32) — 1 October 2012 (*Gazette No. S324, 26 September 2012*).

Public Interest Monitor Act 2011 — Parts 1 and 2, Part 3 (except section 14), Part 4 and Part 9 (except section 54) — 18 September 2012 (*Gazette No. S316, 18 September 2012*).

Racing Legislation Amendment Act 2012 — 26 September 2012 (*Gazette No. S324, 26 September 2012*).

Residential Tenancies Amendment Act 2012 — Part 2, sections 9 and 21 and the remaining provisions of Part 4 — 1 October 2012 (*Gazette No. S324, 26 September 2012*).

Road Safety Amendment Act 2012 — Whole Act (except sections 3, 4, 5 and 28) — 1 October 2012; Sections 3, 4 and 28 — 1 November 2012 (*Gazette No. S324, 26 September 2012*).

## BUSINESS OF THE HOUSE

### General business

**Mr LENDERS** (Southern Metropolitan) — By leave, I move:

That —

- (1) precedence be given to the following general business on Wednesday, 10 October 2012:
  - (a) notice of motion 390 standing in the name Mr Tee relating to the domestic building industry and referring a matter to the Environment and Planning References Committee;
  - (b) the notice of motion given this day by Ms Pennicuik taking note of a petition relating to duck shooting;
  - (c) notice of motion 440 standing in the name of Mr Viney referring certain reports to the Legal and Social Issues Legislation Committee;
  - (d) the notice of motion given this day by Ms Pulford referring certain reports to the Economy and Infrastructure Legislation Committee;
  - (e) the notice of motion given this day by Ms Tierney referring certain reports to the Environment and Planning Legislation Committee;
  - (f) the notice of motion given this day by Mr Barber referring certain reports to each of the Legal and Social Issues, Economy and Infrastructure, and Environment and Planning Legislation Committees;
  - (g) order of the day 27, resumption of debate on motion relating to the government jobs plan;
  - (h) order of the day 26, resumption of debate on motion relating to the automobile industry;
- (i) order of the day 22, resumption of debate on motion relating to the provision of public housing; and
- (2) this house authorises the President to permit notices of motion, general business, items (1)(c), (d), (e) and (f), as specified above, to be moved and debated concurrently.

### Motion agreed to.

## MEMBERS STATEMENTS

### Chris Beattie

**Mr EIDEH** (Western Metropolitan) — I do not know how many members of this house knew Chris Beattie, who passed away last week, but anyone who knows the member for Yuroke in the other place, Liz Beattie, knew her adoring and ever-supportive husband, Chris.

In thinking about what to say about Chris, I wish to quote some wonderful words from the Craigieburn State Emergency Service. As with every SES unit, it contains truly amazing people. The controller of the Craigieburn SES, Martin Ledwich, said:

Chris was such a friendly, down-to-earth bloke, that he would have been friends with anyone he met. His sense of humour was infectious and his passion for flying obvious for all. But most important was his tremendous support for Liz's chosen vocation as a member of state Parliament. You could always rely on Chris being wherever Liz was, showing his support for her and the party she represents.

Everyone who ever met Chris liked him. He was a proud unionist who believed in protecting workers' rights. He was a staunch supporter of the Australian Labor Party, but he was also a man who adored his family and loved to travel and to share a joke and a good laugh with others. All of us in this house and in the other house know that our wives and husbands often keep us sane. Certainly they make what we do far easier and far more bearable. We will miss Chris as a family friend, and Liz Beattie will miss her husband. I wish to place my respects on the record.

**The PRESIDENT** — Order! Quite a number of members attended Chris Beattie's funeral yesterday, and it was very sad. He was 56 years of age. It is all too young to lose somebody so vibrant and — as he was described at the funeral — a real character.

He was one of those people who surprised me. He jumped out of perfectly good planes at considerable heights — as was mentioned yesterday — and I just do not get that. At any rate, he led a very full life, and I think the thoughts and prayers of all members of

Parliament are with Liz Beattie and Chris's family and friends at this time.

### **Victorian Seniors Festival**

**Ms CROZIER** (Southern Metropolitan) — On Sunday the Minister for Health, who is also the Minister for Ageing, David Davis, opened the 30th anniversary of the Victorian Seniors Festival. I was pleased to attend with him, and I spoke with many senior Victorians who attended the festival.

As the minister pointed out, there are over 1000 events for seniors taking place across the state throughout the month of October. Many Victorians are involved in their local University of the Third Age, and many of them were well represented at the festival. The Stonnington and Hawthorn U3A, from my own electorate of Southern Metropolitan Region, had stalls.

The U3As, along with a number of other community organisations, including Golden Days Radio, National Seniors Australia and Vision 2020 Australia, were all represented on Sunday and provided information on a range of services to the large crowd that attended the festival's opening. Remaining healthy as we age can enable greater participation in the community; therefore greater public awareness of health risks and the impacts of chronic disease were being promoted.

The minister also announced a joint project to combat eye disease for those people newly diagnosed with diabetes. Loss of vision and blindness among diabetics is not uncommon. I have spoken before in this place about the ongoing individual health, social and economic impacts of chronic disease such as diabetes, and the complexities involved with its management. What I was not aware of is that there are 73 new cases of type-2 diabetes registered with the NDSS, or National Diabetes Services Scheme, in Victoria every day. Greater awareness, and improved eating and lifestyle habits can have an impact on diabetes prevalence and management. It is particularly important as we are an ageing population.

On that, I note the tremendous effort that was made by the centenarians who attended yesterday's Century Club event here in Queen's Hall.

### **Lacrosse: under-15 national tournament**

**Ms HARTLAND** (Western Metropolitan) — Last week it was my privilege to be invited to the lacrosse under-15 national tournament in Yarraville. I cannot say I knew a lot about lacrosse before I went on the night, but it was one of those rare and fun nights where I was able to talk to players, parents and officials, and

to get a sense of how much work these people put into their sport. I have also come to realise that my colleague, Ms Pennicuik, played lacrosse at Yarraville for about 16 years. Apparently she was quite a fierce player.

One of the main reasons for attending on the night was because my friend Cathy Williams's son Lachlan was playing. Community sport is such an important thing. It helps young people to have pride and confidence in themselves. I have been privileged to see the work of organisations like Sports Without Borders and the street soccer tournaments, that work particularly with homeless and disadvantaged young people, and to see how much sport means to them.

I do not think it really matters what kind of sport you play or support; the recognition of community sport and the volunteers who give so much time and effort to keep these organisations running needs to be applauded.

### **Jill Meagher**

**Ms TIERNEY** (Western Victoria) — Over the past few weeks Victorians have been stunned with raw grief. Many of us have lost close loved ones in tragic circumstances, but Tom Meagher's grief is something that I simply cannot begin to contemplate. I wish to place on record my sincerest sympathy to Tom Meagher, Jill's mother and father and her other family and friends. So many words have been written, so many words have been spoken and so many tears have been shed as we have all identified and continue to identify with Jill Meagher. I am sure members of the Victorian community have had and will continue to have a heightened sense of care for each other. But this care for one another needs to be strong, resilient and full of purpose. Violence against women in our community cannot and will not be tolerated by any one of us.

Whilst women will have a renewed sense of the need for personal physical protection and we will continue to talk to our family and friends about new and safer measures for protecting ourselves and others, we will not stop going out, walking, using public transport, socialising or going to work during the evenings. We all want safe communities that allow us to enjoy life without fear. As we have all got to know a little more about Jill Meagher we have learnt that she loved life, had very loving relationships with many and embraced the best that life had to offer. As legislators and community members we owe it to Jill Meagher to ensure that all women live long, happy, fulfilling lives without fear, day or night, inside or outside the home. Vale, Jill Meagher.

### Thomas Hodgetts Primary Care Centre

**Mr KOCH** (Western Victoria) — I was pleased to join the Minister for Health and the local member for Lowan in the Assembly recently at the Coleraine hospital where the minister officially opened the newly constructed Thomas Hodgetts Primary Care Centre. The event marked the completion of the first phase of a multimillion-dollar redevelopment of the Coleraine hospital. The centre was named the Thomas Hodgetts Primary Care Centre following a bequest of \$1.3 million to Western District Health Service from the estate of Mr Thomas Hodgetts, who was a neighbouring farmer to my family at Konongwootong.

The Thomas Hodgetts Primary Care Centre includes a medical clinic for general practitioners, facilities for maternal and child health, dental and pathology services and two consulting rooms. Western District Health Service's Coleraine hospital campus is being redeveloped to deliver a new purpose-built modern hospital with an acute ward, 11 high-care and 39 low-care residential beds. It was particularly pleasing to be present on this occasion as the Koch family has a long history with the Coleraine community. Indeed my mother brought me into the world at the old Coleraine hospital, and she was a great supporter of the hospital, becoming a life governor.

The new Coleraine hospital will be a one-stop facility servicing the Coleraine and district community well into the future. I acknowledge Tom's extraordinary gift and congratulate all those involved in the planning and construction phases of the new Coleraine hospital, including the Baillieu government for its \$25.2 million contribution.

### Girl Guides Victoria: 1st Terang unit

**Ms PULFORD** (Western Victoria) — On 17 September the 1st Terang Girl Guides unit, led by Kristy Morgan, hosted an awards night at the local guides hall. I would like to take the opportunity of congratulating Scarlett Jubb and Clara Jubb, who were awarded the Junior BP Award. I wish them well as they work towards achieving the BP Award and the Queen's Guide Award. I would also like to congratulate Honoria Jubb, Ana Koorshoorn, Sophie Molan and Sophie Kidd from Terang Girl Guides on being awarded their Bronze Endeavours. Terang Girl Guides leader, Kristy Morgan, like many volunteers in rural Victoria, invests much of her time in her community, and I would like to acknowledge her contribution.

Through my own family's involvement I have seen firsthand the positive impact of organisations like

Scouts and Girl Guides that encourage an active lifestyle, fostering solid friendships and teaching valuable life skills. This is something these organisations can be proud of. They have a long history around the world and here in Victoria of instilling strong values in young people. It is very pleasing to see the Girl Guides continue to play an important role in the social connectedness of rural communities, and I wish the Terang unit all the best into the future.

### Woody Guthrie

**Ms PULFORD** — I would be remiss to let 2012 pass without noting that this is the year that would have marked Woody Guthrie's 100th birthday. Woody Guthrie was a champion of labour rights, refugees, people living in poverty and those working the land. There are lessons for musicians, activists and even legislators that can be found in his lyrics today.

### National Gallery of Victoria: Pauline Gandel Gallery of Japanese Art

**Mrs COOTE** (Southern Metropolitan) — On 2 October I had the great privilege of attending the opening of the Pauline Gandel Gallery of Japanese Art at the National Gallery of Victoria. I would like to pay tribute to Mrs Gandel for the extraordinary work she does in Victoria, and I particularly note the Japanese gallery. This is a \$1 million gift from Mrs Gandel, and it follows a number of other very extensive gifts by the Gandel family. A commemorative book was given to all of those who attended the opening, and in its introduction Mrs Gandel says:

The romance and artistic nature of Japan has certainly been one of the inspirations for my collection of Japanese lacquer. It was the astonishing beauty of the art form that attracted me in the first instance, and it has since intrigued me sufficiently to inquire into its historical, cultural and technical origins.

In the *Australian* of 3 October Matthew Westwood reported that Mrs Gandel:

... says she wanted to help build cultural bridges between Australia and Japan by supporting the NGV's new dedicated gallery, which will have rotating exhibits. She and her husband have previously given \$7 million to the National Gallery of Australia in Canberra, where the Gandel Hall is named after them.

I wish to congratulate Pauline Gandel. I encourage everyone in this chamber to go and have a look at this excellent work. Some of the pieces are simply superb, and the exhibition really does go a long way to building some excellent bridges between Japanese and Australian culture. It is well worth a visit.

### **Ron Topp**

**Mr SCHEFFER** (Eastern Victoria) — I commend the president of the Cardinia U3A (University of the Third Age), Mr Ron Topp, on once again winning a Council on the Ageing Victorian Senior Achiever Award. I was honoured to have been invited to attend the ceremony at Government House last Friday. Ron Topp would be the first to say that prestigious Victorian commendations such as the Victorian Senior Achiever Award are in truth achievements earned by a community, not an individual. Ron Topp lives and breathes the Cardinia community and he eschews personal commendation, not out of a sense of misplaced modesty but because he knows that individuals are nothing without their communities. Nonetheless, leaders are leaders because they bring something special, charismatic and individual that causes others to want to give them their support.

The volunteer-run Cardinia U3A provides lifelong learning opportunities to Cardinia's senior residents. But in recent years it has broadened its focus, and it now welcomes and supports anyone experiencing difficulty with language or in need of particular support to connect with their new neighbours and neighbourhood. Getting older is not easy, and despite all the fine words we heard at Government House we have a long way to go. Too many older Victorians have to struggle to be acknowledged as equal members of society. The older you become, the harder it is to find or keep a job, to stay healthy and socially engaged, to find affordable housing and to access health services. These are Ron Topp's priorities, and he works day in, day out to make Cardinia a better community. This Council of the Ageing Victorian Senior Achiever Award is therefore well deserved.

### **Murray River: health**

**Mr FINN** (Western Metropolitan) — I recently had occasion to visit the Murray River, by way of a fond farewell to a great Australian icon. I had been listening to our green friends, and I went to bid goodbye to a river that I had heard was on its last legs. You could have knocked me down with a European carp when I saw the Murray flowing free. I am here to report that the Murray River has never looked healthier. Far from being near death, water levels were high and currents were exceedingly strong.

It left me slightly confused, and I wondered out loud if I had been misled on more than just the state of the Murray. My mind sprang to the words of Tim 'Sandbags' Flannery, who told us it would never rain again. He was wrong. I thought of the warning that the

earth is warming. We have been hearing that for years, but it is wrong. I remembered our green friends warning us of the melting of the polar ice caps. They got that wrong too. Then, of course, there is the mother of all falsehoods, and I am sure members opposite can join me in saying this, 'There will be no carbon tax under a government I lead' — a whopper, and nothing but a sop to the Greens. It is little wonder that peddlers of green lies and scams are shaping up to be swept away down the electoral bunglehole, just as sure as if they had fallen into the mighty Murray River.

### **Jill Meagher**

**Ms MIKAKOS** (Northern Metropolitan) — I would like to take this opportunity to express my personal condolences to the family and friends of Jill Meagher, who this week said goodbye to a much-loved wife, daughter, friend and colleague. I was shocked and sickened by Jill's murder, which has deeply affected not only the local Brunswick community but also the wider Victorian community. This was evident from the estimated 30 000 people who attended a peace march on Sydney Road in her honour. It has reinforced in all our minds our need to look out for each other. Jill and her family are in my thoughts and prayers. May she rest in peace.

### **Darebin Youth Commitment**

**Ms MIKAKOS** — On another matter, on 14 September I attended the Darebin Youth Commitment spirit of cooperation signing ceremony and launch. The partnership, initiated by the Inner Northern Local Learning and Employment Network, aims to work together with local employers, local schools and local council to achieve employment, education and training outcomes for young people aged 10 to 19 years of age in the Darebin area. It is an important initiative, and one that I know has been implemented in other municipalities, and I congratulate all the members on their commitment. Their job, however, will be made all the harder because of this government's cuts to TAFE, the Victorian certificate of applied learning and education more broadly.

### **TAFE sector: transition plans**

**Ms MIKAKOS** — I note the leaked Baillieu government TAFE transition plans paint a very bleak picture for the future of Victorian TAFEs, detailing course cuts, job losses, fee hikes and campus closures. I am concerned for my two local TAFEs, the Northern Melbourne Institute of TAFE, which has foreshadowed its plans to change its name and merge with La Trobe

University, and the Kangan Institute, which is already in the process of selling off its Moreland campus.

### **Old Bendigo Gaol: theatre development**

**Mr DRUM** (Northern Victoria) — I was delighted yesterday to learn that the Minister for Planning, Matthew Guy, has completed an incorporated document for the new theatre in the Old Bendigo Gaol precinct. The incorporated document is going to enable this project to proceed uninhibited and unencumbered. The project has the complete support of local theatre companies, both amateur and professional; local government; the state government's Regional Development Victoria; and the federal government. It also has a more than \$7 million commitment from the Bendigo Senior Secondary College through the Department of Education and Early Childhood Development.

This project was put forward by the City of Greater Bendigo. There are 100 000 people living in Bendigo and probably another 100 000 people who will use the theatre. Out of the 200 000 people who are the potential users and beneficiaries of this theatre, four raised objections based around parking, traffic flow, liquor availability within a school building and also the impact on Rosalind Park. Each of those four issues has been completely dealt with by the council, and the government has made a decision that any delays through the Victorian Civil and Administrative Tribunal would almost certainly lead to cost blow-outs. The minister's decisive action has given this project the best chance it has of being started on time and hopefully finished within budget.

## **DRUGS, POISONS AND CONTROLLED SUBSTANCES AMENDMENT BILL 2012**

### *Second reading*

**Debate resumed from 13 September; motion of Hon. G. K. RICH-PHILLIPS (Assistant Treasurer).**

**Mr JENNINGS** (South Eastern Metropolitan) — President, avid readers of *Hansard* would know that we have just had a procedural matter that you, or the minister and the clerks on your behalf, have dealt with by rolling up a number of issues to move us through the notice paper. I could speed up my contribution to the consideration of this bill by saying that I made my substantive contribution on this subject when the preceding bill was introduced in 2011. On that occasion in 2011 the argument that underpinned the creation of a head of power for the Minister for Mental Health to list certain drugs and synthetic cannabinoids under the

Drugs, Poisons and Controlled Substances Act 1981 was subject to consideration and enacted by the Parliament. The bill we have before us today in the name of the minister representing the Minister for Police and Emergency Services replicates the provisions of that bill and expands on them in some small way, but effectively it is the ongoing legislative enactment of what this Parliament agreed to in 2011.

In the interim I would be very interested to know whether the government has taken any action in accordance with the legislation that was passed by the Parliament in 2011. That legislation received royal assent on 9 September 2011. I would be interested to know whether there has been one prosecution, one seizure or any enforcement undertaken by any agency in Victoria from that day to today, given the ongoing legislative power being provided to the Victorian government to act on these matters and ban synthetic cannabinoids and some other drugs and controlled substances under the provisions of the act in Victoria.

It is important for the Victorian community to understand that by and large there is no dissent between the parties in Victoria about the value of banning these substances and creating a regulatory environment so that our citizens are not exposed to the harmful effects of drugs in our community. This is an area where there is a range of concerns backed up by scientific evidence which says that such regulation and banning is warranted and appropriate. The arguments that were mounted in 2011 — and I voiced them in my contribution to the debate on 1 September last year — were about the government's level of confidence in its ability to enforce this matter, and those issues continue to this very day.

For instance, how can the police force or the Department of Health or a combination of those and other agencies, which may include federal police and customs and involve other methods of law enforcement, prevent Victorian citizens from procuring these substances, particularly in an era when online sales are a feature of the purchasing regime right across our community, which unfortunately in this instance includes the purchase and procurement of drugs from jurisdictions around the world and locations that may not be easily identified or accessible and may limit the effect of enforcement by Victorian agencies? Those are the real challenges the Victorian government, Victoria Police and other agencies in Victoria continue to grapple with to this day.

I do not anticipate that the government will be able to furnish me with those answers today; in fact when I asked the Minister for Health when we were in the

committee stage of the previous version of the bill in September 2011 he was unable to give me any details on the enforcement capability or the way in which a real impact would be made on the ground to ensure that such substances were not available to the Victorian community.

I would be very pleased to hear from any representative of the government, whether that be through contributions to the second-reading debate or through the minister, who can explain what enforcement and seizure has occurred, what resources have been allocated, what conversations and considerations have taken place between Victorian and commonwealth agencies to try to prohibit the accessibility of these drugs through online and postal services and what efforts have been made to seize any material from premises in Victoria involving commercial quantities of these substances.

I anticipate that the government will not be able to furnish the Parliament with those answers today, but I continue to raise those matters. I continue to alert the government and its agencies to those matters, and I encourage those organisations to demonstrate to the Victorian community that their real interest in this matter is not just to pass legislation one year after another that gives them heads of power to take action in this field but to demonstrate that they have the ability to do so through the enforcement provisions, the backup and the real-world resources that are allocated to enforcement in Victoria. In my view that continues to be the challenge the opposition lays before the government.

The Parliament should have every expectation that eventually those answers will be provided by the government and that as a consequence the Victorian community can have greater confidence in the ability of the government to give real meaning to the banning of substances that have been roped in under the provisions of this bill before the Parliament today.

I anticipate that a number of other contributors to this debate will go through the description and history of the substances that are subject to coverage under the schedules of this act. Basically, as I have indicated through my contribution so far, under Victorian statute there is already a head of power for these substances to be banned. There is an ability for the Minister for Mental Health and an ability for the Minister for Police and Emergency Services to play a role in adding to the range of substances that are covered by the schedule.

One of the effects of this amending piece of legislation is to shift them from one schedule to another, which

will enable greater penalties to apply if and when they are ever seized and if and when a prosecution ever occurs. Perhaps the government will share with us whether there have been some limitations in the existing provisions or whether it is just an intuitive notion that with enhanced enforcement powers there would be better enforcement delivery by government agencies, because certainly that is the assumption that underpins shifting the listing of some of these drugs from one schedule to another. However, that major challenge continues for the government and its agencies. It is an issue that the Victorian opposition will continue to be mindful of and draw to the attention of the government.

We have every intention of being supportive of any real impact that this law and its enforcement may have in protecting Victorian citizens, and we are happy to support the government in those endeavours, but we await proof that a positive impact has been derived from the legislation that was passed in 2011 or the legislation that I anticipate will be passed by the Parliament today. It is with those words and that challenge to the government that I indicate that the opposition will not oppose this bill. If I get any indication that the minister wants to go into committee to provide me with any of those answers, I would welcome that opportunity, but I will not demand it, because I do not expect the answers to be forthcoming. Nevertheless, I hope they are.

**Mr DRUM** (Northern Victoria) — It is always fun to follow on from Mr Jennings. Firstly, I thank the opposition for not opposing this legislation. I also thank Mr Jennings for the subtle challenge he laid down to the government to prosecute and arrest more drug users and pushers in the field of synthetic drugs. The government, the Minister for Police and Emergency Services, Mr Ryan, and the Minister for Corrections, Mr McIntosh, will be happy to take up that challenge to see if we can play a tougher role in the fight against crime in this area.

Data on the seizure of drugs is reported annually in the Australian Crime Commission's illicit drug data, which is in the public domain, so Mr Jennings can go and have a look at that if he wants. When it comes to giving exact numbers, obviously I do not have those figures, but if Mr Jennings has a look at the reported crime data for these types of arrests and prosecutions, I am sure he will be able to locate some of that information by himself.

This bill has a very clear purpose, and that is to bring the range of synthetic drugs and cannabinoids — Mr Jennings had a bit of a problem with that word —

into the same category as other illicit drugs. The bill amends the Drugs, Poisons and Controlled Substances Act 1981 by adding eight synthetic cannabinoids along with five other synthetic substances to schedule 11. This part of the act, which will list drugs of dependence and set out the quantities of those drugs, will act as a tripwire that will effectively push these offences from using to trafficking.

There has been an increased need for the government to take this action due to the ever-increasing popularity of synthetic drugs, which are marketed as substances which are able to give you a legal high. These drugs are relatively new. Therefore the long-term effect on a user's health cannot accurately be assessed. The expert view is that synthetic drugs are potentially as harmful as any illicit drug they may replace. Now that synthetic substances have been added to schedule 11 of the act they will be identified as illegal or illicit drugs. Hopefully this will act as a greater deterrent for the sale and use of synthetic cannabinoids.

The synthetic drugs included in the list of controlled substances are currently banned by the regulation to which Mr Jennings referred. The Minister for Mental Health, Ms Wooldridge, put this temporary ban in place last year. The ban will expire in early November, so it is critical that this bill passes this house in a timely fashion to enable the bans to be permanently set in legislation.

A level of complexity exists around the field of synthetic drugs because so-called drug cooks are continually finding new substances that have a legitimate and legal purpose or everyday use. When these synthetic drugs are treated in a certain way or mixed with another legal substance we end up with a new drug which is potentially dangerous and extremely harmful to users. Their long-term health effects are yet to be fully known by health experts.

The bill will add eight generic classes of synthetic cannabinoids to the schedule of controlled substances. It will also add five synthetic substances which are currently being used as alternatives to illicit drugs such as ecstasy. The bill will also move the illicit drug of GHB from part 1 to part 3 of schedule 11. This has been done at the request of forensic analysts so that it can be scrutinised in greater detail when mixed in small quantities or with other substances.

The amendments to the act have been proposed as a practical solution by police and the court system. The existing system has been very difficult to work through, and this is something around which Mr Jennings based his contribution.

While the exact long-term effects on users of these synthetic substances are unknown, there have been reports of a whole range of medical problems such as memory impairment, seizures, cardiovascular effects, psychotic effects and anxiety, and in severe cases, psychosis. These synthetic substances have yet to be demonstrated as safe for human consumption, and the anecdotal evidence is that they are in fact very dangerous.

Synthetic cannabinoids are made into a liquid that is then sprayed onto plant matter which resembles natural cannabis. As the composition of the substances can be easily changed by altering the chemical compounds, this continually presents our police, forensic analysts and the court system with challenges. These challenges are best dealt with by legislating the substances as banned or controlled substances.

This bill will widen the existing regulatory ban by adding eight generic chemical classes of synthetic cannabinoids to schedule 11 of the act. This will capture all the current synthetic cannabinoids in those classes, as well as any emerging substances that fit within those classes. As stated earlier, the bill will also add five synthetic substances to schedule 11. Those synthetic substances include the drug 4-MMC, also known as mephedrone, which is used as an alternative to ecstasy, and the psychoactive drugs BZP and MDPV, which have effects similar to those of amphetamines. Then there are two industrial chemicals — 1,4-BD and GBL — which convert when ingested to GHB, a popular party drug.

It is worth noting that these industrial chemicals are widely and lawfully used in the cleaning, manufacturing and construction industries. It is only their diversion to illicit drug use that must be constrained. The bill will protect normal and lawful industrial users by including exceptions in the relevant entries within schedule 11 of the principal act. Therefore nothing in this bill will prohibit legitimate users continuing to use the substances for the lawful purposes they are intended — predominantly as paint strippers, industrial solvents and industrial-strength cleaning fluids. I believe the government has that balance pretty well right.

The bill also makes technical amendments to section 52 of the Drugs, Poisons and Controlled Substances Act 1981, which deals with the laying of poisonous baits and sets down the precautions that need to be taken to prevent access to these baits by domestic animals, including cattle. This reference to cattle makes further reference to the Pounds Act 1958. The Pounds Act 1958 was repealed by the Impounding of Livestock Act

1994, so that reference is now obsolete. The bill has the additional purpose of wrapping up that anomaly.

The Victorian government is now working with other jurisdictions to develop a national response to the issue of emerging substances that have psychoactive effects. It is critical that in developing this legislation the government does not overregulate legitimate users of substances that have lawful purposes. As I said, we believe we have that about right. The government is committed to a continual process of significant consultation with police, health authorities, courts and forensic analysts, as well as industry, to ensure that we get an appropriate set of laws for illegal drugs and emerging synthetic drugs, but at the same time that we find the right balance to protect industry in the legitimate use of these industrial substances.

I commend the minister on bringing this legislation before the Parliament. As I said, I believe the balance is about right. It is a complex area to work within, because it involves science and substances that can be altered by a whole range of applications. As we move forward we need to give police and courts the best chance to do their jobs. This legislation sets out the framework to allow police, courts and health authorities to put in place the best protection possible for people who may be tempted to use these chemicals in the future.

**Ms HARTLAND** (Western Metropolitan) — My comments will be brief. Like Mr Jennings, I have already given a response to the earlier version of this legislation when it was first brought to the house. I too would very much like to know how many confiscations and arrests have occurred under that legislation, because, like Mr Jennings, I am somewhat concerned that the government is just bringing in legislation with what appears to be no consequences. Hopefully the government will be able to produce information about how it has gone about enforcing this legislation, rather than just having legislation for the sake of it.

As I have already said, the government likes to bring in legislation that appeals to its law and order aspect, but what is it actually doing on the ground about issues around tobacco and alcohol? Has it considered sitting down with not the Greens or other political parties, but the Australian Medical Association, an authoritative medical group that has suggested that the government needs to look at the evidence around supervised injecting rooms? I urge the government to sit down with the people who know about this issue and look at the evidence around drugs, rather than just responding to perceived law and order issues.

**Ms TIERNEY** (Western Victoria) — I also rise to speak in support of the Drugs, Poisons and Controlled Substances Amendment Bill 2012 and to reiterate that the opposition will not be opposing the bill. We will not oppose it, because we believe it is a step in the right direction to protect Victorians from opportunistic people using their knowledge to avoid the law whilst cultivating and trafficking harmful substances that mimic illicit drugs.

Innovation in a variety of fields is quite rightly normally seen as a positive — something that serves the common good — but the innovative measures that are being undertaken in the manufacture of synthetic drugs do not serve the common good at all. Synthetic stimulants and cannabinoids are the new frontiers in substance abuse, manufactured in the community by those who choose to primarily profit from the young and vulnerable. The health impact on users cannot be underestimated. Industrial chemicals that make solvents and such things as superglue are ingredients in so-called new drugs, which often lead users to have seizures and also cause death. The bill deals with synthetic substances that mimic GHB, which is utilised in date rape.

What does the bill do? It essentially adds five synthetic substances to the Drugs, Poisons and Controlled Substances Act 1981, which lists drugs of dependence in both pure and mixed forms. The drugs include 4-MMC, which is commonly known as meow meow, BZP and MDPV, as well as the industrial chemicals that Mr Drum has outlined, 1,4-BD and GBL. There are eight further synthetic cannabinoids which are presently listed in regulations as illicit drugs, but those regulations will expire in November of this year, and this bill aims to extend the prohibitions on the same terms.

The effects of the different types of drugs contained in the bill are significant. In relation to 4-MMC, it is termed as a party drug that mimics cocaine, ecstasy and MDMA, which are drugs that are already on the prohibited list. The side effects of these drugs include: dilated pupils, poor concentration, teeth grinding, problems in focusing properly, poor short-term memory, hallucinations, delusions, erratic behaviour, changes in body temperature, increased heart rate, breathing difficulties, loss of appetite, increased sweating, discolouration of extremities, anxiety, paranoia and depression. Clearly there are significant health impacts for people from those drugs.

BZP and MDPV imitate stimulant effects similar to those achieved from amphetamines. Adverse effects have been reported, including acute psychosis, renal

toxicity and seizures. GBL and 1,4-BD mimic GHB, which as I understand is a naturally occurring substance found in the human central nervous system. It was previously used to treat conditions such as insomnia, clinical depression and alcoholism. GHB has been used as a date rape drug as well. This drug, along with any other drugs that mimic its side effects, must be prohibited.

Whilst the Labor opposition and the Victorian community are generally supportive of this measure, it is fair to say that there is serious concern in the community in terms of the substantial increase in drug usage. In 2011–12 there has been a 22.8 per cent increase in drug use. This is the largest increase in the state in more than a decade. Offences of possession and drug usage increased by 27.3 per cent, cocaine possession increased by 67.9 per cent, amphetamine-like stimulant possession increased by 64 per cent, and the cultivating, manufacturing and trafficking of drugs increased by 11.3 per cent. Whilst this bill is a step in the right direction, these are particularly alarming figures, to say the least, and the Victorian community deserves an explanation from a government that ran a campaign based on law and order.

In summing up, we must be ahead of the game. The battle in relation to drugs is a continuing one that intensifies on a daily basis. The bill is an attempt to shut down an area where people can dodge the laws, their aim being to cultivate and traffic substances that mimic illicit drugs. This bill will assist in doing that, but alone will not turn around the drug crime rate in this state. The government needs to provide greater resources to Victoria Police and include resources that enable its members to measure the usage of various drugs and the negative impacts they are having on our communities so that we are armed with much more information to assist in the complex and deepening war with drugs. The government's decision to significantly cut funding to the police and emergency services area will prove to be a blight on its record.

Whilst the opposition supports the bill, it registers its strong concern about the significant rise in drug cultivation, trafficking, possession and usage in this state.

**Ms CROZIER** (Southern Metropolitan) — I am pleased to rise this afternoon to speak on the Drugs, Poisons and Controlled Substances Amendment Bill 2012, and I am pleased that those opposite support the bill. Having listened to the three speakers opposite, I find it quite extraordinary that they are concentrating on facts and figures in relation to seizures and law

enforcement. Before I comment on their contributions I will go through what the bill is. Mr Jennings highlighted that he first spoke on the bill extensively last year, as I think did Ms Hartland, when the issue was first raised. A number of speakers, including me, spoke at the time after it was highlighted to the Minister for Mental Health, Ms Wooldridge, that synthetic cannabinoids were fast coming into the marketplace.

As Mr Drum highlighted in his contribution to the debate, these are not light drugs; they are very serious. In many instances they are made using industrial chemicals, and they have extraordinary health consequences. As has been said by previous speakers, the drugs that were banned for 12 months under the previous bill, which allowed time for them to be outlawed before their banning, will now be permanently banned through legislation. These drugs include: BZP, MDPV, GBL or liquid ecstasy, and 1,4-BD. To highlight the nature of the chemical compounds in those drugs, 4-MCC, as has been said, is incredibly addictive. As some commentators in the media have said, it 'fries your brain', giving you a high similar to but more intense than that gained from cocaine or ecstasy. It causes significant memory loss, with potential long-term effects that are as yet unknown or not fully understood.

BZP is also a psychoactive drug similar to amphetamine. MDPV is a synthetic version of methylamphetamine; however, it is cheaper, far more powerful and has far more dangerous effects. It causes psychotic episodes and violent behaviour. GBL, a synthetic liquid ecstasy, is used as an alternative to GHB. It is quite a frightening drug, as it is used to come down from other stimulants. As Mr Drum pointed out, it is used legally in industrial circumstances but is not and should not be used for human consumption.

It is worth pointing out to members of the chamber that last year the minister moved quickly to act on this matter because it came to light in 2011 that synthetic cannabinoids were a serious problem, and I am pleased that there has been a national response, with various jurisdictions taking them very seriously and working together to identify and outlaw them as they emerge. Synthetic cannabinoids were first developed in the 1970s but were not sold in Europe until 2002–04 and only came to light here in Australia in 2011. They are relatively new drugs that have been brought into our marketplace. On that note I congratulate the minister on her work in highlighting this matter and bringing it to the attention of the Victorian community along with the law enforcement agencies, which have been working to combat the nature of the rapidly changing compounds that these drugs mimic.

In relation to a national response the police forces across the country are uncovering new synthetic drugs all the time. As has been pointed out, the chemical compounds can be changed very quickly, and the manufacturers and suppliers are constantly using so-called loopholes to take advantage of this.

Because they are designed to evade those controls, there are various reporting systems that apply to illicit drugs, and it is sometimes difficult to obtain that data and understand the exact extent of their use. However, we know that there has been an increase in so-called 'party drugs'. As has already been highlighted by Mr Drum, seizures are reported annually in the Australian Crime Commission illicit drug data, which is in the public domain and can be accessed if those opposite would like to know those figures, and Victoria Police reports in its annual crime statistics all issues relating to drug offences.

There are a number of reporting mechanisms out there to help people understand and be aware of the statistics that indicate that these drugs are coming onto the market and into our communities. It is worth reiterating that they are extremely dangerous and they are being altered at a very fast rate, which makes it very difficult for all law enforcement agencies to keep track of them. Again I congratulate the minister on working with other jurisdictions and law enforcement agencies to ensure that we keep the community safe, that these illicit drugs are identified and that appropriate action is taken.

In conclusion, this is a serious issue and we are not bringing in legislation just for the sake of it; we are working towards protecting the Victorian community. It is quite cynical of those opposite to say that we are just introducing this legislation for the sake of it when there are serious health concerns and law enforcement concerns about the changing nature of these very dangerous illicit drugs. I commend the bill to the house.

**Mr SCHEFFER** (Eastern Victoria) — As we have heard from Mr Jennings, the opposition is supporting the Drugs, Poisons and Controlled Substances Amendment Bill 2012. The provisions contained in the bill are mainly concerned with listing synthetic cannabinoids and other synthetic substances as drugs of dependence under the act. The minister's second-reading speech states that listing those substances effectively prohibits them by making them illicit in Victoria. The minister's speech and other contributions we have heard up to this point indicate that there are new psychoactive substances on the illicit drug market and that those substances are produced in unregulated environments and pose a considerable risk to the community.

Parliament has made many amendments to the Drugs, Poisons and Controlled Substances Act 1981 that have restricted the availability and use of drugs of dependence and synthetic cannabinoids in particular. In his second-reading speech the minister reminded the house that in 2011 eight synthetic cannabinoids were temporarily classified as drugs of dependence, and he said that the present legislation will ensure that these substances continue to be classified in this way. The minister also pointed out that the classification under schedule 11 of the act will increase the deterrent effect because the penalties are greater than for the present listing under schedule 9 of the national poisons standard. The bill also identifies a number of industrial chemicals and five synthetic psychoactive substances that are to be added to schedule 11.

Experts advise that these chemicals and psychoactive substances are harmful and that steps should be taken to prohibit their availability and use. As with other legislation we deal with in Parliament that relies on the expertise of scientists or other experts, our decisions finally rest on whether or not we trust the institutions and individual researchers. While we all have a responsibility to be constructively sceptical of all expert advice, mostly through the questions we ask, for the most part I trust our institutions enough to accept the integrity and reliability of their advice. If we followed the approach taken by some of our more strident climate-change deniers, for example, we would be pooh-poohing any and every piece of expert advice and research that did not accord with our personal and idiosyncratic preferences.

I indicated earlier in my contribution that the Drugs, Poisons and Controlled Substances Act has been amended a number of times and that the prohibition of certain drugs, including the new synthetic substances with which this bill is concerned, has been considered more than once. It seems to me that a sort of arms race has developed in which the manufacturers of synthetic cannabinoids, for example, can outrun the authorities. No sooner do toxicologists identify a synthetic substance than a new version of the drug is developed that is not covered by the law. It seems that the manufacturers of these new synthetic drug products have the capacity to turn around a new variant within days or weeks and that even minute changes in the chemical structure of the new substance put the product beyond the law.

The manufacture of new synthetic substances that can be used as components of new types of drugs operates on an international scale. There must be countless chemists in laboratories all over the world busy developing new synthetic substances or finding new

applications for those developed by others, and there must be hundreds of jurisdictions passing laws that classify and attempt to regulate the use and distribution of those substances. While Labor is supporting the provisions in this bill, it is difficult to see how this kind of rearguard action can get on top of the problem. Some suggest that it might be better to tackle classes of similar compounds, but this involves working out how to classify the relevant chemicals, which I understand is not that easy.

In his contribution Mr Jennings questioned whether Victoria Police or other authorities had, on the strength of the Drugs, Poisons and Controlled Substances Act, been able to take any enforcement action. Mr Jennings asked whether the law had been able to effect its intention, and further to that he also asked whether relisting these synthetic substances would increase the likelihood of any enforcement action being taken.

Very recently the Canadian government — as well as the governments of the USA and Japan — placed a ban on the synthetic stimulant MDPV, which is one of the substances that this bill transfers to schedule 11, by classifying it in the Canadian context as a schedule 1 controlled substance for reasons similar to the rationale behind the legislation we are considering today. The Canadian government says that classifying the active ingredient MDPV as a schedule 1 controlled substance, along with heroin and cocaine, will make it illegal to possess, traffic, import or export the substance. The Canadian government's decision to in effect criminalise MDPV has been criticised in Canada because it is argued that it will drive those who wish to use the substance to underground markets and will not stop organised criminals from benefitting from the marketing and distribution of this substance.

The argument against banning the substance was aired by columnist Marni Soupcoff in the *National Post* early last month. She states that the public policy experience of alcohol, cocaine, heroin, methamphetamine and marijuana — to name a few — shows that making substances illegal does not stop organised crime developing illegal markets and making big profits. Marni Soupcoff writes that it is one thing for governments to step away from decriminalising or legalising cocaine or heroin — given the massive financial and ideological investment in the so-called war that has been waged on these drugs — but banning a substance such as MDPV is unnecessary.

Ms Soupcoff is frank. She says MDPV is a very powerful drug and extremely dangerous, but she says other strategies are available for dealing with it other than banning it and driving its future use onto the illegal

market. She suggests public health and education initiatives explaining the dangers of MDPV, monitoring the sellers of the substance to ensure compliance with existing laws and creating open forums where MDPV buyers could report complaints and adverse reactions to the substance.

One of the problems we have in discussing the substances which this legislation will in effect make illegal is that currently their use is not illegal and consequently we do not have reliable information on the scale of the market, the prevalence of the use of those substances and their impact on the community. When addressing this bill, Mr Merlino, the member for Monbulk in the Legislative Assembly, drew attention to the fact that in a briefing session departmental staff advised him of this very point. Banning substances will not assist in obtaining accurate information that can inform future policy and legislation because users and purveyors of these substances will not and cannot share information if they are dealing in illegal substances. Of course Ms Soupcoff is arguing against the trend of the policy direction taken by most major jurisdictions, at least in Australia and the US, but critics of the banning policy are also vocal in the United States.

As I said, it is a very complex issue, but in putting together legislation of this type we need to recognise that provisions we agree to are rarely straightforward and that there are arguments and evidence that take us in the opposite direction. One test of the wisdom and effectiveness of government policy and legislation is whether drug use in the community is falling. The first point to be made is that the prevalence of illicit drugs is fractional when compared to the use of and massive harm caused by legal drugs such as tobacco and alcohol on community health and wellbeing.

Labor has drawn attention to what the crime statistics tell us about the effectiveness of the current administration in tackling this complex issue. Labor has pointed out that the number of drug offences increased by 22.8 per cent, the biggest increase in 10 years. Offences for cultivating, manufacturing and trafficking drugs increased by 11.3 per cent, offences for possession and use of drugs increased by 27 per cent, offences for cocaine went up 67 per cent and offences for amphetamine-like stimulant possession went up 64.4 per cent. When it comes to illicit drug use we are not doing all that well in keeping citizens away from harm, and it is clear that in this area, as in other areas, the government has a lot of work to do.

**Mrs COOTE** (Southern Metropolitan) — I have a great deal of pleasure in joining with my colleagues across the chamber to discuss and debate the Drugs,

Poisons and Controlled Substances Amendment Bill 2012. First of all, I thank my colleague Ms Crozier. With her background in health she was able to substantially clarify for the record some of the effects of and issues with this type of substance.

The contribution made by Mr Scheffer was extremely interesting. I commend him for looking at the international trends. It is interesting and timely for us to be considering this bill in light of what is happening in other jurisdictions. However, I would like to pull him up over comments he made that this government has problems looking at not just illicit drugs but drugs such as alcohol and tobacco. I remind Mr Scheffer that Labor was in government for 11 years. That was a great opportunity to do a considerable amount, and it is a great pity that more was not done at that time. Having said that, it was a very good contribution from Mr Scheffer, and it was interesting to hear him bring up the international examples.

This is a relatively straightforward bill. I am sure members are already aware that the Drugs, Poisons and Controlled Substances Act 1981 sets out which drugs are illegal, which drugs require prescriptions and so on. In September last year we had quite a lengthy debate on legislation which was the pre-emptor to this bill and which particularly dealt with Kronic. At that time we talked about a sunset clause and a 12-month ban on Kronic, and this is what we are dealing with here today. After the passage of that legislation, the Minister for Mental Health, Mary Wooldridge, was able to ban Kronic. However, we are approaching the 12-month sunset period under the legislation, so it is now time to include Kronic in the schedules of the Drugs, Poisons and Controlled Substances Act.

To remind members in the chamber again, Kronic is a synthetic cannabinoid. In the debate last year Mr Lenders said it was a brand of synthetic cannabinoid, and that was probably a good way of describing it. As I said in my speech last September, cannabinoids are chemical substances that have similar effects to cannabis but their structure is sufficiently different so as not to be captured by the existing laws that make cannabis illegal. In many instances Kronic is dried herbs sprayed with a synthetic cannabinoid. It looks like marijuana, and that is what it is supposed to be replicating; however, it is a very different substance. These substances are similar in appearance, but they are very different, and they produce similar effects but they have a different recipe.

Banning these substances means that we will have a consistent drug strategy. From the discussions and the debate so far, I think that is what everybody from both

sides of the chamber, including the Greens, has suggested. It is very important to know that as members of Parliament we are all on the same page in regard to illicit drugs, the harm they can do to our community and the fact that they cause serious health issues.

We have to keep in mind that a problem with Kronic and these other synthetic cannabinoids is that they are untested drugs, as opposed to tested pharmaceuticals. We have safe pharmaceuticals because of testing. I am sure that all of us in this chamber are aware of the health risks associated with illicit drug use. Whether they are provided over the counter or by prescription, legal pharmaceutical drugs require rigorous testing, including years of determining their precise impacts on health, unlike these synthetic cannabinoids, which have not been tested.

The National Prescribing Service website, which is very interesting, outlines how medicines are tested before they can be prescribed and used. I mention this in order to contrast pharmaceutical drugs with these untested synthetic cannabinoids. The first tests of a drug are conducted on animals. Following animal testing, there is a four-phase human testing procedure. Phase 1 trials the human reaction to the drug by giving it to 20 to 80 healthy young people and monitoring its effect on the body. Phase 2 trials the drug on 50 to 100 people with the disease to determine the minimum effective dose and the maximum dose before people suffer from side effects. Phase 3 trials involve a much larger sample size of 1000 to 3000 people with the disease. The sample is split into two halves, with one-half receiving the drug and the other half receiving a placebo or a medicine already in use. This shows whether the drug is effective in treating the disease compared to current medication and no medication.

If a drug passes phase 3 trials, the medicine may be approved by the government for use. If the drug is then approved for use, it is monitored for several years to watch for rare and unusual side effects that may not have shown up in the initial trials and for whether the drug should be used as the first treatment or only if other treatments have failed. As I said, synthetic cannabinoids have not undergone anything like these rigorous trials; therefore, the side effects and other problems they could cause are unknown. It is terrifying to think about what could happen.

These substances do have noted health impacts, and others in this chamber have spoken of them, but I will reiterate. Although synthetic cannabinoids are untested and we cannot be certain of the range of health effects, some health effects have already been noted. In his second-reading speech on this bill the Deputy Premier

noted that Kronic and Spice — another one of these synthetic cannabinoids — have been associated with anxiety, memory impairment, increased heart rate and psychosis in some instances. He also said that the marketing of these drugs as legal highs can give drug users a false sense of security that these untested drugs are somehow safe. As we have said in this chamber before, there is really nothing safe about any of these drugs. Let us talk about the health risks associated with cannabis, something that we know quite a lot about.

**Hon. M. P. Pakula** — Do you?

**Mrs COOTE** — Mr Pakula has just said, ‘Do you?’. I put my hand on my heart and say to Mr Pakula that I have never, ever tried cannabis. I thought I might like it, so I have never, ever tried it. I can put my hand on my heart and say this.

The US government’s National Institute on Drug Abuse outlines some of the health risks of cannabis on its website, including to mental health. A number of studies have shown an association between chronic marijuana use and increased rates of anxiety, depression and schizophrenia. In terms of heart health, marijuana increases the heart rate by 20 to 100 per cent shortly after smoking. This effect can last up to 3 hours. In one study it was estimated that marijuana users have a 4.8-fold increase in their risk of heart attack in the first hour after smoking the drug. In terms of lung cancer, numerous studies have shown marijuana smoke to contain carcinogens and to be an irritant to the lungs. In fact marijuana smoke contains 50 to 70 per cent more carcinogenic hydrocarbons than tobacco smoke.

Furthermore, the *Australian* ran a story on 11 September headlined ‘Cancer warning for male pot-users’. The article cited a recent study linking marijuana use with testicular cancer. This is possibly because of cannabis receptors residing in the testes. Cannabis has caused infertility in an enormous number of men. We are seeing an increase in this problem. A lot of the increase in male infertility is because of people smoking cannabis.

**Hon. M. P. Pakula** — I think you’ve just hit on the cure.

**Mrs COOTE** — I suggest Mr Pakula has a closer look at what his past practices have been. However, I know he has two lovely children.

The link between sperm development and cannabis use is already known. This is a warning to any young people out there. We must explain to young males that they should be very wary of using cannabis because it can have long-term effects on their fertility. It is

something that many young people are not aware of, and it is something to be understood.

Kronic, Spice and the other six synthetic cannabinoids are not the only drugs to be banned by this bill; there are five other chemicals listed in the bill as drugs of dependence. Three of these chemicals are psychoactive drugs with a range of negative health consequences, including increased heart rate, elevated blood pressure, memory loss, nausea, depression and confusion, paranoia, psychosis and violent behaviour. Two other chemicals have a range of legal uses in the manufacturing and industrial sectors but are sometimes consumed as a substitute for GHB, which is an illegal depressant.

In conclusion, we in Victoria are lucky that drug control is not a cause for a partisan divide. We have had a good and interesting debate today, and it is very pleasing to be able to stand in this place and agree with all parties that we in Victoria want an illicit-drug-free state. As legislators we are all working to that end.

**Hon. M. P. PAKULA** (Western Metropolitan) — In the spirit of mutual admiration I say it was a very enlightening contribution made by Mrs Coote. I am sure there are many 40-something-year-olds who would like to speak to their 18-year-old selves after hearing Mrs Coote’s contribution.

**Mr Ondarchie** interjected.

**Hon. M. P. PAKULA** — As Mrs Coote indicated, I have two very lovely children, and that will be it. But let me also say that I agree with something else Mrs Coote said earlier, which is that this is a relatively straightforward bill. At the risk of upsetting the cross-chamber consensus that Mrs Coote just referred to, I think that this bill is a testament to what happens when you overpromise somewhat, despite the fact that as Mr Jennings indicated at the outset we are not opposing the bill.

I remember very clearly some of the comments made by the Minister for Mental Health, Minister Wooldridge, at the time the last bill amending the Drugs, Poisons and Controlled Substances Act 1981 was introduced about a year ago. To refresh the memory of members, the second-reading speech at the time referenced the fact that:

Existing Victorian legislation does not currently allow for quick, autonomous action. That will change with this bill.

...

This new regulation-making power would allow the government to move quickly to ban an emerging substance.

As Mr Jennings pointed out during his contribution, there is no suggestion that there has been any such quick movement to ban emerging substances since the last bill was passed by the Parliament more than 12 months ago. At that time, the minister said:

While this legislation is being introduced in response to synthetic cannabinoids, new synthetic drugs are likely to keep being developed. The regulation-making power —

and members should remember that the last bill introduced a regulation-making power which was supposed to give the minister the power to quickly deal with matters —

would allow the government of the day to keep up with the chemists who are manufacturing drugs in a lab for profit.

Regulation needs to move quickly ...

That was the promise of the last bill.

I have had staff in my office look at what is available for sale today and what has been available for the duration of the last 12 months. Anyone who does a rudimentary search on Google will know that you can go online now and buy a product called Black Widow and you can go online now and buy a product called Blueberry. These are both synthetic cannabinoids or the like. There is also a product which goes by the name of Northern Lights Green Skunk and for which the supplier promises overnight delivery to Melbourne. Obviously the last bit of legislation has had a major impact on the manufacturers of Northern Lights Green Skunk, because not only are they selling it in Melbourne but they are skiting about the fact that it can be delivered overnight to Melbourne.

One website, Aussie Party Pills, has a testimonial for one product which reads:

I can't believe it's not weed.

A year ago the minister delivered a very robust second-reading speech which indicated that not only would Kronik be banned — as it was on the spot at the time — but there would be a provision which would allow her to step in and quickly, via regulation, deal with Black Widow, Blueberry and Northern Lights Green Skunk, and deal with 'I can't believe it's not weed'. However, none of those things has happened and the promise of the last bill has not been met. Instead we have before us today this legislation. That is surprising because of what the minister said the previous legislation was designed to do. In the second-reading speech for the last piece of legislation the minister said:

... while the government will be using this legislation to ban 'Kronic', this legislation also provides the mechanism needed to ban the next synthetic, lab-derived substance similar to cannabis, and the one after that, and the one after that one; or indeed a synthetic substance similar to any drug of dependence.

If the minister's comments at the time of the last bill were correct, this bill should not have been needed, because we ought to already have in place a provision which allows the minister by regulation to ban the next synthetic, lab-derived substance and the one after that and the one after that. In fact the minister's promise at the time of the introduction of the last piece of legislation was that that bill, the one that was passed a year ago, provided a "future-proofing" for regulating synthetic drugs'. It future-proofed the regulation of synthetic drugs for all of 12 months! Again I go back to the second-reading speech in which the minister said:

As soon as a chemist develops a new substance, the minister of the day will have the power to ban it ...

Mr Jennings asked the question during his contribution, and I ask it again: what evidence is there that the minister did any such thing? I have already indicated a range of the substances that are still on sale today, the suppliers of one of which are skiting about the fact that it can be shipped to Victoria overnight and are calling it 'I can't believe it's not weed'. We have a minister who said a year ago that the bill that was passed then would future-proof the regulations and allow the minister to ban something 'as soon as a chemist develops a new substance'. The minister last year indicated that — —

*Honourable members interjecting.*

**Hon. M. P. PAKULA** — Can I at least try to do it elegantly? The minister indicated last year that the act, which has been in place for a year, would give the government the ability to move swiftly to ban new drugs. Clearly that has not been the case. There has been no such swift banning; in fact further legislation has been required.

The minister said last year that an impression had been created that the law is slow to respond, and the impression is probably correct. If that was the impression a year ago, it is even more the impression today. Despite 12 months of legislation, despite all that high rhetoric and despite the promise of swift action, ministerial banning and regulation to deal with the onset of new products as they came on stream, the fact that we have had to pass this bill today and the fact that all those products I referred to earlier remain on the market today unharassed by the Victorian state government I think demonstrates that if the impression that the law is slow to respond was correct a year ago, it

is still correct today. But having made those points, I indicate that the opposition does not oppose the bill and I commend it to the house.

**Motion agreed to.**

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

*Third reading*

**Motion agreed to.**

**Read third time.**

## **FIRE SERVICES PROPERTY LEVY BILL 2012**

*Second reading*

**Debate resumed from 13 September; motion of  
Hon. G. K. RICH-PHILLIPS (Assistant Treasurer).**

**Mr LENDERS** (Southern Metropolitan) — I rise to speak on this bill and inform the house that the Labor Party will not be opposing it, but we will be seeking to move the six groups of amendments in the committee stage of this bill that were outlined by my colleague the member for Lyndhurst in the Legislative Assembly, Tim Holding. I believe the government will also move a series of amendments to the bill. Far be it from me to pre-empt the government, but I was briefed on the amendments this morning, and we in the Labor Party will not oppose the government amendments. However, I indicate to the house that I will briefly comment on them in discussion of clause 1 in the committee stage, given the difficulty of speaking to something that is not formally before the house.

Firstly, let me speak a little bit about the history of the fire services levy and where we have come to today before touching on this piece of legislation itself. As members of the Parliament will well know, the history of the fire services levy goes back to the 19th century when the fire brigades only put out the fires of those who were insured with them. There was the phenomenon where a metal tag was put out the front of a house to say it was insured by, in today's terms, QBE, CGU Insurance, AAMI — you name the company. I have visited the Insurance Council of Australia headquarters in Sydney, and it is amazing to see display boards of dozens and dozens of tags that were used to show that if your house was on fire, the commercial brigades would only come to put the fire out if you were insured.

We started with that process in the 19th century, and that morphed to the point where state governments started to bring in obligations and fire services became universal. When the voluntary brigades started being coordinated and the salaried brigades, in the metropolitan area in particular, started being established, the concept of the user pays for insurance morphed from individual brigades only putting out the fire of someone who was insured by them, until a general obligation was put on the insurance industry to meet the requirement — or a portion of it — of dealing with the costs of running the Metropolitan Fire Brigade (MFB) and the Country Fire Authority (CFA).

That is where this all came from, and then a fire services levy was put on the industry in portions. There were different proportions for the metropolitan area and the CFA area. In the metro area a portion was met by the state government, a portion was met by municipal councils and the lion's share was met by the insurance industry. In country Victoria the lion's share was met by the insurance industry and a portion by the state government, with no requirement for municipalities to contribute. That is where this situation started from, and over the years it has morphed into a situation where those formulas are put through when the budgets of the CFA and MFB are struck.

It became an issue of some contention, and if I read my history correctly, it is worth noting that this is something that was properly established by Sir Albert Dunstan of the then Country Party and kept going by Sir Henry Bolte and the subsequent Liberal governments and by John Cain of the Labor Party. It went through the Cain and Kirner years and was in place through the entire Kennett-McNamara years. Then during the Bracks and Brumby years there was the first serious review of it. The reason I pause briefly is to get the history correct on this.

I read an interesting thing, Acting President, and you would find this interesting given your background. In a press release the other day the president of the VFF (Victorian Farmers Federation) said this campaign has been running for more than 15 years. Fifteen years ago, we still had two years left of a Nationals minister for emergency services and a Liberal Party Treasurer. Then we had 11 years of Labor government, and we have now had 2 years of the current government, so this issue has been out there for a long period of time.

If we go back through the history, we see that the Bracks government did a review early in its term. At the conclusion of the public review the decision was made not to change the system — that is, to keep the fire services levy in harmony with New South Wales

and most of the population at that time. The Brumby government reviewed this during my term as Treasurer; because of the paucity of information there was a view out there that some people paid their fair share and some people did not.

This Parliament was then asked to approve legislation to allow the State Revenue Office to drill into insurance records to get a sense of the real picture. That review showed that the vast majority of property holders — if we talk of houses and businesses — were actually insured. In some cases they were overinsured, but in looking at the contents component of insurance on houses we saw there was a vast amount of under insurance. I only put that out there for the record, because there has been a debate about how effective this was and a debate about how many freeloaders versus winners there were. That was a process started by the previous government that has been drawn on by the current government in trying to model the new system.

The conclusion of that review — to have informed, evidence-based adjustments to the fire services system — was to get some information. As that debate was going on, the current government said the then government should have done all the things it did not do in government. That is fine; it is a political debate. The former government set up the review and got the data, and that data was in the middle of a green paper process when the 2009 Victorian Bushfire Royal Commission came down with its recommendation that fire services be funded by a property levy with a concession for low-income earners. Both sides of politics committed to do that. The Labor Party committed to have it up and running by 1 July 2011. The coalition said it would have it up and running by 1 July 2012. It is a couple of months late, but the proposal is here. That is just for the record, to show where this development came from.

Now we have the situation with this piece of legislation in front of us. I may well say that the Labor Party does not oppose this legislation, but I think it is worth putting on the record that I have suggested a series of amendments to improve the legislation. It is an incredibly big ask by the coalition to bring into Parliament a regime that changes the nature of how a tax — and that is what it is — is levied.

We have been told it is \$100 per household and \$200 per business. We have been told it applies to municipal property but not state property; it applies to private property. We are being told there will be a \$600 million impost taken off the insurance industry. We are being told there will be a multi-million dollar impost taken off

metropolitan municipal councils. We have been asked to take away appeal rights to the Supreme Court, and we have been told to do all this on the trust factor — that is, to trust that somehow or other Michael O'Brien, the Minister for Consumer Affairs, will come riding in on his white horse with consumer protection legislation to come into effect after the Parliament has imposed a tax on every household in the state of Victoria.

We do not oppose this legislation, because we said the fire services levy needed to be reformed. The government went into an election with a commitment to reform the levy and the royal commission recommended it, but I say to anybody in this house who says the opposition is not fully embracing this with enthusiasm, look at what we're being asked to vote for. The opposition cooperated in the Assembly by providing a statutory majority to take away the appeal rights to the Supreme Court; we could have blocked that. But in good faith we are supporting this piece of legislation. We have all these wonderful fact sheets from the spin masters of government saying who is going to benefit from it, but we do not know the rate. We are being told every insurer is going to remove the fire services levy.

For the benefit of the house I will relate a phone call I made last night to one of Victoria's largest insurers. I inquired about what would happen to my house insurance. At the moment I pay monthly instalments for my house insurance. I got a quote, and the representative was very helpful — I will not embarrass that insurer. I asked, 'Will the fire services levy apply after 1 July next year?'. The person on the phone said, 'Hang on, I've got some lines', and she dutifully read me a series of lines. Then I said, 'What does that mean?'. She said, 'I have no idea'.

Leaving that aside, this is a challenge in taxation reform; I accept that. The reason I raise that fact is not to belittle the bill but to say that the government is asking this Parliament to take a quantum leap of faith to pass a regime in which all that is certain is a charge of \$100 per house and \$200 per business, a 50 per cent concession on that amount for a small number of people, the removal of all appeal rights to the Supreme Court and a capital improved value rate in metropolitan Melbourne — the MFB and CFA areas — that will remain undetermined till the budget next year.

Also to be considered is consumer protection, with metropolitan councils charging a fire services levy. We are assuming, based on secret data modelling, that every council will pass on every cent of that. We are also assuming that the several dozen insurance companies will pass on this saving in good faith. It is

not only an issue of good faith, it is an issue of the ability to manage complex data and complex computer systems.

I am saying to the government that the Labor Party will not oppose this bill. But those opposite are asking this Parliament to show incredibly good faith and to trust Michael O'Brien, the Minister for Consumer Affairs. He comes in here wielding the name of Allan Fels and wielding fact sheets, and he says it will be about consumer protection. But there are millions of Victorians who are taking out policies and do not know what will happen with the fire services levy, and the insurance companies are struggling to explain what will happen to policies after 1 July next year. There is also the issue of the scrutiny of our metropolitan municipal councils, which are having a burden taken off them. The expectation of all this modelling is that every cent of that burden will be given back to consumers.

We will not oppose the bill, but I note that we are being asked to support in good faith a piece of legislation that is quite vague and relies to an extraordinary degree on the ability and the goodwill of this government to bring in a consumer protection bill. Those opposite have been throwing around the name Allan Fels and fact sheets that do not have the capital improved value rate on them. It does not take a rocket scientist to work out what it is, but those fact sheets do not have the rate on them. They say, 'We won't know what the exact amount will be'. I would say that if a Labor government had come into this house and asked the opposition to support taxation legislation sight unseen and consumer protections unseen, it would rightly have been laughed out of the place. But we will not oppose the bill.

Part of the reason I phrased it in those terms to commence with is that what we are seeking to do is hold the government to its word on this. I will be moving a set of six groups of amendments. I will briefly outline them during the second-reading debate and then when we go into committee I will speak more fulsomely to them. The first amendment — technically a recommendation for an amendment — is that health-care card holders be afforded the same treatment as those people who get the discount under the Local Government Act 1989.

The royal commission was quite clear: it recommended a concession for low-income earners. The 50 per cent concession has been applied to those low-income earners who actually qualify for a municipal rate concession. That does not involve health-care card holders, who make up one of the largest components of people who would expect relief. The royal commission did not give any exemption or explanation; it just said

'low-income earners'. I would think by any definition, other than that in the Local Government Act, that would include health-care card holders. I cannot recall a single piece of legislation that the Baillieu or Howard governments have enacted that talked of low-income earners; it was always about veterans gold cards, aged pensioners and health-care card holders. So this is unique — it is the first time we have suddenly excluded a group of people.

I may ask the minister in committee about this, or I may not, but we can certainly spend time and explore why this group of people has been left out. The royal commission did not leave it out. If I recall correctly, Mr Baillieu said, 'We will implement every recommendation of the royal commission lock, stock, and barrel'. That was his reference. In the bill we have lock, stock and barrel — other than health concession card holders.

That is the first area, and it is interesting that in this legislation the government switches between different pieces of legislation to suit its needs. It says it wants the municipalities to become revenue collection agencies; I think that is the term used in the bill. I am sure most councils would be somewhat affronted by being called revenue collection agencies.

It is very interesting that the Treasurer, Mr Wells, goes on endlessly about how terrible it is that all the service responsibilities are with the state government and that the federal government raises revenue. There is a fiscal vertical imbalance. The whole debate that goes on about vertical imbalance is about the level of government that raises revenue being the logical part of government to spend that revenue. There is accountability. What the state government is doing here is saying to the commonwealth, 'This is terribly inequitable; give us revenue', but it is saying to municipalities, 'We will make you raise our revenue, but we will spend it'. The accountability issue is totally askew there. I make that as a debating point. As I said, we will not oppose the bill, but I point out the hypocrisy on the part of the current government.

We have a proposal that contains no consumer protection at all other than a 'trust us; we are the Baillieu government' statement. The first set of recommended amendments that I will seek to move at the committee stage will be about health-care card holders being given the concession like everybody else, which is what the royal commission recommended. That is the first set of amendments. The second set is to give greater access to information to the Essential Services Commission. What we have at the moment — and I will deal with this in more detail at the committee

stage — is an effort in this legislation to restrict the amount of information that will go to the Essential Services Commission and then get passed on to the community. The second set of amendments will seek to boost that and give greater access.

The third set of amendments is arguably the most iniquitous of the amendments. In the bill a power is given to a minister, who would be the Treasurer, to basically spend a levy on a range of purposes. The minister gets it, and it is to be spent on the MFB; the minister gets it, and it is to be spent on the CFA; the minister gets it, and it is to pay for transition arrangements that are to come into place; the minister gets it, and it is to compensate municipalities for those transition arrangement costs. All of that is no problem. But the fifth component is for any other purpose determined by the minister.

At the moment we have a fire services levy, and we can look at how it is constructed. Let us say for argument's sake that there is a \$100 charge for running the two fire brigades — we know that is the charge — and it is proportional. Let us say it is \$500 for a person's fire services levy in my electorate. We know that at the moment \$500 comes in because there is a portion for the MFB, a portion for the CFA and a portion for compensating municipalities. That is fine; that is where the \$500 comes from, and it is fairly transparent. But this provision means that if the Treasurer suddenly decides to fund the SES, the fruit fly protection program, which has been cut recently, or the Department of Sustainability and Environment firefighters out of it or to plug a hole in the budget with it — there is no accountability to the Parliament other than that the Treasurer has determined it.

I imagine that Treasurers with their backs to the wall because they have tight budgets will be tempted from time to time to look at other avenues — and Mr Rich-Phillips smiles, for the record.

**Hon. G. K. Rich-Phillips** — You would know more about that than I would.

**Mr LENDERS** — I suggest that rather than reflecting on the past and speculating, perhaps Mr Rich-Phillips might tell us in his summing up or in the committee stage what constraints there are on a Treasurer using this for any other purpose. It would not take a great deal of imagination to find another purpose that could be added to this.

Again, I will not detain the house with quotes of what Mr Rich-Phillips and other members said when similar legislation, or Labor government legislation that those

opposite unfairly classed as similar, was coming up. They railed about it. It was not quite as bad as the Bill of Rights episode that I referred to in relation to a previous bill, where people were thundering on about King James II and the Bill of Rights. I thought his problem was that he died of syphilis rather than unfair legislation, but nevertheless, we heard many across the chamber here carrying on about the Bill of Rights under King James.

**Mr Barber** — Didn't they all die of syphilis?

**Mr LENDERS** — I will leave that to Mr Barber to talk on. We seek to remove the provision for that power to be used for general purposes.

The next group of amendments essentially seeks to allow either house of Parliament to disallow changes that have been made to this taxation regime. I will speak to them more in committee. This goes to a fundamental principle. We are being asked in this house to approve legislation that lets the Treasurer determine rates of taxation. Yes, we accept that there is a need for this legislation to go through; the government has made a commitment. What we are seeking, though, is to allow either house of Parliament to disallow it. That is the third set of our amendments.

The fourth amendment is quite extraordinary. It basically lets the Treasurer go to the Minister for Local Government and say, 'This council is not fully complying with what we want to do'.

**Mr Drum** — That was the fourth one.

**Mr LENDERS** — No. To help Mr Drum, there was a suggested amendment on the health-care card. There was an amendment on greater access to the Essential Services Commission, which is the first; the second is to remove the general purposes power; the third proposes the disallowances; and the fourth relates to the suspension of a council. If you wish to add the recommended amendment, then it is the fifth.

Again, I would suggest that the provision to suspend a council is just spin and over the top. Why is the power being sought to suspend a council? If a council is not performing its duties under the Local Government Act, the minister has the ability to suspend the council, if she needs to, from multiple heads of power under the Local Government Act. This is nothing but intimidation, like the sword of Damocles being hung over the heads of councils by the Baillieu government, just as it does with other authorities. I rail at this example because every metropolitan water authority has been instructed by the minister on exactly how to put the government's spin about the cost of the desalination plant on bills. This

basically gives the power to the Minister for Local Government and the Treasurer to bully councils on how they describe the fire services levy.

This government has form. It will put on every bill that the desalination plant costs \$1.8 million a day — which is correct; it is an insurance policy — but it will not put on every bill that the government is drawing out \$1.41 million a day in dividends and other payments. I am seeking to have this provision removed because municipal councils, as democratically-elected bodies, are able to do this themselves. This legislation tells them it has to be quarterly, it has to be on the regular council bill and any discounts or concessions have to be pro rata. All that is already here, and there are compensation arrangements for dealing with it. This is just an over-the-top line from a government that wants to intimidate councils by telling them if they do not put political messages on their bills, like the government is making the water authorities do, Treasurer Kim Wells will go to the local government minister, Jeanette Powell, and say, ‘Get rid of this council’. We will seek to have that deleted.

The final set of amendments relates to the Essential Services Commission, which is being empowered to do a review — and presumably the Attorney-General, Mr Clark, will direct it to do so — into whether insurance premiums are being passed back. That is something we welcome, and I think everyone in the house would welcome it. But of course what the legislation says is that the review may be published by the minister. We are seeking to ensure that the premiums review is published by the minister. Those are the five formal groups of amendments — six, if you count the suggested amendments to the health-care card that the Labor Party will be moving in committee.

In conclusion, this piece of legislation is late in coming, but the government said it would introduce it and has done so. It is worth noting that my colleague in the Assembly Mr Holding pointed out a range of things about some of the anomalies raised by the Victorian Farmers Federation in particular, including the aggregation of properties, the distortion that would cause and how the extra tax revenue that would be raised by each individual property would be treated separately under this legislation. While I am sure that the first government speaker will circulate amendments, I am led to believe, because I have been briefed on them, that there will be a series of amendments to address that anomaly.

I congratulate the government on putting those amendments forward, but I note that when Mr Holding and other Labor members raised these issues in the

Assembly — and they were legitimate questions about where the consumer protection legislation was and how the government could model fact sheets when it was not putting the figures out — they were mocked by triumphant members of the government, who were saying, ‘We have achieved this stunning reform, the biggest taxation reform in the inner solar system in the last five millennia’. It was hyped up to that level. They were saying, ‘We have got it all right. Just roll over and die, you guys. We are heroes’.

I would say to you, Acting President, that the government is correct in fixing the anomalies in relation to farms with multiple plots that are grouped together and in fixing the costs to farmlands across municipalities. I will be charitable and say it did so because the VFF raised them; it could not possibly be because the Labor Party raised them. The government has picked those up, and good on it for fixing the problems. But I would suggest to those government members who triumphantly say that this is the biggest reform in the inner solar system in the last five millennia — and I only exaggerate slightly; members ought to read the *Hansard* for some of the commentaries on this or the letters to the editor that some members have written to newspapers — that they pay heed, because this is a very complex piece of legislation. It is one that we, through our six groups of amendments, are seeking to improve and hold the government to account over.

We can only improve the legislation if these amendments are agreed to, but the Labor Party will not stand in the way of this bill. We are suggesting amendments to improve the bill, and we hope the government takes on board those amendments in order to do so.

**Mr BARBER** (Northern Metropolitan) — I am not going to attempt to outdo Mr Lenders, but I will pick up on some of the points he made along the way. Mr Lenders started off by giving us quite a long history lesson going back centuries, talking about how fire brigades were established and so forth. When he got to Labor’s 11 years in government he hit the fast-forward button, and we went through that part in the blink of an eye. Here we are with a piece of legislation aiming to do what Mr Lenders claimed he always wanted but ran out of time to do.

Mr Lenders said that if the Labor Party had brought this bill before the Parliament in its current form, Labor would have been laughed out of the chamber. I guess it is just fact that when it comes to introducing new taxes the Liberals are much better at pulling it off than the Labor Party ever will be. My history lesson is that when

it is in opposition the Liberal Party opposes new taxes and that when it comes to government it has a very good record of bringing in new taxes.

**Mr Ramsay** — It is not a new one.

**Mr BARBER** — Mr Ramsay again, sotto voce, says, ‘Not a new one’. Why, then, do we have a new piece of legislation in front of us? If it is collecting money in a new way, it is a new tax. In a past term, when Mr Ramsay was not here, every one of his colleagues would have been able to read out, almost by memory, the list of, I think, 26 new taxes the Labor Party had brought into this jurisdiction during its time in government. However, when the Liberals bring in a new tax one of its own members, Mr Ramsay, has amnesia before the thing has even passed. He does not think it is a new tax. Of course that is what it is; it is a tax to collect money for an old purpose — that is, protecting our homes and businesses from fire.

**Mr Drum** interjected.

**Mr BARBER** — I am timing myself, Mr Drum; it is all coming in good time. It is a new way of taxing them, and therefore it is a new tax for an old purpose: fire services protection. There will be some significant and unknown costs to those who will implement this tax, being local governments. Those costs were not addressed in any great deal by Mr Lenders.

Local government is now to be made a branch of the State Revenue Office for the purpose of collecting this tax on every rate bill — even for some people who do not currently have a rate bill, but I will come to that in time. Local councils oppose this measure, and up until the most recent meeting of the Municipal Association of Victoria they still opposed it being collected in this way. They have additionally called for a regulatory impact statement (RIS) to be prepared, but that has not happened. I think I heard an even fainter chuckle from Mr Ramsay when I put forward that proposition on behalf of Victoria’s 79 councils, agreed at their recent conference just last month.

I am pretty deaf in my right ear from standing on the right-hand side of the stage at one too many Cosmic Psychos concerts, but my left is really good, and that is why I can always hear everything Mr Ramsay is saying. I have incredible hearing in my left ear and not much at all in my right ear. Acting President, you will sometimes see me turn my head to the right when I am trying to hear what someone is saying across the chamber.

Think about it; in order to collect this new tax on behalf of the state government in a new way, with a whole

range of new requirements, councils are going to need to change the IT systems and any associated processes they currently use for collecting rates. As it is, I have met with a number of different councils as I have been around. Unluckily for them, some of them are smack in the middle of creating new suites of financial enterprise software for their organisations. Imagine the difficulty of negotiating new changes with their contractors so that their software will reflect this new function. On the other hand, there may be some councils that have software that is significantly more flexible.

Local councils have said the government has claimed that an amount of money is to be made available to those councils to assist them, although each council will need different levels of assistance. I will be seeking from the minister during the committee stage of the bill some clarification as to how much money is being made available to local councils, or is to be made available to local councils, to assist them with any necessary software or other changes as they implement the measures in this bill, as well as seeking some clarification on how the government is going on talking to local councils about that and what information it can give us about the adequacy of the sum being made available.

Mr Lenders said an enormous amount of goodwill on behalf of the other parties was required in order for us to support this bill. In fact an enormous amount of goodwill, which is often in short supply, is required from local governments in working through the implementation of this bill with the state government.

As well as the lack of an RIS, there are three other letters Mr Ramsay might be interested in — IGA, which stands for intergovernmental agreements signed between the state government and local governments and which are meant to be implemented in the spirit of cooperation between those levels of government. When the federal government puts a new burden on or cuts funding to this state government, every single member of the state government lines up and howls about how the federal government — the Prime Minister, perhaps — does not care about Victoria. However, the state government is just as capable of slinging new mandates in the direction of local government when it needs to. Neither a regulatory impact statement, which might help us understand that burden, nor a direct local government impact statement is forthcoming.

As is so commonly the case when it comes to local government matters, it is the Greens coming to this place asking about the impacts of a particular measure on local government. These figures come from an earlier discussion paper of the state government, but

currently local councils pay out about \$30 million from the metropolitan councils to the Metropolitan Fire Brigade. When I was a local councillor at the City of Yarra that amount was increased on us by the MFB by 25 per cent per annum two years in a row. If the MFB needs the money, it simply asks for it and it gets it. Now, through their new roles as tax collectors, local governments will be handling more than \$770 million on behalf of the state government, according to the government's earlier discussion paper, and the promise is that they will be fully reimbursed for all of that — a big promise to make.

Nevertheless, the measure has merit. The measure, to put it simply, is to broaden the tax base on which the fire services levy is collected and prevent the inefficiencies associated with people who for various reasons are trying to escape paying a particular tax, in this case by not paying for insurance. In a number of areas of taxation reform — this is quite a small one — there have been experts such as Ken Henry urging better coverage on tax bases to reduce that inefficiency. Therefore the Greens are reluctantly — considering these unknown questions, many of which will fall at the feet of local government — supporting the measure.

The overall aim of the measure is to ensure that the uninsured — that is, those who do not insure their properties at all; or the underinsured; or those who, as Mr Lenders told us, generally do not insure their contents, are not given, in the words of the government, 'a free ride'. I think that is perhaps a bit too strong, but nevertheless I agree that there is efficiency associated with broadening the tax base to ensure that a select group of people do not avoid paying it.

The government's overall aim is to achieve revenue collection that is more risk based. Currently a person's insurance policy is related to the value of their property and its contents — the more valuable they are, the more a person would expect to pay in insurance. Likewise council rates, when measured as capital-improved value and incorporating land value, also rise as the value of the property rises. The intent here is to ensure that that burden does not change too much from one person to the next.

It is extraordinarily difficult to demonstrate that that will be the case. To be sure of that alignment we would need to know the value of everybody's insurance policy and match it to their rates bill and then compare that across the whole system — that is every property, or at least a large enough sample in many different areas. While a regulatory impact statement would have made the Allen Consulting Group very happy — because it certainly makes a good quid out of these things — it

would have also provided us with some more facts and figures to argue about. There is very little doubt that the effect will be slightly different on each property owner. The government is counting on the fact that it will not be too inequitable across too many classes.

Local government also questioned why the state government was not collecting this money by taxing other types of assets that are protected by fire brigades — for example, cars. When the fire brigade attends a fire it is sometimes a car that is burning, or perhaps the car is part of the value of the property that is on site. It is really just a certain type of fixed property — home, contents, and businesses — that is being taxed.

The Municipal Association of Victoria therefore called for some of the contribution to the Metropolitan Fire Brigade and the Country Fire Authority to come out of general revenue because that covers the general public good component. Mr Lenders pointed out that in the past fire brigades were not a public good but a private subscription service. Over time they were taken over by government and turned into a public good. The councils certainly made a good point, but I am not so sure that it would have been practical to align it in that way.

A few other issues arise out of the way this measure is being put into place. In its second-reading speech the government described the current system as complicated and unfair. However, as I have said, we cannot be completely confident that the system will be fairer because we do not have the data. To some degree it is certainly going to be complicated, and that is proven by the fitness of this particular bill and the amendments that are being thrown in to address various issues.

The second-reading speech also notes:

Limited exemptions for network infrastructure assets such as roads and gas and water pipelines will be provided where there are significant limitations in obtaining accurate valuations and to prevent 'double charging' when networks cross leviable land.

It seems that there will be one group of people with at least one type of asset — major infrastructure owners — who will be given something of a free kick because the government believes it is too hard to value their properties.

However, according to the second-reading speech, the intention is also to bring currently non-rateable properties into the tax base and value them so that they can be levied under this bill. It is interesting for local councillors to look at what is non-rateable in their municipalities. In the city of Yarra it is largely churches

and RSLs, but in other municipalities it can be other types of property and classes of land-holders who place their own burden on the municipality. That long list of properties, which in my experience generally do not have a valuation from council because they are non-rateable, will now be valued, not for rating purposes, but for fire services levy purposes. But councils will at least get to see the value of the non-rateable properties in their municipality and they will get to see how significant that number is. Who knows, over time it might be that a push starts for certain types of currently non-rateable properties to be made rateable, but thanks to this bill we will at least get to see the value of all those currently non-rateable assets and therefore the loss to the council, if you like, of not being able to rate them.

The government will also conduct public information campaigns to raise awareness of and improve understanding about the new levy. I cannot wait for that! I am imagining something like the GST advertisements which featured the song *Unchain My Heart* — those notorious advertisements that former Prime Minister John Howard introduced to tell us how wonderful the GST would be, how it would unchain the taxation system and set us free. Maybe the government will not bother doing this — maybe it will let local councils wear the program and do all the explaining.

Unlike the GST — and this is interesting — the rate of this tax can be changed at any time. For the GST to be changed, a whole set of things would have to line up, and not just politically — I believe a whole set of states would have to consent — whereas in the case of the fire services levy the Treasurer gets to change the rate whenever he wants.

This brings us to the amendments proposed by Mr Lenders to provide that the Parliament can disallow such changes. I think that is a reasonable proposition. After all, here in the Parliament we vote to change rates on other taxes; payroll, stamp duty and so forth have been tweaked various times. The consent of the Parliament is required for these taxes to be changed, so this would be one more in that suite. There is one part that I presume will not change, and that is the fixed charge. While we do not know the variable component — the value-based or ad valorem component — we do know there will be a fixed charge of \$100 for every residential property and \$200 for every non-residential property. It is former Premier Jeff Kennett's \$100 levy all over again. Jeff Kennett rides again, and every house is being slapped with a \$100 levy. There will also be a variable component.

The concessions issue is also interesting to anybody who has struggled with it at the local government level. A concession of \$50 will be available, which means people will only get a 50 per cent concession on the \$100 component to which I referred, and they will not get much of a concession at all if their property value goes up. There are already government concessions for local council rates. In my view they are nowhere near adequate — they offer nothing like a 50 per cent concession — and many councils take it upon themselves to top up that concession rate for various low-income groups in their communities. Different councils have different policies on that.

The difficulty is that the more people you have in your municipality who qualify for the concession, the more you have to charge other ratepayers in order to get a decent concession. Municipalities that do not have many people entitled to a rates concession — wealthy areas, areas without many old people and so forth — can offer a concession without there being too much of an impost on other ratepayers, but then that concession does not benefit many people. It would be much better if the government were to deal with the issue of local government rates concessions. It is a concession that has eroded over many years. It was topped up by the former Brumby government. I remember having a conversation with Mr Jennings about that.

This concession will start at quite a low rate, as far as concessions go. Mr Lenders said he will put forward an amendment to ensure that it includes health-care card holders, which I would have thought was logical.

**Mr Ramsay** interjected.

**Mr BARBER** — I will listen to the argument that government members put forward on that amendment. Ditto for Mr Lenders's proposed amendment regarding general purposes. It sounds like quite an open-ended proposition for what is meant to be a specific-purpose levy. We will hear what the government has to say about that.

Then there is the provision in relation to sacking or suspending a council. This is to be found at clause 74 of the bill and is headed 'Minister may request suspension of council'. It says:

If the Minister —

the minister relevant to this act —

is satisfied that there has been a serious failure by a Council to perform its functions as a collection agency under this Act, the Minister may request the Minister administering the Local Government Act 1989 to exercise his or her functions under

section 219 of the Local Government Act 1989 in respect of that Council.

Section 219 of the Local Government Act 1989 is the section that deals with the suspension of a council. Those who have followed this issue will know that preceding that section is a provision that allows the Minister for Local Government to appoint a commissioner of inquiry into a council. The commissioner would have the power to do various things. If at the end of the inquiry the minister has received a report by that commissioner and considers that the matter should be referred to the council or that any action should and may be taken to rectify the action or omission that was the subject of the inquiry, the minister can report that to the council, make recommendations and request that the council give reasons for its action or omission. Depending on the response of the council to the minister's request on the commissioner's report the Treasurer may by order in writing refuse to pay part or all of any money payable, or which will become payable, to the council out of the Consolidated Fund.

The Minister for Local Government, together with the Treasurer, already has this incredible coercive power to hold back funds — core grants or special purpose grants — until such time as the council steps in line. That power already exists, as does the power for the Minister for Local Government to suspend a council, subject to later endorsement by this Parliament, if that council is to be permanently suspended. Here we have the government coming in, having another whack, tantamount to saying, 'If you do not do what we want you to do under this bill, that is another sackable offence for a council'.

Let us go back to it: a minister may request the minister administering the Local Government Act to exercise his or her functions under section 219 of the act. In the same vein I have the power to request the Minister for Local Government to buy me a pony! It is not at all clear exactly what this provision adds to or subtracts from the existing provisions under the Local Government Act, but it does read alongside all the difficulties, the new challenges, the additional costs and the issues that have been raised by the bill. They will require an enormous amount of goodwill on behalf of local government to implement, not just the first time but on an ongoing basis. The government is flagging here, possibly with no real power behind it, and saying, 'We will suspend you, hold back your money or sack you if we don't like the way you are administering this', and that shows, if nothing else, a rather poor attitude to democratically elected local councillors.

I will be getting some more information from the minister on that clause during the committee stage but it is not a clause I can support. However, on balance and overall, and subject to more information that we will obtain during the committee stage, the Greens support this bill at the second-reading stage.

**Mr P. DAVIS** (Eastern Victoria) — I am pleased to have the opportunity of making a contribution to the debate on the Fire Services Property Levy Bill 2012. I will keep my remarks relatively brief, which is somewhat unusual, but I do so because members of the house well understand the import of the bill and, as has been acknowledged, there will be an extensive committee stage, and I think the details that members of the house are concerned about will be well canvassed during that committee stage. In that regard I ask that the amendments in the name of the Assistant Treasurer, Mr Rich-Phillips, be circulated to the house so that members have those amendments in front of them for the duration of the second-reading debate and may comment further on those amendments, which will be dealt with during the committee stage.

**Suggested government amendments circulated for Hon. G K. RICH-PHILLIPS (Assistant Treasurer) by Mr P. Davis pursuant to standing orders.**

**Mr P. DAVIS** — Before I proceed further I want to make an acknowledgment. In the contributions of the two preceding speakers we have heard brief references to the history of the evolution of the fire services levy (FSL) going back to 1845 when the first local fire brigades were established. Local fire brigades play an important part in the social and economic fabric of our communities, particularly rural communities. I can testify to that as somebody who has served for more than 20 years as a volunteer in my local rural fire brigade at Giffard West. I will produce a map for members if they do not know where Giffard West is — —

**Mr Koch** — Only 20 years!

**Mr P. DAVIS** — Mr Koch says by interjection, 'Only 20 years', but my time was cut short by moving to a parliamentary commitment. I was unable to maintain my necessary skills so I gave that volunteer role away. But in that capacity I did attend a number of fires, and one comment that I would often hear from local fire brigade members and indeed farming community members who would volunteer for regular training, attend fires, protect life and property and fully make a commitment to insuring their own assets and make a financial commitment through the fire services

levy, was that they were turning up at fires on properties that were uninsured and no financial contribution was being made towards the efforts of protecting that property from fire. This was seen by them to be inequitable. Contrary to what Mr Lenders said earlier — that this has been a live debate for the last 15 years — I would suggest — —

**Mr Lenders** — That is what the VFF president said.

**Mr P. DAVIS** — I am not sure whether he was being quoted correctly, but as a former member of the Victorian Farmers Federation executive, having sat around the boardroom in Collins Street for a period of more than a decade, I can tell you that during the 1980s this issue was certainly alive with the farming community during that era, and I can say that it progressively reached a crescendo in the last decade. This issue has become more and more significant as the extraordinary contribution that has been required to maintain our fire services has grown over time, and the proportion therefore of the premiums being paid by contributors to fire insurance has increasingly ramped up by way of fire services levy contributions as well.

Therefore it is timely and in fact over time that this legislation comes before the house, and it is a great act of courage. I want to recognise the Treasurer, Kim Wells, and the team behind him, firstly, at a parliamentary level. I refer to his cabinet colleagues — to the Assistant Treasurer, to other ministers who have been vitally involved in the development of the bill, and particularly to the Premier for giving his imprimatur to ensure that this legislation had a priority. It is important to note that it is not just the cabinet that has been committed to this measure. The work undertaken by the State Revenue Office and the Department of Treasury and Finance is important, and I acknowledge — not individually but collectively — those contributions.

Many members of the house will be aware of those contributions because government members chaired and many opposition members I understand attended community consultation meetings. There were at least 16 meetings around the state for the consideration of the options paper and feedback in the development of the bill.

I said ‘courage’ quite deliberately, not just to get the sort of chortling from the opposition which I anticipated it would engender but because it is a major achievement. It is a substantial achievement in taxation reform, indeed probably the most significant taxation reform in Victoria for some decades. I am not shy — as I think was imputed by Mr Barber we might be — to talk about taxation. This is a taxation bill, and there is

no question about that, but by way of interjection Mr Ramsay made the point that it displaces another effective form of taxation through the FSL. It is important to acknowledge that any taxation bill introducing what can be described as a new tax will require political courage, but this bill has great support throughout the community.

I listened carefully to the commentary that has been made over recent weeks as a consequence of the introduction of the bill in the Assembly some little while ago. Certainly there is some concern being expressed by local government as the obligation on local government to be a collection agency is being dealt with, and local governments are coming to terms with what that will mean to them individually. I note that the state council of the Municipal Association of Victoria resolved in May this year:

That the MAV make representations to the Minister for Police and Emergency Services, supporting in principle the state replacing the current fire services levy and replacing it with a property-based levy with low-income earner concessions.

I am sure the MAV is delighted that the state council resolution it adopted has now been implemented.

I am pleased to be able to say that the government listens and acts, and it has certainly listened to the MAV and acted. The campaign which some in the MAV are now leading is a little bit contrary. It would be good if the MAV could behave consistently. Clearly, for efficiency reasons it is appropriate that local government be the collection agency for the fire services property levy. The reason for that is that it is the most effective and cost-efficient means of ensuring that all property owners make a contribution to fire services. To suggest that a separate, additional, bureaucratic structure be established under the umbrella of the State Revenue Office is a potential option, but it would be a comparatively inefficient and expensive option for the collection of this revenue to support fire services. Hence it is important to note that the government has taken an efficiency principle approach to this.

The comments that have been made in the debate so far are consistent with the facts — that is, the opposition and the Greens have indicated a general sense of support for the principle but with some comments to be made during the committee stage about some detail and to deal with some amendments. I will leave that for that discussion, but we certainly are widening the base. The consequence is that overwhelmingly Victorians who currently pay a fire services levy will pay less, and it is inevitable — I do not want to hide from this — that

there will, in individual cases, be some members of the community who, because of their circumstances, will pay more. Typically they will be people who underinsure. Somebody who has little, or at least significantly less, insurance on their assets to avoid paying the current impost of the fire services levy will be somebody who may, under the new structure for the collection of the fire services levy — —

**Mr Barber** interjected.

**Mr P. DAVIS** — The interjection raises a point. There are many farmers who have chosen to minimise their insurance cover because of the FSL, because the cost of the premiums in aggregate is significant, and therefore they in effect have chosen to underinsure. We see this reflected when there are rural fires or landscape fires which have a significant economic impact and there is inevitably a need for government intervention to assist in some form of recovery. That occurs in relation to households. There are many households where there is significant underinsurance, and there is great community concern about the consequences of people losing their house and not being properly insured. The result is that there is compensation from government to those people, but the people who are fully insured sit by and wonder why it was that they paid all their due taxes via the FSL and their insurance premiums.

I do not wish to pursue the issues of the detail any further, but I make the point that this is a long campaign that the coalition has been committed to, and notwithstanding the claims made by the Leader of the Opposition, Mr Lenders, a moment ago, the reality is that over 11 years, no matter what the intent was, the then government made no effective move to implement this reform. I recall that in 2006 the then Treasurer, Mr Brumby, initiated an inquiry just prior to the election to take the issue off the table. That inquiry within the Department of Treasury and Finance did not report until after the election, which was convenient for the government. Therefore I say congratulations to the Baillieu government and cabinet, particularly — —

**Mr Lenders** interjected.

**Mr P. DAVIS** — Mr Lenders may not have noticed, but I am not a member of the cabinet. I am happy to congratulate the Treasurer and his cabinet colleagues on a most outstanding fiscal reform. This house should pass the bill by acclamation.

**Mr RAMSAY** (Western Victoria) — I congratulate the preceding speaker, Mr Philip Davis, on his advocacy of the reforms proposed in this legislation. I

have great pleasure in making a contribution to the debate on the bill before the house today, and I say that with sincerity, because like many members in the chamber, particularly on this side — Mr Philip Davis, Mr Drum and Mrs Petrovich, to name a few — we have been advocating for a reform of the fire services levy (FSL) for many decades.

As a farmer I am part of a group that has been waging a campaign for decades in relation to the unfairness of the traditional fire services levy as we know it. I fought in the 1983 Ash Wednesday fires; in fact I got married in that week. The fire that started in an old sawmill in Deans Marsh burnt its way down to Lorne — Mr Barber would be familiar with these areas — and then across to Anglesea. In those fires I provided my time, my staff's time, my phone and fire truck as well as fighting with the Birregurra fire brigade. I have done that for the last 20 years in every major fire in Victoria. I have also worked with my neighbours and their appliances, resources and plant equipment as well as spending many Sunday mornings with the local fire brigade for training and roadside fire burns. We were allowed to burn railway line frontages to reduce the risk of fires, but unfortunately we cannot do that anymore due to the native vegetation planning scheme controls that Mr Barber has so vigorously imposed on us.

My point is that as well as taking out insurance I have done enough to provide funding for the fire services — in fact, like many of us, more than enough — while many others have not contributed anything. I am very pleased to stand here today and support legislation whereby all community members will provide funding support for a service they receive in kind.

It was interesting listening to Mr Lenders. In another role with the Victorian Farmers Federation I remember, though not fondly, pleading on many occasions with the Bracks and Brumby governments and their respective Treasurers — Mr Lenders was one and Mr Brumby was the other under Premier Bracks — to reform the fire services levy model that provided funding for our fire services. We need a more equitable model where all the community contributes rather than just those who have taken out insurance. Sadly those pleas fell on deaf ears, and despite compelling evidence clearly showing the inequity of the fire services levy and the fact that most states had already moved to a property-based model, the Bracks and Brumby governments stubbornly refused to alter or reform the traditional model as we know it.

Under Labor the fire services levy model was clearly shown to be inequitable during the Black Saturday fires when it was found that in the burnt peri-urban areas

33 per cent of properties were not insured. The owners needed fire service support but did not contribute to the service. It has taken the fulfilment of an election promise by the Baillieu government to deliver a reformed model that removes the triple tax impact and shares more equitably the cost of funding our fire services. The Baillieu government made an election commitment to support the 2009 Victorian Bushfires Royal Commission's recommendations. As we know, recommendation 64 states:

The state replace the fire services levy with a property-based levy and introduce concessions for low-income earners.

I want to go back to Mr Lenders's concerns and his foreshadowed amendments. It has taken the courage of the Baillieu government, after much consultation, to bring this bill before the house today. It will reform the way we fund our fire services, remove the accumulative tax impact and have the whole community share in the cost, rather than just those who insure their properties. I understand there will be further house amendments from the Assistant Treasurer to enhance the proposed legislation, which I support as it provides consistency with the treatment by councils of single farming enterprises — as does the municipal charge. The house amendments should also reduce the administrative burden in relation to land in different municipalities, but I do not want to foreshadow that until such time as the minister has brought those amendments to the house.

I would also like to acknowledge the work of the Victorian Farmers Federation in identifying improvements to the proposed legislation and for being a leading advocate of the proposed reforms to the fire services levy.

As we have heard, the proposed levy will be imposed on real property, including non-rateable property and property owned by local councils. It will be assessed on the capital improved value of the property and be set annually by the Treasurer. The levy will have a fixed charge component of \$100 for a residential property, \$200 for a non-residential property and an ad valorem charge. The levy will be applied with different levy rates to four broad property classifications. The levy will be collected by councils, but it will be identified as a separate charge, which is consistent with what happens in other states. Also consistent with other states will be concessions for those holding pensioner concession cards and Department of Veterans' Affairs gold cards.

The transition to a new model has had its difficulties, and the government is rightly establishing an FSL monitor to oversee its transition. I am pleased Professor Allan Fels has agreed to be the monitor. He

will have the necessary resourcing and enforcement powers to scrutinise the insurance industry during and following the transition period. This is important, along with policy-holders doing their own due diligence to make sure that they get the best deal from the insurance industry during and following the transition period. The government does not set the collection of levy rates. The insurance companies themselves collect the levy and are thereby responsible for what they charge their policy-holders. There are many examples in the marketplace now where large savings can be made by shopping around to see what different companies have on offer.

One of the more important points to consider in regard to this legislation is the savings it will generate to households. The property-based fire services levy reform, including the abolition of the associated GST and stamp duty costs, will provide savings of over \$100 million to households and businesses across the state, with suggested savings to households of around \$40 million and to businesses of around \$45 million.

While the MAV (Municipal Association of Victoria) initially resisted the collection of the levy by councils, the organisation now appears more willing, given that the FSL will be a separately identified charge on the rates notice and that councils are being provided with different means of support, bearing in mind that other local governments in other states have provided this service without complication.

We need to separate the cost of insurance from the reformed FSL, as many insurance companies are now adding risk to their policy premiums in relation to flooding or bushfire overlays. In many cases this is affecting the FSL component, which is out of the government's control. What should be happening is insurance companies reducing the FSL component during this transition period. I certainly encourage policy-holders to investigate the market.

This is an important bill, which is long overdue, and I fully support it. I commend the bill to the house. I also congratulate the Treasurer on his determination and courage in pursuing the reform of fire services funding in Victoria and improving and enhancing the bill with the proposed house amendments.

I will quickly respond to Mr Lenders in relation to the health-care card issue. My understanding is that the MAV said it would be an administrative burden to extend the concessional rate of the levy to health-care card holders because that concession is not provided to those receiving rates notices. There is also a provision in the Local Government Act 1989 for financial

hardship relief in relation to both the FSL and rates. On that note, I commend the bill to the house.

**Mr DRUM** (Northern Victoria) — It is a great opportunity for coalition members to be able to speak on this bill because it is a tremendous achievement by the Baillieu-Ryan government. It does not matter how hard the former Treasurer, Mr Lenders, tries to rain on our parade, the fact is that one cannot belittle the giant step that this government is taking. The Treasurer is leading the way on this issue on behalf of the government, and the department is assisting him in bringing this together.

The current system is, plain and simple, unfair and wrong. The current system is based on insurance and therefore does not pick up on the uninsured and underinsured, and there is contention about people who insure overseas. A whole range of people are not contributing under the current system. We had a system throughout the term of the last government — and we still have this system, even as we transition out of it — where too much of the burden was falling on too few of the people. By anyone's measure, the old system is inequitable. The new system based on property values will be, by anyone's measure, fairer and more equitable. It does not matter how much one argues about the detail, we have a system that is inequitable and unfair, and we are moving away from that.

One of the industries that has been a huge loser under the existing system is the insurance industry itself. We all know there is no great love out there after a disaster — and certainly after floods — for the insurance industry. However, a large number of people work in that industry, and insurance brokers have to bear the brunt of the consumer complaints when their customers look at their premiums in sheer disbelief because greedy governments get their fingers stuck into the insurance on a car or the contents of a house. We can understand the need for a fire services levy, but we cannot understand having GST on top of the whole lot and then stamp duty on top of that. It really has been a most amazing system.

We all understand that former Treasurer John Brumby simply did not want to change the old system. His language said as much. Mr Philip Davis made mention of the review referred to in 2006 in the lead-up to the election. The second that Mr Brumby said there would be a review he immediately said there was little doubt that the existing system was the best, which effectively killed off any hope that he was serious about trying to find a better and more equitable system.

I believe the previous Treasurer, Mr Lenders, genuinely wanted to change this system. Maybe there was not enough political will within his team, maybe they did not have the money or — as he will spend the next few hours questioning us on — maybe there were a whole range of technical details they were unable to get their heads around. Any of those options could have been the reason the former government did not make the change, but I do at least think Mr Lenders is genuine when he says he had a desire to change the system in the way that we are now doing.

However, there is no doubt whatsoever that for the seven, eight or nine years preceding Mr Lenders being Treasurer the then Treasurer, John Brumby, simply did not want to change the existing system. Labor will have to live with that. Labor will have to live with the fact that one of the most inequitable taxes that Victorians have been forced to pay stayed unchanged over the whole period of its governance. Labor simply did not want to have anything changed.

I also want to touch on Mr Barber's contribution and go straight to the fact that he called this a new tax. In fact it is exactly the opposite. Currently we have a system to raise money to pay for firefighting; we all understand that. The new system will also raise money to pay for firefighting. The old system had a charge which apportioned out the individual's share of the state's firefighting costs, but then there was the tax and then there was another tax on top of that. This system will abolish those taxes, and we will still have a charge for an individual's share of firefighting costs.

We should be extremely proud that we have resolved what has been one of the biggest bugbears of all Victorians and certainly of regional Victorians. This is an enormous win for regional Victorians, because they were the ones paying the far greater percentage of these costs, as they have a far greater reliance on the Country Fire Authority.

It is also a tremendous acknowledgement of what you can do when you keep your financial house in order, because we all understand that this change is going to cost this state's treasury about \$100 million. You know that if you keep leaking and losing your money and blowing your budgets, you are never going to be in a position to take such courageous decisions. With its books in order and amid immense pressure to bring its budget in line, this government can still find the money for this new system, which is right, fair and equitable.

I congratulate the Treasurer on what he has done. I congratulate Deputy Premier Peter Ryan, the Leader of The Nationals, because he has been a major driving

force in this, along with every other minister who has worked hard to push this issue to make sure that we end up with a fairer system to fund our firefighting services into the future. I congratulate the lot of them. We will get this right.

**Motion agreed to.**

**Read second time.**

**Committed.**

*Committee*

**The ACTING PRESIDENT (Mr Elasmr)** — Order! The Assistant Treasurer, Mr Rich-Phillips, and Mr Lenders have proposed amendments. As the bill's primary purpose is to impose a tax within the meaning of sections 62 and 64 of the constitution, the Council may only suggest amendments to the bill for the Assembly's consideration. If any of the suggested amendments are agreed to by the committee, the relevant clauses will stand postponed and the committee will report progress, whereupon a message will be sent to the Assembly seeking its consideration of the suggested amendments. The committee will resume its consideration of the bill once the Assembly has responded via a message to the Council.

**Clause 1**

**Mr LENDERS** (Southern Metropolitan) — Acting President, I have three questions or comments to make on clause 1, and with your leave — —

**Mr Koch** — On a point of order, Acting President, the Leader of the Opposition should speak from his seat.

**Mr LENDERS** — On the point of order, Acting President, during the last committee stage the Deputy President ruled that given the geography of the chamber it was permissible for me to speak from this position. I assert that in the interests of a free-flowing discussion, without anyone having to crane their neck, that ruling should be upheld.

**The ACTING PRESIDENT (Mr Elasmr)** — Order! I am satisfied with the previous ruling of the Deputy President and will follow his ruling.

**Mr LENDERS** — On the purposes of the bill, clause 1(a) says one of the purposes is to:

impose a fire services property levy on all land in Victoria, unless specifically exempted, to fund the Metropolitan Fire and Emergency Services Board and the Country Fire Authority ...

The exemption is clearly the state of Victoria, so my question to the minister is: why is its land exempt from this levy, when the land of municipalities and private citizens is not?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — As Mr Lenders would appreciate, the state already makes a contribution to the fire services through its contribution from the Consolidated Fund. That exists under the current model and will continue under this proposed model, and as a consequence the state would be paying twice if it were to pay the levy in respect of state property when it is already making a Consolidated Fund contribution.

**Mr LENDERS** (Southern Metropolitan) — I accept the minister's answer, but my further question for him is: does the minister have information that he can provide to the house to say that the proportion that the state of Victoria pays equates to its share of the fire risk — that is, private citizens pay X, municipal councils pay Y but the state does not pay. Without wishing to pursue it, given that the government has thought to revisit this legislation, is the minister of the view that this is roughly commensurate with the state's share of risk?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I say to Mr Lenders that the proportion that will be paid by the state is commensurate with the current practice. I cannot tell him whether the current practice reflects fire risk.

**Mr LENDERS** (Southern Metropolitan) — I will move on to clause 1(b), which states that one of the objects of the bill is to provide for the appointment of each council as a collection agency. Will the minister share with the house the enthusiasm with which individual municipalities have responded to this greatness being thrust upon them?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Not having spoken to all 79 municipalities, I am not in a position to give Mr Lenders their opinion, but clearly this is a matter about which there has been ongoing discussion between the government and the MAV (Municipal Association of Victoria). The reality is that engaging councils with this duty is the most efficient way in which this levy can operate. That is why the government is pursuing that mechanism. There are ongoing discussions between the government and the MAV, and they will continue to a satisfactory resolution.

**Mr BARBER** (Northern Metropolitan) — I flagged this issue during the second-reading speech. Some local

governments have told me that an amount of money has been set aside by the state government to fund necessary changes to software and other systems associated with the implementation of this bill. Can the minister tell me any more about that?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I can say to Mr Barber that the government has given the commitment that the costs incurred by local government will be reimbursed through this process. Discussions are under way through the MAV to establish what those costs are going to be. In his second-reading contribution Mr Barber spoke about some of those costs. The government has given the commitment that those costs will be covered, but the basis of those costs needs to be clearly understood and established. That process is under way now.

**Mr BARBER** (Northern Metropolitan) — Is it true that the government currently does not know what it is going to cost for local councils to make the changes needed to collect this levy?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — The government, as I said, is continuing discussions with local government. We do not wish to pay over the odds, and equally we have given a commitment that we will ensure that local government is not out of pocket. Those discussions are continuing.

**Mr BARBER** (Northern Metropolitan) — I would not expect it to be down to two decimal places, but does the government have an estimate of what it is likely to cost? The government, if I take it at its word, is writing a blank cheque to local councils which in effect says, ‘Don’t worry, we’ll look after you’.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am unable to give Mr Barber a dollar figure at this point in time. I can assure him it is not a blank cheque and that we will ensure that appropriate costs are covered.

**Mr LENDERS** (Southern Metropolitan) — I have seen the media reports of comments from the president and the CEO of the Municipal Association of Victoria, although I have not spoken to either of them. They were both quite scathing about the fact that there was no consultation prior to this bill being second read in the Legislative Assembly. Given the premise of the government’s argument for councils becoming the collection agencies — and I am sure that is not a title they would welcome, but I will leave that aside — I wonder if the minister would comment on the public statements of both Bill McArthur, the president of the

MAV, and Rob Spence, the CEO, that they were not consulted until the bill appeared in Parliament.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I can say to Mr Lenders that there was a consultation process through the course of last year around the options paper and that submissions were received in relation to that options paper. Subsequent to the legislation being introduced into the other place there have been, and there continue to be, discussions with the MAV around the operative mechanisms of this legislation.

**Mr P. DAVIS** (Eastern Victoria) — It may help the house if I were to add something regarding the consultation process. I am amongst a number of members of the government parties who have chaired consultation meetings following the release of the options paper. Each of the consultation meetings that I chaired was attended by members of local government. Many councillors involved themselves in those consultations, as did members of the general public.

In the discourse that I presided over it was quite clear that there was a view being canvassed at an early stage — indeed I reviewed my notes before the debate today — by councillors who pre-empted, if you like, a view by suggesting that they did not wish the burden of being the collecting agency to fall on local government. However, members of the public who attended and who make financial contributions to the levy made the point strongly throughout each of the consultation meetings that I chaired that they saw it as being most efficient and preferable that the point of collection be with local government. I advise Mr Lenders that I have absolutely no doubt in my mind and am completely unequivocal on the point that the view of the community at large may not be shared by some councillors but it is the view of the community at large.

**Mr LENDERS** (Southern Metropolitan) — Without wishing to prolong unduly the debate on this part of clause 1, I make an observation that in using the term ‘consultation’ the government is leaving an impression that the Municipal Association of Victoria has signed off on this mechanism. I put to the committee that the fact that a discussion paper with a range of options has been out there is not the same as getting 79 bodies to be deemed collection agencies with a series of tasks that have now been imposed upon them and very extreme sanctions if they do not carry out those tasks. I do not wish to pursue the debate, but I make the observation that we are quibbling over the word ‘consultation’. There was a discussion with multiple options, and individual councils have had imposed upon them the

role of collection agency. I put, that the MAV did not agree with that.

I have a question in regard to clause 1(f), which states that the aim of the bill is to ‘empower the Essential Services Commission to review the movement in the cost of insurance premiums’ et cetera. I use this as an opportunity to refer to the point I made in my contribution to the second-reading debate, which was that we do not see the name Allan Fels anywhere in this bill. Mr Ramsay spoke eloquently of Mr Fels and the enormous powers he would be wielding; like Zeus from Olympus he would throw bolts of lightning at miscreant insurers and whomever else might not be passing on in full the fire services levy savings.

As I said in my second-reading contribution, the government is asking this house to take it on faith that Mr Fels will have the powers that every fact sheet and government press release says he will have. Government members, one after another, have gotten up in this house and in the other place and said that these powers will be delivered to Mr Fels at some stage. I invite the minister to comment. Yes, he has 21 votes behind him, and therefore this bill will be the law of the land. He has 3 votes at the moment, but I assume that when the bells ring he will have 21 votes behind him. I invite the minister to explain to the house where the consumer protection is that is going to ensure that the \$600-odd million currently collected by the insurance companies and the tens of millions of dollars collected by metropolitan municipal councils will actually be passed on in full to those people who currently pay that money.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — The question Mr Lenders asks is a good one. In terms of giving Mr Lenders the assurance he seeks, I can say that there is no-one in this Parliament with a bigger incentive to ensure that happens than the government. We are determined that this reform in relation to fire services funding be successful and that we see a transition away from the insurance-based levy with a commensurate reduction in the amounts that consumers pay for insurance. Obviously a critical element of that will be ensuring that that occurs. There is an enormous incentive for the government to ensure that that occurs.

Mr Lenders is saying that the government is asking the Parliament to trust it. I can say to Mr Lenders that there is a very big incentive for the government to ensure that those powers are put in place, and that will occur through a separate piece of consumer affairs legislation. The purpose of this bill is to create a mechanism for the new fire services property levy. A separate piece of

legislation will create the powers which Allan Fels, as the fire services levy monitor, will exercise. Professor Fels has accepted his appointment to that role. We are determined that the benefits of this reform will be passed back to consumers and that they will not continue to pay a fire services levy on their insurance. There is no party with a bigger incentive to ensure that that occurs than the government.

**Mr LENDERS** (Southern Metropolitan) — I would be somewhat more assured by Mr Rich-Phillips’s comment if we had not also heard — and, for Hansard’s record, my hand is on my heart — that there will be no Dorothy Dixers in the Parliament, our teachers will be the best paid in the country and there will be no public service job cuts. I could go on and on. The minister is in here, and I would explore with him the question of why, if we have all this material in place that allows Professor Fels to be the great monitor of insurance companies, the legislation is not being debated concurrently as a holistic package. The government’s marketing of this, for want of a better term, has been to say, ‘Trust us — we’ll make sure you get both’. The government has been remarkably silent in relation to metropolitan councils, but it has been more vocal about the insurance companies. We have heard the narrative, ‘We will ensure it is paid back’.

As I said in my contribution to the second-reading debate, last night I was on the phone to one of Victoria’s largest insurers inquiring about what would happen in 12 months time to an insurance premium I took out yesterday. The person read some lines to me which clearly were on her screen to read when asked, and when I said, ‘What happens to the fire services levy from 1 July to 8 October?’, she frankly said, ‘I don’t know’. My question to the minister is: why is that bill not being debated concurrently if the government is so confident that it will bring in the consumer protections which it says it has the best intentions of achieving and which we on this side of the house certainly think should be part of a joint package?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I would say to Mr Lenders that the government has foreshadowed that this legislation will come forward. It is not going to be Treasury legislation, so I am not in a position to tell him where that bill has progressed to or report its progress to the Parliament. However, the government has given a commitment that consumer affairs legislation will be brought in to ensure that the appropriate mechanisms are in place when they are required — that is, when the new fire services property levy comes into effect from 1 July next year. There is, as I said before, no party with a bigger incentive to ensure that that happens and that the

benefits are passed on to consumers through a reduction in insurance premiums than the government.

**Mr LENDERS** (Southern Metropolitan) — My final question on this is to ask whether the minister is confident that every insurance company and every metropolitan municipality will pass on in full the savings they will make by not having to pay a fire services levy after 1 July 2013.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I can say to Mr Lenders that that is the government's intention and that is what the consumer affairs legislation will be put in place to do.

**Mr LENDERS** (Southern Metropolitan) — I note that Mr Rich-Phillips said that that was the government's intention. In concluding the debate on this clause, I guess I have far less confidence in the ability of his colleague Michael O'Brien to deliver that than he clearly does.

**Clause agreed to.**

#### Clause 2

**The ACTING PRESIDENT (Mr Elasmr)** — Order! Before I call Mr Lenders to move his amendment 1 to clause 2 I clarify that the proposed amendment is a renumbering amendment related to amendments 2 to 6 on clause 2, which are also renumbering amendments. Amendment 1 tests these amendments and the more substantive amendment 15, in which Mr Lenders proposes that the committee omit clause 74 of the bill. Later amendments also tested by amendment 1 are amendments 15, 17 and 19 to 24.

**Mr LENDERS** (Southern Metropolitan) — I will be brief on this because I covered it in my contribution to the second-reading debate. Clause 15, as you so eloquently put it, Acting President, is the clause that allows the minister — or the Treasurer in this case — to request the Minister for Local Government to suspend a council that does not completely adhere to every requirement of the government under the act. There are two reasons the Labor Party opposes this clause. One is that it is unnecessarily heavy-handed, because the minister already has extensive powers under the Local Government Act 1989 to deal with councils that misperform or do not carry out their lawful duties. This is an unnecessary addition to the statute book, and coming from a government that talks about reducing red tape burden I find that intriguing.

More significant, I guess, is that I am implying a motive of government here, and that is to have the ability to hold councils to account. I am acutely conscious, as I

said in my second-reading contribution, that this government has form on directing statutory bodies, in particular the water authorities, to put government spin in documentation. What has happened with South East Water, Yarra Valley Water, City West Water and Western Water is well documented. Each of them has identical wording on their bills talking about the \$1.8 million-a-day cost of the desalination plant. No-one disputes the figure. That is the figure that is there; that is the cost of that piece of infrastructure. But you could equally include the remaining payments on the Thomson Dam built by the Hamer or Thompson governments. You could have any major project specified on the bills.

The concern in relation to this is that, one, it is unnecessary and, two, it is a threat to councils. The government is saying, 'Toe the government line on this and say it is a good thing'. There is no faith that the government will not use this power for wilful propaganda — as it has in relation to water — in making directions to councils on how they are to describe the fire services levy. For those reasons I am not seeking an explanation from the minister, because I think I know what the answer will be. I am just outlining that the purpose of this suggested amendment is to remove this unnecessary clause, which is here for one purpose only — that is, to intimidate municipalities into toeing the government line.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — The government will not be supporting Mr Lenders's suggested amendment 1, which it is taking as a test of his suggested amendment 15 with respect to clause 74. I do not accept Mr Lenders's proposition that this clause exists to intimidate local government.

Clearly powers already exist under section 219 of the Local Government Act 1989 for the Minister for Local Government to act with respect to a council that fails to do its duty or fails to perform in a certain way, as set out in the Local Government Act. The clause simply provides a link from this legislation to the Local Government Act. It does not give the Treasurer or the minister responsible for this act any powers with respect to dismissal or other action against a council; it merely creates a link between the minister responsible for this legislation forming a view and the minister then passing that view on to the Minister for Local Government, who would exercise the existing powers if they deemed it appropriate under section 219. I do not accept Mr Lenders's sinister construction of this clause.

**Mr LENDERS** (Southern Metropolitan) — I move:

That it be a suggestion to the Assembly that they make the following amendment:

1. Clause 2, lines 31 and 32, omit “94, 95, 97, 100, 101, 102, 103, 105, 108, 109 and 110” and insert “93, 94, 96, 99, 100, 101, 102, 104, 107, 108 and 109”.

**Mr BARBER** (Northern Metropolitan) — If there is no sinister purpose, we still have to ask what the purpose is. After all, local councils are required to deliver some critical functions under the Planning and Environment Act 1987; those functions involve very large, very complicated, very expensive and very time-consuming administration of the Planning and Environment Act, which is state legislation. Local councils also have to perform critical functions under the Health Act, but there has never been a reason to create this link, as the minister refers to it as, to suggest that if councils do not go around sticking thermometers into pork rolls to check that they are being stored at the right temperature, or that if councils are making a mess of the Planning and Environment Act, those relevant ministers also have the power to request that the council be suspended for poor performance or general incompetence. What is the reasoning and utility of one minister simply requesting another minister to do their job under powers they already have under a different act?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Mr Barber has basically reiterated the point I made in response to Mr Lenders. The section 219 powers exist for the Minister for Local Government under the Local Government Act. Anybody — Mr Barber, for example, if he thought a council was not acting in accordance with the Planning and Environment Act or the Health Act or indeed this piece of legislation — could write to the Minister for Local Government and seek an action under section 219. This provision, which allows the minister responsible for this legislation — the Treasurer — to do it, is in effect no different.

**Mr BARBER** (Northern Metropolitan) — The minister says this provision allows the minister to do it. Does that mean that if I vote for Mr Lenders’s suggested amendment and, by some miracle, we are successful in removing this clause, the minister will not be allowed to do it without this clause?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — No, I would not say that. This clause puts some parameters around the basis on which the Treasurer or the minister responsible for this legislation may seek to write to the Minister for Local Government under this provision.

**Mr BARBER** (Northern Metropolitan) — Clause 74 of the bill states:

If the Minister is satisfied that there has been a serious failure by a Council to perform its function as a collection agency ... the Minister may request the Minister administering the Local Government Act ...

Is this going to be a reviewable decision? If the minister did not satisfy himself or herself of a serious failure, does that mean the minister would not be able to request it anymore? How does this work?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — This provision requires the minister to satisfy himself or herself of a serious failure — in this case the issue Mr Lenders raised earlier about councils not putting on rate notices that the fire services property levy is the fire services property levy — and whether that would be grounds for the Treasurer to act under the Local Government Act. The reading of this — requiring the minister to form a view of a serious failure — gives the minister some guidance as to whether the Minister for Local Government should be involved.

**Committee divided on suggested amendment:**

*Ayes, 17*

Barber, Mr ( <i>Teller</i> )	Pakula, Mr
Broad, Ms	Pennicuk, Ms
Eideh, Mr ( <i>Teller</i> )	Pulford, Ms
Elasmar, Mr	Scheffer, Mr
Hartland, Ms	Somyurek, Mr
Jennings, Mr	Tarlamis, Mr
Leane, Mr	Tee, Mr
Lenders, Mr	Tierney, Ms
Mikakos, Ms	

*Noes, 19*

Coote, Mrs	Kronberg, Mrs
Crozier, Ms	Lovell, Ms
Dalla-Riva, Mr	O’Brien, Mr
Davis, Mr D.	O’Donohue, Mr
Davis, Mr P.	Ondarchie, Mr ( <i>Teller</i> )
Drum, Mr	Petrovich, Mrs
Elsbury, Mr	Peulich, Mrs
Finn, Mr ( <i>Teller</i> )	Ramsay, Mr
Hall, Mr	Rich-Phillips, Mr
Koch, Mr	

*Pairs*

Darveniza, Ms	Guy, Mr
Viney, Mr	Atkinson, Mr

**Suggested amendment negated.**

**Clause agreed to.**

**Clause 3**

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I move:

That it be a suggestion to the Assembly that they make the following amendment:

1. Clause 3, page 5, lines 2 and 3, omit “, unless section 20 applies, calculated in accordance with section 17” and insert “as assessed and calculated in accordance with Part 2”.

I will briefly speak to this amendment. Suggested amendment 1 is a consequential amendment for amendment 2, which is the substantive amendment that the government is seeking to make to the bill. Suggested amendment 2 relates to clause 9 and seeks to address the issue of single farm enterprise, which was discussed in the Legislative Assembly and arises from issues raised by the Victorian Farmers Federation (VFF).

It also addresses the issue of the fixed charge element of the levy where it applies to properties which span municipal boundaries. Currently the legislation as written provides that the fixed component is allocated in accordance with the size of the property across a municipal boundary. The proposed amendment simplifies that mechanism to provide that where a property spans municipal boundaries the municipality in which the portion of the property is larger will collect the fixed levy and the other municipality will not collect the fixed levy, so the levy will now be collected in one municipality rather than apportioned across two.

**Mr LENDERS** (Southern Metropolitan) — The Labor Party will support this suggested amendment and I congratulate the government on proposing it. However, as I said in my second-reading contribution, this amendment was suggested by Mr Holding, the member for Lyndhurst in the Legislative Assembly, after the VFF and others approached him. It is a sensible amendment which has been picked up by the government.

I wish to comment on it because it goes to the triumphalism of government members who continually say that this is a fantastic piece of legislation which has been thought through, that everybody has been consulted and that amendments from the other parties are unnecessary because the government has got it right. I congratulate the government on making this amendment.

The Labor Party will similarly support the subsequent amendments which have been foreshadowed by Mr Rich-Phillips. However, I reiterate that this is a

good moment to pause and reflect upon the ability of the scrutiny of Parliament. When Mr Holding sought to take this amendment into the equivalent of the committee of the whole in the Assembly the Treasurer, Mr Wells, fled; he would not have anything to do with it. He left it up to Mr Rich-Phillips to deal with it here and would not debate it clause by clause. Without dwelling further on that, this amendment is an improvement on the draft of the bill that was so loudly lauded in the Assembly. It is an amendment picked up by the Labor Party after consultation with the Victorian Farmers Federation. I congratulate the government on picking up Mr Holding’s suggestion.

**Mr BARBER** (Northern Metropolitan) — It is a pity that Mr Lenders opposed each and every Greens amendment moved in the last Parliament regardless of merit because he would be on an even higher horse than he is now. He will get his chance on a bill that is coming down the line, but I cannot talk about that now; it would be anticipating debate.

My question for the minister is: starting with clause 9(6) on page 9 of the bill, and continuing on through the amendments that are now being suggested, we have this reference to an undertaking — that is:

If land comprising one undertaking extends continuously beyond the boundaries ...

Et cetera. How can we get our minds around the idea of an undertaking and what it might mean? I did not find it in the definitions section of the bill.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I inform Mr Barber that it is taken from the Valuation of Land Act 1960, and it is consistent with that act.

**Suggested amendment agreed to; clause postponed.**

**Clauses 4 to 8 agreed to.**

**Sitting suspended 6.27 p.m. until 8.04 p.m.**

**Clause 9**

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I move:

That it be a suggestion to the Assembly that they make the following amendment:

2. Clause 9, page 9, lines 31 to 34, omit all words and expressions on these lines and insert —

“(b) the fixed charge part of the levy is to be apportioned so that the entire fixed charge for the undertaking is levied only in respect of the largest portion of the land and every other

- portion of land that forms a part of the undertaking is deemed to have a fixed charge of \$0.
- (7) If 2 or more portions of the land comprising one undertaking under subsection (6)(b) are equally the largest, the Minister must in writing direct which of the portions of land the fixed charge is to be levied against.
- (8) If any person is liable to be levied in respect of 2 or more parcels of leviable land that is farm land within the meaning of section 2(1) of the **Valuation of Land Act 1960**, or would be farm land if it were 2 hectares or more in area, and the parcels of land constitute a single farm enterprise, the person may apply to the collection agency for an exemption from the liability to pay the fixed charge part of the levy in respect of each parcel of leviable land that constitutes the single farm enterprise if —
- (a) an exemption is not claimed in respect of at least one parcel of leviable land which forms part of the single farm enterprise; and
- (b) in the case of a single farm enterprise which is occupied by more than one person, an exemption is not claimed in respect of more than one principal place of residence.
- (9) In subsection (8), *single farm enterprise* means 2 or more parcels of leviable land —
- (a) which —
- (i) are farm land; and
- (ii) are farmed as a single enterprise; and
- (iii) are occupied by the same person or persons —
- whether or not the parcels of land are contiguous or are located in the same municipal district; or
- (b) which —
- (i) as to all the properties except one, are farm land farmed as a single enterprise occupied by the same person or persons; and
- (ii) as to one property contiguous with at least one of the other properties, is the principal place of residence of that person or one of those persons.
- (10) An application made to a collection agency under subsection (8) must be in the form and made within the period —
- (a) specified in a direction of the Minister made under section 72; or
- (b) if the Minister has not made a direction for the purposes of this section, specified by the relevant collection agency.

- (11) A collection agency may require an applicant for an exemption under subsection (8) to give further particulars, or to verify particulars, in respect of the person's application.
- (12) A person who has made an application for, or who has been granted, an exemption under subsection (8), must advise the relevant collection agency of any change in circumstances that could affect the person's eligibility for an exemption under that subsection."

This suggested amendment gives substance to my amendment 1 to clause 3, with respect to single farm enterprises and arrangements for larger parcels which span municipal boundaries.

**Suggested amendment agreed to; clause postponed; clause 10 agreed to.**

### Clause 11

**Mr BARBER** (Northern Metropolitan) — Clause 11 relates to the fixed charge to be determined by land use classification. The fixed charge for residential land is \$100, for commercial and industrial land it is \$200 and for vacant land it is \$200. Given that the government's argument is that the old system was inequitable and that this new system would create an equitable system, why is it that vacant land attracts a \$200 charge for the provision of fire services when residential land, which presumably in most cases would be land with the residents on it, is charged less?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Just to clarify the point Mr Barber makes, vacant land paying the \$200 fixed levy excludes vacant residential land. It is a policy decision of government that for the residential category, which includes residential vacant land, \$100 is a more appropriate fixed charge in that it would recover the cost of imposing a levy on low-value properties, and that for non-residential land a \$200 charge was a more appropriate starting point.

**Mr BARBER** (Northern Metropolitan) — But this is all about having an equitable system levied on insurance policies. I presume vacant land will very often have had no insurance and very little on it that would be of value; yet it is being charged a fee at the level of commercial and industrial land. The original idea was to have an equitable system — people bearing the cost of the fire services they need — but here we are talking about vacant land.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Yes, we are talking about vacant land, but vacant land that is in commercial or industrial areas as distinct from residential vacant land which is grouped

with residential land in the \$100 category versus vacant land for commercial and industrial use, which is grouped with the other commercial industrial category, which attracts \$200.

**Mr BARBER** (Northern Metropolitan) — My point is that the person who has a factory is paying a \$200 fixed charge so that we can have a fire brigade, and next to him is a vacant piece of land whose owner is also paying \$200 to have a fire brigade. Short of a piece of rubbish catching fire on the vacant land, why is it equitable to charge them for the same level of fire service?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — In reality they will not be charged the same because if they have a factory on the piece of land they will incur the ad valorem component as well as the fixed component, which will recognise the value of the improvement to the land.

**Mr BARBER** (Northern Metropolitan) — But the government's argument at the time of the original discussion paper was that a fixed charge was needed to reflect, if you like, the fixed cost of having a fire service in the same way as a water service or a power service has a fixed component for service. Vacant land is unlikely to ever have the fire brigade called to it if it is vacant. Certainly if the fire brigade comes it will not be fighting a giant factory fire or a house fire as may occur in the other categories; it is just a vacant, empty piece of land. It could have fences on it and it might need protection from the fire brigade when the fences catch on, but generally speaking it is of very low-asset value in terms of being protected. It seems to go against the original rationale of having a fixed charge when it is attracting a high fixed charge. One would have thought vacant land would be down there with residential land, or even lower.

**Mr LENDERS** (Southern Metropolitan) — I take up the minister's response to Mr Barber that the ad valorem value would be the difference. The hypothetical situation was the factory at \$200 and the vacant block of land at \$200. Again, the government is asking the house to approve this taxation legislation — or as the federal Leader of the Opposition would say, 'This great big new tax'. If the factory is worth \$1 million, could the minister advise the house of the taxation measures he is proposing, how much a factory worth \$1 million in my electorate of Southern Metropolitan Region would incur in the fire services levy?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I inform Mr Lenders that the fire services

property levy that would be payable on that factory worth \$1 million would comprise the \$200 fixed component and a variable component set at the rate that will be determined by the Treasurer when that is put in place next year, multiplied by the CIV (capital improved value).

**Mr LENDERS** (Southern Metropolitan) — What the minister is saying is: vote for this legislation and the impost on the hypothetical factory worth \$1 million in my electorate will be \$200 plus an amount to be determined by the Treasurer of Victoria in May next year when he is setting a budget.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Mr Lenders is taking that a bit broadly given that the levy is set in accordance with the criteria set down in the legislation. In basic terms it is to fund the two fire services; it is not a general taxation measure.

**Mr BARBER** (Northern Metropolitan) — The reason I am labouring the point is this: the government has argued in its second-reading speech that the uninsured and the underinsured are getting a free ride, and there has been a lot of debate about the winners and losers from this new way of taxing. It seems to me that people who own vacant blocks of land — in the interests of disclosure I am one of those — are neither uninsured nor underinsured, or if they are, it is for a good reason: there is nothing to insure. We do not generally take out house and contents or other types of insurance policies on vacant land, and therefore we have not been paying the fire services levy, yet in this instance and through the valuation process, properties that are not currently insured for a good reason are now going to be getting a rather large fire levy bill.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I say to Mr Barber that the parallel is the municipal rates he would be paying on his vacant piece of land for which he would be receiving limited services with respect to that particular piece of land. This is a parallel situation.

**Mr BARBER** (Northern Metropolitan) — The minister has got that right. I am paying a garbage collection charge as well and not actually having any garbage collected. I hasten to say that all members of this place, it seems, will pay this charge. I have no special direct, personal and pecuniary interest in this matter beyond what every other member of this place would have. We are all going to end up paying this tax one way or another, but it means that people who currently are paying zero premium on their insurance for this levy because they have zero insurance for a

very good reason — they have vacant land — will now be getting a considerable bill when they previously did not contribute, and that goes against the argument that the government has put in the second-reading speech that the underinsured and the uninsured are getting a free ride. Vacant land is a special case for that, and yet when it comes to the fixed charge, owners will be charged the highest applicable amount in this bill.

**Clause agreed to.**

**Clause 12**

**The ACTING PRESIDENT (Mr Elasmr)** — Order! Mr Lenders will move his suggested amendment 7, which is a test for his suggested amendment 8.

**Mr LENDERS** (Southern Metropolitan) — In order to expedite time, it is also a test for my suggested amendments 9 and 10. From my perspective amendment 7 tests amendments 8, 9 and 10. The key thing I am seeking to have dealt with in committee is what I call the infamous clause 12(2)(a)(v), and it goes partly to the minister’s response to an earlier question about budget time. This subparagraph essentially sets in legislation the ability for a fire services levy — this great new tax — to be charged for several purposes. The purposes make it quite clear in what proportion it deals with the Metropolitan Fire Brigade and in what proportion it deals with the Country Fire Authority (CFA).

What is less clear is the compensation component for municipalities, but let us assume that a reasonable amount is negotiated between the Department of Treasury and Finance and the Municipal Association of Victoria on the basis of actual costs. I will give the government the benefit of the doubt on that issue, but the issue that I take great umbrage at is, as I said, the infamous clause 12(2)(a)(v). To refresh the house, clause 12(2)(a) says, ‘in the case of the levy rates for the 2013–2014 levy year’ and then details the funding for the fire brigades, surplus financial assets et cetera. Clause 12(2)(a)(v) says:

any other matter the Minister considers is relevant to the proper determination of the levy rates ...

That is any other matter the minister thinks is relevant. The minister is asking this chamber to authorise the government — as we saw in a previous clause, it would be in May each year at budget time — to determine what gets passed on, what the 79 collection agencies will put on their rate notices and take from the Victorian community.

I move:

That it be a suggestion to the Assembly that they make the following amendments:

7. Clause 12, line 33, omit “and”.
8. Clause 12, page 14, lines 1 to 3, omit all words and expressions on those lines.
9. Clause 12, page 14, line 19, omit “Act; and” and insert “Act.”.
10. Clause 12, page 14, lines 20 to 22, omit all words and expressions on those lines.

We accept the principle of funding the fire services, so I ask the minister specifically under clause 12(2)(a)(v) — and my string of amendments will ultimately cause this clause to be removed — will any other purpose determined by the minister include the State Emergency Service and the Department of Sustainability and Environment firefighters?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — No, it will not, and the reason it will not is that the purpose of this bill is to provide funding for the CFA and the MFB, as set out in the purposes clause. The purposes clause is quite specific. Obviously it is longwinded, as purposes clauses are, but essentially that is the purpose of the bill and that is the context in which this provision would be considered. To give Mr Lenders comfort, given he has taken umbrage at this section, I draw his attention to the existing section in the Metropolitan Fire Brigades Act 1958 with respect to the setting of the current levy, section 36(2), which provides:

The Minister must determine the total amounts of contributions payable under section 37 —

which is the budget for the fire brigades —

having regard to the estimates —

of the budgets —

... and to any other matters as the Minister thinks fit ...

The provision in the bill mirrors that in the existing legislation, providing coverage for matters which may be relevant to the setting of the fire services levy, and the purposes clause ensures that the levy is set having regard to funding to fire services and nothing else.

**Mr LENDERS** (Southern Metropolitan) — I note the minister’s response, and while he may wish to refer to a clause in a bill that was enacted when Sir Henry Bolte was still Premier, this is the Victorian Parliament today. We are not asking Sir Henry Bolte as Treasurer — I am sure he was an admirable man; I

never met him — but we are asking whether Mr Wells or any subsequent Treasurer — —

**Hon. G. K. Rich-Phillips** — Who is also an admirable man.

**Mr LENDERS** — Mr Rich-Phillips may well say Mr Wells is an admirable man, and I am not disputing that, but I do not have the confidence, if this determination is given to Mr Wells and he is under pressure at budget time, that this amount will not incrementally creep. Mr Rich-Phillips referred to the objectives of the bill, and he may say this is a hypothetical, but he is asking the legislature to give the government what I think are unprecedented powers in the 21st century — we are not talking about a clause of the last millennium. If the government decided in the budget that DSE firefighters or the SES were to come under the auspice of the CFA — —

**Hon. G. K. Rich-Phillips** interjected.

**Mr LENDERS** — The minister is shaking his head, but he is asking the legislature to give the government what I think are unparalleled powers in the 21st century.

**Mr O’Donohue** interjected.

**Mr LENDERS** — I repeat for Mr O’Donohue: the clause the minister referred to was passed in the last millennium when Henry Bolte was Treasurer. Will the minister give a categorical assurance that this provision will not be used above and beyond the existing functions of the MFB and CFA, and specifically, if through administrative arrangements the SES or the DSE firefighters are put under the auspice of the CFA, this will not be used to incur more revenue from his 79 collection agencies?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — My advice is that this clause can only be used to fund the MFB and the CFA as they are currently funded under the existing legislation.

**Mr LENDERS** (Southern Metropolitan) — I guess we can banter: the minister gives an assurance and I do not accept the assurance, so the Labor Party will vote to have this clause deleted from the bill.

**Mr BARBER** (Northern Metropolitan) — If this provision really has been in legislation for the last 54 years and there have been 54 budgets where no-one has been tempted to use it, then we are probably fairly safe to leave it in. For that reason the Greens will not support this amendment.

**Committee divided on suggested amendments:**

*Ayes, 15*

Broad, Ms	Pulford, Ms
Eideh, Mr	Scheffer, Mr ( <i>Teller</i> )
Elasmar, Mr	Somyurek, Mr
Jennings, Mr	Tarlamis, Mr
Leane, Mr ( <i>Teller</i> )	Tee, Mr
Lenders, Mr	Tierney, Ms
Mikakos, Ms	Viney, Mr
Pakula, Mr	

*Noes, 22*

Barber, Mr	Koch, Mr
Coote, Mrs	Kronberg, Mrs
Crozier, Ms	Lovell, Ms
Dalla-Riva, Mr	O’Brien, Mr
Davis, Mr D.	O’Donohue, Mr
Davis, Mr P.	Ondarchie, Mr
Elsbury, Mr ( <i>Teller</i> )	Pennicuik, Ms
Finn, Mr ( <i>Teller</i> )	Petrovich, Mrs
Guy, Mr	Peulich, Mrs
Hall, Mr	Ramsay, Mr
Hartland, Ms	Rich-Phillips, Mr

*Pairs*

Darveniza, Ms	Atkinson, Mr
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**Suggested amendments negated.**

**Mr LENDERS** (Southern Metropolitan) — I move:

That it be a suggestion to the Assembly that they make the following amendment:

11. Clause 12, page 14, after line 33 insert —
  - ( ) On or before the 6th sitting day after a determination under this section is published in the Government Gazette, the Minister must ensure that a copy of that determination is laid before each House of the Parliament.
  - ( ) A failure to comply with subsection (6) does not affect the operation or effect of the determination but the Scrutiny of Acts and Regulations Committee of the Parliament may report the failure to each House of the Parliament.
  - ( ) A determination under this section may be disallowed in whole or in part by either House of Parliament.
  - ( ) Part 5A of the **Subordinate Legislation Act 1994** applies to a determination under this section as if —
    - ( ) a reference in that Part to a “legislative instrument” were a reference to a determination under this section; and
    - ( ) a reference in section 25C of that Act to “section 16B(1)” were a reference to subsection (6); and

- ( ) the determination had been published in the Government Gazette for the purposes of section 16A of that Act on the day on which notice of the determination was published in the Government Gazette.
- ( ) A reference to a determination under this section includes a reference to any amendment to a determination under this section.’.

The essence of suggested amendment 11 is the ability of the Parliament to disallow the levy rate that has been set by the minister. I think I have covered off on this issue in my earlier contributions to the second-reading debate and on clauses of the bill. Essentially the Labor Party has a view that this is a taxation measure. If the most expeditious way of dealing with it is by regulation, we have no issue with that. However, as a taxation measure it should in the end be something that is a disallowable instrument. Our position is that we are moving this suggested amendment so that when the Treasurer sets the rate that rate can be disallowed by either house of Parliament. I formally move my amendment and announce how the Labor Party will be voting.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — The government will not be supporting this suggested amendment. I note that the current mechanism for setting the existing fire services levy does not provide for disallowance by Parliament, nor do a number of other mechanisms through which levies are set by ministerial direction. Consistent with existing practice, we will not support inserting a disallowance mechanism into this bill.

**Mr BARBER** (Northern Metropolitan) — The Greens will support this suggested amendment. Most other major state taxes have their rates set in legislation. This is certainly a major state tax; my prediction is that it will soon be approaching around \$1 billion of collections. For that reason we support the amendment as being consistent with how in the past other rates for taxes such as stamp duty, land tax, payroll tax and so forth have been embedded in legislation.

**Mr LENDERS** (Southern Metropolitan) — This probably falls on deaf ears, but I urge the minister to heed his comments on a penalty units bill back in the 55th Parliament, as I would Ms Lovell, Mr Philip Davis and a number of other members. I urge them to vote consistently with how they voted in the 55th Parliament on this issue.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I hesitate, Deputy President, but I suggest

to Mr Lenders that the view he took at the time was the view that then prevailed. Seriously, I note that the Monetary Units Act 2004 does not contain a disallowance mechanism.

**Suggested amendment negatived; clause agreed to; clauses 13 to 16 agreed to.**

**Clause 17**

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I move:

That it be a suggestion to the Assembly that they make the following amendment:

- 3. Clause 17, lines 28 to 30, omit all words and expressions on those lines and insert —

“FC means —

- (a) if section 9(6)(b) applies to the leviable land and the leviable land is not the largest portion in an undertaking, \$0;
- (b) if section 9(7) applies and the portion in an undertaking is not the portion in respect of which the Minister has made a direction, \$0;
- (c) in all other cases, the fixed charge that applies to the leviable land specified in section 11(2) as adjusted under section 11(3);”.

This is a further consequential amendment arising from the suggested amendments the committee has already agreed to.

**Suggested amendment agreed to; clause postponed.**

**Clause 18**

**Mr LENDERS** (Southern Metropolitan) — I move:

That it be a suggestion to the Assembly that they make the following amendment:

- 12. Clause 18, after line 13 insert —

- ( ) On or before the 6th sitting day after a notice under this section is published in the Government Gazette, the Minister must ensure that a copy of that notice is laid before each House of the Parliament.
- ( ) A failure to comply with subsection (3) does not affect the operation or effect of the notice but the Scrutiny of Acts and Regulations Committee of the Parliament may report the failure to each House of the Parliament.
- ( ) A notice under this section may be disallowed in whole or in part by either House of Parliament.
- ( ) Part 5A of the Subordinate Legislation Act 1994 applies to a notice under this section as if —

- ( ) a reference in that Part to a “legislative instrument” were a reference to a notice under this section; and
  - ( ) a reference in section 25C of that Act to “section 16B(1)” were a reference to subsection (3); and
  - ( ) the notice had been published in the Government Gazette for the purposes of section 16A of that Act on the day on which notice of the notice under this section was published in the Government Gazette.
- ( ) A reference to a notice under this section includes a reference to any amendment to a notice under this section.’

Again there is an ability for a disallowance, this time on the issue of the maximum amount of levy payable. I will not dwell on this, but given the lack of guidance from the second-reading speech or any of the fact sheets the government has produced I am intrigued as to what the government thinks is an appropriate maximum fire services levy to be paid. It could be a petrochemical refinery or a large shopping centre; there could be a number of areas. I am interested to hear from the minister what the maximum levy will be. This is going back to the point raised by Mr Barber earlier about the unoccupied land. Is this something based on a risk assessment? Is this something based on the whim of a minister? I ask the minister to enlighten the committee on what the policy framework would be for payment of a maximum rate of fire service levy.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — The purpose of clause 18 is simply to provide some flexibility, when the rates are set, to ensure that there are not extreme outcomes. The government has not formed a view that a maximum will be set, but if there are extreme outcomes, this provides capacity for action to be taken.

With respect to Mr Lenders’s suggested amendment 12, the government will not support that amendment. Obviously it is a similar mechanism to the disallowance mechanism which was considered for the previous clause. Accordingly, we will not be supporting this suggested amendment for the same reason.

**Mr BARBER** (Northern Metropolitan) — The minister describes these as ‘extreme’ results, but that would only be where there was an extremely high value associated with a particular piece of land and its capital improvements. That is normal. It is normal for a rate bill to go up according to the value of the rateable property. As the value of the land and the capital improved value of a property goes up — it does not matter if that property is worth \$60 000 for an

unimproved, non-residential block of land or a couple of hundred thousand dollars for a house and land or \$1 million for a big house or hundreds of millions of dollars, possibly even getting up to figures approaching \$1 billion, depending on the amount of improvement that has been done to a particular title — the rate in the dollar keeps putting your rates up. This suggests that the government would put a cap on it at a certain point. That said, whether your house was worth \$1 million, \$10 million or \$100 million, you might all end up paying the same fire services levy.

It goes back to the question of equity. There are two types of equity: the social equity associated with those with larger assets paying more, and also those with more valuable assets contributing more to have those valuable assets protected from fire — for example, a giant shopping centre. A cap could be put in place such that the mega-rich asset-holder caps their losses. It does not occur in any other property-based system as far as I am aware. It does not occur in land tax as far as I am aware; there is a top rate, but no maximum amount. It does not occur in council rates. Can the minister tell me, if Mr Lenders’s suggested amendment were to pass and the maximum rate was disallowed by Parliament, whether that would mean there would be no maximum rate? Currently there is no cap in this bill until such time as one is set by the Treasurer; is that correct?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — That is correct.

**Suggested amendment negatived; clause agreed to.**

### Clause 19

**Mr LENDERS** (Southern Metropolitan) — I am interested in clause 19 (3) which states in part:

A person who has a licence to pasture any animals on Crown land ... is taken to be the owner of the land ...

Does that mean the people who have let their mobile fuel-reduction units, also known as cows, graze in the national park will be required to pay a fire services levy in relation to an area of the national park?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am advised that this provision mirrors the provision in the Local Government Act 1989, so only if that party was paying rates would they be paying a fire services levy.

**Mr LENDERS** (Southern Metropolitan) — The mobile fuel-reduction units, also known as cows, that are now in the national park presumably bear risk. There are people who herd these mobile fuel-reduction

units, also known as cows, and they have a commercial advantage by their being in the national park, but they will not pay a fire services levy. However, a charity administering a war memorial in a municipal park that is owned by a municipality will. That is a statement. I would like an answer from the minister.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — To give Mr Lenders a response, again I would indicate to him that this is parallel with the provisions of the Local Government Act 1989 and would apply in the same way.

**Mr BARBER** (Northern Metropolitan) — Back at clause 10 we were told that a levy is not payable on Crown land except where the land is leased or licensed to any person. In this later area we are talking about where a person who has a licence to pasture animals on Crown land is taken to be the owner of the land and is liable to pay the levy on land as if it is leviable land. Comparing clause 10 to clause 19, does it depend on whether it is a lease or licence, or what type of lease or licence?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am advised in relation to Mr Barber's question that these types of arrangements are done via licence and not by lease.

**Mr BARBER** (Northern Metropolitan) — On this clause we are on then, at 19(4), licence for water frontages — and I suppose it could just as easily arise under subclause (3) as well — in the minister's suggested amendments to clause 9, where he brings in the single farm enterprise provision, I would presume that someone who owns farmland and also grazes on a water frontage is therefore considered to be under the single enterprise and would not have to pay the levy twice, even though standing alone 19(4) suggests they would have to pay the levy.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am advised that the application of the single farm enterprise requires an application by the entity to the collection agent, so in the first instance the municipality would determine how it was regarded, or whether it accepted an application for those two parcels of land to be regarded as the one enterprise. It would be a determination by the council.

**Mr BARBER** (Northern Metropolitan) — Assuming they read it the way I am reading it, they would most likely see that as a single farm enterprise. Likewise some people have an unused road running straight through the middle of their paddock. Nobody bothers to fence it. It is two parcels of land. If I read

19(4) on its own, as a minimum it would suggest that is a new property with a new fixed charge, but you would really have to rely on the provisions that the minister has just brought in in order to say it is a single farm enterprise. What if it is not a farm enterprise?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — Mr Barber is correct. That provision does apply to a farm enterprise, and if it is not a farm enterprise and it is not deemed to be a farm enterprise by the municipality, then that provision would not apply and it would be deemed as separate properties.

**Mr BARBER** (Northern Metropolitan) — I suppose it comes down to the wording:

... a person 'has or should have a licence under the Land Act 1958 in respect of unused roads or water frontages'.

It is not just if they have a licence; it is if they have or should have a licence under the Land Act. That triggers the requirement to pay a levy. The single farm enterprise provision then untriggers it, if you like.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — That is if the application is accepted.

**Clause agreed to; clauses 20 to 28 agreed to.**

#### Clause 29

**Mr LENDERS** (Southern Metropolitan) — I move:

That it be a suggestion to the Assembly they make the following amendments:

13. Clause 29, page 31, line 16, omit "Act." and insert "Act; or".
14. Clause 29, page 31, after line 16 insert —

"(c) a health care card issued under section 1061ZS of the Social Security Act 1991 of the Commonwealth."

This amendment honours recommendation 64 of the 2009 Victorian Bushfires Royal Commission, which is to require that the fire services levy have a discount for people in need of one. As I mentioned in my second-reading contribution, the concession has previously gone to aged pensioners, gold card veterans and people holding the health-care card. Because the government has aligned the fire services levy with the local government concession area, those health-care card beneficiaries have been excluded from fire services levy concessions.

What this suggested amendment seeks to do is treat all beneficiaries — which is what they were known as under the Howard government and what they are

known as under this Baillieu government — as they are treated under, to my knowledge, every other piece of legislation, including the legislation on energy and a range of other areas that the Baillieu government has legislated on. There has never been a distinction before other than in the existing provision in the Local Government Act.

This amendment seeks to honour what the royal commission recommended. The Premier did say every recommendation would be implemented lock, stock and barrel. Clearly this slipped through the cracks when the bill went through the cabinet and government party room process. This helpful amendment from the Labor Party is to help the government honour its election commitment.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I appreciate the spirit of Mr Lenders's amendment, but I have to say the government cannot support it. Mr Lenders is right in saying the government's intention with this legislation and indeed with the particular provisions of clause 29 is to mirror as closely as possible the mechanisms which are in place for local government under the Local Government Act to collect rates. Agreeing to Mr Lenders's amendment and introducing this extra category of concession would make the collection of the fire services property levy vastly more complex for local government, so the concessions that the legislation proposes and which the government proposes to remain with relating to pensioner concession cards and gold cards mirror those provisions which apply to local government rates.

The government believes it is honouring the 2009 Victorian Bushfires Royal Commission recommendation 64, which was to introduce a property-based fire services levy with concessions for low-income earners. We believe that the pensioner concession card and gold card provisions honour that.

**Mr BARBER** (Northern Metropolitan) — Can the minister explain why introducing this extra category of concession would make it more complicated for local government to collect the levy? Local government does not know in advance what the concession status of someone is when they send them a bill, so it is always going to be afterwards that the person turns up and claims their concession. Local governments offer concessions for a couple of cards already. Why would it be it more complicated if a third type of concession card were added?

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — My advice is that deviating from the

existing concession mechanisms that local government has in place would make collection of the levy vastly more complex. That is why the government has not pursued it.

**Mr BARBER** (Northern Metropolitan) — But I am asking why it would be more complicated. If someone rocks up with their concession card and says, 'I don't have to pay as much. I'm paying the amount I'm required to pay — the concessional amount', then local government would record that information, as it would for any other type of concession card, and the person would not have to give the government as much money as they would have otherwise.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I am advised that there are two elements related to this. The first element is that the movement on and off a health-care card concession is much more rapid than movement in and out of a pensioner concession card and a gold card. The second element is that if the fire services property levy built in the health-care card as a concession basis, it would be different to the concessions applied to council rates, therefore you would be applying a different concession to two different elements.

**Mr BARBER** (Northern Metropolitan) — You say that movement on and off the health-care card is more rapid, but on the day you come to pay your rate bill you have to have a current concession card with you, so you are either on or off. That is a function of the timing of when you pay. However, it would still be entirely possible to claim a concession on one part of your rates bill, which would be the fire services levy bit. This would be prominently displayed as a separate charge, I am sure. You could claim 50 per cent or \$50 off that or whatever it is you are claiming, and then you could claim whatever else you are eligible to claim on the remainder of your rates bill. I agree it is complicated, but that is simply because the government has decided to put two taxes through the one agency on the one bill.

**Committee divided on suggested amendments:***Ayes, 18*

Barber, Mr (Teller)	Pakula, Mr
Broad, Ms	Pennicuik, Ms
Eideh, Mr (Teller)	Pulford, Ms
Elasmar, Mr	Scheffer, Mr
Hartland, Ms	Somyurek, Mr
Jennings, Mr	Tarlamis, Mr
Leane, Mr	Tee, Mr
Lenders, Mr	Tierney, Ms
Mikakos, Ms	Viney, Mr

*Noes, 20*

Coote, Mrs	Koch, Mr
Crozier, Ms	Kronberg, Mrs
Dalla-Riva, Mr	Lovell, Ms (Teller)
Davis, Mr D.	O'Brien, Mr
Davis, Mr P.	O'Donohue, Mr
Drum, Mr	Ondarchie, Mr
Elsbury, Mr	Petrovich, Mrs
Finn, Mr	Peulich, Mrs
Guy, Mr	Ramsay, Mr
Hall, Mr (Teller)	Rich-Phillips, Mr

*Pairs*

Darveniza, Ms	Atkinson, Mr
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**Suggested amendments negated.****Clause agreed to; clauses 30 to 33 agreed to.****Clause 34**

**The ACTING PRESIDENT (Mr Elasmar)** — Order! I call on the Assistant Treasurer, Mr Rich-Phillips, to move his suggested amendments 4 and 5, which are a test for his remaining suggested amendments 6 to 12, in relation to the accounting for the levy amount found in clause 37.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I move:

That it be a suggestion to the Assembly that they make the following amendments:

- Clause 34, lines 31 and 32, omit "and paid out of the account maintained".
- Clause 34, line 33, omit "under section 37".

These amendments relate to changing the proposed requirement for local government to maintain a separate account for the fire services property levy. They would instead put in place a requirement that the funds be separately accounted for and, in doing so, would allow councils to maintain their existing bank accounts without having to establish new bank accounts.

**Suggested amendments agreed to; clause postponed; clauses 35 and 36 agreed to.****Heading to clause 37**

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I move:

That it be a suggestion to the Assembly that they make the following amendment:

- Heading to clause 37, line 16, omit "**kept in dedicated account**" and insert "**separately accounted for**".

**Mr LENDERS** (Southern Metropolitan) — At the very start of the debate I made some comments on the Assistant Treasurer's amendments on the basis of the briefing the Labor Party was given by the Department of Treasury and Finance and the Treasurer's office this morning. We certainly welcomed the government taking up the suggestions of Mr Holding in the Legislative Assembly and the Victorian Farmers Federation, coming up with these amendments. I have not been speaking at any great length on them other than in general terms, and that is partly because we were given a verbal briefing on the amendments this morning but did not see them until they were circulated in the house this afternoon. Obviously, predicting the outcome of this debate, a message will be sent to the Assembly this evening, and that will give the Assembly a chance to consider them in detail tomorrow.

A lot of these clauses are passing without further comment being added to my initial remarks. The Labor Party supports in principle what the government is doing, but based on the understanding that these amendments have come to the house without being circulated, my silence does not mean that my colleague Mr Holding will not go into them in a more forensic manner tomorrow after we have had a chance to look at them in greater detail than the speed of the passage of this bill today allows. Hopefully we will have had the chance to test them with a number of stakeholders. The opposition has been at a disadvantage today because it received these amendments at such late notice. We do not have any issue with the principle of them, but we have not been able to test them with stakeholders because of the pace of the legislative program, and that is a charitable way of putting it. I will not use the term 'sausage machine'.

**Suggested amendment agreed to; heading to clause 37 postponed.****Clause 37**

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — I move:

That it be a suggestion to the Assembly that they make the following amendments:

7. Clause 37, lines 17 to 20, omit all words and expressions on these lines and insert —  
“(1) A collection agency must separately account for levy amounts and levy interest collected by the collection agency under this Act.”.
8. Clause 37, lines 22 and 23, omit “and paid into an account specified in subsection (1)” and insert “under this Act”.
9. Clause 37, lines 26 and 27, omit “paid into an account specified in subsection (1)”.
10. Clause 37, lines 30 and 31, omit “paid into the account specified in subsection (1)”.
11. Clause 37, page 40, lines 1 and 2, omit “paid into an account specified in subsection (1)” and insert “collected by a collection agency”.
12. Clause 37, page 40, line 4, omit “paid out of the account and”.

**Suggested amendments agreed to; clause postponed; clauses 38 to 85 agreed to.**

**Clause 86**

**Mr LENDERS** (Southern Metropolitan) — I move:

That it be a suggestion to the Assembly that they make the following amendment:

16. Clause 86, line 11, omit “may” and insert “must”.

The amendment, as I mentioned in my contribution to the second-reading debate, is quite simple. Under the proposed bill the Essential Services Commission’s review of the premiums and what happens to them ‘may’ be made public by the minister. This amendment essentially seeks that it ‘must’ be made public by the minister. Our central premise for this is that the government is asking the Parliament to approve, as the federal Leader of the Opposition would call it, a great, big new tax, and it is being proposed that this tax come here. We have already had the discussion during debate on other clauses that the fire services levy be determined by the Treasurer on a series of grounds which the house has now determined, giving him, in my view, unfettered discretion.

There is no consumer protection package here. The minister tells us in good faith that his colleague Michael O’Brien, the Minister for Consumer Affairs, will bring it into the house to protect consumers from any of those municipal councils that may not pass on the savings, or insurance companies that may not pay on the savings. Then we have a provision that the Essential Services Commission be empowered to undertake an inquiry into what has happened to all of this.

Essentially what we are seeking is that the minister must make that inquiry public rather than the minister may make it public. That is it in simple terms. If the objective here is, sight unseen, consumer protection legislation is avoided. The minister has avoided it; it is not here, and it has not come to the Parliament. The least the government could do is support a motion that makes that inquiry by the ESC public regardless of whether the government likes the outcome or not. I have moved the suggested amendment in my name, and I urge the house to support it.

**Mr BARBER** (Northern Metropolitan) — The Greens will support this suggested amendment. The Essential Services Commission generally has the remit of looking at essential services such as rail, water, electricity and so forth and certain statutory insurance products. But here the government is telling us that the ESC will look at a huge and in fact voluntary property insurance market, with all its many combinations. It is going to be carrying out a very important watchdog role — that is, to be able to demonstrate to the Parliament that insurers do not continue to charge high amounts for insurance and that they reduce their insurance premiums proportionate to the levy amount they no longer have to collect.

From the point of view of an ordinary citizen you are never going to be able to work out whether or not you are getting a good deal. You will know how much you are being charged on your rates bill for the fire insurance, but you will not know if it is the same amount the insurer had previously been charging you. The value of your insurance relates to the value of what is being insured, but it also relates to the risk over the top of that. In some places that will be bushfire risk; in some places it will be flood risk; and in some places it will be burglary risk. That is all embedded in your insurance policy, and you do not know what the insurer was previously charging you. Only the Essential Services Commission, with a wide-ranging inquiry, would have the capacity to know. That is why it is essential that this inquiry occur and that it is made public. For that reason the Greens will support the ALP’s suggested amendment.

**Hon. G. K. RICH-PHILLIPS** (Assistant Treasurer) — The government certainly appreciates the sentiment that both Mr Barber and Mr Lenders have expressed. As I indicated earlier, there is no party with a stronger incentive to ensure that we have a proper handling of the removal of the fire services levy from insurance than the government.

**Mr Barber** — Except for the consumers, of course.

**Hon. G. K. RICH-PHILLIPS** — Indeed the consumers, Mr Barber. The government has a strong

incentive to ensure that the removal actually occurs. The amendment Mr Lenders is suggesting, rather than relating to the releasing of a report, appears on its face to be proposing that the ESC be required to inquire into these matters rather than providing the minister with the discretion to request the ESC to inquire into these matters. As I foreshadowed earlier, the government will be bringing forward a package of consumer protection measures through the consumer affairs portfolio, and accordingly we will not be supporting Mr Lenders's suggested amendment at this time.

**Mr LENDERS** (Southern Metropolitan) — To assist the house, because of the non-alignment of numbers here, we have effectively been debating suggested amendments 16 and 18, one proposing that a report be required to be done and one proposing that the report be publicly tabled. Given that we have had the debate on both of those, by leave, I suggest that this amendment test suggested amendments 16 and 18.

**Committee divided on suggested amendment:**

*Ayes, 18*

Barber, Mr	Pakula, Mr
Broad, Ms ( <i>Teller</i> )	Pennicuik, Ms
Eideh, Mr	Pulford, Ms
Elasmar, Mr	Scheffer, Mr
Hartland, Ms ( <i>Teller</i> )	Somyurek, Mr
Jennings, Mr	Tarlamis, Mr
Leane, Mr	Tee, Mr
Lenders, Mr	Tierney, Ms
Mikakos, Ms	Viney, Mr

*Noes, 20*

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

*Pairs*

Darveniza, Ms	Hall, Mr
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**Suggested amendment negated.**

**Clause agreed to; clauses 87 to 136 agreed to; schedule agreed to.**

**Progress reported.**

**Suggested amendments reported to house.**

**Report adopted.**

**Ordered to be returned to Assembly with message informing them of decision of house.**

**PRIMARY INDUSTRIES AND FOOD  
LEGISLATION AMENDMENT BILL 2012**

*Second reading*

**Debate resumed from 13 September; motion of  
Hon. G. K. RICH-PHILLIPS (Assistant Treasurer).**

**Ms PULFORD** (Western Victoria) — With so many matters being postponed until later this day, even though it is the first week of daylight saving and everyone has that extra spring in their step, it is 9.30 p.m. and we are starting the debate on the Primary Industries and Food Legislation Amendment Bill 2012. I am pleased to speak on this bill and to put the position of the opposition. The opposition will not be opposing the bill. It is an omnibus bill that amends the Food Act 1984, the Impounding of Livestock Act 1994, the Prevention of Cruelty to Animals Act 1986, the Livestock Disease Control Act 1994 and the Local Government Act 1989.

Perhaps the most significant feature of this bill is the change it makes to the implementation time line for the egg standard. The egg standard is due to come into effect in November. This is the end of the 18-month period since the ministerial council resolved to make this change. The bill establishes a suitable regulatory framework under the Food Act, with the Department of Primary Industries as the regulating authority, and gives the secretary of the DPI the same powers as the secretary of the Department of Health to deal with food safety breaches. I am advised that a memorandum of understanding will be signed between the Department of Health, the Department of Primary Industries and local government to ensure the implementation of the egg standard.

The egg standard requires eggs to be stamped with a unique identifier. One of the effects of this bill is to delay the introduction of this requirement for a further two years to enable farmers affected by this change to install the necessary equipment, which is not cheap. It is quite an adjustment for producers to be making. It costs around \$12 000 to install stamping technology. Members might expect buying half a dozen eggs at the store to be a little more expensive in coming years, but the legislation puts this off for a bit longer to enable egg producers to adapt to this change.

There are concerns in the sector that this may apply differently to large producers and small producers — farmers market-type producers — and it is thought that if all eggs are not stamped, the system will not be foolproof. This requirement has come about because of a desire, expressed in a national discussion about the

egg standard, to be able to trace and respond to quality issues that may arise. We believe the minister needs to work with all producers that will be affected by the egg standard so that they can be properly supported by the government in the lead-up to this change.

The bill also broadens the activities that may be regulated by Dairy Food Safety Victoria to include all activities on a dairy farm supplementary to the main dairy activities. The dairy industry is a significant part of the Victorian food industry. Indeed, Acting President O'Brien, you and I share the electorate that probably lays claim to the greatest share of dairy production, including for export, which is a significant part of the Victorian economy. The dairy industry of south-west Victoria did not have such a great week last week, but it plays an incredibly important role in creating employment and producing many fine products for domestic and international consumption.

The amendments to the Impounding of Livestock Act 1994 offers local councils and other agencies the power to impound or issue notices to ensure that livestock are appropriately confined and not wandering on roads or other land. Obviously there are consequences of livestock wandering onto other farmers' land, and certainly livestock wandering onto roads is a matter of concern for us all. The bill allows for the Governor in Council to make regulations for the care and management of impounded livestock in pounds, as is the case for companion animals.

The bill makes amendments to the Prevention of Cruelty to Animals Act 1986, as I indicated at the outset, and widens the courts' ability to issue an order disqualifying or placing conditions on a person being in charge of animals when they are found guilty but not convicted of a cruelty offence.

It also provides that an inspector, with the approval of the secretary of the department, can require a person to supply any known evidence relevant to an investigation, and more information is always a desirable thing in these matters. It also enables the secretary of the department to declare an emergency and appoint any suitably qualified person as an inspector for the duration of the emergency. Tragically, we have had some significant natural disasters and emergencies in Victoria in recent years, including fires and significant flooding in parts of Victoria. The need for local authorities to respond and have the flexibility to act in the community's best interest can be enhanced by this amendment.

The bill also introduces a requirement that a person be nominated rather than the current requirement that a

company or cooperation be nominated under a code such as the Australian code of practice for the care and use of animals for scientific purposes. The bill also makes amendments to the Livestock Disease Control Act 1994, which will enhance the ability of the department to respond quickly to disease outbreaks. Again, our primary producers are an incredibly important part of many communities in Victoria and of the economic picture that is Victoria. Many great export and employment stories involve them, and our farming communities deserve the support of the Parliament for the work they do. The bill will provide some reasonably uncontroversial improvements to the operation of a number of pieces of legislation.

Concluding where I began, on the question of national food standards, as we support a greater implementation time for the new egg standard, Labor in government and in opposition has always supported the development of nationally consistent codes. These codes are usually developed with scientifically based expertise, and it is important for our primary producers that there be certainty around regulation and also national consistency. These codes are often highly technical and require specialist advice and expertise in their development. With those comments, the Labor Party will not oppose the bill, and I commend it to the house.

**The ACTING PRESIDENT (Mr O'Brien)** — Order! I thank Ms Pulford for her kind words about the dairy industry in relation to the electorate we share, Western Victoria Region. I note that in the gallery we are graced by two sons of a small western Victorian dairy farm and one ex-Balranald sheep farmer. I call now on another person who shares the electorate of Western Victoria Region, Mr Ramsay, to make his contribution.

**Mr RAMSAY (Western Victoria)** — I am more than happy to speak, one sheep farmer to another, and it also gives me great pleasure to speak on the Primary Industries and Food Legislation Amendment Bill 2012. As has been said by the previous speaker, this bill amends the following acts: the Food Act 1984, the Impounding of Livestock Act 1994, the Prevention of Cruelty to Animals Act 1986, the Livestock Disease Control Act 1994 and the Local Government Act 1989.

While the bill deals with some minor amendments that have been identified by the Department of Primary Industries (DPI), my contribution will deal with amendments pertaining to the regulatory framework to enforce the egg standard, exemptions and egg stamping, livestock on roads and emergency response capacity, in which I have a very strong interest.

The bill also gives me the opportunity to again acknowledge the important contribution food and fibre farmers make to both the health and wealth of the nation, and that is not a contrived statement. More than ever, Australians should not take for granted the wonderful range of food products that Australian farmers grow fresh every day, without the enormous taxpayer subsidy that farmers in overseas countries receive, and our farmers do so despite cheap subsidised imports that compete with local products.

They also do so with the high environmental cost of regulation which is not borne by competing imports and with some of the highest labour costs in the world. If that is not enough, Australian farmers are having to sell to a supermarket duopoly whose only national interest is to drive down the price to its suppliers and maximise its profits. The major banks are using a similar strategy to drive up profits at the expense of their customers.

Despite all the hurdles farmers face they are still able to produce food that provides significant wealth in export earnings but also an important staple diet of fresh food to a population which is gorging itself on fast food at a rate that is increasing diabetes and obesity in this country more than in any other developed nation. These amendments provide better security for our food producers and our animals and improve the quality and safety of our food.

Turning to egg standards, which I might add is an important, healthy staple of our diet and health, the national primary production and processing standard for eggs and egg products will automatically come into effect in November. This is an important date because unless the bill is approved, Victorian egg producers will be required by the standard to individually stamp each egg with the required property identification marks. The intent, to provide whole-of-chain traceability, is admirable, but it is not essential.

The DPI has argued that individual egg stamping is not required to provide the integrity of traceability and that stamping of cartons would produce the same result. The egg standard was pushed through the Council of Australian Governments food ministerial council despite strong opposition from Victoria. Interestingly Catherine King, federal member for Ballarat, and chair of the food ministerial council did not support Victorian egg producers by removing the cost burden of an egg stamping machine. Ms Pulford mentioned in her contribution that the cost of a machine is around \$12 000, but my information is that the cost is around \$30 000, and the breakdown costs associated with those machines are considerably more.

The DPI has been working with the Victorian Farmers Federation and the egg industry to propose the introduction of a two-year exemption from the stamping requirement. New South Wales also intends to introduce the same exemption. This gives egg producers, particularly smaller ones who are more financially sensitive, time to plan and install the necessary equipment. The bill also seeks to move responsibility for monitoring the compliance obligation under the national egg standard from local government to DPI, which is considerably more experienced and has better qualifications on compliance with standards than local government. I might add that the DPI has been a world leader in introducing traceability systems within the food chain, and it is appropriate that it will be the relevant authority.

In relation to the livestock on roads amendment, this will empower councils to enter land and impound livestock that are inadequately confined or that pose a risk to public safety. While council officers can impound livestock found on roads or roadsides that are presenting a public risk, they cannot impound livestock that have been on roadsides but have returned back to private land and are still not secured. In 2006 in my own electorate, in the Warrnambool area, a car ran into a bull that was unsecured and unfortunately that led to a tragic death. A campaign ensued which demanded more regulation with greater liability to be attached to land-holders who do not have stock-secure boundary fences. While this amendment does not totally address that campaign and its priorities, it improves and mitigates the risk of accidents with livestock on roads.

The bill also allows a notice of objection to the trespassing of livestock and a notice to confine livestock to be served on a livestock owner. The bill will also permit the Governor in Council to make regulations for the care and management of impounded stock in pounds, such as companion animals, to allow appropriate standards to be put in place for the care and housing of impounded livestock.

I will mention briefly the amendments to the POCTA act — or the Prevention of Cruelty to Animals Act. The bill provides for a range of warrant powers and gives the minister the ability to employ persons as general inspectors rather than being limited to state government officers under the Livestock Disease Control Act. There are also a number of amendments to the Prevention of Cruelty to Animals Act in relation to compliance offences, which are well covered in the second-reading speech, so I will not go into detail on those.

I have had a lot of experience with the different industry codes and legislative codes. In relation to

clause 32 — I make mention of this because I understand it has caused some interest — there was a suggestion that the crossbench parties or the opposition would have the power to disallow a code of practice or, worse, to force an amendment to a proposed code. The proposed amendment to the POCTA act is necessary to correct a procedural inconsistency in the making of codes between the POCTA act and the Subordinate Legislation Act 1994, and I note that the two acts have contradictory provisions relating to when codes can be gazetted and tabled. New section 7(5A) gives no new powers to Parliament compared with existing section 7(4A), and the power of either house of Parliament to disallow a code will remain the same. Importantly there is no power for either house to amend the proposed code.

I will finish by talking about the emergency response capacity under the new amendments. The bill provides the secretary of DPI with the power to obtain from local councils information relating to land, including the name, address and contact details of owners and occupiers. This information is sought to assist DPI to proactively plan emergency response activities and to be able to make contact with land-holders and occupiers in a timely fashion in the event of an emergency animal disease outbreak.

I can speak firsthand on the importance of the quick tracing of animals and contacting of people in the event of an emergency disease outbreak because I was in the UK in the aftermath of the foot and mouth disease (FMD) outbreak in 2000. The UK paid dearly for its lack of animal identification, lack of documentation in animal movements and lack of place of origin records. Its logistical response through the different agencies was slow and unwieldy. Its diagnosis of the disease was slow. The biosecurity in airports, in state boundaries and in transport in the affected areas left a lot to be desired. The timeliness of response can be critical in trying to contain a disease outbreak, and we have learnt serious lessons from the emergency animal foot and mouth disease outbreak in the UK.

Similarly this information is of assistance not only in exotic or endemic animal disease outbreaks but in nature's emergencies of fire and flood. The council-held information will supplement data from livestock and horticultural property identification code databases. The NLIS (national livestock identification scheme) for cattle was driven by Victorian cattle producers, and I congratulate John Wyld from Coleraine on leading that charge in his time as president of the Cattle Council of Australia. The NLIS for cattle was instigated, and Victoria was a leader in installing that identification system, with lessons learnt directly

from the FMD outbreak in the UK — which I talked about — and it is now an instrument used in all states to provide traceability of livestock. It is another tool to boost Victoria's capability to quickly respond to an emergency animal disease outbreak in the same way that these amendments will protect the integrity of our food quality and safety, and on that basis I commend the bill to the house.

**Ms PENNICUIK** (Southern Metropolitan) — The Primary Industries and Food Legislation Amendment Bill 2012 is an omnibus bill which makes amendments to various acts, including the Impounding of Livestock Act 1994, the Livestock Disease Control Act 1994, the Prevention of Cruelty to Animals Act 1986, the Local Government Act 1989 and the Food Act 1984. In large part the amendments made to those various acts by this bill are sensible and the Greens support them, particularly regarding the impounding of livestock that are providing a risk to public safety. It extends the powers available to officers to enter land and deal with those livestock that are not properly contained.

Under the Livestock Disease Control Act 1994 the bill provides for additional offences relating to cattle, pigs and bees, and it also makes a change to compensable diseases under that act, removing tuberculosis and bovine tuberculosis as a compensable disease for farmers. I had a look at that and discovered that two years ago AusVet Animal Health Services concluded in a report entitled *Evaluation of Australian Surveillance for Freedom from Bovine Tuberculosis* that there is almost zero incidence now of bovine tuberculosis. I presume that is the reason it is being removed from the act, although if it ever were to come back, it may need to be reinstated as a compensable illness. It is to be hoped that it does not happen.

There are amendments to the Local Government Act 1989 to require councils to make certain information relating to land available to the Secretary of the Department of Primary Industries. The amendments to the Food Act 1984 mainly go to regulating the primary production and processing standard for eggs and egg products in Victoria, which is a national framework being rolled out after an egg stamping trial in New South Wales.

As previous speakers have mentioned, there have been some concerns raised by various egg producers regarding the starting date of the national standard for egg stamping, which is November this year, and they have requested an extension. The New South Wales government has granted such an extension — I think until 2014 — which the current bill also provides. The new law aligns with the New South Wales egg food

safety scheme that commenced in 2010. It has been running for two years and it is agreed that it will now be rolled out across the country.

The concerns are the cost of stamping equipment and the time frame for businesses to comply. I note that in New South Wales from August this year the authority will supply a free manual egg stamp and one pack of five ink refills to 300 small producers — that is, those who produce less than 1000 eggs per day. I am not sure if the government is thinking of doing that in Victoria, but it might be a good idea.

I notice that in his second-reading speech and in media releases the minister has said there was a limited benefit to egg stamping. Mr Ramsay spoke about that too, and also raised the idea that you do not need to stamp the eggs. Stamping the carton would be enough.

**Mr Ramsay** — I said ‘carton stamping’.

**Ms PENNICUIK** — Lots of people do not retain egg cartons. They take the eggs out of cartons and put them in egg containers or other containers, and so the time between when they actually bought the carton and consumed the egg can be quite some time. Certainly the egg carton could have gone out in last week’s recycling. I refer to Food Standards Australia New Zealand’s supporting document entitled *Proposal P 301 — Primary Production and Processing Standard for Eggs and Egg Products — Regulation Impact Statement*. As Mr Davis informed us this morning, it is great that we are going to be looking at those issues in depth through the Environment and Planning References Committee. The executive summary states:

Food-borne illnesses caused by the consumption of egg and egg products cost the Australian economy about \$44 million each year.

Salmonella is the main microbiological hazard associated with eggs. Cracked and dirty eggs have a higher likelihood of being contaminated with salmonella.

And we all know how dangerous it is to contract salmonella. Further:

Salmonellosis is the second-most commonly reported food-borne illness in Australia. Where the cause of food-borne illness can be identified, eggs are the most commonly identified food vehicle.

In an article entitled *Egg stamping — Benefits, Feasibility and Options for Australian Egg Producers*, the Australian Egg Corporation says:

Egg stamping — also known as egg marking, egg coding — et cetera —

is compulsory in the European Union.

It is also compulsory in Queensland, New South Wales and now in Victoria. The corporation says there are other benefits:

Customer confidence in the farm’s brand is improved ...

The swapping of individual eggs in cartons by customers in shops can be detected and if there are quality issues the actual source of the eggs at fault can be traced.

Reused cartons, particularly in farmers’ markets —

which I go to —

are easier to detect. Producers are often blamed for poor quality eggs purchased in their reused cartons ... Stamped eggs can be used to quickly eliminate farmers as the supplier of the eggs.

And they readily identify the actual supplier. The minister says there is limited value in egg stamping, but the Food Standards Australia New Zealand agency and the Australian Egg Corporation contradict this. If someone is to consume an egg and contract salmonella, it will happen very quickly. It is not as if the egg shell is going to be unable to be found. It is probably on the bench or in the bin next to the bench, so it is a good way — —

**Mr Ramsay** interjected.

**Ms PENNICUIK** — Mr Ramsay had his chance; the main organisations do not agree with him.

With regard to this bill I would really like to talk about the amendments to the Prevention of Cruelty to Animals Act 1986, mainly clauses 31 to 38. Clause 32 re-emphasises that codes made under the act, or revoked or repealed under the act, remain disallowable by houses of Parliament, and we support that. Clause 33 of this bill introduces new section 11(2), which states:

“(2) It is a defence to a prosecution for an offence under section 9 or 10 in relation to an activity if the person charged was carrying out the activity in accordance with a code of practice prescribed for the purposes of this subsection (other than a Code of Practice made under section 7) that regulates that activity.”.

In other words, that is in respect of a code of practice that is not made under the act but prescribed by the regulations. It could be, for example, an industry code that is prescribed by, referred to by or applied under the regulations. Those codes are not disallowable under the act or under this bill. That is why I have prepared an amendment to the bill which will amend section 42 of the Prevention of Cruelty to Animals Act to provide that those codes of practice that are prescribed by or

referred to under the Prevention of Cruelty to Animals Act will also be disallowable by either house of Parliament, either in full or in part.

The reason for that is that even though the codes are not made under the act, if they are prescribed under the regulations and they are being relied on as a defence in cases of cruelty to animals, then the Parliament needs to know about them, to either accept or not accept those codes or other instruments that are prescribed by the regulations and to be able to disallow them if they are not good enough. We are talking about a defence to a prosecution under the Prevention of Cruelty to Animals Act. That is why I will be moving that amendment, and I will speak to that further during the committee stage of the bill.

I have some other concerns about part 4 of the bill, which contains the amendments to the Prevention of Cruelty to Animals Act. I would like to ask questions about clause 33 in particular. I would also like to ask the minister in committee about clause 61, which amends evidentiary provisions under the Food Act 1984 and which the Scrutiny of Acts and Regulations Committee has raised questions about. SARC raised some concerns about the extent to which sections 50(1)(a) and 50(1)(c) of the act are being extended by this bill.

I am happy to speak further about my amendments and those clauses during the committee stage of the bill, which I understand will take place on the next day of meeting.

**Business interrupted pursuant to sessional orders.**

## ADJOURNMENT

**The ACTING PRESIDENT (Mr O'Brien)** — Order! The question is:

That the house do now adjourn.

### **Department of Primary Industries: staffing levels**

**Mr LENDERS** (Southern Metropolitan) — The matter I raise tonight is for the attention of the Minister for Agriculture and Food Security, Peter Walsh. It relates to how the government's funding cuts are affecting weed research undertaken by the Department of Primary Industries (DPI). Prior to the 2010 election the coalition promised to place a high priority on weed and vermin control. On 21 September 2010 a media release from The Nationals stated that they were committed to providing a greater investment of

resources, backed by policies, to support our food-producing communities.

I particularly draw the minister's attention to the DPI weed research facility in Frankston that will be closing its doors this month. I understand that in the last 12 months a third of the workforce has gone. There are now only 12 staff members at the research facility, instead of the 18 who were there at the change of government. The facility is being moved to Bundoora, with further staff reductions probable, given the target of 200 jobs to be cut from the Department of Primary Industries.

The action I ask of the minister is for him to meet with the staff who are about to lose their jobs and to also meet with farmers to explain how his election commitment is being met by closing research facilities and reducing DPI staff.

### **Women: development and empowerment program**

**Mrs COOTE** (Southern Metropolitan) — A couple of weeks ago, on 18 September, I had a most extraordinary opportunity. This evening I would like to relate this opportunity to the Attorney-General, so my adjournment matter is directed to him. I had the opportunity to go to Springvale to speak at a graduation ceremony and give out graduation certificates to a group of really inspiring young women.

These young women were part of the youth development and empowerment program graduation ceremony. These Muslim women had been Australian citizens for a very short time, and they had come to do a course run in partnership with the Department of Justice under the auspices of Gabrielle Levine, who has done an excellent job in this area. Ms Levine was there, as was Tim Cartwright, a deputy commissioner at Victoria Police, and Mr Abselom Nega, who is the CEO of an organisation called iEmpower, which conducted this program. Abselom has just been appointed by the Attorney-General to the Victorian Human Rights and Equal Opportunity Commission. The program he ran for these women in conjunction with the Department of Justice was exemplary. I was very impressed.

I spoke with the young women, who were probably aged from about 18 to 24. They had undergone an intensive month-long course looking at the processes in the law courts in Dandenong, speaking to the police and understanding the processes. Each and every one of them said they felt really confident and it was a great opportunity for them to understand the functions of our

law system. They had a lot more confidence and felt really excited about being Australian citizens and understanding so much more about how the process worked. They said they particularly enjoyed meeting and speaking with the police. They admitted that they had been nervous of the police prior to this course and that it had been excellent. Their mothers, who were their chaperones, loved the course and asked if they could also do a course, so on the same night the mothers graduated from their course as well.

The action I seek this evening from the Attorney-General is that in light of the great success of this program he contact Ms Levine at the Department of Justice and discuss the opportunities for ongoing programs of a similar nature in and around the vicinity.

### **Buses: short-term tickets**

**Ms TIERNEY** (Western Victoria) — My adjournment matter this evening is for the Minister for Public Transport, Mr Mulder, and it is in relation to the use and future availability of short-term tickets for Geelong residents using local bus services. The minister should be aware that over 60 per cent of passengers using the Geelong bus network purchase short-term tickets when travelling on the service. I understand that the Geelong branch of the Public Transport Users Association has written to the minister stating its desire for the short-term ticket option to remain available. The Public Transport Users Association acknowledges that the current ticketing system is uneconomical, with each ticket costing approximately 35 cents to produce, but it has suggested a thermal printing system, which I am informed is already in the bus driver's myki console.

While the thermally printed ticket will not provide passengers with the same range of options as a myki card, the short-term ticket option should be made available. If the Baillieu government proceeds with its decision to abolish all short-term tickets, Victoria will stand alone as the only smart ticket system in the world that does not provide the option of short-term tickets for public transport users.

I note that the Deloitte study into the myki system still has not been released by the Baillieu government, so the action I seek from the minister is for him to provide short-term ticket options for infrequent transport users in the Geelong region and also in wider regional Victoria.

### **National Centre for Farmer Health: funding**

**Ms PULFORD** (Western Victoria) — The matter I raise on the adjournment tonight is for the attention of the Minister for Health, Mr Davis. I recently had the pleasure of attending the biannual conference of the National Centre for Farmer Health in Hamilton, as did Mr Ramsay, Ms Tierney and many other people, including health professionals and experts in their field from around Victoria and Australia, as well as international guests. The conference highlighted the importance of innovative approaches to health care and health promotion to address the inequalities faced by many farming communities.

Since the National Centre for Farmer Health's inception in 2009, I have been impressed by the work it has done, particularly through the delivery of preventive health promotion programs. I think we would all agree that that not only improves the health and safety of rural Victorians but also decreases the burden on the state's health budget in the long run.

The decision by the Minister for Health to discontinue funding to the National Centre for Farmer Health is a significant blow to rural Victoria, and I believe it adds weight to the increasingly dominant public view that this government simply does not care about regional Victoria. Along with Mr Ramsay I would welcome any support for the centre that comes from private investment. However, it is unacceptable for Mr Ramsay to suggest that it is not fair — as he has been quoted as saying by the *Hamilton Spectator* — that the government should fund the centre. Relying on the private sector to fully fund public health should not be on the radar of any government that is committed to public health.

**Mr Koch** interjected.

**Ms PULFORD** — I remind Mr Koch that Victoria is also home to the national gallery, but simply because it has the word 'national' in the title does not make it a national institute. The work the centre does is overwhelmingly done in Victoria — that is, 86 per cent of it. The member opposite knows that, and I think he is being exceptionally cheeky to repeat the health minister's line that it is a national institution that ought be funded by the federal government. The Victorian government has decided to cut funding to the centre to the tune of \$1 million a year. It is this decision that will likely cause it to close, and that is a disgrace.

As the farming sector continues to face major challenges attracting young people and with our rural citizens facing higher rates of mental and physical

illness, investment in regional Victoria is needed, not cuts. Restoring this funding to the National Centre for Farmer Health makes good economic sense as well as health sense. The end of the centre will inevitably lead to increased stress on the health system in regional Victoria and to increases in preventable physical and mental illness, in the long run costing the state more than the \$1 million being cut by Mr Davis. I request that funding be restored.

### **Women: TAFE funding**

**Ms HARTLAND** (Western Metropolitan) — My adjournment matter tonight is for Mr Hall, the Minister for Higher Education and Skills. I refer to the analysis the Victorian TAFE Association has recently released that clearly shows the government's planned budget cuts to TAFE will unfairly disadvantage women students. As my colleagues in this place would know, I have serious concerns about the impacts of these cuts across the board. It makes a bad policy decision worse that such cuts should be so unfair to women. This analysis shows that women TAFE students will be disadvantaged by an average of twice as much as men. In some cases women will be five times worse off.

I remind the Baillieu government that in 2012 the practice of actively underinvesting in women's education belongs in the last century and not in this one. We already know that women face many additional challenges that men do not face in terms of entering into, remaining in and returning to the workforce. TAFE plays a critical role in supporting working women.

How can it be that in 2012 the courses popular with women face cuts of up to 85 per cent, while apprenticeship courses dominated by male enrolments are facing cuts of around 6 per cent? The TAFE association analysis paints a stark picture of what this discrimination will look like. With 81 per cent of funding to certificate III in business administration to be cut, students in that course — almost all of them women — will now incur \$3000 in student fees. Meanwhile, the higher Victorian government-funded apprenticeships, where most students are male, will have a minimal fee increase, and this increase will be met by employers.

The Premier's argument that these cuts are to meet the economic challenges of declining national and global uncertainty does nothing to explain the discriminatory nature of these cuts. To the Premier I would say that women's work is just as real as male-dominated apprenticeship enrolments, which have been largely safeguarded from the red pen.

The business, hospitality, tourism and retail industries will be hard hit by these cuts. There will be fewer courses available in these study areas, and the remaining courses are likely to become more expensive. The TAFE association analysis shows that at one metropolitan Melbourne TAFE there is an average increase of 66 per cent for fees across the top 30 courses for females in 2013.

We need to do more than we are currently doing to support women to return to the workforce and to stay in the workforce. I ask the minister to take up and seriously consider the Victorian TAFE Association's request for a full structural review of the funding model to deliver a more equitable outcome for all students.

### **Bedford Road–Great Ryrie Street, Ringwood: traffic lights**

**Mr LEANE** (Eastern Metropolitan) — My adjournment matter is for the Minister for Public Transport, Terry Mulder, and it concerns the intersection of Bedford Road and Great Ryrie Street in Ringwood. I had a conversation with a constituent who has been concerned about the safety of this intersection for some time, to the point that she has spoken to stakeholders in the area and has started a petition to encourage the installation of a set of traffic lights at this intersection.

There are four schools close to the intersection: Great Ryrie Primary School, Ringwood Secondary College, Aquinas College and Our Lady of Perpetual Help Primary School. I understand that the principals of these schools and the school communities have been concerned about the safety of this intersection. Bedford Road and Great Ryrie Street are council roads, but because they are in close proximity to a rail crossing it would take quite a bit of work to signalise the intersection. The action I seek is for the minister to work with the Maroondah City Council to get this particular intersection signalised, and I seek that the minister help with funding to that end.

### **Northern Health: interpreting service**

**Ms MIKAKOS** (Northern Metropolitan) — My matter this evening is for the Minister for Health and Minister for Ageing. The matter I wish to raise relates to the cuts by Northern Health to its interpreting services. I understand that the Association of Professional Engineers, Scientists and Managers Australia has expressed concern at Northern Health's decision to cut the number of interpreting appointments available to patients as part of a cost-saving measure which has been implemented in the past three weeks.

On 24 September this year the *Age* reported that Northern Health wants to cut approximately 7000 interpreting appointments over the next year, equating to 16 per cent of its total of 43 202 interpreting requests in 2011. The article also went on to state that one in five patients at Northern Health requires an interpreter, not only at the Northern Hospital in Epping but also at the Broadmeadows and Craigieburn health services.

Northern Health's interpreting service recently won an award, and it has been shown that access to its professional service can reduce the length of stay for patients coming from a culturally and linguistically diverse background by almost three days. This was referred to in an Ethnic Communities Council of Victoria policy paper as 'an investment not an expense'. I understand that the minister was involved in conferring that award.

On its website Northern Health says it does not condone the use of family members or staff as interpreters except in cases of emergency. However, with few interpreters being available this is exactly what is going to happen. I believe it is unacceptable that people will be forced to rely on family members to translate for them in sometimes sensitive situations.

Elderly migrants will be the ones most affected by this decision as they rely heavily on interpreters to communicate effectively with their doctors, and I am concerned that this may impact on a patient's ability to make informed decisions about their medical care as well as on their understanding of their medical condition and treatment. According to the document entitled *The Government's Vision for Citizenship in a Multicultural Victoria*, 23.1 per cent of Victorians speak a language other than English at home — an increase from 2006, when it was 20.4 per cent. The paper also spoke of the government's participation for seniors initiative and how it:

... supports the delivery of improved information provision for seniors who have particular cultural and language needs.

If the government is serious about this, it needs to ensure that our public hospitals have adequate interpreting services. I call on the minister to stay true to his own government's policy and provide adequate interpreting services in Melbourne's public hospitals. In particular I call on him to ensure that Northern Health reverses the cuts to its interpreting services.

### **Wallan-Kilmore bypass: route**

**Ms BROAD** (Northern Victoria) — My adjournment matter is for the attention of the Minister

for Planning. Recently the Wallan-Kilmore Bypass Group held its annual general meeting and elected its office-bearers, who have pledged to continue to seek to meet with members of the government to put their views on behalf of the communities of Wallan and Kilmore about a real bypass route. Most recently the group has expressed its safety concerns about all the bypass routes that have currently been put forward as a result of recent crashes on the Hume Freeway, including most recently a crash at Wallan involving a B-double carrying Vortex and diesel. The current suggested routes would involve those trucks coming through parts of the townships affected.

VicRoads has published a chart indicating that it will confirm suitability of concept alignment for the bypass by the end of this year; that the Victorian planning approval process will be completed in 2013, including exhibition of planning documents and a period of formal public submissions; and that land acquisition will commence in 2014 in order that the government's schedule of completing construction in 2017 is met. The roads minister, Mr Mulder, has also referred to an independent planning process in relation to the bypass, including a formal period of public consultation.

According to the Wallan-Kilmore Bypass Group the Minister for Planning's office has indicated that the minister is not prepared to meet with the group because the bypass is not considered a planning issue. I call on the minister to agree to meet with the Wallan-Kilmore Bypass Group and at the very least explain to its members why he believes this is not a planning issue.

### **Responses**

**Hon. M. J. GUY** (Minister for Planning) — Mr Lenders raised an issue for the Minister for Agriculture and Food Security, Peter Walsh. I will refer that to him.

Mrs Coote raised an issue for the Attorney-General, Mr Clark, in relation to contact with the Department of Justice and several programs. Mrs Coote raised the question of whether they would be able to continue. I will raise the issue with the Attorney-General, and seek that he respond.

The Minister for Public Transport, Terry Mulder, had an issue raised with him by Ms Tierney in relation to short-term ticketing on Geelong buses.

Ms Pulford made a request of the Minister for Health, David Davis, in relation to the National Centre for Farmer Health. I am advised by the health minister's office that the National Centre for Farmer Health is supported by the Baillieu government, which has made

a firm offer of \$250 000 per year as part of a one-for-two arrangement with the commonwealth, so obviously we are asking the commonwealth to support the national centre to the tune of \$500 000 per year. The aim is to find a sustainable solution for the funding black hole that was left by the previous government for this government to clean up. We are seeking a national solution to that. That is advice from the minister's office, so I now consider that matter discharged.

Ms Hartland raised an issue for the Minister for Higher Education and Skills, Peter Hall, in relation to the Victorian TAFE Association's structural review of courses. I understand that was similar to a question that was asked of Mr Hall today, which I felt he adequately answered, although I will refer it to him so he can provide a response to Ms Hartland.

Terry Mulder, the Minister for Public Transport, had an issue raised for him by Mr Leane in relation to the intersection of Bedford Road and Great Ryrie Street, Ringwood. I will ask Mr Mulder to respond to that.

Ms Mikakos raised an issue for David Davis, the Minister for Health, in relation to interpreting services at public hospitals, which I will have him respond to.

Ms Broad raised an issue for me in relation to the Wallan-Kilmore bypass and asked me why my office does not believe this is a planning issue. I do not believe that has ever been communicated, and I have not seen any evidence that anyone has ever communicated that it is not believed to be a planning issue. It is not a planning issue yet, as Ms Broad has outlined, in terms of an issue for my office or me to deal with in the planning system. It is obviously, as Ms Broad said in her contribution, an issue in relation to which VicRoads is going through some conceptual design work.

When planning scheme amendments need to be changed they will come to me. That has not even been close to occurring in this case, and as such I think the communication that has been provided to the Wallan-Kilmore bypass group, which is very clear, is that it is not yet a planning issue. That is a very different response to saying that my office does not believe it to be a planning issue. I consider that matter discharged.

I have responses to 36 adjournment matters, which I will have tabled.

**The PRESIDENT** — Order! The house stands adjourned.

**House adjourned 10.22 p.m**