

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-SEVENTH PARLIAMENT

FIRST SESSION

Thursday, 27 June 2013

(Extract from book 9)

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By authority of the Victorian Government Printer

The Governor

The Honourable ALEX CHERNOV, AC, QC

The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

The ministry (from 22 April 2013)

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Deputy Premier, Minister for State Development, and Minister for Regional and Rural Development	The Hon. P. J. Ryan, MP
Treasurer	The Hon. M. A. O'Brien, MP
Minister for Innovation, Services and Small Business, Minister for Tourism and Major Events, and Minister for Employment and Trade . .	The Hon. Louise Asher, MP
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Minister for Health and Minister for Ageing	The Hon. D. M. Davis, MLC
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Minister for Education	The Hon. M. F. Dixon, MP
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Minister for Ports, Minister for Major Projects and Minister for Manufacturing	The Hon. D. J. Hodgett, MP
Minister for Multicultural Affairs and Citizenship, and Minister for Energy and Resources.	The Hon. N. Kotsiras, MP
Minister for Housing, and Minister for Children and Early Childhood Development	The Hon. W. A. Lovell, MLC
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Minister for Liquor and Gaming Regulation, Minister for Corrections and Minister for Crime Prevention	The Hon. E. J. O'Donohue, MLC
Minister for Local Government and Minister for Aboriginal Affairs.	The Hon. E. J. Powell, MP
Assistant Treasurer, Minister for Technology and Minister responsible for the Aviation Industry	The Hon. G. K. Rich-Phillips, MLC
Minister for Environment and Climate Change, and Minister for Youth Affairs.	The Hon. R. Smith, MP
Minister for the Arts, Minister for Women's Affairs and Minister for Consumer Affairs	The Hon. H. Victoria, MP
Minister for Agriculture and Food Security, and Minister for Water.	The Hon. P. L. Walsh, MP
Minister for Police and Emergency Services, and Minister for Bushfire Response	The Hon. K. A. Wells, MP
Minister for Mental Health, Minister for Community Services, and Minister for Disability Services and Reform	The Hon. M. L. N. Wooldridge, MP
Cabinet Secretary	Mr N. Wakeling, MP

Legislative Council committees

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

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

Legislative Council standing committees

Economy and Infrastructure Legislation Committee — Mr Barber, Mrs Coote, #Ms Crozier, Mr Drum, Mr Finn, #Ms Hartland, #Mr Leane, Mr Lenders, Mr Melhem, #Mr Ondarchie, Ms Pulford and Mr Ramsay.

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

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

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

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

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

Participating member

Joint committees

Accountability and Oversight Committee — (*Council*): Mr P. Davis, Mr O'Brien. (*Assembly*): Ms Kanis, Mr McIntosh and Ms Neville.

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

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

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

Education and Training Committee — (*Council*): Mr Elasmr and Mrs Kronberg. (*Assembly*): Mr Battin, Mr Brooks and Mr Crisp.

Electoral Matters Committee — (*Council*): Mr Finn, Mrs Peulich, Mr Somyurek and Mr Tarlamis. (*Assembly*): Mr Northe.

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 Thomson, Mr Wakeling and Mr Weller.

Independent Broad-based Anti-corruption Commission Committee — (*Council*): Mr Viney. (*Assembly*): Ms Hennessy, Mr McIntosh, Mr Newton-Brown and Mr Weller.

Law Reform Committee — (*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 and Ms Hutchins.

Public Accounts and Estimates Committee — (*Council*): Mr O'Brien and Mr Ondarchie. (*Assembly*): Mr Angus, Ms Hennessey, Mr Morris, Mr Pakula 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 Dalla-Riva. (*Assembly*): Ms Barker, Ms Campbell, Mr Gidley, Mr Nardella, Dr Sykes and Mr Watt.

Heads of parliamentary departments

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

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

Parliamentary Services — Secretary: Mr P. Lochert

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

President: The Hon. B. N. ATKINSON

Deputy President: Mr M. VINEY

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

Leader of the Government:

The Hon. D. M. DAVIS

Deputy Leader of the Government:

The Hon. W. A. LOVELL

Leader of the Opposition:

Mr J. LENDERS

Deputy Leader of the Opposition:

Mr G. JENNINGS

Leader of The Nationals:

The Hon. P. R. HALL

Deputy Leader of The Nationals:

Mr D. DRUM

Member	Region	Party	Member	Region	Party
Atkinson, Hon. Bruce Norman	Eastern Metropolitan	LP	Lenders, Mr John	Southern Metropolitan	ALP
Barber, Mr Gregory John	Northern Metropolitan	Greens	Lovell, Hon. Wendy Ann	Northern Victoria	LP
Broad, Ms Candy Celeste	Northern Victoria	ALP	Melhem, Mr Cesar ²	Western Metropolitan	LP
Coote, Mrs Andrea	Southern Metropolitan	LP	Mikakos, Ms Jenny	Northern Metropolitan	ALP
Crozier, Ms Georgina Mary	Southern Metropolitan	LP	O'Brien, Mr David Roland Joseph	Western Victoria	Nats
Dalla-Riva, Hon. Richard Alex Gordon	Eastern Metropolitan	LP	O'Donohue, Mr Edward John	Eastern Victoria	LP
Darveniza, Ms Kaye Mary	Northern Victoria	ALP	Ondarchie, Mr Craig Philip	Northern Metropolitan	LP
Davis, Hon. David McLean	Southern Metropolitan	LP	Pakula, Hon. Martin Philip ¹	Western Metropolitan	ALP
Davis, Mr Philip Rivers	Eastern Victoria	LP	Pennicuik, Ms Susan Margaret	Southern Metropolitan	Greens
Drum, Mr Damian Kevin	Northern Victoria	Nats	Petrovich, Mrs Donna-Lee	Northern Victoria	LP
Eideh, Mr Khalil M.	Western Metropolitan	ALP	Peulich, Mrs Inga	South Eastern Metropolitan	LP
Elasmr, Mr Nazih	Northern Metropolitan	ALP	Pulford, Ms Jaala Lee	Western Victoria	ALP
Elsbury, Mr Andrew Warren	Western Metropolitan	LP	Ramsay, Mr Simon	Western Victoria	LP
Finn, Mr Bernard Thomas C.	Western Metropolitan	LP	Rich-Phillips, Hon. Gordon Kenneth	South Eastern Metropolitan	LP
Guy, Hon. Matthew Jason	Northern Metropolitan	LP	Scheffer, Mr Johan Emiel	Eastern Victoria	ALP
Hall, Hon. Peter Ronald	Eastern Victoria	Nats	Somyurek, Mr Adem	South Eastern Metropolitan	ALP
Hartland, Ms Colleen Mildred	Western Metropolitan	Greens	Tarlamis, Mr Lee Reginald	South Eastern Metropolitan	ALP
Jennings, Mr Gavin Wayne	South Eastern Metropolitan	ALP	Tee, Mr Brian Lennox	Eastern Metropolitan	ALP
Koch, Mr David Frank	Western Victoria	LP	Tierney, Ms Gayle Anne	Western Victoria	ALP
Kronberg, Mrs Janice Susan	Eastern Metropolitan	LP	Viney, Mr Matthew Shaw	Eastern Victoria	ALP
Leane, Mr Shaun Leo	Eastern Metropolitan	ALP			

¹ Resigned 26 March 2013

² Appointed 8 May 2013

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Thursday, 27 June 2013

The PRESIDENT (Hon. B. N. Atkinson) took the chair at 9.34 a.m. and read the prayer.

ACCOUNTABILITY AND OVERSIGHT COMMITTEE

Membership

The PRESIDENT — Order! I wish to advise the house that I have just received notice from Ms Fiona Richardson, the member for Northcote in the other place, that she will be taking leave of absence from her position on the Accountability and Oversight Committee. Ms Richardson is currently recovering after surgery, and we certainly wish her well and hope for a speedy recovery.

PETITIONS

Following petitions presented to house:

Eastern Freeway: tolls

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the house the potential for the centre rail reservation on the Eastern Freeway to be sacrificed in order to install extra lanes and tollgates.

The petitioners therefore request that the Legislative Council calls on the Napthine government to guarantee that no tolls be applied to the Eastern Freeway.

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

Laid on table.

Schools: federal funding

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 Napthine government's refusal to sign up to the Gonski review recommendations:

In particular, we note:

1. This is a once in a generation opportunity to get the funding of education right in this country.
2. To provide more money for all schools and address inequality to ensure money is going to the students who need it most.
3. This requires leadership and a greater financial commitment from you in education and our public schools.

4. Our children should have first call on your budget rather than be told that giving them a high quality education is something we cannot afford.

The petitioners therefore request that the Napthine government immediately signs up to Gonski education funding as a matter of urgency.

**By Mr TARLAMIS (South Eastern Metropolitan)
(158 signatures).**

Laid on table.

Rail: Bairnsdale line

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council the indefinite closure of the Bairnsdale line, and notes that:

1. The Liberal-Nationals government has spent less than 1 per cent of country rail maintenance funding on this line.
2. Premier Denis Napthine has been unwilling or unable to provide the community with a date on when the train will return.
3. Closure of the line is causing enormous inconvenience for the people of East Gippsland.
4. Extra train carriages mean nothing to East Gippslanders who currently do not have a train at all.
5. The new timetable, effective 28 April 2013, removed any reference to the Bairnsdale service being a train service.

The petitioners therefore request that the Napthine government invests the necessary resources to guarantee a V/Line train service to and from Bairnsdale into the future.

By Mr VINEY (Eastern Victoria) (2467 signatures).

Laid on table.

OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

Growing the suburbs — infrastructure and business development in outer suburban Melbourne

**Mrs KRONBERG (Eastern Metropolitan)
presented report, including appendices and
minority report, together with transcripts of
evidence.**

Laid on table.

Ordered that report be printed.

Mrs KRONBERG (Eastern Metropolitan) — I move:

That the Council take note of the report.

The final report of the Outer Suburban/Interface Services and Development Committee's inquiry on growing the suburbs — infrastructure and business development in outer suburban Melbourne is the synthesis of the large amount of information the committee received during the inquiry. The final report contains 24 findings and 56 recommendations.

This large and complex report is the direct result of a special team effort. I wish to record my sincere thanks to my parliamentary colleagues in the other place: deputy chair Ms Judith Galey, the member for Narre Warren South; Ms Cindy McLeish, the member for Seymour; and Mrs Natalie Hutchins, the member for Keilor; and also to Mr Craig Ondarchie, a member for Northern Metropolitan Region in this house. This inquiry demanded much from the members of the committee in terms of time and effort. During the development of this report each member of the committee made valuable and valued contributions, and we are fortunate indeed that the skills, experience, expertise, backgrounds and dedication of the members of the committee were applied as assiduously as they were.

I especially wish to thank the executive officer, Mr Nathan Bunt, for his splendid efforts, consistency, dedication and sheer hard work in producing this report. Other members of the team are to be thanked for their dedication and their skills. Of special note are research officers, Dr Charlotte Frew and Mr Scott Martin, and administrative officers, Ms Natalie-Mai Holmes and Ms Michelle Summerhill.

The committee received 95 submissions and heard evidence during the inquiry's hearings, held over a period of time in Melbourne. During this inquiry the committee held public hearings in four of the interface councils and in six of the interface councils during the livability inquiry. Due to the interrelated nature of the two inquiries, the committee has drawn upon some of the evidence provided during the livability inquiry in preparing this report. We regard the livability report as a companion report. There are cross-references between this report and the livability report. Together they give people over 1000 pages of reported data — quite a harvest of information — to see where the emphasis lies and the important points to be made about Melbourne and its outer suburbs.

The committee conducted hearings and site visits in Perth and Adelaide and during an overseas study tour to

Vancouver, Calgary, Toronto, Zurich and London. The committee has amassed a vast amount of information, which could be described as a rich harvest and, frankly, it represents a valuable resource. The transcripts from the study tour overseas alone amount to 952 pages. The research effort during the extended report formulation process has been dynamic, with every effort being made to keep the information as up to date as possible.

As reported at length in our report *Liveability Options in Outer Suburban Melbourne*, and at the time of our writing this report, Melbourne is still the world's most livable city. The allure of Melbourne, which is increasingly seen as a global city, draws people to its creative centre. This force is also known as the power of agglomeration. It is one of the factors that governments need to recognise and deal with if a balance is to be provided in the form of access to local jobs and reliable transport systems for those living in the outer suburbs, especially when compared to what is accessible for those living in Melbourne's inner and middle suburbs.

It is a fact of life that higher paid jobs are clustering away from the outer suburban areas because of the effects of agglomeration. Historically such jobs formed an important part of the fabric of the manufacturing companies that in turn provided much of the employment in Melbourne's outer suburbs. An overall higher standard of living in the area resulted. This effect is called the unbundling of the value chain. The question for us now is how we attract and retain professionals against the almost irresistible forces of agglomeration.

It is well known that Melbourne's outer suburbs draw upon their economic strengths, such as manufacturing, tourism, horticulture and agriculture. Central to the task of creating and retaining jobs in the future is the enlargement of central business districts closer to the outer suburbs, a critical mass with its own form of drawing power for an agglomeration to take place. Knowledge workers are then likely to move into these regions to enjoy the perhaps unique recreational and cultural offerings.

Melbourne's outer suburbs will continue to face many complex and difficult challenges over the coming years. When it comes to issues of infrastructure in the growth corridors and Melbourne's outer suburbs per se, the evidence we received only serves to further reinforce what the travelling public and commuters already know — that is, there is a considerable infrastructure deficit and backlog. As the population continues to grow, so does the problem of moving in and out of and around Melbourne's outer suburbs. It is important to

note that Melbourne is not alone with the lag in infrastructure provision —

The PRESIDENT — Order! Thank you, Mrs Kronberg.

Mr ONDARCHIE (Northern Metropolitan) — I also rise to speak on the Outer Suburban/Interface Services and Development Committee's report entitled *Growing the Suburbs — Infrastructure and Business Development in Outer Suburban Melbourne*, which is an area in which I live. As we all know, one of the fastest growing areas of Melbourne is the circle from the city of Casey to the city of Whittlesea and around to the city of Wyndham. The committee spent a long time on the inquiry, which it started on 10 February 2011 when it was handed the terms of reference by the Legislative Assembly. The weight of the report being tabled today indicates that a lot of effort has gone into it. Members and staff have travelled around the country and around the globe in search of the right answers.

I pay tribute today to the staff who have had to take this journey with us. It is a journey that has had its ups and downs and its challenges, and I know it has incorporated a fair bit of weekend work as well in order for the report to be tabled today. I pay tribute to Mr Nathan Bunt, the executive officer; Dr Vaughn Koops, who was the executive officer for a short period; Mr Scott Martin, who did some work in research; Dr Rosalind Hearder; and Dr Charlotte Frew. I know Nathan Bunt, as well as being the executive officer, did a lot of the grunt work in both the research and in the writing of this report. Mr Keir Delaney did some work on it as well. I pay particular tribute to those who provided the members with fantastic support to get them across the line today, including Ms Natalie-Mai Holmes and Ms Michelle Summerhill, who endured both the wrath and the delight of members as they carried their journey through to get this report up. I thank the chair, Jan Kronberg, MLC; the deputy chair, Judith Graley, the member for Narre Warren South in the other place; Natalie Hutchins, the member for Keilor in the other place; and Lucinda McLeish, the member for Seymour in the other place. We worked as a team and had lots of challenges, but today we have tabled a substantial report.

Motion agreed to.

PAPERS

Laid on table by Clerk:

Statutory Rules under the following Acts of Parliament:

Bus Safety Act 2009 — No. 68.

Conservation, Forests and Lands Act 1987 — Nos. 61 and 66.

County Court Act 1958 — No. 69.

Electricity Safety Act 1998 — No. 62.

Environment Protection Act 1970 — No. 63.

Police Regulation Act 1958 — No. 67.

Subordinate Legislation Act 1994 — No. 65.

Victorian Civil and Administrative Tribunal Act 1998 — No. 71.

Wildlife Act 1975 — No. 64.

Subordinate Legislation Act 1994 — Documents under section 15 in respect of Statutory Rule Nos. 60, 61, 63, 67 to 69 and 71.

Victorian Environmental Assessment Council Act 2001 — Report on the Investigation into Additional Prospecting Areas in Parks, May 2013.

Victorian Government Initiatives and Reporting in Multicultural Affairs — Whole of Government Report, 2011–12.

BUSINESS OF THE HOUSE

Adjournment

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

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

Motion agreed to.

MEMBERS STATEMENTS

Josan Motors: opening

Mr TARLAMIS (South Eastern Metropolitan) — On 15 June I had the pleasure of attending the official opening of Josan Motors in Hallam, along with my colleague, the member for Narre Warren North in the other place, Luke Donnellan, and the federal member for Holt, Anthony Byrne. This event was the beginning of a new journey for the owner, Harjap Singh, who had previously worked for others in the industry but has

now established his own business utilising the most modern equipment and employing local residents.

I was honoured to join with Harjap and his family, their friends, my Parliamentary colleagues and many members of the Indian community to be part of this important occasion. I would like to congratulate Harjap Singh and wish him all the very best for the future.

Peter Jabbour

Mr TARLAMIS — On another matter, I wish to congratulate a well-known businessman, Peter Jabbour, who was awarded an Order of Australia Medal in the Queen's New Year's honours list. Since migrating to Australia in 1976, Peter Jabbour has always lived in Dandenong, and he married his wife, Amale, at Dandenong North's St Gerard's Catholic Church almost a year after moving to Australia. Peter Jabbour was the founder of the Australian Arab Multicultural Association in 1995, a group focused on linking the diverse cultures of Arabic-speaking people of all nationalities. Peter was recognised for his extensive work with multicultural and charitable organisations, locally and around Australia. I congratulate Peter Jabbour on receiving this honour and thank him for all his ongoing efforts to assist others.

Springvale Neighbourhood House: 30th anniversary

Mr TARLAMIS — On another matter, I would like to congratulate the Springvale Neighbourhood House, which celebrated its 30th anniversary earlier this year. Springvale Neighbourhood House was built in 1983 and offers a friendly meeting place, a warm welcome and an opportunity to share skills and make new friends. It is run by a team of professional educators, paid staff and volunteers who take pride in the delivery of quality outreach language, literacy and vocational programs to a diverse and increasingly multicultural community. I wish them well for the future.

Shayne Graham

Hon. W. A. LOVELL (Minister for Housing) — On Monday morning the Department of Human Services (DHS) and my office received the very sad news that our friend and colleague Shayne Graham had passed away suddenly and unexpectedly over the weekend. Shayne was the department's chief housing adviser — the right-hand man of the director of the Office of Housing, Arthur Rogers. Over the past two years Shayne had become a familiar and welcome presence in our office. He was highly valued for his

policy skills, hard work, quirky sense of humour and unparalleled knowledge of trivia.

Shayne was a Bendigo boy — something he would remind me of quite often, given it is a key city in my electorate. He was part of a group that became known as Team Bendigo, made up of four staff from DHS and the ministerial office. The group included his good friend Simon Phemister. Shayne loved football, particularly the Carlton Football Club. He also loved golf and cricket. He was well travelled, spending much of his career in London. Shayne was also very much at home behind a camera, decorating his office with photos he had taken around the world.

We will miss Shayne's humour, wit and friendship, which have brightened our office over the past two years. The loss of Shayne, who was only 37, is being felt by us all, both personally and professionally. Shayne's family has been constantly in our thoughts this week, and I extend our condolences to Shayne's parents, Neale and Anne, brothers, Daniel and Jaydon, and sister, Amy. Shayne will be sadly missed and remembered fondly.

Paul Mees

Mr BARBER (Northern Metropolitan) — I would like to acknowledge the passing and celebrate the life of Dr Paul Mees, whose funeral was held yesterday. He was one of those crusading intellectuals who simply went where the facts led him and would not stop speaking the truth once he found it. His thinking on public transport and urban planning in the cities was influential at the international level. From the very first time I heard him speak I was a committed campaigner for public transport. He was a brilliant communicator who inspired a whole generation of students and campaigners who will carry on his work — a worldwide diaspora.

Paul was the scourge of every Victorian transport minister for the last 25 years. Any who were crazy or brave enough to take him on directly came up against his devastating wit and logic, and they retreated destroyed. Paul's reputation got bigger every time he prevailed. We loved him for his mind as much as his moral courage, and now that he is gone we are even more committed to carrying on his cause.

Third Place Cafe: opening

Mr EIDEH (Western Metropolitan) — On Monday, 24 June, I was delighted to attend the opening of the new heritage Third Place Cafe and restaurant in the Eucalypt estate at Epping Road, Wollert, in the

Whittlesea area with my parliamentary colleague, Danielle Green, the member for Yan Yean in the other place, the City of Whittlesea mayor, Rex Griffin, and other councillors together with heritage consultant, Michael Taylor, Stockland regional manager, Mike Davis, Six Degrees Architects, community representatives and business developers. The event was well attended and conducted in a professional way. It is a beautiful place to meet away from home and work in a lovely environment.

I congratulate the restaurant's owner, Samir Abdullatif, and his wife, Houda, on this great investment, which will create at least 20 new much-needed jobs in the shire of Whittlesea. I wish them every success in their endeavour.

Mrs Petrovich

Mrs PEULICH (South Eastern Metropolitan) — I rise to pay tribute and to bid farewell to an amazing woman and parliamentarian — no, not Julia Gillard — my very good friend and colleague Donna Petrovich, a member for Northern Victoria Region and the preselected Liberal candidate for the federal seat of McEwen.

A former local councillor, a former mayor, the mother of Adrian and Nikki and wife of an amazing man, Serge, Donna is devoted to her family, to her community, to the Liberal Party and to good governance and good policy. She has been a valued colleague and contributor to this Parliament as a member of the Legislative Council, especially in all matters country. Although her tagline is 'Your country voice', Donna is just as comfortable in the big smoke. Donna will be best remembered for her role as Parliamentary Secretary for Sustainability and Environment, as the MP who oversaw the fuel reduction program in our fire-prone areas and for her proactive work with the fire-affected communities in her electorate following the Black Saturday bushfires.

Donna has also undertaken excellent work on the parliamentary committees on which she has served, including the Environment and Natural Resources Committee and the Law Reform Committee, especially on the latter committee's inquiries into the rights of donor-conceived children and sexting, and the former committee's inquiries into bushfires and public land. Above all Donna is dedicated to the community she was elected to represent and has served it ably, always with a focus on outcomes. She is a straight shooter, calls a spade a spade, is passionate and, more importantly, rolls up her sleeves to get the job done.

Intelligent, hardworking and engaging, Donna is great company and is a friend to many in this Parliament.

Lastly, my friend, I will miss you, but I know that the people of McEwen would be exceptionally well served if they were to elect you in the upcoming federal election. This side of the chamber wishes you well, and I am sure there are some on the other side who share that sentiment. As your friends, we know who you are, understand where you have been, accept what you have become and support you and encourage you on your new path. Hopefully you will not forget us.

Asylum seekers and refugees: federal government policy

Ms DARVENIZA (Northern Victoria) — I welcome last week's news that 70 asylum seekers, including almost all the children, have been removed from the detention centre on Manus Island. I hope the change in prime ministership gives my federal colleagues an occasion to go further and to formally change detention policy not just for Manus Island but for all Australian detention centres. At the very least we must have a policy that says that no child will be detained in these centres, and that they and their carers, if they have them, are released into the community following a short period allowing for health and security checks. At the very least we must adopt a practice that Australia does not jail children.

The federal Parliamentary Joint Committee on Human Rights recently found that Australia's regional processing legislation violated many of our human rights obligations. The fact is that the major parties federally, including my own, have involved themselves in a contest to see who has the toughest, most mean-spirited asylum-seeker policy, which I believe panders to a minority of Australians. The Gillard government's no-advantage test for asylum seekers arriving irregularly by boats was found by the joint committee to be ineffective as a deterrent. Under Tony Abbott, the federal opposition does not have a policy on asylum seekers; it only has a slogan, 'Turn back the boats'. But I know that there are members of all the major parties who are deeply unhappy with our treatment of asylum seekers, particularly children. I acknowledge the work of the retiring federal member for Pearce, Judi Moylan, who has been willing to take a strong stand on this very important issue.

Committee for Craigieburn

Mr ELSBURY (Western Metropolitan) — I pay tribute to the members of the Craigieburn Community Renewal Committee. The community renewal program

has now come to an end. I was participating as chair of the steering committee of this very important group in providing the community of Craigieburn with much-needed infrastructure and assistance in fixing some of the problems that have come up over the years in relation to the massive growth that has gone on there. I am very pleased to say that the community renewal group has turned into the Committee for Craigieburn, and its members will continue to use their passion to the benefit of the people of Craigieburn.

Buckley Park Bowls Club: lighting

Mr ELSBURY — I also highlight, which is a bit of a pun, that the Buckley Park Bowls Club in Essendon received \$28 000 for new lights to be installed. This will allow for bowls to be played during low lighting conditions and, strangely enough, at night, which will increase the use of that facility.

Rail: St Albans level crossing

Mr ELSBURY — I also highlight some comments made about the Main Road crossing in St Albans. I remind those opposite that they had 11 years to try to fix this problem, and it is the Liberal government which has undertaken community consultation.

Mr Melhem interjected.

Mr ELSBURY — We are undertaking the planning, Mr Melhem, and we will get it constructed. We will get the construction started before the end of this term of office.

Marriage equality: United States of America

Ms PULFORD (Western Victoria) — Last night while Australians were sleeping the Supreme Court of the United States of America handed down two landmark human rights decisions affecting members of the lesbian, gay, bisexual, transgender, intersex and questioning (LGBTIQ) community. The cases are commonly known as DOMA, which stands for the Defense of Marriage Act, and Prop 8. The first case challenged the 1996 Defense of Marriage Act, a law that denied federal benefits to couples in same-sex relationships. The court found that the law singled out a class of persons in a way that limited dignity and equal treatment before the law and was therefore unable to be maintained. The second decision, Proposition 8, relates to a Californian ban on same-sex marriage. Supporters of Prop 8 had argued that the ban be upheld. The Supreme Court found that the case did not have standing and therefore would not proceed, thus clarifying the right and responsibility of the state of

California to determine this matter. In effect this will extend same-sex marriage rates to a 13th state in America.

These decisions go to matters of state rights in a federation and should be of interest to all state legislators, but they also go to human rights in a civilised society. By contrast, in Australia marriage equality is a matter for the commonwealth Parliament. However, I certainly hope and expect these important decisions will add further momentum to the global move to equality and equal rights for members of the LGBTIQ community, including marriage equality in Australia.

Asylum seekers and refugees: federal opposition policy

Mr VINEY (Eastern Victoria) — I noticed a couple of weeks ago that the federal Leader of the Opposition, Tony Abbott announced that if he is elected to office, people who have been convicted of criminal offences will no longer be eligible to be admitted as a refugee in this country. Questioning from my 13-year-old stepson prompted me to start thinking about what that might mean, because many refugees are campaigners on political issues. It occurred to me that there are a few significant people who would not be eligible to be refugees in this country if Tony Abbott's policy were to come into place. One that strikes me the most is Nelson Mandela. Under Mr Abbott's policy Mandela would not have been eligible to be a refugee in this country, nor would Aung San Suu Kyi, Mahatma Gandhi or Xanana Gusmão, and if one wants a conservative view, nor would Aleksandr Solzhenitsyn. All those people were convicted of offences because they made a stand on political issues. This is an absurd policy of the Liberal Party, and its only purpose is to curry votes. It must be rejected by the Australian people.

Schools: federal funding

Mr DRUM (Northern Victoria) — I am pleased to see that in the discussions between Victoria and the commonwealth government the Premier of Victoria, Denis Naphthine, has put Victoria's money on the table for a new education funding model. In a direct letter to the Prime Minister, Julia Gillard, which is now a direct letter to the former Prime Minister, the Premier has committed \$3.5 billion of additional money over and above the 2013–14 funding levels.

Federal Labor has continually and repeatedly committed two additional commonwealth dollars for every additional dollar invested by any of the state governments. Under this two-for-one principle the

commonwealth government would now be providing around \$7 billion over six years over and above the 2013–14 funding levels. This commitment by the Victorian government highlights how seriously the Victorian government treats education funding and wants to negotiate this new funding arrangement.

Recently a range of school principals and school council presidents wrote to members of the Victorian government urging them to sign up to the new funding arrangement, commonly referred to as Gonski. We wrote back to them telling them that the negotiation arrangements and negotiating tactics of the then Prime Minister, Julia Gillard, and then federal education minister, Peter Garrett, were disgraceful. We are hoping whoever is going to take these negotiations forward will do so in good faith.

Mrs Petrovich

Mr P. DAVIS (Eastern Victoria) — It is my sad duty today to make some remarks, not quite in terms of a bereavement, but certainly in relation to a great loss to the Parliament of Victoria. My good friend and colleague Donna Petrovich is serving her last day in the Legislative Council today, and I wish to acknowledge the great contribution she has made to the Victorian Parliament and indeed to the community of Victoria. Donna has served at two levels of government, both in local government, including a term as a mayor, and in the state Parliament, and she has made a great contribution. She is running for the seat of McEwen at the next federal election, which could set the precedent of someone serving in all three levels of government, and I am looking forward to a positive outcome.

I want to reflect on the particular contribution Donna has made to the Victorian Parliament. She has taken a very keen interest in issues affecting her electorate and rural Victoria, public land management and bushfire management in particular. She was instrumental in some very fine work completed by the Parliament's Environment and Natural Resources Committee in its inquiry into bushfires in 2008, and subsequently in the Baillieu government she was appointed Parliamentary Secretary for Sustainability and Environment, responsible for, amongst other things, bushfires. I do not mean responsible for bushfires, but responsible for managing the bushfire response.

Well done to Donna. I thank her very much for her friendship and professional contribution.

PARLIAMENTARY COMMITTEES

Membership

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

That Mrs Petrovich be discharged from the Legal and Social Issues Legislation Committee and the Legal and Social Issues References Committee and that Mr Elsbury be appointed in her place.

Motion agreed to.

The PRESIDENT — Order! I have received a letter from Mrs Petrovich — on letterhead I might add — which says:

I wish to inform you of my resignation from the Law Reform Committee and the legal and social issues committee.

I have enjoyed my involvement in both committees, I have found them to be both rewarding and challenging and it is with some sadness that my involvement must come to an end.

I would like to acknowledge my colleagues and staff and wish them well for the future.

Hon. D. M. DAVIS (Minister for Health) — By leave, I will make a short statement. I have very much enjoyed serving with Mrs Petrovich, who is a very fine member for Northern Victoria Region. Her decency and integrity comes through in all that she has done. I have also greatly enjoyed her sense of humour and her warmth as well. She is a member who has added a lot to this chamber and a lot to the Parliament, and she will be greatly missed.

Mr BARBER (Northern Metropolitan) — By leave, I make a short statement. I have found a number of surprising areas of common ground with Mrs Petrovich, both during the previous Parliament and even in this one. I have enjoyed our discussions on those issues. There are a couple of other issues where we have disagreed, and I will not talk about those now, but I look forward to the opportunity of continuing to talk to Mrs Petrovich about those issues, and it may very well be in a future role as a federal member. We wish her well in whatever she takes on next.

Mr LENDERS (Southern Metropolitan) — By leave, I am somewhat conflicted, because without any disrespect to Mrs Petrovich, I do not necessarily want to wish her well in her next career, but I will reflect on working with people in this place. I have worked with Mrs Petrovich for a number of years now and obviously we have crossed swords on various policy issues, but it is good to work with other members. I wish her well in her future endeavours, other than her political endeavours, and as I said, it is always good to work

with members across the chamber. I wish her well in most aspects of her future life.

Hon. P. R. HALL (Minister for Higher Education and Skills) — By leave, on behalf of my colleagues in The Nationals I also wish to thank Mrs Petrovich for the service she has given to the Victorian Parliament through her membership of the Legislative Council and to wish her well. Donna has been a friend of those in The Nationals and has been admired by us for the tenacity with which she has always approached the roles and responsibilities that she has undertaken. I am sure she has a very good future ahead of her in the federal Parliament, and we hope that that dream is fully realised. We thank her for her contribution to the Victorian Parliament.

The PRESIDENT — Order! I think many of us took a great deal of interest in yesterday's events in Canberra and were glued to television sets watching the drama play out. Mrs Petrovich was probably more glued to the television set than most of us. Indeed, that would have been something of a surreal experience for Mrs Petrovich to be thinking on one hand, 'What am I letting myself in for?', and on the other hand, 'What does this mean for the decisions that I have made in terms of looking to contest a federal seat?'

Mrs Petrovich is about to resign from this place to contest a seat in the federal Parliament, and I also wish her well in her endeavours. There are a number of members in the history of the Victorian Parliament who have made that change. In fact some of them have been very significant, including Bob Menzies and Sir Isaac Isaacs — —

An honourable member — Rob Mitchell?

An honourable member — Barry Jones?

The PRESIDENT — Order! I will stop. There are a great many who have made that move. It is interesting to note that Mrs Petrovich will contest a seat against another former member of the Legislative Council. There is a little bit of history in that as well, which is interesting. I congratulate Mrs Petrovich on the work she has done in the Parliament. She has been a very constructive and effective member of Parliament in representing her electorate and advocating for the needs and aspirations of people both in her electorate and more broadly across rural Victoria. She has brought a perspective to this place in debates that has been very much valued. We commend her on the work that she has done. Whether or not Mrs Petrovich is successful in her current endeavour to become a federal MP we

certainly know that we will see her again and that no doubt she will be an active contributor in public life.

AUDITOR-GENERAL

Reports 2011–12

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) presented government response.

Laid on table.

UNIVERSITY OF BALLARAT AMENDMENT (FEDERATION UNIVERSITY AUSTRALIA) BILL 2013

Statement of compatibility

Hon. P. R. HALL (Minister for Higher Education and Skills) tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the University of Ballarat Amendment (Federation University Australia) Bill 2013 (the bill).

In my opinion, the University of Ballarat Amendment (Federation University Australia) Bill 2013, as introduced to the Legislative Council, is compatible with the human rights protected by the charter act. I base my opinion on the reasons outlined in this statement.

Overview of bill

The bill's purpose is to change the name of the University of Ballarat to Federation University Australia. The bill describes that the change in name reflects the broadened focus of the university beyond central and western Victoria.

The bill specifies that despite the change of name from Ballarat University to 'Federation University Australia', the university remains the same body. The bill deals with associated transitional matters. It preserves the exercise of powers by the University of Ballarat, the terms and conditions of members appointed to the council and the terms on which students were enrolled at the University of Ballarat.

The bill provides for circumstances in which the conferral of awards may be in the name of the University of Ballarat. It includes a six-year period from 1 January 2014, in which the council may confer an award in the name of the University of Ballarat. The council may do so where students who would have been entitled to such an award at 1 January 2014 make a written request for their awards to be conferred in the name of the University of Ballarat.

Human rights issues***Human rights protected by the charter act that are relevant to the bill***

The bill does not raise any human rights issues. The bill merely changes the name of the University of Ballarat. It does not restrict students' activities within the university. The change of the university's name does not affect the nature of the degree, diploma, licence, certificate or award that may be conferred, but provides a mechanism for a student to choose the name of the university that appears on the award.

As the bill does not raise any human rights issues, it does not limit any human rights. It is not necessary to consider s 7(2) of the charter act.

Conclusion

For the reasons outlined above, I consider that the bill is compatible with the charter act.

The Hon. Peter Hall, MLC
Minister for Higher Education and Skills

Second reading

Hon. P. R. HALL (Minister for Higher Education and Skills) — I move:

That the bill be now read a second time.

The bill proposes amendments to the University of Ballarat Act 2010, primarily to change the name of the University of Ballarat to Federation University Australia so that it may reflect its broadened regional focus, which extends beyond central and western Victoria. This expansion is reflected in the university's recent announcement, together with Monash University, that the University of Ballarat intends to acquire the Monash Gippsland campus.

The name change contemplated by this bill is therefore both justifiable and timely. In addition to its three Ballarat campuses, UB has campuses in Horsham, Stawell and Ararat and is the lead provider in the dual-sector partnership project in which a number of partnering regional TAFE institutes (Advance TAFE, Bendigo TAFE, GippsTAFE, GOTAFE, Sunraysia TAFE and Wodonga TAFE) deliver a suite of UB degrees. Therefore its new name will reflect its already expanded regional focus.

The university's resolution to change its name is the outcome of an extensive consultative and evidence-informed inquiry. In arriving at its decision, the university council considered over 30 different names.

The university council, guided by its strategic criteria for the name change, narrowed the options to two potential names: State University of Victoria; and

Federation University Australia. The university then published a discussion paper, promoted via a media campaign, which invited public feedback on those two potential names. The university engaged a wide range of stakeholders such as local mayors and other political representatives, honorary graduates and fellows of the university, students and staff at the University of Ballarat and the Monash Gippsland campus, and members of the broader community that would be served by an expanded, regionally focused university in Victoria.

The outcome of this process revealed a strong stakeholder preference for the name Federation University Australia. The university commissioned marketing and focus group research on its proposed names, which further reinforced the case for Federation University Australia. The university's marketing research included an examination of universities internationally, of which there are some 11 000 worldwide.

The university's extensive stakeholder engagement and supporting research on the name change demonstrate that the new name would align closely with its strategic directions and the values and aspirations of its communities.

The bill would enable the university to ensure its name reflects its vision of being regional in outlook, national in scope and international in reach. In doing so, the bill would support the university's commitment to regional, rural and remote students in Victoria.

The bill also proposes other consequential or minor and technical amendments.

Firstly, the bill proposes to amend the preamble of the act to reflect the university's change of name.

Secondly, the bill proposes to provide for transitional arrangements so that the university may continue in existence under its new name; for example, to ensure that internal university regulations made by the council continue in force upon the commencement of the new Federation University Australia.

Thirdly, the bill proposes consequential amendments to other acts which reference the University of Ballarat or the act.

Fourth, the bill proposes to change the name of the act to reflect the new name of the university.

Fifth, the bill proposes a six-year transitional period to enable the awards for students currently undertaking courses at the university to be conferred either in the

name of the University of Ballarat or Federation University Australia.

Finally, the bill proposes other technical changes to the act (such as the removal of redundant definitions).

The bill is being introduced in the context of the University of Ballarat and Monash University seeking formal approval from the Victorian and the commonwealth governments to have the Monash Gippsland campus and the University of Ballarat come together to form an expanded regional university in Victoria.

The Victorian government has given this proposition its in-principle support, as it is consistent with our commitment to support the tertiary education needs of the Gippsland region specifically and regional Victoria more broadly.

To inform decisions on whether to approve the proposal, the Victorian and the commonwealth governments are jointly undertaking an independent assessment of the University of Ballarat's due diligence report.

Significantly, the bill in no way pre-empts the outcomes of the due diligence exercise that is currently being undertaken jointly by the commonwealth and state governments.

This is an important occasion for the University of Ballarat and more broadly for regional Victoria. I commend the bill to the house.

Debate adjourned for Ms PULFORD (Western Victoria) on motion of Mr Lenders.

Debate adjourned until Thursday, 11 July.

APPROPRIATION (PARLIAMENT 2013–2014) BILL 2013

Second reading

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

Mr LENDERS (Southern Metropolitan) — We are looking meaningfully at Mr Rich-Phillips while we debate the Appropriation (Parliament 2013–2014) Bill 2013. I will be brief in my remarks on the bill. We had an extensive debate on this legislation last year, which was probably something the Clerk could have written in his bulletin when you, President, participated in the debate from the floor. We had a particularly good debate in that there was an interchange about the role of

the executive, the role of the Parliament itself and the role of the chamber in the discussion. I found it a refreshing debate; sometimes debates can become quite routine in this place. I do not seek to canvass any of those things again this year, although I thought they were very sensibly and well canvassed last year.

I have appreciated the opportunity I have had to speak to you, President, and the minister about how some of these things work, so I do not feel the need to take the Parliament through that. Most of the comments I would have made on this bill were covered by my colleague, the shadow Treasurer and member for Tarneit in the Assembly, Mr Pallas, so I will not go through them again. However, I will briefly touch on the budgets for the departments of the Parliament.

I note with some interest that the budget of the Department of the Legislative Council has gone up by 7.7 per cent versus the budget of the Department of the Legislative Assembly which has gone up by 1.8 per cent. The only comment I would make is that obviously it has been done for the purpose of more effectively servicing the Legislative Council committees. Without relitigating that issue in this debate, I make the obvious comment from the point of view of the opposition that those committees are serviced and that is a good thing. We are wedded to those committees as a very effective way of scrutinising government and issues, and I reiterate that we are disappointed that the government has consistently used its numbers to stop any references going to those committees other than ones it wants. Having put that on the record, I think it is a positive thing that there is greater resourcing for the committees and that it is built into the Parliament's budget. I indicate that the opposition will be voting for this bill.

Ms PENNICUIK (Southern Metropolitan) — In looking at this bill I also took the time to look at the presentation made by the Presiding Officers to the Public Accounts and Estimates Committee and to read some of the remarks made by the President. As is normally the case, the major part of the appropriation — in fact 86 per cent of it — goes to the Department of Parliamentary Services, and it covers the salaries et cetera of MPs staff and electorate office budgets.

It is interesting to look at the pressures on the budget, which are described in the slides in the presentation made by the Presiding Officers. The cost to the Department of Parliamentary Services of electorate office rents and utilities seems to be trending upwards, and that is something the whole community is experiencing. However, the President pointed out that in the previous budget there was a requirement for

\$4 million to be cut and that a further reduction of \$300 000 is required in the budget of the Legislative Council. What concerns me is that the Department of Treasury and Finance has increased the budget for the Parliament by a lesser amount than the increases in the costs of rents and utilities et cetera, which are outside the control of the Presiding Officers. The Presiding Officers have no control over the rent that is charged in the market or the cost of utilities.

I am concerned about the effect on other parts of the Department of Parliamentary Services, in particular our electorate officers, who are going through a tortuous enterprise bargaining process which is still not complete. An agreement has still not been signed off on. Through that tortuous process those staff have been required to come up with so-called bankable savings, which I think is just an imposition by the Department of Treasury and Finance on our electorate officers. I take the opportunity to say that none of us in this place could do our jobs without our electorate officers. They are amongst the worst paid in Australia; their conditions are not terrific and could be better. If we are looking at other parliaments, we should be basing electorate officers' remuneration and conditions on the model set by the federal Parliament — —

Mr Ondarchie — Do you want another pay rise?

Ms PENNICUIK — I am talking about electorate officers. I have not mentioned us.

Mr Barber interjected.

Ms PENNICUIK — I said 'we' — the royal we, if you would have it that way — but I was talking about the pay and conditions of electorate officers. It has been with some concern that the Greens have watched this process over the past year. In fact we wrote to the Presiding Officers expressing our concern about the pressure that was being put on those representing electorate officers in their bargaining with management and what was sought to be squeezed out of them, when they already, as I think everyone would agree, work above and beyond the call of duty in our electorate offices. Their salary increase is marginal and their superannuation increase negligible over the life of the agreement. They have had a couple of minor improvements in terms of casual employment and part-time employment et cetera, which are only reasonable and nothing to write home about. This process has gone on and on.

It seems to me that parliamentary costs that cannot be controlled by the Presiding Officers — as I mentioned, rent and utilities — are not being provided for by the

Department of Treasury and Finance (DTF) in the parliamentary appropriation. DTF should be saying, 'Okay, this is a cost Mr Atkinson and Mr Smith can't do anything about, so DTF should supply it through the appropriation and not require the Presiding Officers to squeeze our electorate officers and the parliamentary staff'.

I am also concerned about the review that is going on in terms of the library and IT — and I have heard some disturbing rumours about what might be happening with IT. There too you would have to ask how on earth we are supposed to do our jobs without, in this case, a functioning IT section of the Department of Parliamentary Services. Of course, that is becoming more and more important. I see members sitting in the chamber with their tablets and their iPhones and suchlike, and who looks after those for us if it is not the staff at IT? Every time you ring them up they are extremely helpful, whatever the time of day — although oftentimes you cannot get through, and I presume that is because many members are ringing them to try to get some assistance with the IT system. That system, in my experience, often runs slowly, and often things happen with it. I suspect not enough resources are going into it. I think that is a bit of a false economy. If adequate or sufficient resources were put into the system, and if the staffing arrangements in IT were fair and reasonable and adequate for the servicing of the IT system, that would be a saving and would avoid the problems, which, as I am saying, I think reflect a resourcing problem and are nothing to do with the IT staff, who do well.

Additionally, I read in the report of the President's remarks to the Public Accounts and Estimates Committee that the next bunch of people to be reviewed will be the Hansard reporters. Again I express concern should that turn out to be yet another cost-cutting exercise. Presuming it will, we are seeing the electorate officers and the parliamentary staff, including the fantastic library staff, who similarly we cannot do our jobs without, the IT staff and the Hansard staff — really the people who keep this whole Parliament afloat — having to bear the brunt of not getting a sufficient appropriation, and we are having a general efficiency dividend imposed upon the Department of Parliamentary Services. That is without, as I say, adequate funding being appropriated by DTF to cover those areas. All these areas appear to me to be being squeezed, and they are the wrong areas for money to be squeezed from.

If you look at the presentation made by the Presiding Officers in relation to the forward estimates, you see that going out to 2016–17, budget cuts to output

funding will be around \$4 million or a bit more and with the general efficiency dividend, parliamentary output funding cuts will be about \$2 million. What we are seeing then in terms of the forward estimates is more funding cuts and an increase in the general efficiency dividend cuts, while the Parliament's external costs that still need to be paid — that is, rent and utilities — are going up. I am therefore concerned that the government is still imposing the general efficiency dividend cuts and other cuts while costs are going up and while our staff across the parliamentary services, including our electorate officers, are not getting the increases in salary they should be getting, the increases in conditions they should be getting and the increases in superannuation they should be getting. This is particularly so given that just in the last parliamentary week MPs got a fairly substantial increase in their superannuation.

Mrs Peulich looks at me and rolls her eyes, but you could say that the increase in superannuation for our electorate officers pales into insignificance when you consider the increase in superannuation that members of Parliament were awarded under a previous bill. It is about fairness. Members can be accommodated by the parliamentary appropriation but a fair increase for our electorate officers apparently cannot. It is all the same appropriation.

Of course I have no ability to amend this bill, but I raise those concerns, and I am concerned that that change is going to continue into the forward estimates period. I intended to take the bill into a committee stage, but I have had a word with the minister, and if he wants to respond, I would be very happy to hear his response to this approach by Treasury and Finance. The minister's preliminary response was that it is up to the Presiding Officers to decide how they spend the money. However, it is also up to DTF to recommend an appropriate amount to cover those external costs so that the staff and the other services I have been talking about are not squeezed by general efficiency dividends and budget cuts going forward.

Hon. B. N. ATKINSON (Eastern Metropolitan) — I had not intended to speak in this debate, but I am perhaps in a better position to comment on some of the remarks made by Ms Pennicuik than the minister. I accept the importance of having the record accurately reflect some of the points that were made. I make the point initially that MPs' salaries and entitlements do not come out of the Parliament's appropriation; they are actually provided by the Department of Premier and Cabinet, so increases in wages and so forth are not from the Parliament's appropriation. In terms of the remarks that Ms Pennicuik has made in regard to the

Department of Treasury and Finance (DTF) objectives and the funding needs of Parliament, I would indicate that we are currently involved in some constructive talks with the Treasurer and with Department of Treasury and Finance on matters such as the general efficiency dividend.

Members will be aware that I have argued on a number of occasions for the separation of powers. I have certainly argued about the importance of Parliament being effectively resourced to enable it to function and enable members to do their job of scrutinising the executive and government, and from that point of view I think the general efficiency dividend is a hard argument for DTF to make in respect of the Parliament. I am not sure what DTF expects in terms of productivity improvement — should we have more questions on notice or longer speeches? Perhaps one member can leave every year so that we save on a member, or we can have some sort of a countdown on members, a bit like a reality TV program —

Mr Ondarchie — You get to vote them off.

Hon. B. N. ATKINSON — Yes, where you vote somebody off. That is right. I am not sure what productivity dividends are expected, but certainly the Presiding Officers and staff are very keen to improve efficiencies and productivity where we can. It is recognised that a democracy is not cheap, but we need to be faithful to that democracy by resourcing it properly so members are able to do their job, and of course that extends to electorate officers.

One key issue that has changed since last year is that the government has provided for depreciation on the value of the building. That was a very significant decision, and I thank the member for Scoresby in the Assembly and then Treasurer, Kim Wells, the member for Hawthorn in the Assembly and then Premier, Ted Baillieu, and indeed the Assistant Treasurer, Gordon Rich-Phillips, for that decision because it has allowed us to develop our capital works program and to plan for the very necessary maintenance of this building in a much more constructive way, with a plan that we can run out for four or five years. This will enable us to pick up efficiencies in terms of those works because we will have funding available for the next year to, for instance, continue restoration of the brickwork. That depreciation decision is consistent with accounting standards and was a very significant decision for the Parliament. As I said, we thank the government for having made that decision because it is significant in terms of the repairs and maintenance and so forth of this building.

I will just touch on the reviews. The reviews of our various departments are not about cutting costs. They are about focusing those departments more on the needs of members, on the change in community expectations that members are needing to meet and on making sure that the organisation works to support members in their roles. I understand the IT review has caused some concern among staff — there is no doubt about that. It is about implementing a new structure, and that new structure is about going to some of the very matters that Ms Pennicuik covered in her contribution, which include making sure that when members need to be supported, they are able to get through on the telephone and find somebody who can extend some help or at least provide them with an indication of when that help will be available. It is very much about having the right structure to meet the needs of members.

Members would be aware that we have moved into a new generation of media and technology in this place, particularly with the broadcasting of Parliament and so forth. That has put a changed demand on the Parliament's IT services program, because obviously new skills and resources have needed to be developed within that department to meet the broadcasting needs of the Parliament, and our structure has not necessarily kept up with those changing demands. That is very much what that is about.

In the library it is not a cost-cutting exercise as such. It is likely that we might find some efficiency opportunities across the Parliament, but it is not about cost cutting. It is about trying to make sure that the services provided by the Parliament's departments meet the expectations and needs of members and, by extension, the needs of the community in Victoria. That is what those reviews are about.

On this occasion the Parliament needed to find another \$300 000 in savings. I guess that was made a little easier this year in the sense that we did not have to provide for a regional sitting of Parliament in this year's budget, which we did in last year's budget. That certainly was a cost to the Parliament. There was an offset, if you like, that has enabled us to meet that \$300 000 reduction in our budget this year. But as I indicated to the Public Accounts and Estimates Committee and as Ms Pennicuik said, I would be concerned if there were to be a continuing process where — based at the moment on the projected figures — the Parliament was required to meet further reductions of the order of several millions of dollars over the next four years. That would be of considerable concern because it could well affect the services the Parliament was able to provide. As Ms Pennicuik said,

there are some areas of the budget that we are unable to control effectively and which have cost pressures.

Interestingly enough in terms of electorate offices, the situation has been that perhaps the costs have been a little muted compared with what they might have been in a more buoyant economy. From that point of view, while we have faced rental increases, they have not been of the same order as we have faced in previous times and that we might expect to pay in a more buoyant economy. There has at least been some respite in that respect in terms of the cost escalation, notwithstanding it is still a significant increase.

As I said, we are in discussions with the Department of Treasury and Finance and with the Treasurer, and they are constructive discussions. The Treasurer certainly understands the importance of Parliament and understands the separation of powers, because we have had those discussions personally. Going forward I hope we have some assurance in terms of the budget provision for the Parliament through the appropriation. I thank the Assistant Treasurer for the appropriation that has come to the house, and for the discussions that he and I have had in terms of what the Parliament's position is in delivering services to members of the Parliament. On this occasion the appropriation bill certainly meets the needs of the Parliament, and the projections for the future are a matter of discussion that the minister and I may well have on a number of occasions in the future.

Mr ONDARCHIE (Northern Metropolitan) — How interesting it is to follow the President in making a speech in the chamber. I find myself speaking to the Appropriation (Parliament 2013–2014) Bill 2013, and I am feeling a little unusual today because I am about to agree for the most part with Mr Lenders, and I know he feels as awkward about that as I do. I think we are both keeping our powder dry for later this day.

Our objective here is to make provision for the appropriation of moneys out of the Consolidated Fund for the Parliament in respect of the next fiscal year. The total appropriation authority sought in this bill is \$112 218 000. Unapplied appropriations under the Appropriation (Parliament 2012/2013) Act 2012 have been estimated and carried forward and will be finalised prior to 30 June in order to adjust the 2013–14 appropriations accordingly by the approved carryover amounts as per section 32 of the Financial Management Act 1994. The appropriations include the ongoing liabilities incurred by the Parliament for things such as employee entitlements, and they are made to departments of the Parliament according to the wishes and directions of the Presiding Officers. This is the very

essence of our democracy in Victoria. The basis of a strong democracy is having a strong and independent Parliament, and that will be delivered by this bill and the appropriation that comes with it.

Today we provide for the core operations of both houses, and the staff and support services are elements that go to the parliamentary process. The allocations go to things like security, staffing requirements, building maintenance, educational functions and the parliamentary committee inquiries that enhance the effectiveness of this Parliament.

I want to take this short time to acknowledge the work of Peter Lochert, the Secretary of the Department of Parliamentary Services, and his team, including security and properties who have helped me immensely this year. They include Samantha Matthews, Nicole Fotheringham and the team who have helped me with the move of my electorate office from Northcote to the fast-growing area of South Morang. Our librarians help us enormously, particularly with research on bills. I also acknowledge building services, the education officers, Hansard, catering, organisational development and our electorate officers — and Ms Pennicuik touched on them today — who carry a substantial load for members. I know my team of Angela, Akshay, Jacky, Christine and others do a great job in supporting me when I am out of the office, as I am pretty much most of the time talking to constituents. I acknowledge their great work. For the committees, the clerks and attendants in this place and all who serve in the Parliament, including in the gift shop, this is an appropriate appropriation bill.

Finally, this is the last parliamentary appropriation bill that my colleague and friend Mrs Petrovich, a member for Northern Victoria Region, will get to vote on in this Parliament. She is not only my colleague, she is also my friend. She is a mentor to me, she is a confidant, she is a teacher and she is my mate. Soon hopefully, with all my work and that of others, she will be my local member in the House of Representatives. Donna is bright and sincere, and she is a good mate to me. I will miss her immediately, but I look forward to visiting her in her federal electorate office. My love and prayers go with her always.

Motion agreed to.

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

Third reading

Motion agreed to.

Read third time.

BORROWING AND INVESTMENT POWERS AMENDMENT BILL 2013

Second reading

Debate resumed from 13 June; 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 be moving a reasoned amendment to refer this bill to the Economic Development and Infrastructure Committee, a joint investigatory committee. If that amendment is not successful, the Labor Party will be voting against this bill.

On the face of it, this is a fairly simple bill. It has four clauses, and it seeks to remove the borrowing caps on Melbourne Water and the State Electricity Commission of Victoria (SECV). This is a legacy bill. In my three and a half years as Treasurer I was asked on many occasions to vary the borrowing limits of statutory bodies, whether they be the water authorities or many others. There is a prudential process through the Department of Treasury and Finance by which advice is given to the Treasurer on the appropriate amount of borrowings for state bodies. That is a legacy of legislation introduced by Alan Stockdale. However, there are two exceptions to the Treasurer's discretion as to how much an authority can borrow. One of them is Melbourne Water, the cap on which was changed once by Treasurer Stockdale by legislation, and the other is the old State Electricity Commission of Victoria. The material purpose of this bill is to remove the parliamentary oversight, or cap, on the borrowing limits for those bodies.

I know where this debate will go. We will have a rant from those opposite about the need for Melbourne Water to borrow for infrastructure costs due to the desalination plant, so I will get in ahead of it and rebut those obvious, predictable rants before they commence.

I will talk about public policy first. My colleague Tim Pallas, the member for Tarneit in the Assembly, spoke clearly on this bill and outlined the Labor Party's opposition, so I will not reiterate that. SECV is leagues away from the \$9 billion-odd borrowing limit imposed on it which the government seeks to have removed. Melbourne Water is approaching the cap imposed on it. Clearly the government needs to address that issue because Melbourne Water needs to borrow more money for two reasons. One reason is that under water plan 3, which has just been approved for metropolitan

authorities, Melbourne Water has a liability stream going forward to pay for an important bit of infrastructure to augment the system. That is there, that is clear and that is an area that I understand the Treasurer needs to address.

The second part of the bill, removing the limit on the State Electricity Commission of Victoria, sets alarm bells clanging. As my colleague Mr Pallas said in the Assembly, this is a government that was elected after saying it would bring down debt. Debt has doubled. This is a government that cannot manage money and is borrowing more and more. If a government is borrowing more to build vital infrastructure or various things like that, we on this side of the house would look at it favourably. That is what governments need to do: modestly invest in infrastructure for the future and for the triple-bottom-line reasons we will not go into in speaking on this bill.

There are two aspects to this. Firstly, why on earth do it, unless there is an overzealous person trying to achieve a regulatory burden impact in Treasury somewhere and who thinks that a body that has less than \$100 million in debt needs to suddenly have the ability to go over \$9 billion in debt? It beggars belief that this government comes to the Parliament with no explanation other than reducing the burden of red tape — one line in an act — for getting rid of the cap on the SECV.

I have watched these budget papers over the past three years with some interest. They have referred to alleged dividends coming out of the State Electricity Commission of Victoria. This is like a boat going around Port Phillip Bay — docking here, docking there, taking the dividend, letting the dividend off. It is smoke and mirrors.

Hon. G. K. Rich-Phillips interjected.

Mr LENDERS — Mr Rich-Phillips thinks I am knowledgeable about smoke and mirrors. I am because I have watched the coalition government's budget papers with some interest. The SECV has this notional dividend of \$300 million that is being taken, not being taken, is coming back in, and which I suspect is nothing more than Treasurers Wells and O'Brien trying to smooth the surplus figures to make them look better. There is something a bit shifty about the SECV.

There is also something a bit shifty about changing the obligations on it for dealing with the Portland smelter; there are a number of things. What we are seeing here in the process, on an accounting basis, is that there is something a bit suss about what is happening with the

SECV. In the middle of that we have a government that is not managing debt well, that is needing to borrow at rates not seen since the Kennett and Kirner governments, and we are suddenly seeing a request to the Parliament from the Treasurer saying, 'Trust me, I am the mighty Michael O'Brien, and let us remove this \$9 billion cap on the SECV'. There will be no parliamentary accountability or oversight anymore — the Treasurer will be able to borrow unlimited amounts of money. That is something I think needs further investigation, and that is part of the basis for the reasoned amendment.

Going to the second request, which is that the cap on Melbourne Water be lifted, this cap was first proposed by Alan Stockdale, who under a previous government acknowledged that if Melbourne Water was going to invest more in infrastructure, it needed a greater ability to do so. There are two components to Melbourne Water's need. We will hear a rant — and I deliberately say a rant — from Mr Ondarchie about the Wonthaggi desalination plant, a large infrastructure investment. I can imagine the words Mr Ondarchie will use, and I invite him to reflect very carefully on them because every word he uses to describe the borrowings for Wonthaggi will be used by me against his colleague the new minister for gaming regulation — a great term for a red tape-reducing government, 'gaming regulation' — in his capacity as Minister for Corrections when this government comes forward with the first public-private partnership (PPP) project. Every PPP project this government comes forward with seems to use the sham formula of multiplying a figure by 4.5 to make up another figure.

I say to Mr Ondarchie that a first home buyer in his electorate who borrows \$500 000 to buy a home is not lectured by him for being irresponsible in buying a \$2.5 million home, which it is when you take into account every municipal rate for the next 25 years, every sparky for the next 25 years, every carpet steam cleaner for the next 25 years, every plant put into the garden for the next 25 years, every coat of paint for the next 25 years, and every time the plumber comes in to fix the gas stove for the next 25 years. It would be ludicrous to say that that is the purchase cost of a house and the interest rate for the next 25 years for a home buyer anywhere in Mr Ondarchie's electorate. If that is the test he wishes to apply to Melbourne Water, trust me, we will apply the same test to every public-private partnership he comes forward with, and I would suggest that the east-west tunnel is a \$36 billion project that is \$26 billion over budget before it has even started. Nevertheless, that sparring will go on and on until eventually Mr Ondarchie works out that that

methodology will not suit a government that likes public-private partnerships.

While we are on that subject, a year ago the Minister for Water, Mr Walsh, was revving up the community about \$400 increases in water bills, which have come to \$200, and then we had the former Premier saying that the \$177 overpayment for the desalination plant was but a hiccup. We will undoubtedly hear the rant about this cost, but let us go to the other part of why Melbourne Water needs to increase its borrowings. This is not something I am making up.

I refer to *Water Entities — Results of the 2011–12 Audits*, a Victorian Auditor-General's report from November 2012. I refer the house to page 30 of the report where the Auditor-General talks about the borrowing requirements of Melbourne Water, City West Water, South East Water and Yarra Valley Water. The Auditor-General refers at some length to infrastructure requirements; for example, the northern trunk sewer, which has so far required much bigger borrowings by Melbourne Water than anything else. He does not refer to the unpaid payments on the Thomson Dam from the Hamer government, which are still part of Melbourne Water's debt — a great infrastructure program, I might say, that Victorians have welcomed since Premier Hamer authorised its building. It is a good project, one that delivers water to Melbourne and is still being paid for. That is because it is appropriate infrastructure debt that is part of Melbourne Water's debt portfolio, inherited under Treasurer Stockdale from the former Melbourne and Metropolitan Board of Works.

But what the Auditor-General does say is, and I quote from page 30:

In 2011–12, the four metropolitan water entities paid dividends of \$270 million, an increase of \$198 million or 278 per cent ...

The Auditor-General refers to a dividend increase of 278 per cent over, and I again quote from his report:

... those paid in 2010–11.

The increase is in part a reflection of the impact of some deferrals of payments, so I put that on the record. He goes on to say:

Like the prior year, there were no interim dividends —

et cetera. The final paragraph on page 30 reads:

To pay the dividends —

this 278 per cent increase —

... the four metropolitan water entities borrowed funds from the Treasury Corporation of Victoria.

We have a Treasurer who comes into this place and says, 'We need to increase the borrowing limit on Melbourne Water'. I have read water plan 3, I have been to the briefings and I have followed it with some interest. Obviously there is going to be a greater requirement for Melbourne Water to pay for the infrastructure; no-one is denying that. But if the Treasurer came forward and said that to pay for all the infrastructure projects, including the northern trunk sewer and all of these other projects that are going on — not just the one that the government likes to focus on — we need X amount of money, the actuarial calculations are there, much like when Treasurer Stockdale looked at an arc, a graph, a band of what was required and then amended the act last time. He went to Parliament to amend the act to say, 'These are our requirements; we need to lift the cap to reach those requirements'. If this government did that, we on this side of the house would support it.

Mr Ondarchie — It is nice to hear you praising Mr Stockdale.

Mr LENDERS — Mr Stockdale did a lot of good things. We on this side of the house acknowledge good things done by those opposite and do not rant or repeat mantras about selected projects. It is interesting that if I were to put any money on government members praising the former Labor government for the northern sewerage project, for the great earthworks at Lang Lang or for the dozens of infrastructure projects being funded by Melbourne Water, I would probably lose that money if Mr Ondarchie were to take me up on it. But the Treasurer is not saying, 'We need \$5 billion, \$6 billion, \$7 billion' — or whatever figure he wants. He is not even using ridiculously inflated non-figures — these nominal versus real figures we are hearing about. He does not even put a massive figure in place and pretend that it is needed. He wants unfettered figures.

I will mention some names to Mr Ondarchie: Tony Sheehan and Rob Jolly. If I mention either of those Treasurers to him, what Mr Ondarchie is saying to any future Labor Treasurer is that this legislation — —

Mr Elsbury — Dramatic.

Mr LENDERS — Very dramatic, Mr Elsbury.

Mr Ondarchie — Say 'Victorian Economic Development Corporation'; say 'VEDC' to us.

Mr LENDERS — Tony Sheehan, Rob Jolly.

Mr Ondarchie — Say ‘VEDC’; say ‘Guilty Party’.

Mr LENDERS — Either of those names would put a chill down Mr Ondarchie’s back. The forcing of this bill through the Parliament today will mean that any future Labor Treasurer, or dare I say Greens Treasurer, will have unfettered borrowing ability through the instrumentalities in the bill via the Melbourne Water Corporation and the State Electricity Commission of Victoria. I say to Mr Ondarchie, through you, Acting President, that with a stroke of the Treasurer’s pen this government is removing from the Parliament the cap on any future government to borrow as much money — unfettered — as it likes through the Melbourne Water Corporation and, even more alarmingly, through the SECV. The SECV is now but a shell company holding the assets of Snowy Hydro and essentially managing the flowthrough of the subsidy of electricity to the two smelters in western Victoria; that is essentially what the SECV does now. As I said, it is an opaque and very murky set of accounts. You only need to follow the alleged dividend that comes from that body through the accounts and you will see that Treasurers O’Brien and, before him, Wells have been using that dividend as a smoothing mechanism that is seldom taken, moves around and makes the Dodgy Brothers look like certified practising accountants.

Going back to where we are on the proposition, we on this side of the house say that there is no reason for this mechanism to be in place for the SECV. Melbourne Water Corporation has two requirements: the first is to fund infrastructure, including the unpaid Thomson Dam areas and all the other infrastructure projects; and to illustrate the second I will quote from page 30 of the Auditor-General’s report of November last year:

To pay the dividends in 2011–12, the four metropolitan water entities borrowed funds from the Treasury Corporation of Victoria.

To balance Mr O’Brien’s shonky, wobbly, dodgy budget bottom line, dividends are going to be taken from water authorities so that there will be a recurrent surplus, and what do those water authorities need to do to pay the dividends for the recurrent surplus? They need to borrow.

I add deferred dividends to this context and ask why the dividends were deferred from 2011 to 2011–12? It was to boost the budget bottom line under the last Labor budget, which I might say I thought was a very good one. The last Labor budget had an \$800 million surplus, so what did Treasurer Wells do? He reduced that surplus by deferring the dividends so he could have a surplus in the next year when the Liberals, who cannot manage money, would otherwise have had a deficit.

These dividends are moving around, including the SECV dividend. They are like boats docking at different ports in Port Phillip Bay, depending on the time of day that the government needs or does not need the money. What do we have in this legislation today? A mechanism to borrow more money to pay dividends.

I formally move:

That all the words after ‘That’ be omitted with the view of inserting in their place ‘this house refuses to read this bill a second time until the impacts of the measures and time lines of the bill have been referred to, and considered by, the Economic Development and Infrastructure Committee.’.

Of course on 1 August that committee will change its name when the new parliamentary committees legislation commences. The government need have no fear of this committee, because it has a government majority — three government members, two Labor members and the independent member for Frankston. Even if the independent member for Frankston were to vote with the opposition, the government would still have the chair’s casting vote, so government members have nothing to fear from this joint investigative committee examining this legislation.

Before the house votes on this legislation, I hope that members of this committee might ask the Treasurer to appear before them so they can ask, ‘For goodness sake, why do you need to remove the \$9 billion cap on the SECV when it has less than \$100 million in borrowings?’, and, ‘Show us a graph of the needs of the Melbourne Water Corporation’. If government members come back and say, ‘Melbourne Water needs this amount over the next 5, 10, 15 or 25 years’, then the government should put a proposition to the Parliament, and I commit to Labor voting for a cap if that is the measure that is needed.

As it stands, this bill will provide that any future Treasurer of this great state will have the unfettered ability to borrow with the stroke of a pen however much money he or she wants, because this government has said, ‘Lift the cap’. I formally move my motion, and I look forward to the rant that will come from the speaker after the next.

The ACTING PRESIDENT (Mr O’Brien) — Order! I call Mr Barber, and I remind him that he will be speaking on not only the Borrowing and Investment Powers Amendment Bill 2013 but also the reasoned amendment moved by Mr Lenders.

Mr BARBER (Northern Metropolitan) — At this point we can say that anybody who thought the Liberal Party was for cutting taxes, let alone if they voted on that basis, would by now be in a state of complete

disillusion. In opposition Liberal members talk a lot about cutting taxes, but in government they jack them up as fast as they possibly can. As Mr Lenders has pointed out, and it seems that Mr Lenders and I are almost in sync today on this matter of financial rectitude — who knows whether that will continue — the government has determined a new way of clawing taxes out of the public, and that is through borrowings and using those borrowings to pay dividends to itself, which then become available for all the pet projects of the Liberal Party. At the other end is a group of people who have no choice but to pay to cover those borrowings and dividends.

As Mr Lenders pointed out, it is a giant shell game, using Melbourne Water Corporation, with which we are all very familiar, and the State Electricity Commission of Victoria (SECV), which has become something of a shell — Put It in Here Limited, as the comedian John Clarke might have referred to it. Not many people know that we still have an SECV; we thought Jeff Kennett sold it off. The first thing you see on the SECV website is a note saying, ‘We do not help you with your electricity anymore, so if your power has gone out, you will have to call this number’. What the SECV mainly does is hold our shareholding in the Snowy Hydro corporation, which I seem to remember John Howard wanting to sell off. The SECV is also a holding company, if you like, for the liabilities associated with the Point Henry and Portland aluminium smelters, and a number of hedging instruments are designed to reduce our exposures to those subsidies, which themselves are based on the price of electricity and the price of aluminium.

Historically, as we know, Melbourne Water and the SECV had a borrowing limit. Melbourne Water’s borrowing limit is \$4 billion or so, and it is very close to hitting that cap. The SECV’s borrowing limit is \$9 billion or so, and it is nowhere near hitting that cap. In fact the SECV currently has no interest-bearing liabilities and no interest payments as of this most recently reported financial year. One does wonder why the SECV needs its borrowing cap lifted when it actually has no borrowings, let alone anything like the \$9 billion in borrowings that it is already permitted to undertake under the existing laws.

I will just say a little bit on what I speculate might be the government’s intent there. In Melbourne Water and our water bills the government has discovered the ultimate tax. The government was supposed to be giving us relief on household utilities. Every time I talk to a welfare agency these days I am told that stress associated with utilities is bad and continues to get worse. Just yesterday we saw the latest price

determination by the Essential Services Commission (ESC) that will see metropolitan water bills going up again. Rural water bills, not so much — congratulations to those various Liberal-appointed water board members on delivering for their country constituents. However, in the Melbourne area, water bills are going up significantly.

You may be a water wally or a conservationist with water consumption in your home, but it does not matter because much of your water bill is now going to be loaded onto the fixed part of your bill so that it is to all intents and purposes a tax. In fact it is the most regressive tax that there is — that is, a poll tax. It is a tax on every household. We were supposed to be getting relief from this. The Victorian Liberal-Nationals coalition policy on water, which can still be found online, was going to, and I am quoting the policy document, ‘Change the way we pay for domestic water’. The policy document says:

A Liberal-Nationals coalition government will:

restore fairness to domestic water pricing and reward household efforts to conserve water use.

Under Labor, actual water use charges account for only about 30 per cent of the average water bill. The remainder is made up of a variety of water infrastructure and sewerage charges. Subject to the findings of the Living Victoria ministerial advisory council, we will aim to base at least 60 per cent of the average consumer water bill on consumption.

That promise has been fundamentally broken with yesterday’s Essential Services Commission price determination, where by my estimate absolutely nothing has changed; the overall bill has just gotten higher. By my estimate, looking at the information that has been published by ESC, we are still paying around 30 per cent on water usage charges and 60 per cent as a fixed component that no-one can avoid, no matter what they do around their home and regardless of whether they take advantage of any conservation technologies, such as saving water, capturing water off their roof or reusing their greywater.

In the determination we see a vague reference to a trial of different tariff offers, but the core of it is that the coalition has failed to deliver its promise that 60 per cent of the average consumer water bill will be based on consumption. In fact the opposite is true; 60 per cent of the average consumer bill will be a fixed charge. There is no relief in sight there. Quite clearly it is water companies, one; water minister, nil. That sets up Melbourne Water as the ultimate taxing instrument to simply claw the money out of households, back it with borrowings and send dividends off to the state Treasurer to do with as he will.

Over on the SECV side it is even more interesting. As a little bit of history, the Portland and Point Henry aluminium smelters have received subsidies for many decades now on their electricity bills. They pay a lot less and, in return, we all pay more. The way this currently works under the privatised arrangements — and a number of legal manoeuvres had to be made to achieve that — is that there is a special land tax charged on electricity transmission easements. That money is used to collect funds which are then used to pay the smelter subsidies. In return what those private transmission operators do is charge all their consumers a bit more, and so basically the same arrangement exists. An ordinary domestic electricity consumer pays more on their bill — some hundreds of millions more collectively — so that the Portland aluminium smelter and the Point Henry aluminium smelter can pay less. That money is laundered through the accounts of the SECV, from which the government now plans to remove all borrowing constraints, for what reason I do not know.

I would like to hear from the minister whether this is simply some legislative tidying up exercise, because the alternative hypothesis is that the government is going to start doing in the future what it has been doing with Melbourne Water, and that is to make the SECV the body to collect money from ordinary household electricity bill payers to continue subsidising coal-fired electricity into the Point Henry and Portland smelters. There is no doubt that a decision one way or another is going to have to be made fairly shortly because in 2014 the original agreement for the Point Henry smelter runs out, and in 2016 it runs out for Portland. In 2013 and in the run-up, we know the company has got its operations under review: either the government makes a decision to continue the subsidies through this land tax on transmission easements it has already got in place or it does not. It is my prediction that if the government is not going to continue that subsidy, then the Point Henry smelter will close.

We are getting absolutely no honest information from either the government or Alcoa on that aspect, and I think the people of Geelong would like to know. I do not think the people of Geelong, as we saw recently with Ford, want to wait until the company calls a press conference to find out their future fate. If the government is not intending to continue the Point Henry and Portland subsidies, the question is: what happens with that special land tax that has been put in place to fund the subsidies that are paid to the SECV in the form of a guarantee?

Is it the government's intention to scrap that special land tax on transmission easements and give back to

electricity bill payers some of their money? My guess is that it is not. My guess is that even if the government is not prepared to keep subsidising to the tune of hundreds of millions of dollars coal-fired electricity for the smelters, it is not going to hand back the land tax. It will just keep that in its pocket and use it for its next escapade, which could be the crazy \$8 billion car tunnel from Collingwood to Kensington, or it could be the next fossil fuel-based project that it plans to inflict on us all. I do not imagine the minister at the table, the Assistant Treasurer, will be qualified to answer some of my latter questions there, but I welcome any information that he could give, as would the people of Geelong. That is, if you like, the shell game that the government is setting itself up for.

Since there has not been any detailed parliamentary scrutiny of either of these matters — it is either the government's broken promise to give relief to water bill payers or the government's imminent decision about our electricity arrangements — I will support Mr Lenders's amendment that the Economic Development and Infrastructure Committee inquire into the implications of this bill. As I pointed out, the implications of this bill are extraordinarily wide, depending on what the government's future intentions are. There should be some scrutiny, and this bill should be looked into in considerable detail. I cannot see what the urgency is for this bill, and so the government should join with the Greens in endorsing Mr Lenders's amendment. If that amendment fails, we will oppose the bill at its third reading.

Mr ONDARCHIE (Northern Metropolitan) — I rise also to contribute to the debate on the Borrowing and Investment Powers Amendment Bill 2013, but I will not deliver a rant about it. I should start by saying that the government will oppose Mr Lenders's reasoned amendment this morning, which I know will come as somewhat of a surprise to him.

Let me start by addressing some of the issues Mr Lenders talked about. He used the analogy of a boat docking at different ports in Port Phillip Bay. The Bracks-Brumby-Lenders government, if I could quote Split Enz — —

Mr Lenders — I was never Premier.

Mr ONDARCHIE — Mr Lenders had the key to matters arising in this bill. If I could quote Split Enz, with apologies to the Finn brothers, Mr Lenders spent 11 years in a leaky boat, struggling to keep afloat. I have to say that if he wants to use an analogy of boats floating on water, I am happy to follow him.

Mr Lenders kindly offered to guide me in my speech this morning, and I give him thanks for that. Given that I just acknowledged that one of my mentors in this Parliament, Mrs Petrovich, is in fact leaving, I suspect that Mr Lenders in his contribution this morning was offering to be my replacement mentor. I have to say to Mr Lenders, in the words of Darryl Kerrigan from *The Castle*, 'You're dreaming'. He will not be mentoring me, but I thank him for his very kind offer.

Mr Lenders — You are plagiarising Harry Jenkins now.

Mr ONDARCHIE — Am I?

Mr Lenders interjected.

Mr ONDARCHIE — Did he now? Mr Jenkins spoke of song titles in his valedictory speech. We farewell Mr Jenkins and others who over the last few days have said they will be leaving the Australian Parliament.

The purpose of this bill is to amend the Borrowing and Investment Powers Act 1987 to remove the limits on financial accommodation that may be obtained by the Melbourne Water Corporation (MWC) and the State Electricity Commission of Victoria (SECV). It repeals the statutory limits on financial accommodation imposed by MWC and the SECV. Those two government business enterprises are the only ones that have those statutory limits. These provisions were a feature of the late 1980s and early 1990s and set statutory limits on financial accommodation to retain control over the level of debt for significant government business enterprises.

Control over financial accommodation is delegated through the minister and is governed by a number of frameworks, including annual borrowing approvals for government business enterprises exercised by the Treasurer under the act, corporate planning and performance reporting requirements, and the high-value, high-risk assurance process which subjects high-value, high-risk projects to more rigorous scrutiny and approval processes.

The bill before the house today improves the governance of government business enterprises and brings the Melbourne Water Corporation and the SECV into line with treatment of other business enterprises under the act.

Statutory limits to financial accommodation were noted by the then Treasurer as a temporary arrangement on 3 November 1988 in the second-reading speech to an amending bill. The Treasurer's control in determining

borrowing limits on government business enterprises under the broad governing arrangements provides a more effective means for oversight than simple statutory caps.

Mr Barber talked about utility stress this morning. It is interesting that Mr Barber talks about utility stress and the cost of utilities. I remind him that it was appropriate that he brought up the increasing cost of energy today because his party — and Mr Finn is in the chamber with me today — was a strong advocate for the carbon tax. But where was Mr Barber today on the increasing utility costs and the carbon tax? He was silent. He did not say a word on the carbon tax today. Shamefully he wants to attribute energy costs to someone other than himself.

Mr Finn — They have lost a third of their voters.

Mr ONDARCHIE — Indeed they have, Mr Finn. Their supporters are walking out the door rapidly. I would not want to paraphrase Mr Finn and talk about sandbags this morning.

Mr Finn — You can talk about sandbags if you want to.

Mr ONDARCHIE — I will leave that for others to talk about, but incredibly Mr Barber stood up in this place today to talk about rising utility costs but failed to mention his stewardship of the carbon tax that is affecting businesses and householders right across this country. Victorian businesses and Victorian employees are suffering as a result of the carbon tax, which Mr Barber and his cronies championed.

When it comes to this bill, without removing the statutory limits under the Borrowing and Investment Powers Act 1987, Melbourne Water would unnecessarily be constrained in managing its financial obligations, such as its next lease payments of around \$53 million in relation to the desalination plant. Mr Lenders kindly attempted to coach me through my contribution this morning, but I would remind him when we talk about the desalination plant that what he did when he was in government was put salt into the wounds of Victoria's financial liability, because the desalination plant has added \$426.3 million to the state's bottom line. It has added 24 per cent to the government's interest bill for the next financial year.

The interest payments, which are expected to increase in 2013–14 by 24.3 per cent, are primarily due to the first full year of payments associated with the commissioning of the desalination plant. This desalination plant will cost Melbourne Water users \$24 billion over 28 years through higher water bills.

That equates to something like \$1.8 million per day for the next 27 years as a result of Mr Lenders's stewardship over the water industry in this state.

The budget also allocates \$4 million for the replacement of the state's observation bore network, and flood mitigation works at Creswick will also get \$4.3 million over four years.

We said at the time that this desalination plant is too big; it is three times the size of what it needs to be. But the people of Victoria were advised at the time by the Bracks-Brumby-Lenders government that we needed it and that we were going to run out of water. I say to you, Acting President, that Melbourne's dams are almost 74 per cent full and their levels are about 10 per cent higher than they were at this time last year. I do not think we need to sandbag the argument today, but I have to say the desalination plant was built under the Brumby Labor government and will cost taxpayers between \$19 billion and \$24 billion to 2040.

Mr Lenders interjected.

Mr ONDARCHIE — I will take up Mr Lenders's interjection, 'Have you noticed that the population has increased?'. I inform Mr Lenders, through you, Acting President, that we have noticed that the population has increased, but unfortunately Ms Plibersek, should she still be the federal Minister for Health, has not noticed the population increase and has ripped money out of the Victorian hospital system. With all Mr Lenders's coaching today — —

Honourable members interjecting.

Mr ONDARCHIE — I am happy to wait for Mr Elsbury and Mr Leane to finish their contributions.

The ACTING PRESIDENT (Mr Finn) — Order! The level of conversation across the chamber is getting a little bit out of hand. Mr Ondarchie does not need any assistance.

Mr ONDARCHIE — The point I was making to the house is that given Mr Lenders's acknowledgement that the Victorian population is growing and his coaching and guidance of me today, I would simply ask him to pick up the phone and let Ms Plibersek know — should she still be the federal Minister for Health — that in fact the Victorian population is growing and we need the health funding she ripped from Victoria back over the forward estimates period. In the words of the great Molly Meldrum, 'Do yourself a favour'; ring Ms Plibersek today — —

Mr Lenders — On a point of order, Acting President, flattered as I am that that Mr Ondarchie — —

Mr Leane interjected.

The ACTING PRESIDENT (Mr Finn) — Order! I inform Mr Leane that I am trying desperately to hear his leader, and if he would be quiet for long enough for me to do so, I would appreciate it.

Mr Lenders — Flattered as I am that Mr Ondarchie seeks my guidance, I urge you, Acting President, to guide him. This is a very narrow bill — with four clauses — that deals with Melbourne Water and the SECV. Interested as I am in the carbon tax and Ms Plibersek, I urge you, Acting President, to bring him back to the two instrumentalities dealt with by this narrow bill — Melbourne Water and the SECV.

Mr ONDARCHIE — On the point of order, Acting President, I was simply taking up Mr Lenders's interjection. He opened this, and I was responding to that.

The ACTING PRESIDENT (Mr Finn) — Order! I will not uphold the point of order because the point that Mr Ondarchie makes is a good one — that is, that the track he was taking was the direct result of an interjection from my left. I suggest to Mr Lenders and to those who sit with him that if they cease interjecting we will not have the sort of problem that has arisen. I ask Mr Ondarchie to — —

Mr Leane interjected.

The ACTING PRESIDENT (Mr Finn) — Order! There is a standing order that says members should not interject while the Chair is speaking. If Mr Ondarchie could stick to the bill and resist the temptation posed by interjections, that would be appreciated.

Mr ONDARCHIE — I will stick to my knitting — a phrase that those in Canberra got a little confused by in the last week.

The previous state government was — and indeed the federal government is — happy to borrow for consumption, and the Napthine coalition government will not be partaking in that trend. The coalition government will use borrowings responsibly. One of the reasons we need to borrow and increase the debt level of Melbourne Water is to repay the cost of the desalination plant, which will cost Victorians \$1.8 million a day for the next 27 years. This is a burden that was created by the Labor government, and

its members should be ashamed. I commend the bill to the house.

Mrs COOTE (Southern Metropolitan) — In the time left to me I will speak quickly on the Borrowing and Investment Powers Amendment Bill 2013. As others have said, it is a simple and straightforward bill — in fact the bill itself has only four pages and the explanatory memorandum has only two.

The bill affects two government businesses — the Melbourne Water Corporation and the State Electricity Commission of Victoria. These important utility companies provide essential services to all Victorians. The bill will remove the statutory caps on financial benefit or assistance that these two statutory bodies may obtain, and this will bring them into line with other government business enterprises.

Many of my colleagues on the coalition side have spoken eloquently on this and have reiterated the huge impost of the desalination plant, commissioned by the former government, on householders in this state. It is absolutely and utterly unacceptable, and the former government will never be forgiven for it.

An article in the *Age* of 26 June says:

Commission chairman —

that is, the chair of the Essential Services Commission —

Ron Ben-David said the price increases were largely driven by the cost of Victoria's desalination plant. 'Of the increase, about two-thirds to three-quarters is due to the desalination plant' ...

It is not just the coalition saying this; it is out there, and the figures speak for themselves. I will not go into great detail on it, because Mr Ondarchie has certainly done that. However, the same *Age* article says:

Opposition water spokesman John Lenders argued the government's 'record dividends and charges' were the 'largest single draw' on water price increases.

I am not trying to cast aspersions on Mr Lenders and his maths skills, but when I was in school two-thirds to three-quarters constituted a majority — but Labor members are not great at counting, as we have seen in Canberra this week. If the impartial Essential Services Commission is to be believed, the majority of the price rise is due to Labor's desalination plant, not dividends and charges. In a broad sense, building a desalination plant was not a bad idea. However, the former Labor government far outreached itself and we saw absolutely extraordinary levels of waste.

The issue I am particularly interested in is stormwater harvesting, which is referred to in Melbourne Water's annual report. The Melbourne municipality is in fact part of Southern Metropolitan Region. Stormwater harvesting has been highly successful, and the Minister for Water, Mr Walsh, is to be congratulated because the planners from the City of Melbourne are pleased with this. It is an innovative program that needs to be highlighted.

I will identify some of the issues. Under the Water Act 1989 Melbourne Water is delegated the responsibility for the licensing of surface water from waterways in some catchments and from its own works, which includes the requirement to license stormwater. There are currently 17 active stormwater licences issued by Melbourne Water, predominantly to councils and sports clubs, totalling 720 million litres. Melbourne Water, the City of Melbourne, the City of Port Phillip, the Department of Environment and Primary Industries, the Office of Living Victoria, Places Victoria, South East Water and City West Water are collaborating on the Southbank structure plan. The plan is investigating the use of recycled water in buildings for non-potable demands and the treatment of all stormwater generated in the area by 2040.

Stormwater pollution is the biggest threat to our urban rivers and creeks. Each year about 500 billion litres of water containing litter and other harmful pollutants such as heavy metals, oil, organic matter and excessive nutrients enters our rivers, creeks and bays via stormwater drains. Excess nutrients, such as nitrogen, can cause vigorous growth of algae which leads to reduced oxygen levels in the water and algal blooms, which threaten plants and fish living in our waterways. The men in the chamber might be interested to know that there is a lot of oestrogen going into stormwater, which is causing fertility issues in men. There has been research on this issue, and I suggest they have a look at this.

Melbourne Water has worked closely with the City of Melbourne in developing stormwater harvesting projects, including one in Darling Street, East Melbourne. According to the City of Melbourne website, the system has the capacity to capture an estimated 21 million litres of stormwater each year, which is equivalent to saving more than 18 Olympic-sized swimming pools worth of water annually. I know that the City of Melbourne is particularly pleased with the approach of Minister Walsh, and he is to be congratulated.

In conclusion, this is a straightforward bill. It makes minor changes that affect the State Electricity

Commission of Victoria and the Melbourne Water Corporation. These changes bring them into line with other statutory corporations, and I commend the bill to the house.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I will respond to matters raised by Mr Lenders and Mr Barber in their contributions to the second-reading debate. Mr Lenders referred to debt under this government. It occurs to me that Mr Lenders, as the former Treasurer, has a short memory of the debt profile that he, as Treasurer in 2010, forecast for the state of Victoria under his leadership of the Treasury. I remind Mr Lenders that in his discussion around debt, he should remember that in the budget update of December 2010, which related to his government's estimates and was a no-policy-change budget update published just after the new government came to office, net debt for 2010 for the non-financial public sector, which we are talking about in this context, was forecast at \$14.8 billion and for 2014 was forecast at \$30.7 billion. That is a doubling of net debt for the non-financial public sector.

Those are the forecasts in place over the four-year period following Mr Lenders tenure as Treasurer. When Mr Lenders talks about debt doubling, he conveniently forgets his contribution to that increase in debt, both in the non-financial public sector and the general government sector, which no doubt we will talk about later.

Mr Lenders also spoke about dividends from water authorities. I remind Mr Lenders that the policy this government has adopted with respect to dividends from water authorities — that is, 65 per cent of net result — is the same policy which was in place under the former government.

The other point Mr Lenders made was about his concern, as he described it, at the unfettered power of the Treasurer to borrow with the stroke of a pen. He was suggesting that the fact this legislation will remove the borrowing cap from the State Electricity Commission of Victoria (SECV) and Melbourne Water will allow the Treasurer to have unfettered capacity to borrow through those government business enterprises (GBEs). What Mr Lenders again conveniently forgets is that the restraints this legislation is removing relate to only two current GBEs, Melbourne Water and the SECV, and there are, I am advised, at least 20 other entities which are not constrained by parliamentary provision as to borrowing capacity. The constraint that Mr Lenders is concerned about being lifted by this legislation is in fact not in place for those other 20 GBEs. Despite the fact that he was Treasurer for

three years and had that unfettered capacity with the stroke of a pen to increase the borrowings in those GBEs, we did not see that explosion of debt that he is now concerned about should we have a Treasurer Jolly or a Treasurer Sheehan again in the future.

I turn now to the point raised by Mr Barber around the SECV and the reason the government is doing this, and it goes partly to the point Mr Lenders raised as well. This is an administrative tidy-up. The cap on borrowings for the SECV and Melbourne Water are now an anomaly compared to how other GBEs are considered. Mr Barber specifically spoke about the role the SECV plays and its future role in managing the electricity supply agreements for Alcoa. Mr Barber was right in saying that I would not be in a position to give him detail on that, but those are matters that will obviously be determined over the next 12 months to 2 years as the existing agreements reach their conclusion.

What I can say to Mr Barber is the government has no plans and no expectations that borrowings by the SECV will change from what they are now with the removal of the cap. There is no intention and no expectation that we will see a greater than \$9 billion spike in borrowings by the SECV. As Mr Barber well knows, the balance sheet in terms of liabilities of the SECV is quite modest. There are some guarantees in place around electricity operations in the hundreds of millions of dollars and the government does not expect that to change. This is a tidy-up with respect to the SECV and Melbourne Water, which will put those entities on a basis that is consistent with other GBEs.

With those few words, I thank members for their contributions to the second-reading debate. I reiterate what Mr Ondarchie said: the government will not support Mr Lenders's reasoned amendment. I commend the bill to the house.

House divided on amendment:

Ayes, 19

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

Noes, 21

Atkinson, Mr	Koch, Mr
Coote, Mrs	Kronberg, Mrs

Crozier, Ms
Dalla-Riva, Mr
Davis, Mr D.
Davis, Mr P.
Drum, Mr
Elsbury, Mr
Finn, Mr
Guy, Mr
Hall, Mr

Lovell, Ms
O'Brien, Mr (*Teller*)
O'Donohue, Mr
Ondarchie, Mr
Petrovich, Mrs (*Teller*)
Peulich, Mrs
Ramsay, Mr
Rich-Phillips, Mr

I Lucinda McLeish ... member for Seymour advise you of my intent to resign from the outer suburban/interface services and development joint investigatory committee. My resignation is to be effective immediately.

It has been a privilege to serve on such a committee, however other commitments prevent me from continuing.

Amendment negatived.

House divided on motion:

Ayes, 21

Atkinson, Mr
Coote, Mrs
Crozier, Ms
Dalla-Riva, Mr
Davis, Mr D.
Davis, Mr P. (*Teller*)
Drum, Mr
Elsbury, Mr
Finn, Mr
Guy, Mr
Hall, Mr

Koch, Mr
Kronberg, Mrs
Lovell, Ms
O'Brien, Mr
O'Donohue, Mr
Ondarchie, Mr
Petrovich, Mrs
Peulich, Mrs
Ramsay, Mr (*Teller*)
Rich-Phillips, Mr

Noes, 17

Barber, Mr
Broad, Ms
Darveniza, Ms
Eideh, Mr
Elasmar, Mr
Hartland, Ms
Jennings, Mr
Leane, Mr
Lenders, Mr

Mikakos, Ms
Pennicuik, Ms
Pulford, Ms
Scheffer, Mr (*Teller*)
Tarlamis, Mr
Tee, Mr
Tierney, Ms (*Teller*)
Viney, Mr

Motion agreed to.

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

Third reading

Motion agreed to.

Read third time.

OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

Membership

The PRESIDENT — Order! I take this opportunity to acquaint the house with another resignation that has occurred as part of the realignment of committee memberships. I have received a letter from Cindy McLeish, MP, the member for Seymour in the Assembly, dated 27 June 2013. It states:

DISTINGUISHED VISITORS

The PRESIDENT — Order! I also take this opportunity to welcome an Australian Political Exchange Council delegation. It is the 17th delegation from the Socialist Republic of Vietnam, and the delegation leader is Mr Hai Long Nguyen. I welcome you, Mr Nguyen, and the other members of the delegation today, and I trust you enjoy your visit to Parliament.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Aged care: residential facility closures

Ms MIKAKOS (Northern Metropolitan) — My question is for the Minister for Ageing. A Department of Health briefing to the minister dated 25 March 2011 from the executive director, wellbeing, integrated care and ageing, Professor Brook, regarding the closure of the Jessie Gillett Court Hostel residential aged-care service states as follows:

Current departmental practice is to seek ministerial approval of any proposed service closure, with less significant changes to service configuration and small bed closures being usually agreed between health services and the department.

This is in paragraph 4 of that briefing memo to the minister. Does this statement still reflect current practice?

Hon. D. M. DAVIS (Minister for Ageing) — As I understand it, there is no requirement that ministers approve or disapprove aged-care changes. Health services can make their own arrangements. As I understand it, there are no legal requirements for these matters.

Supplementary question

Ms MIKAKOS (Northern Metropolitan) — It is actually in a briefing memo to the minister from his department, but I refer the minister also to a subsequent briefing note, dated 24 May 2011, where he circled the word 'approved' next to his signature, approving the closure of Jessie Gillett Court. Does the minister accept responsibility for the closure of this facility and the loss of 42 places in Sebastopol?

Hon. D. M. DAVIS (Minister for Ageing) — What I can indicate is that the decisions and the advice of health services that conduct or manage aged-care services are the things that I am guided by. In the case of services in Ballarat of that nature, I am guided by the advice of the health services. I certainly had discussions with health services and sought assurances that each and every person within the aged-care centre would have a very good outcome and would have a proper and thought-through approach by the health services in the course that they were seeking to undertake. It is my understanding that that was supported widely in the community.

I am guided by the advice of local communities and local health services. The key point here is that this course of action was advised and encouraged by the local community and the health service. The declining need for low-care services over time, over several governments, has resulted in a number of services closing.

The PRESIDENT — Order! Time! Thank you, Mr Davis.

Paramedics: enterprise bargaining

Mr FINN (Western Metropolitan) — My question without notice is directed to the Minister for Health, and I ask: will the minister update the house on matters related to the paramedics enterprise bargaining agreement (EBA)?

Hon. D. M. DAVIS (Minister for Health) — I am very happy to provide the house and Mr Finn with an update on the paramedic EBA. Obviously EBA negotiations —

Mr Lenders — On a point of order, President, I seek your guidance. When I have asked the Minister responsible for the Teaching Profession about EBA matters the house has been assured that it is illegal to speak of the EBA matters in this house. President, I seek your guidance as this is a serious matter. I have been advised by a minister that it is illegal to speak on EBA matters that are live. The point of order I raise is: how can the Minister for Health speak of an EBA when the Minister responsible for the Teaching Profession said that it is illegal to do so?

Hon. D. M. DAVIS — On the point of order, President, it is clearly not something beyond the capacity of a minister in this house to refer to matters concerning a live EBA, but it may be the case that there are certain aspects that would not be referred to. I will

make that point, if Mr Lenders could wait a moment, and I will explain the exact distinction for him.

Hon. P. R. Hall — On the point of order, President, it was suggested by the member making the point of order that I had put a position to the house that I was never able to speak about EBAs. Quite clearly what I have said is that I was not in a position to be able to speak about the detail of the EBA, but I constantly advised the house on process regarding EBAs. It is absolutely proper and in order for the minister to advise on process.

The PRESIDENT — Order! I thank the member for his point of order. I concur essentially in my decision with the remarks of Mr Hall. Ministers are in a position to provide some advice to the house on process and the current status of certain agreements, including in this case obviously the EBA agreement, but I would think that ministers would not necessarily be in a position to go into matters of detail in some cases because they may not be the negotiating party. Invariably they are not the negotiating party, so they might not be able to go to matters of detail. There may well be some confidentiality associated with those agreements. As we know, as part of the process those agreements need to go before the Fair Work Commission before they are ratified. It is certainly in line for a minister to provide a status report or to indicate process, but I accept the point of order in the sense that it is most unlikely that a minister would ever wish to go into the detail of those matters because they may well not be informed of that detail at the time, or it could be covered by the confidentiality of those negotiations.

Hon. D. M. DAVIS — I thank the President for his ruling. I will provide the house with an update on the EBA progress. Ambulance Victoria, which runs our ambulance service in this state, is prepared to negotiate with the ambulance union, and indeed an offer has been made of voluntary conciliation. That is a very sensible offer. It is the mechanism that was used to resolve the doctors EBA arrangements. It was a negotiation conducted at Fair Work with an independent umpire, behind closed doors, where every party could put on the table the matters they wanted to put on the table and have those discussed in a sensible way. That is the offer that has been made to the ambulance union by Ambulance Victoria, and I support that offer. It is a very sensible and reasonable way to go.

As Mr Hall said, I am not going to go to the precise details of every part of the EBA. However, I am going to say that, as a matter of principle, I am encouraging

Ambulance Victoria to look at some parts of the current EBA arrangements and to not replicate them.

In the 2009 agreement clause 67 headed 'Release of elected AEA-V representative to perform union functions' it states at 67.1:

Subject to operational requirements and prior notice an elected AEA-V representative will be released from duty for such periods of paid time as may be reasonably necessary ...

Mr Lenders — On a point of order, President, and on the point of order I have raised before about ministers going to the detail of an agreement in question time, the minister has now quoted, and I am paraphrasing, clause 67.1. If starting to read a clause is not the detail of an enterprise bargaining agreement, then I am puzzled. The guidance I seek from you, President, is that if this minister can go to clause 67.1 of an agreement, does that give me the liberty next time an EBA comes out to go to that level — not just a clause but a subclause — in asking questions of a minister?

Hon. D. M. DAVIS — On the point of order, President, this is a public document that I am quoting from. It is an EBA that is currently — —

Mr Jennings — And you are negotiating it!

Hon. D. M. DAVIS — It was signed by Mr Jennings's government. I am going to indicate some policy questions on which I think the government can have a legitimate viewpoint.

The PRESIDENT — Order! The point of order raised by the Leader of the Opposition in the context of the previous point of order is an important one. I was surprised when the minister went to discussing a particular clause, notwithstanding it is in the EBA that is currently in place. The minister is saying he is recommending particular clauses to Ambulance Victoria, and he has certainly raised at this point that clause 67 ought be part of those negotiations, and the government's view would be that the particular clause ought not be continued in a new agreement. The minister is referring to an existing agreement rather than to the forthcoming one.

However, I think the minister is in very dangerous territory. I would argue that if he is prepared to raise a negotiating point on clause 67, then clauses 1 to 66 are now fair game as are any subsequent clauses. The minister is now moving into an area where I would allow questions on matters of detail because this is a negotiating point within the agreement, and it goes to detail and well beyond the areas that Mr Hall canvassed

when he was talking about the EBA for which he is responsible.

As I have said previously to ministers, if they take questions in some areas selectively, particularly if they are Dorothy Dixers, then they open up opportunities for other members of the house to ask questions on matters relating to the same area. If the minister is to continue in terms of discussing specific clauses that might be part of the current negotiations, then the rest of the agreement is open to question.

Hon. D. M. DAVIS — The policy point that I am seeking to make here relates to the decision under the previous EBA, the EBA that is currently a public document, to second ambulance employees — highly qualified paramedics — to the union. I am going to suggest to Ambulance Victoria that as part of the EBA negotiations it seeks to bring those employees back and put them on the road. They will have the opportunity — —

Mr Jennings — On a point of order, President, I seek your guidance, because clearly the minister is taking the opportunity provided to him by this question to provide the negotiating points that the government is putting to Ambulance Victoria to then negotiate with the ambulance union. If I intend to ask questions about the interests of paramedics and the interests of the ambulance union in future in relation to this EBA, would my question be ruled in order or out of order given this precedent?

The PRESIDENT — Order! Arguably it is not a point of order as such, but it does seek clarification. My previous response to Mr Lenders is the answer to Mr Jennings seeking that point of clarification. I would make the distinction, of course, that the minister is not negotiating himself and the government is not negotiating itself with the ambulance union. In fact Ambulance Victoria is a designated body, and that is the negotiating team for that. There is a bit of a distinction in that; it may or may not take on board the minister's suggestions in terms of policy parameters. Ultimately, the agreement, if Ambulance Victoria reaches an agreement, will come back to the government for a tick off before it goes to the Fair Work Commission for a final tick off, so the government does have a role in the process, but at this point it is not the negotiating party. As I said, if the minister is talking about those negotiations, or aspects of those negotiations, then it is valid that other questions might well be posed on that matter.

Hon. D. M. DAVIS — Let me be quite clear: I will not be involved in the micro negotiations, but I think it

is entirely proper of me to be concerned about ambulance resources. The government has a historic package in place to lift the number of ambulance officers in this state, going up 340 in total — 210 paramedics in the country, 30 patient transport officers and 100 paramedics in the city; 340 is the biggest increase of officers in the history of the ambulance service. It is a \$151 million package — —

Mr Jennings — What is the net increase?

Hon. D. M. DAVIS — We are doing extremely well, Mr Jennings. We are going forward, and I can tell Mr Jennings that we are getting there. It is the biggest increase in the number of highly qualified paramedics in the service's history. But what we do not want to see is our paramedics diverted to union activities at the union offices. What we do not want to see is union officials who are paramedics being taken off the road and out of their ambulances and put behind desks. Fewer desk jockeys is my policy position, and more paramedics on the road. I am going to suggest to Ambulance Victoria that as part of its negotiations it reviews clause 67 — —

The PRESIDENT — Order! Thank you, Minister.

Aged care: residential facility closures

Ms MIKAKOS (Northern Metropolitan) — My question is again to the Minister for Ageing. In a briefing note dated 25 January 2012 about the winding up of the Koroit Health Services residential aged-care facility from the director, health and aged care, Barwon-south western region, the minister has circled the word 'approved' next to his signature. Will the minister accept responsibility for the loss of 30 high-care places in Koroit?

Hon. D. M. DAVIS (Minister for Ageing) — As the member will know, Koroit is a town very close to Warrnambool. As she will also understand, that service was a not-for-profit service, which the government did support to some measure, although most of the funding comes from the federal government. But let me be quite clear: the board of the Koroit service approached the government and said, 'We want to close, and we want an outcome for our community where there are modern beds and high-quality services in other services nearby', and a very good outcome was found for all the people involved at Koroit. I can indicate to the member that the board of the service sought the government's help, and the government was of course prepared to help and work with the service to achieve its aims and desires in the interests of its community and the patients it serves.

Supplementary question

Ms MIKAKOS (Northern Metropolitan) — What representations, if any, did the minister receive from the member for South-West Coast, now the Premier, before this facility closed?

Hon. D. M. DAVIS (Minister for Ageing) — Let us be clear here — the deciding factor in these issues is the local community, and indeed the deciding factor is the board of that health service. I have to say that I was responsive to the board. That is what was decisive in me seeking to assist the board to achieve the aims that its community wanted to achieve.

Vocational education and training: enrolment data

Hon. R. A. DALLA-RIVA (Eastern Metropolitan) — My question without notice is for the Minister for Higher Education and Skills. I ask: can the minister update the house on the vocational training being delivered so far in 2013, and how is this responding to the changing workforce needs in Victoria?

Hon. P. R. HALL (Minister for Higher Education and Skills) — I thank Mr Dalla-Riva for his question on this very important topic, of which I know he has a personal interest. Two weeks ago, when Parliament last sat, I gave the house a commitment that the quarter 1, 2013, *Victorian Training Market Quarterly Report* would be published. Today I have been advised by the department that it will publish that report on its website, as it has done for other quarterly reports in the past. As I mentioned two weeks ago, the data is not entirely complete because of a data migration issue with a student management system. That being said, the data there is in a position where we can get a good trend of what training activity is taking place in 2013 and exactly where it is taking place.

When members look at this report they will notice that there is more of a concentration of training in areas of need. That is a really positive thing to come out of the report and the changes that were undertaken by this government. I remind members that what occurred was a classification into four areas, A, B, C and D. Of those areas of training need, A and B are the ones where there are either skill shortages or occupations important to the Victorian economy.

In quarter 1, 2013, what we see is that the proportion of training being undertaken in those two categories has increased from 52 per cent to 65 per cent of training. That is a very positive outcome, because it means more

people are training in either areas of skill shortages or areas of need for the Victorian economy. If you break down the skill shortages component of that, you see there is about a 4 per cent increase in training in areas where there are skill shortages. For example, in the area of child care there has been a 14 per cent increase in enrolments and for aged and disabled carers a 21 per cent increase in enrolments. Welfare support workers are up 23 per cent, architectural building and surveying technicians are up 50 per cent, motor mechanics are up 13 per cent, truck drivers are up 17 per cent and train drivers are up 146 per cent. There are some really good outcomes in terms of where training needs are required.

Some members who would look at this report in a negative way might highlight the fact that overall if you look at quarter 1, 2013, compared to quarter 1, 2012, you see there has actually been a decrease of 7 per cent in total enrolments. I want to make a couple of quick points about that. First of all that needs to be read in conjunction with employment levels in Victoria. Members would recall that last month Victoria recorded one of its lowest unemployment figures for quite some time, meaning more people are employed and therefore there is less of a need for those training efforts. I also want to make the point that 2012 was an absolute bumper year for training. While I say there was a 7 per cent decrease in the comparative figures on the previous quarter — 2012 to 2013 — if you look at 2011 and 2013, you see there was still a 22 per cent increase in training activity between those quarters, so that is very significant.

The other point I make concerns apprenticeship numbers. There is no denying that apprenticeship numbers are down, but that is more reflective of the building applications than the training subsidies, particularly because every training subsidy and apprenticeship area has been increased by this government.

Ambulance services: hospital bed availability

Mr JENNINGS (South Eastern Metropolitan) — My question is for the Minister for Health. Earlier this week the Premier was asked a series of questions about the performance of ambulances in the Frankston area, which included an instance where a patient stayed within an ambulance ramped at a hospital for nearly 5 hours and another where a World War II veteran, who arrived in an ambulance, spent 7 hours and 17 minutes on an ambulance trolley and was then transferred to another trolley within the hospital. Has the minister taken any actions this week that will have an immediate impact on the quality of care to patients coming through ambulances to Frankston Hospital?

Hon. D. M. DAVIS (Minister for Health) — I thank the member for his question. He is quite correct that the Premier was asked about a number of ambulance incidents in the Frankston area. He provided long and comprehensive answers. As you will understand, where there is a legitimate complaint or issue that arises with an ambulance service, Ambulance Victoria will investigate that closely to provide proper details and to ensure that a good outcome is achieved as often as possible. Equally, learnings are also obtained.

Not every matter that is raised by the opposition, media commentators or the Ambulance Employees Association of Victoria during an enterprise bargaining agreement is accurate. The then Minister for Health, who is now the Leader of the Opposition in the other place, said in the *Bendigo Advertiser* of 16 December 2008:

... on first glance 40 to 50 per cent of the incidents that the union has put forward are, in fact, wrong.

I don't want to prejudge that, that's for Ambulance Victoria, in a careful way, to work through.

I agree with Daniel Andrews's comments from 2009. In the same way, this government will work through all those incidents carefully. Some will prove to be cases where Ambulance Victoria could have done better; others will prove to be cases that are not accurate. If they are not accurate, we will deal with it in one way, but where a case is accurate and where Ambulance Victoria can do better, we will seek to put the resources in place to do that.

The government has a historic \$151 million package to lift the number of paramedics over four years and to put 340 new officers in place. There has been a 17 per cent increase in funding to Ambulance Victoria since the government came to power. We are putting in place mobile intensive care ambulance single-responder units in 10 big regional cities. We are taking a whole series of other actions to get better outcomes and survival rates. The ultimate tests in many respects for patients are improving. The work is going in.

That is not to say that Ambulance Victoria is always perfect and that it does not face significant pressures. I know that in the case of Frankston Hospital the government is concerned about the emergency department there and is putting in place a new emergency department. In the last week the construction tender for the emergency department at Frankston was signed. We are picking up 11 years of neglect by the previous government and building a new emergency department at Frankston Hospital. Mr Lee Tarlamis tried to write to the local paper and say

nothing was being done, but if he had driven past, he would have seen the diggers at work clearing the land for a new emergency department to be built. Mr Tarlamis ought to get out more in his electorate; he ought to be prepared to drive around and see the construction work happening at Frankston.

There is also a new 68-bed unit consisting of 4 intensive care beds and 64 inpatient beds which is to be built at Frankston Hospital — \$76 million worth of new construction dealing with the constraints at Frankston and dealing with the emergency department challenges. Those are very significant challenges and legacy issues left by the previous government and its failure to deal with the emergency demand and challenges at Frankston.

What I am saying is that this is a complex system. The emergency department certainly requires work at Frankston. The government has recognised that and is putting money into Frankston Hospital to ensure that the emergency department is rebuilt after 11 years of neglect.

On the matter of individual incidents, they are investigated, and Ambulance Victoria seeks to learn from those and get the very best service for our community.

Supplementary question

Mr JENNINGS (South Eastern Metropolitan) — I thank the minister for what substance there was to his answer. There was some substance and that substance may have some effect in the long term. But the critical words in Mr Davis's answer were 'digger', 'veteran' and 'Legacy', and there was a Legacy veteran who stayed on an ambulance trolley for 7 hours and 17 minutes before being transferred to a bed. I want the minister to take responsibility for these outcomes and to demonstrate that he is taking specific action to respond to the chronic ongoing problems that occur day by day in Frankston. What he can tell that veteran is what actions he has taken since hearing about these matters to make sure that they do not occur next week.

Hon. D. M. DAVIS (Minister for Health) — Let me be quite specific here. The case that Mr Jennings referred to is one that the Premier went through in great detail, as Mr Jennings outlined. That is a case that Ambulance Victoria will learn from, and it will take these steps. I in no way diminish the very significant results there.

I am concerned about forthcoming outcomes that can occur in terms of funding for our major hospitals, including Frankston. I am very unhappy about what

will occur at Peninsula Health. Peninsula Health will get \$4.4 million less in the forthcoming year as the federal government cuts promised funding. There is an opportunity with a new Prime Minister to revisit the cuts related to population growth that have been delivered. Frankston Hospital is a very important hospital, and there is to be a \$4.4 million reduction in funding on 1 July.

Planning: government initiatives

Mrs KRONBERG (Eastern Metropolitan) — My question is to the Honourable Matthew Guy, the Minister for Planning. Will the minister inform the house of the important changes to the planning and building systems in Victoria to apply from 1 July this year?

Hon. M. J. GUY (Minister for Planning) — I thank Mrs Kronberg for a very important question. I take this opportunity to announce some of the changes that the government is putting in place from 1 July, as Mrs Kronberg mentioned, to our building and planning systems.

From Monday, 1 July, Victoria will have a new regulator for the building industry in this state in the Victorian Building Authority. This government is very proud to bring this authority to bear. It is an authority that for the first time will bring architects, plumbers and builders together under one single authority. Importantly, this reform will ensure that Victoria no longer has an ad hoc approach to regulation in this area and that it has a very strong level of national regulation that puts us ahead of the pack in every way.

This government is very proud that on Monday, 1 July, the Victorian Building Authority will come into being, as a result of legislation passed by this Parliament. It will ensure that for the first time there will be a group of commissioners overseeing a CEO with a board in place to ensure that transparency is the name of the game when it comes to the regulation of this industry. It will no longer be like the days of the past when the Labor Party presided over hundreds of thousands of dollars so that officials from the Building Commission could head to the races, to the football or to lunch with the people they were regulating. This new authority will be an authority that focuses on regulation first.

Mr Tee — Is that Michael Kefford you were talking about?

Hon. M. J. GUY — I will take Mr Tee up on his interjection. I wonder if Mr Hulls ever went to the races with Mr Arnel under the previous regime — under the

taxpayers watch, using taxpayer funds. You should be very careful about throwing allegations around, Mr Tee. Did you go? You were an adviser to Mr Hulls.

The PRESIDENT — Order! I understand that the minister was responding to an interjection, and therein lies the danger of interjections, because obviously a minister can take them up. I have allowed the minister to make some remarks in respect of that interjection because it was clearly put before him. I accept that he had an opportunity to respond to that, but I think we have had enough. Let us move on to the more positive aspects of the minister's answer.

Hon. M. J. GUY — A very wise President you are indeed. I am also pleased to inform the chamber about another very important action which we will be putting in place as of Monday, and that is I have today signed off the documentation to formally put in place Victoria's reformed residential zone structure. This will apply from Monday. It will fulfil a core election commitment of the coalition government. It says that once and for all there are three clear residential zones in which growth can occur. There is a general zone for a varied mix of housing, and there will be a residential zone to protect neighbourhoods across this state from overdevelopment. Some governments have talked this rhetoric but never delivered. I am very proud to announce that from Monday, 1 July, the coalition government will deliver on that commitment and will deliver Victoria's first zone to protect our neighbourhoods and backyards from overdevelopment — our first zone of that kind ever.

TAFE Transition Taskforce: consultant

Mr LENDERS (Southern Metropolitan) — My question is to Mr Hall, the Minister for Higher Education and Skills. The minister was asked and took on notice here on 7 February and 30 May and at the Public Accounts and Estimates Committee on 21 May questions about the \$689 000 annualised TAFE Transition Taskforce contract of Marianne Lourey. Does the minister now have the details of why the regular tender processes were circumvented twice?

Hon. P. R. HALL (Minister for Higher Education and Skills) — This question was asked of and answered by the secretary of the department, who was the appropriate person to have that question asked of and to reply because the contracting of the particular company is a function that is undertaken by the secretary of the department, not by me or my office. In respect of all of this, the answer the secretary gave to the Public Accounts and Estimates Committee was that he would be happy on request to provide those details to the

committee, so that commitment stands. Whether that has been supplied is dependent upon whether the Public Accounts and Estimates Committee has formally requested that information from the secretary.

Supplementary question

Mr LENDERS (Southern Metropolitan) — Mr Hall was sitting next to Ms Lourey at the Public Accounts and Estimates Committee and presumably gets reported to frequently by her. As a member of this house, I am now asking a question of the minister for the third time: will he enlighten the house and the Victorian community as to why the \$689 000 annualised contract has not followed the tendering requirements twice?

Hon. P. R. HALL (Minister for Higher Education and Skills) — I can only repeat that the function of contractual arrangements undertaken by the department is a function of the department; it is not my function. I am well served by my department, and I appreciate the service that it provides to assist me in doing my job, but those employment functions are a function of the department. The very question the member asked has been answered by the secretary of the department, as it should have been, through the Public Accounts and Estimates Committee.

Housing: government initiatives

Mr ONDARCHIE (Northern Metropolitan) — My question today is for the Minister for Housing, the Honourable Wendy Lovell.

Mr Lenders — Isn't she a good minister?

Mr ONDARCHIE — Now in *Hansard*. Thank you, Mr Lenders. I am hopeful *Hansard* picked up that interjection where Mr Lenders said Minister Lovell is a good minister. Can the Minister for Housing advise the house of any recent funding to support urban renewal at the Richmond public housing estate?

Hon. W. A. LOVELL (Minister for Housing) — I thank the member for his question, for his ongoing interest in housing estates in his electorate and particularly for his role as the community liaison committee at Carlton. I also thank him for his involvement in the announcement of these grants last week. They were announced by Mr Ondarchie together with the chair of the community liaison committee on the Fitzroy estate, Stuart McCraith, and the chair of the community liaison committee on the Richmond estate, Scott Hamilton. This is \$114 000 in funding to support innovative projects at the Richmond and Fitzroy estates to enhance the amenity of these estates as well as the

social and economic participation of public housing residents.

At Fitzroy we announced \$30 000 to the Fitzroy Adventure Playground to deliver a Performing Better project. This is a community arts program, and the program provides structured activities for 10-year-olds to 14-year-olds on the estate to help develop informal life skills. A further \$24 000 was provided to the Hope for the Future project, which engages a Department of Human Services workforce development officer to work on the estate in partnership with local housing service officers to support tenants to engage in employment and training.

At Richmond \$30 000 was provided to Mission Australia for an interim foyer upgrade on the estate. This proposal will improve the foyers while also providing employment and training opportunities for tenants. This includes a signage audit to replace inconsistent and outdated signage on the estate. Some \$24 000 has been allocated to assist the Brotherhood of St Laurence to deliver the Given the Chance program. Through this program the Brotherhood will work with local employers, including Mercy Health, the Epworth Freemasons Hospital, United Security Group and other businesses in the Richmond area that currently have skill shortages, to find employment for people on our estates.

Some \$6000 has also been allocated to the organisation called Operation Stitches to run a carnival-style activity on both the Richmond and Fitzroy estates for local young people during the school holidays. I had some involvement with the Templetons, who run the Operation Stiches program, when I was the shadow Minister for Housing, and I have seen the good work they do through Operation Stitches.

All these initiatives will support those communities to participate in economic and training activities and will help them to build better lives themselves. That is what this government is doing for public housing tenants: it is giving them the opportunities to build better lives.

Mercy Hospital for Women: family birth centre

Ms HARTLAND (Western Metropolitan) — My question is for the Minister for Health. It has come to my attention that the Mercy Hospital for Women may be planning to close its family birth centre as part of the transition to a case load model of care for maternity services. While I welcome the introduction of the case load model at the Mercy, I do not believe it should be at the expense of losing the family birth centre. The case load model is offered at a number of hospitals across

Victoria, while the family birth centre is the only one of its kind left in Victoria. It provides a unique service similar to a homebirth experience but in the safety of a hospital environment. Can the minister confirm whether the Mercy hospital plans to close its family birth centre? If so, when, and does the government intend on intervening to stop the closure?

Hon. D. M. DAVIS (Minister for Health) — I thank the member for her question. As she indicated, this matter was raised in the *Age* today, and I think the member made commentary in the particular article. I am informed by the department and by the Mercy that they want to introduce a midwifery group practice model of care. I understand that the Mercy hospital has undertaken a comprehensive review of its maternity services and that it recommended the establishment of the midwifery-led model.

I am informed that the new midwifery group practice model will improve continuity of care and continuity of carer for women and their families all the way from antenatal to postnatal care. I understand that under the midwifery group practice model the majority of care will be led by a primary midwife and the primary midwife will be on call to attend the mother's labour and the birth. Midwifery-led models of care have been successfully established at a number of our public hospital services, including the Royal Women's Hospital, Barwon Health and indeed at Sunshine.

I understand that the environment will not change: women will still receive care at the same site. I also understand that should medical intervention be required, women will be able to access medical specialists on site with the appropriate equipment and support. This will mean that women will not need to be transferred. Mercy Hospital for Women has indicated that the change in model of care will not impact on access to maternity services. I also understand that women will be able to access specialist services if and when they are required.

What is important is that the Mercy, like other health services in Victoria, services its local community, and it will from time to time move from one approach to the other. However, it would seem it has done this in this case, based on the information provided to me, after reasonable consultation and also after a fairly thorough review. It is obviously a matter for the service to make these decisions. I know the community will make its views known, and I think there are probably a range of views about the different models of care.

That is the information I have about the approach. The government notes that there has been a significant

increase in the number of births at our maternity hospitals in the recent period. Obviously we are closely watching the very significant increase in births and population that is occurring. There has also been some shifting from the private sector back into the public sector as the commonwealth government has pulled away some of the supports from the private insurance arrangements and also the safety net arrangements that were in place. The lift in the threshold for the safety net has meant some significant movement of people from private to public.

Supplementary question

Ms HARTLAND (Western Metropolitan) — I find the minister's answer very interesting. He talked about community. I have obviously been contacted by a number of women who had planned to have their next birth at the centre and a number of midwives who are extremely concerned about this change. They do not believe there has been any consultation. Considering the work done by the Auditor-General in 2011, which indicated that there were severe problems with maternity services, this is a service that is going to be closed down. It takes away a choice from women. Will the government at least ask the Mercy Hospital for Women to trial this, rather than close down the service completely?

Hon. D. M. DAVIS (Minister for Health) — As I understand it, the number of births will not in any way diminish through the service. Dr Linda Mellors, who is the director involved, has certainly made it clear that there will not be a reduction in the number of services provided. The government is very much focused on ensuring that there is sufficient capacity in the system. We have had discussion in this chamber about Ms Hartland's area, including Sunshine Hospital, and the additional capacity that the government is putting in there and the additional capacity that has been put into the Werribee Mercy Hospital. Capacity is a part of the story. These services need to be provided in a very safe way. It is clear that Mercy has looked at this closely. After its comprehensive review of maternity services, it has followed through with the establishment of the midwifery-led model. As I said, we have locally governed health services that make these decisions in response to their community and the sort of review that Mercy has undertaken.

Ordered that answers be considered next day on motion of Ms HARTLAND (Western Metropolitan).

Corrections: government initiatives

Mr DRUM (Northern Victoria) — My question is to the Minister for Corrections, Ed O'Donohue, and I ask: can the minister explain to the house further developments in the Napthine government's expansion of prison capacity and the benefits to local communities of these projects?

Hon. E. J. O'DONOHUE (Minister for Corrections) — I thank Mr Drum for his question and for his interest in community safety. I acknowledge his advocacy and the advocacy of Ms Lovell, and I particularly acknowledge the advocacy of Mrs Petrovich. Mrs Petrovich will be sorely missed in this chamber. I acknowledge her advocacy, her integrity and her friendship on these sorts of matters and on a range of other matters.

I was very pleased to join Mr Drum last week in Castlemaine to inspect the works that are under way at Loddon Prison. Mr Drum asked about prison capacity, and before I expand on the Loddon project it is important to give some context in relation to this issue.

As we know from the Auditor-General's report of November 2012, the previous government was negligent when it came to appropriate planning for correctional facilities in Victoria. On three separate occasions it was recommended to government that a new prison be constructed, and on three separate occasions Mr Lenders as Treasurer and other members of the cabinet of the Labor government said no. Not only did Labor say no, but when it did commission a project it absolutely botched it. In the finest tradition of the pink batts from Canberra, in the finest tradition of Labor's north-south pipeline and in the finest tradition of Labor's desalination project, Labor botched the Ararat prison project.

Mr Lenders — On a point of order, President, the minister is now debating the matter. The minister said he was putting it in context, and then he proceeded to address a series of federal administration issues in his context. I put to you that in any case the minister has been debating, but I specifically put to you that he is now going into areas that are under no circumstances part of his state administration.

Hon. D. M. Davis — On the point of order, President, the minister was putting this in context, and he is clearly entitled to draw on examples of poor management and poor administration and to counterpose these examples of poor administration in our country, like the pink batts. Mr Lenders may be

very sensitive, but nonetheless these examples may still provide a very good context.

Mr O'Brien — On the point of order, President, when the minister was interrupted he was commenting on Ararat prison, which was a state Labor-botched project.

The PRESIDENT — Order! The point of order raised by the Leader of the Opposition has validity in terms of debating the answer. Whilst the minister might have included a number of state projects which he believed were not adequately executed by the previous government, he certainly raised pink batts, which raised my eyebrows. Drawing a line to those federal matters is part of debating the answer rather than providing substance or context to that answer. I assume the minister has some interesting information to provide given the nature of the question, which talked about the contributions these works make to local communities. That is what members want to hear, rather than debate on matters relating to previous projects.

Hon. E. J. O'DONOHUE — I thank you, President, for your guidance. Just to round out on the Ararat prison project, which provides direct context to some of the challenges this government is facing, under the botched project commissioned by Labor, the Ararat prison project should have been completed late last year. Thanks to the previous Premier, the member for Hawthorn in the Assembly, and the former Minister for Corrections, the member for Kew in the Assembly, that project has been resurrected and is now back on track. I am pleased to inform the house that there are now hundreds of workers on site in Ararat every day contributing to that project and contributing to that local economy and community.

In relation to the prison that Labor was told to build and failed to build, this government has committed to a new prison at Ravenhall. On Monday night I was pleased to attend the —

Honourable members interjecting.

The PRESIDENT — Order! Mr Leane's comments are constant in my left ear, and I do not appreciate it. The minister to continue without assistance, even from Mr Elsbury.

Hon. E. J. O'DONOHUE — As I was saying, I was pleased to attend the community advisory group meeting for the Ravenhall project on Monday night — a project that will create up to 450 jobs during construction and 400 ongoing jobs. Importantly for the correctional system, the Ravenhall prison will have 75 mental health beds and the ability to treat an

additional 100 prisoners with mental health issues. Victoria has the second lowest recidivism rate in the country, and it is these sorts of commitments that ensure that we retain a low recidivism rate in this state.

As I said in my introduction, I was pleased to join Mr Drum last week to inspect Loddon prison, which has been open since 1990. Indeed Castlemaine has a long tradition of helping to keep Victoria a safe community. The government has committed \$66 million to the expansion of Loddon prison. The innovative restricted minimum facility that is currently being built is a 152-bed facility. I congratulate all those associated with the project. There are up to 170 construction jobs and 40 ongoing jobs with local contractors involved. It is a very important project for that local community.

QUESTIONS ON NOTICE

Answers

Hon. D. M. DAVIS (Minister for Health) — I have an answer to question on notice 9401.

Sitting suspended 12.56 p.m. until 2.32 p.m.

STATE TAX LAWS AMENDMENT (BUDGET AND OTHER MEASURES) BILL 2013

Second reading

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

Mr LENDERS (Southern Metropolitan) — I rise today to contribute to debate on the third of the government's budget measures bills, the State Tax Laws Amendment (Budget and Other Measures) Bill 2013. My colleague Tim Pallas, the member for Tarnet in the other place, spoke extensively on this bill in the Legislative Assembly, so I will not cover all the areas that are dealt with in the second-reading speech. I will talk briefly about the government's first home buyers grant rip-off, which diminished the grant established by the Labor government.

It is hardly surprising that we have seen a significant slump in the housing sector when one of the first acts of this government in its first budget was to basically rip out the very generous, by Australian standards, support for newly constructed homes, particularly for young people in country areas. The government has now sought to restore some of it, and we welcome that. However, it is just a little rich to read the Treasurer's

speech or hear the rhetoric of government members who claim they are the saviours of this sector when all they are doing is partially restoring what they ripped out in that first budget.

I will confine my comments to the issue of first home buyers in regional Victoria. Previously we wanted young people to stay in country towns. When Labor was in government I recall going to places like Mildura, Bairnsdale, Portland or somewhere even smaller where young people were getting cash grants to buy their own homes. That meant that during the global financial crisis tradies were getting jobs and the young person had an incentive to stay in the town. I have yet to meet a person in country Victoria who does not say to me that one of their highest objectives is to keep young people in the bush. If you can do that, you have contributed numerous positives for your community.

Firstly, this grant created jobs for tradies. Secondly, it created incentives for young people to stay in regional areas. Thirdly, pressure was taken off the housing market. Some of our regional communities have fairly volatile populations — particularly where there is a bit of seasonal work, whether that be in tourism, shearing, timber, or in construction or resources — a greater abundance of housing makes a huge difference. The first home owners grant was taken away but has been partially restored. I will give the government a tick for partially restoring the grant, but it is a pity that the government is crowing about it when so much of the slump in the building sector in regional Victoria was a direct consequence of it ripping money out of the system in its first budget.

I want to predominantly focus on what I would describe as the shameless and hypocritical backflip from this government over the congestion levy. I say 'this government' because of some comments in *Hansard* of 20 October 2005, when a certain member for South-West Coast in the Assembly, Mr Napthine, spoke — —

Mr O'Brien interjected.

Mr LENDERS — No, Mr Napthine, Mr O'Brien. I do not believe in crediting this man with being a doctor, implying that somehow or other he is a doctor of medicine who is doing wonderful things. He was a vet who practised in the public service. I will call him Mr Napthine and no matter what spin comes from this government, I will continue to call him Mr Napthine.

Mr O'Brien interjected.

Mr LENDERS — I do not dislike vets, but I do not have a lot of time for people who go around ripping the

social fabric out of this state and trying to cloak it by making people believe they are a benign GP. I go back to what Mr Napthine said in the Parliament on 20 October 2005. At that time a congestion levy bill was before the Parliament. Mr Napthine talked at some length about the sinister motives of the Labor Party and his belief that the congestion bill was all a grab for revenue.

As a courtesy I advise the minister that I intend to take this bill into committee, and I will seek his response to some of the comments made in 2005 by the member for South-West Coast on the clauses of that bill to establish whether the minister shares the view that these clauses remain government policy or whether they were just the musings of a member of Parliament back in 2005. I look forward to the minister's response.

I will go through some of the comments that appeared on page 1636 of *Hansard* of 20 October 2005. A number of things come up that are of some interest to the house. Regarding the congestion levy, Mr Napthine quotes an article published in the *Herald Sun* of 27 April 2005, which states:

Labor's \$60 million congestion levy is an envy tax that punishes ambition.

It is a transparent attempt to raise revenue under the cover of global warming.

I wish Mr Finn was in the chamber because I know he is a firm advocate of the science of global warming, and I am sure he would warm — no pun intended — to the fact that his leader said that this levy was really a guise to grab revenue 'under the cover of global warming'. I am intrigued by that. There are a few presumptions there to which I am sure the minister would be delighted to respond, such as whether it actually is government policy that global warming exists or whether these were just the musings of Mr Napthine, and also whether or not this is just a revenue grab under the guise of global warming. Perhaps the government's constraint is that this is just a revenue grab and it does not need the guise of global warming. Maybe not, but I will be intrigued to find out once we get to the committee stage.

Mr Napthine says it will not affect traffic flows. I do not think the government is pretending that it will affect traffic flows; it is just a revenue grab.

Another classic quote appears in Mr Napthine's speech, which can be found on page 1636 of *Hansard* of 27 April 2005:

But it will — once again — line the state's coffers with a stupid tax and further alienate a community that increasingly sees the ... government as the tax government.

In 2005 the member for South-West Coast said this was a 'stupid tax' that will alienate the community, which increasingly sees the government as a tax government. He was referring to the government of the day, not this government, but given that we are extending the scope of the congestion levy by 50 per cent in areas where it is and introducing it to areas where it was not, that is interesting.

Then Mr Napthine went through the motives of the government, which did not campaign on increasing this tax, and what he thought of that government, quoting the newspaper article as saying:

It has forgotten the people who voted it into power.

He referred to another Treasurer, but I will certainly name Treasurer Mr O'Brien.

... is plainly unaware of how on the nose the government is on taxation.

He then said:

It is a topic of much conversation, one that runs deeper than just land tax.

We had Mr Napthine in 2005 describing this as a 'grab', saying that the government was out of touch with the community, alienating the community, and that it was 'a greedy disaster on taxation'. He said:

I predict that the deeper and deeper this government puts its hands into the pockets of Victorians, and the deeper and deeper it puts its hands in the pockets of the businesspeople of Victoria, the more and more business, investment and opportunity will be driven out of this state.

It gets even better — and I will ask the minister about this as well. He also said:

This tax will take away a major competitive advantage that Melbourne has which the member for Box Hill —

Mr Clark, now the Minister for Finance —

spelled out extremely well in his excellent contribution to this debate earlier today.

I might get to that contribution, because he has some beauties in that as well. He went through Melbourne's significant competitive advantage and said this guts it. This reminds me of the Liberal Party in South Australia, which has issued advertisements saying how terrible the congestion tax is and how it will destroy South Australia as we know it.

On page 1636 of *Hansard* of 20 October 2005 Mr Napthine goes on to say the logical extension of this tax is that it will go to Glen Waverley, Highpoint, Altona, Ballarat, Bendigo and Geelong. I give the minister notice that I will ask him whether he agrees with what Mr Napthine said — that is, that the logical extension of this tax is to apply it in those regional metropolitan and regional Victorian centres. I give the minister notice that I will ask him whether he will categorically rule out what his leader forecast in 2005 was the logical extension of this tax.

I can go through more of the narrative, but I think I have depicted the flavour of it, and I will spare the house from having to listen to Mr Clark's contributions from 2005 as well, because they are in much the same genre as Mr Napthine's but not as colourful. One of them is a bit more boisterous when he describes some of these things; the other is more measured. I will stick with the boisterous one.

I also flag that in the committee stage I will ask the minister for some specifics about this tax. The previous Labor government exempted short-term parking, and that was specifically designed for circumstances like a person visiting an unwell loved one in hospital for a few hours. Those sorts of car parks did not attract the tax, although obviously the onus was on the car park operator to show that it was short-term parking. The exemption was designed for hospital visits, traders who wish to go to the centre of Melbourne for 2 or 3 hours of work, shoppers who wanted go to the centre of Melbourne, and providers of professional services in the centre of Melbourne. It was designed primarily as an environmental measure to dissuade people from driving their car into the city during morning peak hour and out of the city during the afternoon peak at the very time of day you do not want cars on the road. It was designed to get those all-day commuters onto public transport. That was the policy objective as was outlined by the minister in his second-reading speech at the time. There was a debate over whether that was a worthy policy objective. There was also a debate about whether it would be an effective policy, whether this measure was an effective way of achieving the objective. There was also a debate about the red tape for car parks that might be created.

That was the policy objective. It was not to discourage that which the City of Melbourne, the Victorian Employers Chamber of Commerce and Industry, the Australian Industry Group and most other industry organisations put very strongly to the government of the day: that if you had a blanket levy all day it would strangle, or certainly subdue, business in the CBD of Melbourne.

What we see now is that all those constraints have gone. We have seen a 50 per cent uplift in the cost of long-term parking. Members might ask, 'What is a 50 per cent uplift?'. I think it comes to something like \$15 a day. The Assistant Treasurer is shaking his head, but I think if we are going on about a \$365 — —

An honourable member interjected.

Mr LENDERS — It is more than a dollar a day. There is probably \$10 a week in uplift for those people in my electorate who drive in from Bentleigh, which I will use as a case study, or Frankston, as another case study. So an all-day commuter from Bentleigh or Frankston will now need to find \$15 a week more, and they will have to find around \$45 if they wish to visit Melbourne for part of the day. If a Bentleigh doctor, say, went to work in one of the large hospitals near the city or just in rooms in the city for 3 or 4 hours, they would need to find \$15 a week.

Mr Barber — Or he could take the train!

Mr LENDERS — There are other options, Mr Barber, and that is what it was designed to do — to get people to take the train. But many of the doctors, professionals, consultants or others in Bentleigh who would find it attractive to travel by car before working for a few hours in Melbourne will have to find \$45 a week they did not have to find before because of this revenue grab by this government. This legislation means that a commuter coming in from Frankston or Bentleigh will need to find an extra \$15 a week, because obviously Kings Parking or wherever they go to will need to charge more to pay the levy to the state Treasury each week.

The challenge business now has in Victoria is that there is a clear, unambiguous, unequivocal extra cost being imposed on it by a direct decision of this state government, which claims to be pro business and which said in its election campaigning that it was going to fix the problems and build the future. Fixing the problems and building the future is putting more levies on people — —

Mr Barber — Fixing the problems on the railway lines.

Mr LENDERS — Taking up Mr Barber's interjection, if this was hypothecated to deal with some of the problems caused by the congestion, a case could be mounted for it. But there is no serious case mounted, unless Mr Barber believes the assurances of the government that somehow or other this is going to be spent on more public transport when there is no evidence of it. The only public transport expenditure we

have seen by this government is a slow take-up of programs that Labor had announced as part of its Victorian transport plan, and we wait with bated breath for an alternative to that plan two and a half years later.

I look forward to exploring with the minister whether some of the pronouncements of Mr Napthine in 2005 are still relevant today, particularly whether the logical extension argument that is used in *Hansard*, that this would logically extend to Glen Waverley, Highpoint, Ballarat, Bendigo and other areas, is still the logical extension that was mentioned. I would also like some clarification from the minister as to what will happen when a person visits a relative in a hospital or what happens with hospital staff who have previously been exempted. Presumably the hospitals will need to pay the levy on their behalf or the staff will need to stump up. I know the Minister for Health gets very excited in this place when he is trying to draw tenuous links between federal government policies and what he believes they do to hospital costs. I put it to you, Deputy President, that for many hospitals the annual cost of this parking levy would be greater than the cost of a carbon tax over a number of years, let alone on an annual basis.

I put this to the minister. If the minister says, 'This is purely a revenue grab from the easiest place we could find it', then I will congratulate him on his honesty and sit down. If he says this is not a revenue grab, I do not know how we would describe it. If the minister says to me that this is a revenue-raising thing and circumstances have changed since Mr Napthine made those comments in 2005, then I would consider just sitting down and saying, 'Good on you'. I fear this is just that. It is a revenue grab from a government that allegedly costed its election commitments. It did not have the foggiest idea what it was doing, it got a dodgy accounting firm that the then shadow Treasurer had some association with some years earlier, dropped them in at the last minute and were told it all added up. It is testament again, as I see daily in this place when I look at election costings that have run over by \$800 million even before the costings have been completed, no serious capital works programs and a doubling of state debt, that the Liberals cannot manage money.

Mr BARBER (Northern Metropolitan) — I find the measures in the bill to be fairly innocuous, but I find some of the statements in the second-reading speech to be quite outrageous; otherwise I would have sent this bill through with minimal commentary. But responding to what Mr Lenders just presented, it seems he has lost all ardour for a tax he originally implemented, a so-called congestion levy which is not a levy on congestion at all; it is a levy on parking. I think

Mr Lenders gave the game away when he pointed out that in many cases those who have parking in the Melbourne city area are in fact professionals who are given access to parking through their work packages. It is probably something that should be addressed through the fringe benefits tax legislation, but for now, by default, we are addressing it through this.

The fact is the government has to tax something, so it might as well tax something that we would prefer there would be less of — that is, people driving their cars into the inner city. The vast majority are coming in now by active transport — public transport, cycling, walking — and we should introduce a range of measures if we can to encourage even more to do so.

But in the second-reading speech claims are made in relation to this bill that go considerably further than perhaps the text of the bill would warrant. For example, I find here in the second-reading speech a statement that:

The Victorian coalition government's strong financial management has set the state up well to fund a sustained program of infrastructure construction.

We could have many hours of discussion on that topic alone and never actually get to the rather puny measures in this bill. Certainly the Victorian coalition government is running itself a tidy balance sheet, but I am not so sure that has set the state up well for sustained infrastructure construction. There is no doubt that according to the government projections into future years it shows a large surplus. Pretty much all budgets do that. I know federal Treasurer Wayne Swan's did. It is really a matter of mathematics to say that yes, if we have turned in a set of numbers this year and if we keep on being virtuous for many, many years to come, we will have a large war chest. The interesting thing, though, is to track the movement of that war chest, because in the government's first budget that war chest kicked in rather conveniently in the run-up to the 2014 election. Now of course it has been pushed back. The major delivery of capital works has been pushed out to the other side of the 2014 state election and that becomes quite important in a political sense.

What the government refers to as a 'sustained program of infrastructure construction' in fact means a massive \$8 billion car tunnel from Collingwood to Kensington with no business case, with no real benefit, in fact with a disbenefit from the very point of view of the congestion levy that it is now expanding and increasing. The government is going to collect money from city car parking and use it to build a road tunnel which is designed to get more people to drive their cars into the city. The government makes it more expensive to park

in the city and it makes it quicker to get to the city. I do not think that is good for the city. In fact the congestion itself is probably what is driving people away, and the government's plan is to spend \$8 billion to shift that congestion from Hoddle Street to Flemington Road.

Then we get the statement that says:

Since coming to office, the coalition government has implemented savings and new targeted revenue raising initiatives totally approximately — —

there are a couple of typos in this version —

\$2.4 billion in 2013–14.

We have achieved this while ensuring that the quality of Victoria's front-line services is enhanced.

No, it has not. It has slashed front-line services in order to build up its war chest so that it can spend it on a giant concrete-lined hole in the ground. The most recent example of cutting front-line services is the government's latest call for redundancies amongst park rangers. If park rangers are not front-line services in the protection and enhancement of national parks, the biodiversity in them and the many millions of people who visit them every year, then I do not really know what is. Of course there was an earlier round of redundancies offered in Parks Victoria where park rangers and fire protection personnel were not allowed to apply, but they got a number of applications and now they are going around again. By my estimate, by the time that program of redundancies is completed and Parks Victoria has reported to the Parliament we will have cut the staff of Parks Victoria by one-quarter. It will be down to three-quarters of its original numbers — that is my estimate.

In opposition the government members used to say a lot about parks and how they were being neglected and locked up and left by the evil green conspiracy, but it is quite literally the case that right now parks are being locked up — gates are being locked — because those opposite are cutting both the resourcing and the personnel that manage Parks Victoria. When I see this statement that says, 'We have achieved this while ensuring that the quality of Victoria's front-line services is enhanced', I think that is just laughable. Ask people out there.

I turn to the next one — the chuckles just keep on coming — which says:

We have also been able to make significant reforms to our state taxation.

Everything is relative. I would have thought significant reforms to state taxation might have encompassed

something a bit more like the Henry review. It might have involved getting rid of all the inefficient state taxes that are a drag on the economy because of the inefficient way in which they affect economic activity. Such a tax is the very opposite of the congestion levy, which involves taxing a bad — that is, the use of cars to get to a place that has very good public transport to it. Instead the government taxes stamp duties of various sorts, taxes economic transactions and taxes people if they try to buy a house. These taxes create blockages and disincentives in relation to various kinds of economic activity.

I will admit the government stuck a toe in the water with state taxation reform when it reformed the fire services levy. Gee whiz, with a minimal amount of politicking, Labor, the Liberals, the Greens and The Nationals were all able to vote for that reform. That indicates that the only way we are going to get major economic reforms in Australia that stick is through consensus politics — as contrasted with the politics of negativity. Interestingly, just before we came in here I watched a little bit of question time in the federal Parliament where that very theme was elucidated by the new Prime Minister, Mr Rudd. It was about ending the negativity and having a conversation about the country's future, with all contributions welcome. The model of reform we went through with the fire services levy could be continued and expanded, and we could get state taxation reform through consensus. That is not, however, what is being offered today. What is being offered up is some minor tinkering.

There is a range of discussions in the second-reading speech about targeting of the first home owners grant and what an excellent measure it is. The fact is that it is a discredited economic policy. It involves giving young people who are establishing themselves in the world a packet of money and saying, 'Here's some money, but you have to spend it on a house, and it has to be a new house over there in that area. You're establishing yourself; we think you should spend your money on this'. It is kind of like income management, except that instead of being for poor people it is for everybody. It is kind of like Dad giving you an allowance and then taking some of it back and saying, 'Hang on; it's going into your fund for a university degree' or whatever it might be. However, in this case it involves telling people, 'We love you, but we're only going to give you a bit of money if you spend it on building a new house'. We tell them not to spend it on education, not to spend it on relocation, not to spend it on retraining, not to spend it on broadening themselves and not to spend it on starting a small business. Instead it is: 'Buy a house, son. You can't go wrong'. I can think of better

redistributive policies — if this is one of those. In economic terms it is unfortunately an allocative policy.

Further on the second-reading speech says it is also a good thing because it pumps up the building market; it is about pump priming a particular industry. There are ways to do that. We did it through a federal stimulus package when we needed to. That was the stimulus package mark 2 where rumour had it Tony Abbott, now the federal opposition leader, was asleep and Malcolm Turnbull, the then federal opposition leader, was out the back with his microeconomic textbook and his slide rule, trying to work out whether he should vote for it or not. The Greens voted for it, and as a result we saved the building industry and saved the Australian economy.

Mr Ondarchie — You did it!

Mr BARBER — We did it. The Greens and Labor were on one side of the chamber, and the Liberals were on the other side — oppose, oppose, oppose. That was a good mechanism with which to stimulate the economy and avoid a recession; this mechanism is just a kind of ongoing dribble of funds with no particular demonstrated economic objective. As long as we are continuing to slowly wean ourselves off this particular bit of economic populism, or whatever it is, we will support the amendment and the bill.

Mr ONDARCHIE (Northern Metropolitan) — It is a pleasure to rise today to speak on the State Tax Laws Amendment (Budget and Other Measures) Bill 2013. I was incredulous that Mr Lenders started his contribution by talking about the congestion levy. He can correct me if I am wrong, but I thought the congestion levy started with him. I do not want to misquote Mr Lenders, and I apologise to the house if I do, but I almost thought he said the words, 'Labor cannot manage money'. It almost came out. Nevertheless, I am happy to remind him about that.

The purpose of the bill is to amend the Congestion Levy Act 2005 to increase the amount of the levy and extend it to short-stay parking spaces in the central business district and inner Melbourne, which will result in an increase of about a dollar a day. The Napthine coalition government is committed to delivering an economically responsible Victoria that all Victorians can benefit from and also to investing in public transport and road initiatives. Following a number of hits to our budget from Canberra, including a significant reduction in Victoria's GST share, we are making this difficult decision to ensure that we can responsibly invest in transport, infrastructure and services. As I said, the increase will be the equivalent of

less than a buck a day per long-term car parking space. I want to alleviate Mr Lenders's worries. He looked very worried about the car park levy that he in fact introduced, but I would like to clarify that he should not be worried about it. To be fair to Mr Lenders, and I always like to be fair to Mr Lenders, it might have been the former Treasurer John Brumby who introduced the congestion levy, but Mr Lenders had stewardship over it after a period of time.

The car parking spaces that will continue to be exempt from the levy include residential parking, hospital visitor parking, parking for emergency vehicles, spaces owned by councils or charities, disabled parking, parking for shiftworkers — I am sure Mr Lenders will be pleased about that — garaging of fleet vehicles and bus layovers, car sales displays and car service spaces. The reality is that we can only afford to invest in new trains, level crossing upgrades and new railway stations through responsible economic management. Those opposite might want to write that down.

The public transport and road initiatives in the budget will benefit all Victorians, including those who operate in Melbourne's CBD, therefore it is appropriate that a small portion of the funding for these new initiatives be supported by this small adjustment to the city car parking levy. In fairness to Mr Barber he did say in his contribution that he would like to see less cars in the city. It is not a bad initiative to have less cars in the city and perhaps see a bit more public transport use. Mr Barber and I have in fact sometimes used public transport and caught the train together. He gets off at a station slightly closer to Melbourne's more affluent areas than I do. He lives in an affluent area of Melbourne — I have no doubt — so he gets off at a stop closer to the city than I do. However, I do agree with him; it would be good to have less cars coming into the city.

The bill amends the Duties Act 2000 in relation to first home buyers, young farmers, the land-holder provisions and motor vehicle duty. I am sure those opposite will be encouraged by this initiative because it will create more jobs. The first home owner grant is being boosted to \$10 000 for newly constructed properties and stamp duty concessions of 40 per cent have been brought forward for all first home owners. It is going to create jobs in the housing construction industry by increasing those grants for newly constructed homes and bringing forward that major cut in stamp duty. Should the house pass this legislation, from next Monday the first home owner grant will increase from \$7000 to \$10 000 for newly constructed houses and apartments, including those built under a home-building contract built by an

owner-builder, purchased off the plan or sold for the first time as a residential premise.

In addition the Napthine coalition government is responsibly bringing forward stamp duty cuts of 40 per cent for all first home owners to take effect from 1 July 2013. That combination of \$10 000 for the first home owner grant and the 40 per cent stamp duty cut means that Victorians buying a newly constructed first home for about \$400 000 will save \$16 500. Is that not a good initiative to promote jobs and give young Victorians a helping hand? We really want to support Victorians who are saving to buy their first home. This initiative is going to make the opportunity of home ownership a reality sooner for young Victorians.

In addition the bill amends the Fire Services Property Levy Act 2012 to clarify how the levy is assessed. It amends the First Home Owner Grant Act 2000 and the Liquor Control Reform Act 1998 and amends the Payroll Tax Act 2007 in relation to the contract and owner-driver exception provisions. The bill makes changes to clarify the payroll tax treatment of payments made to owner-drivers and other contractors. These amendments will not affect the payroll tax liability of Victorian employers, nor will it impact on the way existing provisions are administered. The bill amends the Taxation Administration Act 1997 in relation to staffing, delegation and disclosure of information, and it will allow the State Revenue Office to disclose certain personal and business information to the legal services board and the legal services commissioner. The board and the commissioner will be restricted from disclosing that sort of information to anybody else. The bill also amends the Water Act 1989 so that certain functions can be performed by the commissioner of state revenue.

Over the last decade revenue growth has significantly increased but was outpaced by the expenditure of the former government. A continuation of that would have led to net debt becoming unsustainable. The Napthine coalition government has implemented savings that have included around \$3.4 billion in targeted revenue-raising initiatives in this year's budget. The bill before us today implements this budget message, which will support economic growth and deliver prudent financial management. As I said, the bill will help first home owners, add value to public transport and infrastructure services and reduce the cost of stamp duty, which will certainly stimulate the building market. The congestion levy still remains well below that of Sydney and other parts of Australia.

What have others said about this? The Housing Industry Association (HIA) has said that it supports the attention and focus we have given to developing road

and rail infrastructure, as announced in the budget by Treasurer Michael O'Brien. In fact the HIA's Victorian executive director, Gil King, said:

Road, rail and community infrastructure are all vital to encouraging people to build new homes.

HIA also welcomes the announcements of funding for East Werribee, Frankston, E-gate and the commencement of the east-west link from the Eastern Freeway to CityLink ...

That is one industry group that is behind some of our changes.

The Urban Development Institute of Australia (UDIA) and its executive director, Tony De Domenico, said:

... the boost to the first home buyers grant by \$3000 to \$10 000, focused on new construction and would maximise the employment potential of the industry at a time when every new job counts for the Victorian economy.

As Mr De Domenico went on to say, and I agree with him:

Behind every new home stands the employment of a range of tradespeople, employment networks of suppliers and ultimately the retail sector with homes requiring whitegoods, furniture and services.

The opposition and the Greens should be behind this bill because it will promote opportunities for Victorians. We are now getting the budget under control despite federal Labor's cuts to Victoria's GST revenue, and the Victorian government continues to build for growth. But Labor has no credibility when it comes to budgets. Under Labor the state budget showed average annual growth in expenses of 8 per cent and a 7.3 per cent growth in revenue. I am sure members can do the maths — its costs went up and its revenue went down.

This initiative has been welcomed by the Master Builders Association (MBA), the Housing Industry Association and the UDIA. In a media release dated 29 April the MBA said:

The new incentives will help our industry rebound ...

And I agree. What the Leader of the Opposition and member for Mulgrave in the Assembly and the Labor Party should do is to spend less time cuddling up to the Construction, Forestry, Mining and Energy Union bosses and more time speaking to builders in regional Victoria about how this government is promoting opportunities for all Victorians. I commend the bill to the house.

Motion agreed to.

Read second time.

Committed.

Committee

Clause 1

Mr LENDERS (Southern Metropolitan) — I have about four questions for the minister, and I will ask them under clause 1 rather than going to different parts of the bill. They all relate to the congestion levy. My first question to the minister is: does the minister stand by the comments made by the member for South-West Coast in the Assembly in the debate on this bill on 20 October 2005 as shown in *Hansard* on page 1637, and I am happy to hand over the *Hansard* extract to the minister if he needs it. The quote is that the levy was 'a greedy disaster on taxation'. I will start with that one.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I would say to Mr Lenders that what the member for South-West Coast was talking about in 2005 was not the bill before the house; it was in fact the bill which introduced what was then a new congestion levy. This bill is an incremental expansion of that regime.

Mr LENDERS (Southern Metropolitan) — I could draw some amazing historical analogies of the incremental expansion, but I will spare the minister and the house the time. The congestion levy is not necessarily anything new, but the levy itself was described by Mr Napthine, who said:

This tax will take away a major competitive advantage that Melbourne has, which the member for Box Hill spelled out extremely well in his excellent contribution to this debate earlier today.

Does the economic modelling, which I assume the government would have done in its business impact assessment of this legislation, show that this tax would take away a major competitive advantage for Melbourne?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am not in a position to comment on the relativities of the levy at the time it was introduced in 2005. What I can say to Mr Lenders is that the levy as it will stand as a consequence of the passage of this legislation, if that is the will of the house, in Victoria will be competitive relative to similar levies which are now in place in places such as the Sydney CBD. In terms of relative competitiveness on the issue of congestion levies, Melbourne will continue to be more competitive.

Mr LENDERS (Southern Metropolitan) — The minister did not actually refer to whether a business

impact assessment (BIA) had been done on this legislation. I wonder if he would advise the committee whether a business impact assessment has been done. If I were in the advisers box I would be shaking my head in the negative; that would be my guess. Nevertheless, I wonder if the minister would share what that business impact assessment showed.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I say to Mr Lenders that the government has established that the impact of this levy will leave Victoria in a situation where our levy will continue to be more competitive than those in other comparable states such as New South Wales. The revenue impact of this levy is of course spelt out in the budget papers.

Mr LENDERS (Southern Metropolitan) — The Treasurer and the government have formed the view that this is competitive. There has been no business impact assessment, and there has been no regulatory impact assessment because it is taxation legislation. Certainly answers I have had in this house before from the minister have indicated that the government does not do BIAs on taxation legislation. What we have is an assertion that this makes us more competitive than Sydney and Brisbane. I might send the minister a link, given he is the Minister for Technology, to how his South Australian colleague has described the congestion levy and what it will do to the city of churches, and it is not pretty. Let us let that pass.

I ask the minister to comment again on statements made by Mr Napthine in 2005 that this is not just about the centre of Melbourne. He said that a logical extension of this levy will be to extend it to Glen Waverley, Highpoint, Altona and also to Ballarat, Bendigo and Geelong. Given that the Premier in 2005 said that was a logical extension of this levy, will the minister categorically rule out that this levy will be extended beyond the current CBD boundaries?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I would say to Mr Lenders that to my knowledge the Premier in 2005 did not say that, unless it was the then Premier, Mr Bracks. The member for South-West Coast in 2005 expressed those concerns given the government that was then in place in Victoria. I can inform Mr Lenders that this government has no intention of expanding the congestion levy beyond the CBD boundaries that it covers currently.

Mr LENDERS (Southern Metropolitan) — I thank the minister for giving the assurance that this government does not intend to extend the boundaries beyond what they are now. My concern is that the man who is the leader of the government and who chairs the

cabinet and chairs the budget and expenditure review committee expressed the view in 2005 that it would be logical to extend the levy beyond Melbourne to Glen Waverley, Highpoint, Altona, Ballarat, Bendigo and Geelong.

I take it from the minister that either the Premier, Mr Napthine, has changed his view since 2005 or this was simply the musing of a person who now happens to be head of the government. It concerns me that if in 2005 the head of the government mused that this was a logical extension of the congestion levy, the minister is not more emphatic in ruling out that it will extend from the CBD of Melbourne.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — There is not much more I can say to Mr Lenders than what I have already said. The government does not intend to expand the levy beyond its current CBD boundaries. I think the comments made by Dr Napthine in 2005, in his role as member for South-West Coast, were expressing his concerns as to what the then government may have done with its levy. It is certainly not the intention of this government to expand the levy to those areas.

Mr LENDERS (Southern Metropolitan) — Moving along to the form of the levy at the moment, I put it to the minister that hospitals which were previously exempted from the levy, but which are now caught up in the area of the levy and are paying for staff parking, are now actually incurring a levy of over \$1000 a car park, which the government has increased. Will the minister advise whether these hospitals will receive any compensation for the extra fee they have now incurred for staff parking from the funding arrangements in the levy area?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — With respect to hospital car parks, I am advised that where a hospital is operating a car park and provides parking for staff at no cost, no levy is payable. Where a hospital is providing parking for visitors, no levy is payable. The scenario Mr Lenders has talked about would only relate to parking spaces in effectively third-party car parks where the levy would be payable. My understanding of the previous exemption was that there were concerns about whether that exemption was being used legitimately for parking by hospital staff or whether it was in fact being abused and used by third parties. In that circumstance, that exemption in third-party car parks will no longer apply.

Mr LENDERS (Southern Metropolitan) — I am happy for the minister to take this on notice and get back to me, because it is quite technical, but I ask him

whether the third party he describes is a wholly owned subsidiary or if it is a corporation that is actually owned by the hospital and is set up to commercially operate a car park? Under those circumstances, is the hospital also exempt?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am advised that if the entity is owned by the hospital, it is a hospital car park. If it is a wholly owned subsidiary, it would be a hospital car park and therefore retain the exemption.

Mr LENDERS (Southern Metropolitan) — This is my final question. Clearly any citizen will now incur a levy at any car park in the area because this now applies to all car parks, not just long term. But if I am actually a patient at a hospital or a visitor visiting a patient at a hospital, is it the case that like any other citizen at a commercial car park I would now incur the levy, whereas previously by nature of it being short-term parking I would not have incurred the levy?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — If the parking is in a commercial car park, the levy will apply. If the parking is in a hospital car park, it will not.

Mr LENDERS (Southern Metropolitan) — I understand that, but the specificity of what I am asking is: before the change of arrangements a car park near a hospital would not charge the levy on short-term places because they were short-term places. Now that the levy is charged for all places, is it not the case that a visitor or a patient using short-term parking in a city car park, whether it is owned by the hospital or not, will now pay the levy indirectly, as a flow-through and a pass-on from the company that runs the car park?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I think Mr Lenders needs to draw a distinction between a car park owned by the hospital and a car park not owned by the hospital. Mr Lenders in this question was seeking to group those together. My advice is that the treatment is different. If it is owned by the hospital, the exemption will apply.

Mr LENDERS (Southern Metropolitan) — By omission, then, the minister is agreeing. I am not trying to verbal him, but I am just saying that by omission if the car park is owned by a company that is not the hospital or associated with the hospital, by the nature of this legislation a day visitor to a hospital or a patient in a hospital would now be picking up this levy, assuming that the car park passes it on to its clients, which I think is a fairly accurate assessment.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — Yes, I can confirm to Mr Lenders that any short-term, third-party car park operator will be paying the levy and more than likely passing it on to their customers.

Clause agreed to; clauses 2 to 54 agreed to.

Reported to house without amendment.

Report adopted.

Third reading

Motion agreed to.

Read third time.

**APPROPRIATION (2013–2014) BILL 2013
and BUDGET PAPERS 2013–14**

Second reading

Debate resumed from 13 June and 11 June; motion of Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) and motion of Hon. P. R. HALL (Minister for Higher Education and Skills):

That the Council take note of the budget papers 2013–14.

Mr BARBER (Northern Metropolitan) — I have read the budget papers and there seems to be a disjunct between the strategy the government is putting forward and what is really happening outside this Parliament. We find ourselves in the midst of climate crisis and an economic crisis, and you only need to go to the Premier's electorate to see that starkly demonstrated. I do not believe that the Premier is oblivious or indifferent to what is going on in his electorate, and yet the budget does nothing to address the problem. Doing nothing in the face of those crises is in itself costing the budget and it is costing the economy. It is costing people's health, and it is cutting off future options.

Budgets are all about choices, and alongside this budget the government is making a set of decisions that show that the choices it is making are all wrong. It is cutting money for parks and protecting biodiversity in Australia's most ecologically damaged state while moving forward with measures to clear more trees and more native bushland in Victoria. It is continuing to throw money at coal in this budget, but it has not delivered on its 5 per cent solar target, one of the handful of positive environmental policies it had at the 2010 election.

There is \$8 billion foreshadowed for a car tunnel from Collingwood to Kensington to move the traffic jam

from Hoddle Street to Flemington Road but no ongoing funding for the plans which have already been developed by Public Transport Victoria and V/Line to continue expanding public transport according to need and factoring in the growth we are going to see, let alone creating a new type of economy where most people use public transport to get around. At the moment 90 per cent use cars.

As I said in an earlier debate this afternoon, there is a turning away from any real plan to modernise the tax structure to pick up on the necessary changes that have been put forward in the Henry review that themselves would drive economic productivity. The only question the government has set for itself here is, 'Are we maintaining the AAA rating?'. The answer is yes, as did previous governments. But what is underpinning that AAA rating is a healthy economy that allows the government to charge taxes to service the borrowings that build the infrastructure that grow the economy, never mind other forms of productivity through basic human productivity — a healthy and well-educated population.

Voters are going to have a very clear choice to make at the coming state election. They are going to have the policies of the Liberals, which are quite clear in this budget, or they are going to have the policies of the Greens. The choice is literally between an \$8 billion road tunnel and the expansion of the rail system, city and country; a fight for a car park and a bus to meet every train; profits to coal power and community-owned renewable energy; mowing down more bushland and paying farmers to store carbon in the landscape; second-hand smoke with your meal and clean air, and surely it is time to put a stop to smoking in certain public places such as dining areas and benefit the retail sector. It will be a choice between the pain of pokie addiction, which is underpinning some of these taxes the government now wants to spend, and a connected community through all those many small projects that communities are crying out for, communities being best placed to say what would be the thing that would most enhance them.

Members would not be surprised to learn that at Birregurra I heard it was the sports and recreation centre — ovals, change rooms, tennis courts and netball courts. I visited Birregurra and found them to be in poor shape. At best you could say they had a certain rustic charm, but the locals would just like to have some facilities like those you could point to in other electorates. This is not just about certain people engaging in competitive sports; it is about bringing a whole community together for community events in which everybody can become involved, where they can

put in, watch and cheer on their kids, their teams and their town. Money would not be wasted if it were allocated to Birregurra and many other small towns I have visited, particularly those towns which have sporting facilities that were built quite some time ago and where chook raffles are not enough to lift their sports facilities up to standard.

I turn to the issue of Australia's gouging supermarket duopoly, which has not been regulated strongly enough under federal law. We have not heard anything from Mr Rudd or Mr Abbott about that, and there is a desperate need in all our communities for affordable, nutritious food that is produced with no hidden costs to farmers, to animal welfare or to the soil. In this budget there is no plan in that area, let alone funding to back it up. I have heard that it is this government's aspirational objective to double food production, or perhaps triple it. It does not really matter which, because neither could be achieved with the small amount of research and development funding that has been allocated as the sum total of what has been put forward to achieve that particular economic goal.

I have referred to the cost to the budget itself from this twin climate and economic crisis, and we now know what some of those numbers are. For example, we learnt from the Auditor-General that the 2010–11 floods and the recovery from them, which is still ongoing and not complete, cost the budget \$971 million, \$500 million of which came from the federal government. That is a necessary but huge sum of money to provide to recover from what was in effect one climate event. It was a fairly short series of extreme downpours landing on a bunch of dams across Victoria that were full to the brim. The floods were a consequence of those dams being full to the brim during extreme rainfall events, which we know will become more common in central and western Victoria because that forecast is in the government's own official projections for climate change. The consequence of that one event was a bill for \$900 million, not a nebulous assessment of the lost economic activity or productivity from some model somewhere; it was \$900 million paid out to fix up what was there and in some cases to replace those assets with better ones that hopefully will be more resilient when the same type of event comes again, which it will with increasing frequency.

Public transport was the biggest vote-changing issue at the 2010 state election, and I predict it will be again at the next, but the government is not addressing the issue in this budget. Government members have gone slow, as they did on their water reforms. Rain started pouring down in October 2010, and did so again for the

following two summers. The then government said the issue was over. Due to a range of factors, patronage of metropolitan rail stopped growing, so government members did not read as many nasty headlines about overcrowded and delayed trains, and they kicked back and relaxed. Now we open a newspaper and see that petrol is \$1.50 and \$1.60 a litre, but it is not a war in the Middle East that is driving those prices, as it was back in the mid 2000s. The cause is the recovery of the Australian dollar to a more normal exchange rate with other major currencies.

Last night and today I heard Mr Rudd say that the China resources boom is over. I imagine that means there will be a realignment of our currency relative to other major currencies and that the Australian dollar will go down. The problem we had with the mining boom was the uncompetitive Australian dollar's effect on the people who manufacture things in this country, and now that part of the problem will start to slide away. However, this will create a new problem for the government. A rapidly falling Aussie dollar and rapidly rising — short, sharp shock — petrol prices will see people flocking onto the public transport system in the inner city, one of our economic powerhouses, just as they did in 2005.

Unlike in 2005 when the trains had some spare capacity, these days they do not. There is nothing unusual about a train coming into inner Melbourne with 1100 people on board, even though 800 is considered to be the comfort or crush load. It is not that the government has not been buying trains — it has continued its program of buying them — but that it has not invested in infrastructure, such as signalling, rails and the rest of it, which would allow more trains to be added to the timetable. Yes, by all means the government should buy the trains, but it has to allocate the services before people can ride on them.

Out in V/Line land it is a very similar story. Through a freedom of information request the Greens obtained and disclosed V/Line's plan for the future development of the system for the next 20 years. In terms of V/Line's bid to this government for funds, there is really not a lot when I go through the V/Line plan and compare it to the capital works programs in this budget. There was overcrowding and standing room on day 1 of the regional rail link, and no sense that new services would be extended to places such as Birregurra any time soon.

We also need to have some V/Line bus services feeding into country railway stations. Two services per day to everywhere would be a good start, but four per day between big towns, such as between Ballarat and Geelong, would be essential. At the moment you are

lucky if you have got one. In fact there is one bus that goes from Ballarat to Castlemaine each day — I have taken it a couple of times — and another one that might do a return trip. That gives pretty limited opportunity to visit a friend or go to a medical appointment, and no opportunity whatsoever to work or study using the amenity provided by that bus, and it would not cost much to provide more services.

Those rail bus enhancements were flagged by the government, but not delivered. The government has delivered a study that says it will not work, so it has pushed it off into the never-never. Bus enhancements from Geelong to Ballarat fed by the trains from Maryborough and more buses over to Castlemaine and connecting to the Bendigo line, which is quite overcrowded in the morning peak, are absolutely essential and funding for them should be immediately provided in this budget.

Then there is the Great Ocean Road bus system, which I used the other day. It works okay from Geelong to Apollo Bay, but try continuing along the Great Ocean Road as an independent traveller, as someone who wants to go from town to town or as someone who is on their way through to Warrnambool. There is one bus a day on only three days a week. It is absolutely impossible. Interestingly, I met with some local tourist operators down in Port Campbell. One of them showed me an email inquiry he had received from a French tourist saying, 'I would like to walk a section of the Great Ocean Road trail. I would like to get onto the trail at Johanna Beach, walk for a few days, come back by bus, pick up my bag and then head off on the rest of my trip'. That tourist assumed that would be doable. In fact it is an impossibility using the current bus system. We are not even meeting the basic expectations of a tourist arriving here in Victoria or providing what we have experienced when we have travelled to other great iconic tourist destinations like New Zealand or the west coast of America.

Ms Pennicuik — Europe.

Mr BARBER — Or Europe. Even in Iceland I was able to travel around the whole island and see most of its major sites with a bus dropping me off at the foot of a glacier or occasionally at the national park camping area.

It would not take much. One would think expanding that bus service to seven days a week would be the bare minimum for someone who wants flexibility and in summer when there is high demand there could be two or more services a day according to the demand. It would revolutionise the whole western part of the Great

Ocean Road. God knows we cannot afford to keep building up those destinations by building more and more car parks. I gather that the 12 Apostles receives over 2 million visitors a year. How do we grow that? Do we keep building more and more car parks, or do we run a decent shuttle bus system, like we have in major popular destinations around the world, that allows people to come into one of the towns, put their bags where they are staying that night, take the bus around the district to see the things they want to see and come home again? Those are some of the very basic things, the most minimal things, that people would expect to see in a budget that has a vision for the future extending out to maybe the next decade or so.

The systematic cutting away of every program, bit by bit, that might do something to reduce greenhouse gas emissions in Victoria is absolutely tragic. The government has nothing to show when it comes to climate action. Apparently at the federal level the coalition is going to abolish the small number of things that are having an impact in the federal jurisdiction, although it might need a double dissolution election to do it. It would be interesting to have such an election at around the same time that this government faces its election. Having two elections in the same period, both on the issue of climate change, would be very interesting. This government would certainly scramble to offer up anything to demonstrate that it is taking serious action.

As I think I have demonstrated, these two crises are interlinked — the climate crisis and the economic crisis. Everything that you would do to address one you would do to address the other. Everything that can be done to make our communities more resilient to climate effects, including those that are coming, would be a plus for livability in our communities and a plus for the economy of those areas. Why would you not adopt that vision? This government is stuck in a strange internally focused whirlpool and has been from the beginning of its time in office. It is writ large in this budget, and with only one real budget left to go before it faces the election it is pretty clear that this government has run out of ideas and is in a lot of trouble.

APPROPRIATION (2013–2014) BILL 2013

Second reading

Motion agreed to.

Read second time.

Committed.

Committee

Clauses 1 to 8 agreed to.

Schedule 1

Mr LENDERS (Southern Metropolitan) — I have a couple of comments for the Assistant Treasurer on schedule 1. I will use schedule 1 to go through all the subsequent departments. The first observation I make is that when you look at the expenditure for the Department of Education and Early Childhood Development, and I realise the Appropriation (2013–2014) Bill 2014 is not the sole source of revenue available to government departments — I am delighted that Mrs Peulich is in the chamber because she keeps talking about the extra money that has been spent in education — but when I look at the appropriation, it has gone up from last year to this year by an increase of one-tenth of 1 per cent: we have gone from \$9.545 billion to \$9.603 billion.

Given that inflation has run at 2.5 per cent according to the budget papers and population growth has been at 1.7 per cent according to the budget papers, basic arithmetic would say that unless the expenditure rose by 4.2 per cent there is an actual reduction in state spend on education. I am happy to leave that as a debating point or to invite the minister to comment, but it certainly appears to me that the state's appropriation has gone up by one-tenth of 1 per cent, so in real terms there has been a cut in the order of 4 per cent of expenditure in that department.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I go to Mr Lenders's first point around the fact that the appropriation does not account for all the expenditure in a department. Indeed the schedule 1 summary shows about \$39 billion worth of appropriation, but as the chamber knows this budget is actually spending about \$50 billion. So there is about \$11 billion of other revenue outside that which is being voted on by the Parliament this afternoon.

In terms of the growth, again I calculate a slightly different figure to Mr Lenders. Last night I calculated a 0.6 per cent increase for the appropriation for that department versus the figure that Mr Lenders referred to. It is fair to say that the government is operating in an environment where growth in revenue and therefore growth in expenditure is constrained. We are no longer operating in the environment of the previous decade when we saw compound growth rates for the decade of upwards of 7 per cent to 8 per cent. Those days are over. In fact for the current financial year versus the

previous financial year we have seen total growth in expenditure of about 0.5 per cent due to softer revenue than previously forecast. Likewise we see quite modest growth in revenue for the budget year, and accordingly we are seeing modest growth in the appropriations to the departments.

Mr LENDERS (Southern Metropolitan) — I thank the minister for his answer. We are debating the appropriation bill and/or the schedule to the appropriation bill. I note the Parliamentary Secretary for Education, Mrs Peulich, is in the chamber, and, without verballing her, she has been talking about increases of 3 per cent and 4 per cent in expenditure, or certain line items of it. I am trying to reconcile that with the appropriation. That is the money that the Parliament of Victoria is being asked to allocate to education. I understand the budget includes own-source revenue and a whole range of other things which are not included, but based on schedule 1 of the appropriation bill the ask of the Parliament for drawing on the Consolidated Fund to fund the Department of Education and Early Childhood Development is growth of less than 1 per cent.

I am not passing judgement about whether that is appropriate; I am happy to do that at a different time. I am really making the comment that the ask of this Parliament for education has gone up by a factor of, if we take the minister's figure, 3.6 per cent less than inflation and growth, or if we take my figure, 4.1 per cent less than inflation and growth. I will leave it as a statement that, based on the appropriation, what is in the schedule to the appropriation bill is somewhat less — in fact significantly less — than government members have been stating in their contributions to the debate on the budget papers and on other occasions in this Parliament.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — The numbers are in the appropriation bill for members to see. In terms of the commentary members have been making about an increase in spending on education, Mr Lenders would appreciate that within that aggregate appropriation for the education department there are elements which have increased and there are elements which have not increased. It does not mean that the comments members have made in this chamber are in any way incorrect or indeed inconsistent with what Mr Lenders is saying.

Mr LENDERS (Southern Metropolitan) — Moving through the other parts of schedule 1, by my calculation the Department of Health, when we look at the summary of schedule 1 at page 5 or we look at page 8, which is the subset and shows greater detail for the

Department of Health, we notice that the appropriation from the state for health has gone from \$6.8 billion to \$7 billion, or a \$200 million increase less than inflation by my count, let alone dealing with any adjustment to population.

We sparred last year on this, the Assistant Treasurer and I. If I recall, the Minister for Health scooted through the chamber and on the way shouted a few comments, which were probably less helpful than the Assistant Treasurer's comments. We have had a very long debate in this chamber; in fact in every question time we appear to be treated to it. We hear a narrative of how the evil federal Minister for Health, Tanya Plibersek, and the former evil Prime Minister, Julia Gillard — presumably other evil people now — are deliberately gouging money out of health, whether it be through the carbon tax or whether it be through cutting money or whatever fanciful thought bubble goes through the minister's mind on a particular day. Yet here we have in cold figures in front of us a description that the appropriation that this Parliament is being asked to spend on the state government's contribution to health, out of the Consolidated Fund, has not even gone up with inflation, let alone growth, or let alone that we all know that medical inflation is generally a figure about 4 per cent to 5 per cent higher than CPI.

I invite the minister to reconcile the increase on page 8 of the bill with the more general narrative of the government. This is not a frolic from a member in an adjournment matter or a 90-second statement; these are actually statements in this house from the Minister for Health that are under scrutiny. I am talking about the massive increase in the state appropriation when there is no evidence in the budget paper of it.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — By my calculation the increase in the Department of Health's total appropriation is 5.9 per cent. That includes an element of net addition to the asset base. One of the things to note with this appropriation — and we dealt with this last year — is the changing funding arrangements with respect to commonwealth funds flowing through to the health system.

Last year, if I recall correctly, Mr Lenders was outraged at what he described as a 31 per cent cut in health funding through the appropriation, which reflected the fact that the structure of health funding had changed and funding from the commonwealth was flowing straight through to a pool for Victorian health services and not going via this appropriation. My advice is that, consistent with the change last year, a further \$170 million has come out of this appropriation, which

reflects flowthrough from the commonwealth direct to that funding pool which otherwise had previously been included in this appropriation. There is a further element of that in structural change funding in this appropriation, but by my calculation the aggregate appropriation for the Department of Health has gone up 5.9 per cent.

Mr LENDERS (Southern Metropolitan) — I understand the minister's predicament. He is talking in general terms. I accept his comment that last year there was a change to the pooling arrangements from the commonwealth to the state. I put it to the minister that on page 8, item 1 for the Department of Health in schedule 1, which outlines the total appropriation, shows a 2.7 per cent increase. I am not talking about additions to the net asset base; I am talking about the recurrent cost of running Victoria's hospitals, which includes nurses, medical equipment, electricity, gas, and — dare I say it — carbon tax affected areas. This is the whole kit and caboodle of running Victorian hospitals. In the 2013–14 budget papers there is a request to the Parliament for an extra 2.7 per cent.

We constantly hear from the minister that somehow or other the state of Victoria has been dudded by the commonwealth. Without entering into debate about where the commonwealth agreements are, what they were, what they could be, what they were forecast to be or what they were estimated to be, the Minister for Health is asking, through the Treasurer, this Parliament for a 2.7 per cent increase to health expenditure. Rather than debate this with the minister I might leave it there, other than to say that in the budget debate in I think 2004 — I stand corrected if I am incorrect about the year — Bill Forwood asked me on behalf of the then Treasurer to reconcile some of these costs.

Hon. G. K. Rich-Phillips interjected.

Mr LENDERS — I was the Minister for Finance at that stage, Mr Rich-Phillips, representing the Treasurer as we debated the budget in this place; we were in committee.

Hon. G. K. Rich-Phillips — Mr Forwood was not asking on behalf of the Treasurer.

Mr LENDERS — No, Mr Forwood was undoubtedly asking on behalf of himself, as per his very inquisitive mind. The question I received was: how do we reconcile these figures, on the same schedule in the appropriation bill, with what the then Minister for Health, Ms Pike, was saying was being spent? I promise I will not put the minister through the lengthy interrogation to which I was subjected by

Mr Forwood at the time. However, I ask the minister to take on notice how one would reconcile this. For two years in a row we have heard from the government and the Minister for Health that this is all about commonwealth pools. It would be useful to have a written response, in whatever form the minister feels is appropriate, that seeks to reconcile the 2.7 per cent increase, in a draw on the Consolidated Fund, with the narrative of the government that somehow or other it has had its shoulder to the wheel and has been dudded, to use a technical term.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — All I say to Mr Lenders on this point is that there is around \$245 million of new output health initiatives funded in this appropriation by the government. I am happy to give Mr Lenders a breakdown of those on notice or I can read them now. Netting off that is the \$170 million change. I am not saying this is necessarily a cut in federal funding, but it is a change in the way the \$170 million of federal funding is handled, flowing directly to the funding pool rather than flowing through this appropriation, which reduces, as a consequence, the aggregate increase in this appropriation line.

Mr LENDERS (Southern Metropolitan) — I am happy to receive that from the minister off-line. I turn next to the appropriation for the Department of Transport, Planning and Local Infrastructure, which is on page 13 of the bill. I understand this is a tricky one because there have been departmental realignments. I must admit I cannot work out how exactly this has been reconciled in the appropriation bill, although the budget papers shed a little more light on it.

I make the observation that appropriation is down by 5.1 per cent. Mr Ondarchie made some comments, when speaking on the State Tax Laws Amendment (Budget and Other Measures) Bill 2013, on all the wonderful, grand new expenditure this government is making in the field of public transport and on a range of other things — let alone feasibility studies for tunnels — so I am somewhat intrigued that the expenditure for transport is down by 5 per cent. When I delve further into the schedules I realise there is a breakdown between direct appropriation or various sections of the Financial Management Act 1994 as to where the money is coming from, but I make the observation that it does not quite match the rhetoric of a government that is fixing the problems in transport.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I say to Mr Lenders that in terms of output appropriation for the Department of Transport, Planning and Local Infrastructure, output funding is

increasing by 2.1 per cent. The reduction to which Mr Lenders refers relates to additions to the net asset base. My advice is that it relates to the rephrasing of funds associated with the regional rail link. That accounts for that reduction in addition to that asset base, which has obviously flowed through to the aggregate for this department's appropriation.

Mr LENDERS (Southern Metropolitan) — The Minister for Health has just flown through the chamber yet again. Taking up the Assistant Treasurer's point, we have by his own admission the figure — and I agree with this figure — of a 2.1 per cent increase in output for the Department of Transport, Planning and Local Infrastructure. I will just reiterate the point that, as the figures are used by government, it means the 2.1 per cent increase in output is actually a cut. That is the point I am seeking to make, particularly when you have 2.5 per cent inflation and 1.7 per cent population growth.

If we are talking yet again about the outputs for the transport department, we are talking about things like road maintenance, bus services, rail subsidies and the things that make the public transport system work. By any real measure 4.2 per cent is the status quo. I understand in some departments like the Department of Environment and Primary Industries that is not the case, but in one that has a drawdown on demand funding on the budget, anything under 4.2 per cent is in effect a cut. I make the observation to the minister that I would not be taking exception to this if the government had said, 'We are tightening our belts and being frugal in transport', but unfortunately for the minister everybody behind him seems to be beating their chests and saying how much more is being done in transport.

I will leave it with the observation that I find it difficult to reconcile this with what is in effect a cut — instead of 4.2 per cent, the status quo, we had 2.1 per cent, which is exactly half of that — in this particular area. The minister describes it as 'frugal'; members on the government back bench describe it as a massive increase. The total increase in output in the appropriation bill across the whole of government is between 3.9 per cent and 4 per cent, so there is a small cut in the budget in real terms, but transport is at about half of that. I will leave that as a comment, but I find the lack of reconciliation interesting.

Schedule agreed to; schedule 2 agreed to.

Schedule 3

Mr LENDERS (Southern Metropolitan) — This is the one I am interested in. Schedule 3 lists Treasurer's

advances from the first budget of this government which are now being reconciled as part of the Appropriation (2013–2014) Bill 2013. We are going into history, but this is the first chance the Parliament has had to review these payments.

Firstly, I make an observation. One of the things I thought I heard from former Premier Baillieu and even more from the current Premier, Mr Napthine, is that climate change is a bit of a joke, that it is not for real. We have heard that those nasty measures to address it make the running of hospitals more expensive and place burdens on people and that climate change is all a bit funny.

I draw the attention of the Assistant Treasurer to a few of the items in schedule 3. Under the Department of Business and Innovation there is a Treasurer's advance (TA) of \$1.675 million for carbon markets — something that I think smells a little of a belief in climate change, but perhaps I am wrong. Further in this schedule, under the Department of Primary Industries, we find \$1.475 million in funding for the Australian Energy Market Commission (AEMC). This also has a whiff of climate change about it. I think there was another one, but I will leave it at that. If climate change is not something that requires government action, how does the minister reconcile that with the payments for carbon markets and AEMC funding? These were urgent appropriations, so clearly someone prevailed upon former Treasurer Wells to allocate money out of the Treasurer's advance to fund these climate change programs. I ask the minister to reconcile how can you fund these two climate change programs when you do not believe in climate change?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — The first thing I would say is in response to Mr Lenders's statement that this is the first time Parliament has had the opportunity to examine the items in the Treasurer's advance for 2011–12. I draw the house's attention to the fact that these matters were actually reported to the Parliament last year in the annual financial report for 2011–12, so this is actually the second time they have come before the house, but obviously this time it is to seek formal endorsement of them.

In relation to the first item Mr Lenders referred to, the carbon market allocation of \$1.675 million through the Department of Business and Innovation, my advice is that that program was approved by the previous government in 2009–10, held in contingency and drawn down by \$1.675 million in 2011–12. The funds were provided to assist Victorian companies to participate in

global carbon markets, a program that had been put in contingency by the previous government.

Mr Lenders attributed comments to the Premier, Dr Napthine, in respect of climate change. I think those comments Mr Lenders attributed to the Premier and indeed to the previous Premier, Ted Baillieu, the member for Hawthorn in the Assembly, might reflect their views on the carbon tax rather than on climate change.

Mr LENDERS (Southern Metropolitan) — I thank the minister for his answer. I wish the Minister for Health would float through the chamber again, because this is probably as relevant for him as it is to the Assistant Treasurer. I draw the house's attention to the \$39.8 million in additional support for public holiday costs under the Department of Health in schedule 3. I know what the minister is going to say — that is, that Labor did not provide for it. But I recall an appropriation debate in this house under a previous government when I was — 'lectured' is probably the word — lectured by members of the then opposition, and from memory it was by the current Minister for Health, about the fact that although public holidays come and go, they are not that hard to predict. I was asked why the then government did not make provision in the health appropriation to pay the penalty rates of public sector health workers for public holidays.

I have no doubt that the minister will say, 'This is the Labor legacy'. If that is the case, I would seek from him an assurance that the appropriation now covers public holidays. It should not be just a matter of the coalition critiquing the government from opposition yet doing the same thing when it is in government. I know what the \$39.8 million is for, but I seek from the Assistant Treasurer an assurance that there will be no need to take it out of the Treasurer's advance again because this government, which it says can manage money, is managing money.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — Mr Lenders is correct: I will say that this is a continuation of past practice in respect of funding particular public holiday costs. Obviously those costs jump around as the combination of public holidays, whether they are substitute or replacement public holidays, determines exactly what the impact is going to be. Obviously that is also contingent upon provisions of particular enterprise bargaining agreements which may be in place for a particular workforce at a particular point in time. But, as I said, Mr Lenders is quite correct, this was a TA to provide funding over the Christmas-New Year 2011–12 period and is a continuation of the former government's practice.

Mr LENDERS (Southern Metropolitan) — I thank the Assistant Treasurer for that. But I would have thought, given the commentary of the current health minister when in opposition on how Liberals can manage money better, that it is not exactly rocket science to work out under an enterprise bargaining agreement — the minister was very precise; he knew all about clause 67.1 of the Ambulance Victoria Enterprise Agreement 2009 in question time today, and the major awards here are quite obviously the awards for nurses, cleaners and other ancillary staff — exactly how many public holidays there are and exactly how much the Department of Health is going to be required to pay to health networks in the forward estimates period. Is it the case that the minister and the department have not communicated these obvious things to Treasury, or is it the case that this is a cunning device of the Department of Health and the Minister for Health to off-load budget costs onto the Department of Treasury and Finance through the Treasurer's advance?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — Mr Lenders's question causes me to pause and contemplate what was in the mind of the Treasurer in the former government when this situation occurred. Mr Lenders asked me about where provision has been made in the appropriation for this to occur, the next occurrence, and I can inform Mr Lenders that no provision has been made. The reason is that the convergence of public holidays — the weekend overlap — does not occur in the year of the appropriation bill and indeed does not occur over the forward estimates period.

Mr LENDERS (Southern Metropolitan) — I am unconvinced. I am convinced the health minister was more cunning than the Treasurer, but that is a point for debate rather than me necessarily asking for a response.

The next point I would like to raise is about the Treasurer's advance allocated to the Department of Premier and Cabinet. There is an intriguing item called the 'State Library of Victoria depreciation' with \$266 000. I would like the minister to assure me that this was not some cunning round robin device by the former Premier, the member for Hawthorn in the Assembly, to get some money for a favoured arts program.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I am sure that if the former Premier as the then Minister for the Arts had wanted funding for an arts program, the TA would have reflected funding for an arts program. I am advised that this allocation of \$266 000 with respect to depreciation for the State Library of Victoria is a consequence of a five-year

cyclical asset revaluation and a change in depreciation as a result of that asset revaluation.

Mr LENDERS (Southern Metropolitan) — I will watch next year to see whether the new arts minister gets the same intriguing amount of depreciation for an asset revaluation, but I will save that for next year. I move now to the Department of Primary Industries, and while I think it would be unfair of me to ask the Assistant Treasurer to tell me the difference between red imported fire ants and electric ants, I have queries on a number of these programs. For the benefit of the house, there are probably half a dozen dangerous imported species which the department gets funding under the Treasurer's advance to exterminate. My recollection of the red imported fire ants is that they came on a pallet from Argentina. They got out and onto the rubber plants and went rampaging around the Gold Coast, and Queensland has spent about the last eight or nine years trying to exterminate them.

It is a good thing that Queensland is seeking to exterminate them, but as a measure of accountability to the Parliament, given that this is a regular Treasurer's advance and is not unique to this government — it happened under the last government again and again — my question is: would it not be more appropriate for these regular pest extermination programs to simply be incorporated as part of the new Department of Environment and Primary Industries' regular appropriation rather than to be a regular dip, for want of a better term, into the emergency funds that they are coming out of at the moment?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — In response to Mr Lenders, and it is a valid question that he has asked — why would this not be funded through a regular appropriation rather than continually by a TA — my advice is it has been a longstanding practice that these pest eradication programs are funded by a TA. The advice I have received is that essentially these programs are not necessarily ongoing programs; they are considered on a periodic basis through national agreements across ministerial councils. As such they have been funded by a TA, because they are not necessarily ongoing programs; they are essentially looked at on a periodic basis not necessarily timed to a budget cycle. While they can appear to be ongoing, my advice is that they are considered on a national basis periodically, which does not necessarily fit with a budget cycle.

Mr LENDERS (Southern Metropolitan) — Could I, gratuitously perhaps is the term to use, suggest to the Assistant Treasurer that this is a bit of a try-on by the Department of Environment and Primary Industries —

and I think I have the liberty to say I have some experience in facing these things in a previous life — to find cuts in the appropriation that government savings require and then shovel it into a Treasury source. Nevertheless, that is a comment rather than a question of the minister.

Moving on to the Department of Sustainability and Environment payments, I have been party to a series of freedom of information requests of government over the flight costs of various ministers, particularly those who seem to think it is strange to charter aircraft when in opposition but who cannot get enough of it when in government. I refer in particular to the Deputy Premier and the Minister for Agriculture and Food Security, who are great users of chartered aircraft. I am specifically asking the minister whether the Treasurer's advance for the state aircraft unit is for firefighting or surveillance purposes and whether any part of it is being used to move ministers around the state at their convenience.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I note Mr Lenders has indicated he has undertaken FOI requests on ministers' use of charter aircraft. I do not know if he has made a FOI request to the Minister responsible for the Aviation Industry on charter aircraft. I know one of his colleagues did but did not find any expenditure. With respect to this particular line item, I am advised that this relates to funding for a trial of the use of fixed-wing aircraft for firefighting activities, not for ministerial transport.

Mr LENDERS (Southern Metropolitan) — As the minister well knows, Mr Pakula, a former member for Western Metropolitan Region and now the member for Lyndhurst in the Assembly, asked a question on this matter in this house. We did an FOI request for the Minister responsible for the Aviation Industry, and I think we found wanton expenditure of, from memory, \$15 for a book purchased by one of his staff, so the minister is fairly blemish free, unlike some of his cabinet colleagues.

The next question, which is the penultimate one, is about the east–west link. When we look at the Treasurer's advance for the Department of Transport we find a \$6.937 million advance for east–west link planning and development. This was in the 2011–12 financial year. I find it interesting that it is coming out of a Treasurer's advance rather than out of the funds that are appropriated to the Department of Transport in the first place. That is the first question. The second one coming from it is: what has happened to the work worth \$6.937 million? Is it in the public domain?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I can advise Mr Lenders that that \$6.9 million allocation was for business case work for the east–west link. The business case is not in the public domain but, as the Premier has committed, it will be transmitted to Infrastructure Australia before 30 June.

Mr LENDERS (Southern Metropolitan) — So the business case was paid for in the 2011–12 financial year. The Treasurer’s advance was put in, so by definition it would have needed to have been paid for in the 2011–12 financial year. If my reading of the public record from the Minister for Public Transport is correct, the business case was not made available to Infrastructure Australia with the bids that were lodged earlier this year. I realise it is a bit unfair to ask this of the minister representing another minister during consideration of the Appropriation (2013–2014) Bill, but again the business case for the east–west tunnel is in the public domain for us to find, and we see from the records in front of us here that some time on or before 30 June 2012 a business case for the east–west link was paid for — which by definition is the figure, unless something dodgy was happening, and let us assume that nothing dodgy was happening — and yet eight or nine months later when a case was submitted to Infrastructure Australia there was no business case attached. Without too much detective work, something seems very strange in the state of Victoria on the missing business case.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — Just to be clear, I did not say that it was for a business case. That was for work on a business case. I am not suggesting that it was completed then. That was work towards work on a business case for the east–west link. As Mr Lenders would appreciate, obviously with a project of that magnitude considerable work is required to be done to develop a proposal and a subsequent project, which is soon to go to market.

Mr LENDERS (Southern Metropolitan) — I can see that my colleague Mr Leane has his easel out already. We are overwhelmed by the logic of what the Assistant Treasurer has said. I will leave it as a debating point, but to again quote a technical term, it seems just a tad dodgy to me.

The final matter before I handpass to my colleague Mr Leane is the amount under the Department of Treasury and Finance of the \$359 000 towards the establishment of the construction code of practice compliance unit. I am sure that Mr Leane will ask questions about the unit, but my question is: surely that is a core function of industrial relations in government?

Why is a Treasurer’s advance needed during a financial year for something that could have been part of the appropriation, if it were not a thought bubble at some stage way after the budget that needed funding?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — Not to use Mr Lenders’s language, his point about timing and budgets really goes to the essence of it. This was an initiative of the government outside the budget cycle, and that is why the initial establishment in 2011–12 was handled through the Treasurer’s advance.

Mr LEANE (Eastern Metropolitan) — As a follow-up to Mr Lenders’s question, could the Assistant Treasurer detail that expenditure — that is, what it was actually spent on?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — My advice is that it was for start-up costs associated with the unit. I do not have any better particulars than that, but I will endeavour to get some.

Schedule agreed to.

Reported to house without amendment.

Report adopted.

Third reading

Motion agreed to.

Read third time.

BUDGET PAPERS 2013–14

The PRESIDENT — Order! The question is:

That the Council take note of the budget papers 2013–14.

Question agreed to.

Mr Lenders — President, I draw your attention to the state of the house.

Quorum formed.

VALEDICTORY STATEMENTS

Mrs Petrovich

Mrs PETROVICH (Northern Victoria) (*By leave*) — It is with mixed emotions that I rise to speak this afternoon for the very last time in this place. On Monday I will visit the Governor of the state of Victoria to tender my resignation as a member for Northern Victoria Region in the Legislative Council to stand for the federal seat of McEwen. I have served as a member

for this region for the past six and a half years. I would like to thank particularly the people of Northern Victoria Region and the Liberal Party of Victoria for giving me the honour and opportunity to serve in this great place. This service has been a privilege and an honour, and I have made many friends in my time, in both this place and my electorate, in the service of the Liberal Party and the people of Victoria.

I would like to thank all those who made contributions this morning. As someone who does not generally like much fuss I found it a very humbling place to be. I realise I have made some significant lifelong relationships. Whilst this is a competitive environment, and often a very dynamic one, those relationships that I have formed will be lifelong and will go beyond this place. Thank you to those who spoke this morning. It was incredibly humbling.

My region has endured a lot — many natural disasters: fire, flood and drought. I spoke about those in my inaugural speech. I think I recited the full gamut of Dorothea Mackellar's poem, which probably showed a lack of judgement at the time but proved to be quite prophetic in some respects, although maybe that was not such a good thing. These communities have rallied and fought back, and I have enjoyed working with them in their tribulations and their triumph. They had a range of issues to contend with, and one of the issues I was particularly passionate about was the north-south pipeline. I worked very closely with those people who felt there had been an enormous injustice at the time. There are some lessons for all of us in politics about communication and taking communities for granted and how you do that at your peril.

I have had many wonderful opportunities in the time I have been here and the time I have served as shadow parliamentary secretary for health services, shadow parliamentary secretary for bushfire response and Parliamentary Secretary for Sustainability and Environment, and for this I would thank premiers Ted Baillieu and Denis Naphine and the ministers and shadow ministers I have served, Helen Shardey, Peter Ryan and Ryan Smith.

As I have been clearing out my office — I have been doing a little bit of that, and there is a lot to get through — I have been looking at my collection of files, and those filing cabinets are a reminder of those individuals and issues and the knowledge that when a constituent comes to see their member of Parliament very often they are at the end of their tether; they have nowhere else to go. For all of us that is a huge responsibility, one we need to take seriously and one I have relished and often anguished over.

I have been fortunate to have been mentored in this place by great women, and my appreciation goes in particular to Andrea Coote and Inga Peulich, who are great examples of women who were preselected on merit and happy to share their knowledge and experience with those who are often very green, very inexperienced and just starting off in political life. My appreciation is also for many great friendships, probably too many to mention, but in particular with Heidi Victoria and Christine Fyffe, the members for Bayswater and Evelyn in the other place, Jan Kronberg, Georgie Crozier, my good friend Craig Ondarchie and many others as well; Bernie, Philip. I am going to forget people, because to be honest more of my colleagues are my friends than just my colleagues, so I will probably have offended some of my friends today.

Finally, my thanks go to my family and particularly to my wonderful husband, Serge, who was in here earlier and whose support has enabled me to perform this role in the way I have. His wisdom, his activism for the Liberal Party and his strong moral code and advice have been a strength to me and a great resource. Thanks also to my wonderful kids who — and this goes for the children of all members — do not choose the life we lead but are impacted on by the decisions we have made to enter politics. They are a joy to me and my reason for living, and in spite of political life they are loyal and loving people who are doing just great in this world, and I am very proud of them.

My passion has, I suppose, always been for looking after those things I love, and one of the things that had struck a chord with me in this role was the effect of the neglect of public land, and my passion has been looking after the prescribed burning program of the state of Victoria for the Minister for Environment and Climate Change, Ryan Smith, through what was the Department of Sustainability and Environment and is now the Department of Environment and Primary Industries. I am pleased to tell people that this year we achieved 250 000 hectares, the most that has been achieved in a very long time. That aids and assists in the preservation of our beautiful natural environment but also assists in protecting our families.

I am a great believer in the committee system and have enjoyed my committee work with some passion, and the work that the all-party Environment and Natural Resources Committee produced when we were in opposition certainly had an influence on the royal commissions report post-Black Saturday and formed the basis of many of those recommendations. I am very proud to have been associated with that.

The Law Reform Committee, which I have been serving on in this term of government, has produced some remarkable work around donor-conceived children and a fairly significant piece around cybercrime and sexting, which will represent something that I hope this Parliament has an opportunity to work towards. We have done some significant work around adoption. We gave all parties the rights to information about each other with contact vetoes and safeguards, and I think the opportunity will arise in the term of this Parliament to consider revisiting the rights of donor-conceived children. That will prove to be a significant piece of work, particularly for those people who have been caught up in it all.

I will not speak any longer. I have probably spoken far too long now, and I have not got the whip winding me up as usual. Thank you for the opportunity to speak today — my last opportunity. Thank you for having me. Thank you, Mr Lenders, for your cooperation and your assistance earlier. I probably have more of a full house than I have ever had in my whole six and a half years thanks to you! I will be on my way, and I am sure I will be back to visit from time to time.

Honourable members applauding.

**NATIONAL PARKS AMENDMENT
(LEASING POWERS AND OTHER
MATTERS) BILL 2013**

Introduction and first reading

Received from Assembly.

Read first time for Hon. D. M. DAVIS (Minister for Health) on motion of Hon. G. K. Rich-Phillips; by leave, ordered to be read second time forthwith.

Statement of compatibility

For Hon. D. M. DAVIS (Minister for Health), Hon. G. K. Rich-Phillips tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the National Parks Amendment (Leasing Powers and Other Matters) Bill 2013.

In my opinion, the National Parks Amendment (Leasing Powers and Other Matters) Bill 2013 (the bill), as introduced to the Legislative Council, is compatible with the human rights protected by the charter act. I base my opinion on the reasons outlined in this statement.

Overview of bill

The bill will primarily amend the National Parks Act 1975 (the act) to:

- (a) provide that the minister may grant leases (and associated licences) for terms of up to 99 years over specified land under the act for a purpose consistent with the objects of the act;
- (b) extend from 50 years to 99 years the maximum term for which a lease (and, where relevant, an associated licence) may be granted over certain land in Point Nepean and Mount Buffalo national parks and Arthurs Seat State Park; and
- (c) strengthen and modernise several aspects of the regulation-making head of power.

The leasing provisions are accompanied by provisions which enable the minister to grant in-principle approval to the granting of a longer term lease, to enter into an agreement to lease and to grant licences associated with a lease.

Human rights issues

Section 12 — freedom of movement

Section 12 of the charter act provides for the right for every person to move freely within Victoria and to enter and leave it and to have the freedom to choose where to live. It includes the freedom from physical barriers and procedural impediments.

Clause 8 inserts sections 19G and 19I into the act to enable a lease to be granted over certain park land for up to 21 years and, under certain circumstances, for up to 99 years. Clauses 11, 13 and 16 amend, respectively, section 30AAA of the act (relating to specific land in Point Nepean National Park), section 31AA of the act (relating to specific land in Mount Buffalo National Park) and section 32CA of the act (relating to land that may be used for the construction and operation of a chairlift and associated visitor facilities in Arthurs Seat State Park) to extend the maximum lease term available under those provisions to 99 years.

The granting of a lease conveys a right to occupy an area to the exclusion of others in accordance with the terms of the lease. Granting a lease under the leasing provisions may therefore limit the right to freedom of movement within areas over which a lease is granted, but any limitations are justified under section 7(2) of the charter act.

A maximum lease term of 99 years is being provided in order to encourage and support private investment in appropriate tourism developments in parks and other permitted uses in Mount Buffalo and Point Nepean national parks and Arthurs Seat State Park, thereby supporting regional and local economies. A lease is the only suitable way of providing the required degree of security of tenure for large investments on public land. When granting a lease, the responsible minister will need to consider the human rights set out in the charter act in accordance with his or her obligations under that act. Any restriction on people's movements would only be imposed to the extent necessary to fulfil the purpose of the lease.

Section 19 — Aboriginal cultural heritage rights

Section 19 of the charter act provides for the rights of Aboriginal persons to maintain their distinctive spiritual, material and economic relationship with the land and waters and other resources with which they have a connection under traditional laws and customs.

The right is relevant to those provisions of the bill which will enable the granting of a lease with a maximum term of up to 99 years. For the same reasons as those mentioned above in relation to section 12 (regarding freedom of movement), granting a lease under the leasing provisions may limit the ability of Aboriginal persons to continue to enjoy their distinct relationship with the land, which may include conducting cultural ceremonies or activities within areas over which a lease is granted, but any limitations are justified under section 7(2) of the charter act.

As discussed above in relation to section 12, a lease is the only suitable way of providing the required degree of security of tenure for large investments on public land. When granting a lease, the responsible minister will need to consider the human rights set out in the charter act in accordance with his or her obligations under that act. In addition, the new and amended leasing provisions provide that any agreement to lease and the lease itself must include conditions to protect the park, including its Indigenous values. Matters relating to traditional owner rights will be considered at the time a lease is granted.

Section 20 — property rights

Section 20 of the charter act provides that a person must not be deprived of his or her property other than in accordance with law.

Clauses 4 and 9 repeal several of the existing leasing (and associated licensing) provisions in the act, in particular sections 19(2) and (3) and sections 29(1) and (2). Clause 19 amends schedule 1AA to the act by inserting clauses 15, 16 and 17. These clauses provide that any existing tenancy and associated licence or any lease under the relevant repealed provisions existing immediately before their repeal continue. Where an existing lease (and a relevant associated licence) is held by a natural person, the repeal of the leasing (and associated licensing) provisions will therefore not impact on any property rights under the charter act.

Conclusion

I consider that the bill is compatible with the charter act because, although the bill may limit the right to freedom of movement under section 12 and Aboriginal cultural heritage rights under section 19, any limitations are considered reasonable and justified under section 7(2) of the charter act.

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

Second reading

Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. G. K. RICH-PHILLIPS (Assistant Treasurer).

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

That the bill be now read a second time.

Incorporated speech as follows:**Unlocking the tourism potential of Victoria's world-class parks system**

Victoria is very fortunate to have a world-class system of national and other parks protected under the National Parks Act 1975. This is a system of more than 3.4 million hectares that has developed over a period of more than 100 years, particularly over the past 40 years as successive governments have legislated to create parks that protect samples of the diverse natural environments found on Crown land across the state.

The sand dunes and salt lakes of the Mallee, the alpine peaks and rugged ranges of the Victorian Alps, diverse coastal and marine environments along our southern shore, remnant native grassland communities in northern Victoria, and wet forests and rainforests in the Otways and eastern Victoria — these can all be found in our parks, and all within a day's drive of Melbourne.

Our parks contribute significant environmental, social, cultural and economic benefits to Victoria. Each year they are host to many visitors — local, interstate and international — who enjoy the outstanding natural and cultural attractions of these special places.

The government is committed to developing regional tourism in Victoria, and it recognises the important role that nature-based tourism can play in this. It believes that Victoria's appeal as a nature-based tourism destination can be enhanced by encouraging sensible and sensitive private sector tourism investment in our national parks. This will allow more local visitors, as well as interstate and international travellers, to enjoy Victoria's natural beauty and make our national parks more accessible in a way that encourages their preservation.

Just as private sector investment has contributed to enhanced visitor experiences in parks such as Cradle Mountain-Lake St Clair National Park in Tasmania, Flinders Ranges National Park in South Australia and Fiordland National Park in New Zealand, so too can Victoria benefit from encouraging similar investment in our national parks.

Unlocking Victorian Tourism — An Inquiry into Victoria's Tourism Industry

The National Parks Amendment (Leasing Powers and Other Matters) Bill 2013 has its genesis in September 2010 when the former government directed the Victorian Competition and Efficiency Commission (VCEC) to inquire into Victoria's tourism industry. VCEC's final report *Unlocking Victorian Tourism — An Inquiry into Victoria's Tourism Industry*, released in August 2012, noted that a lack of facilities on or near national parks diminishes their value to the community and visitors. While VCEC noted that most tourist facilities can be located outside national parks, it also noted that for a small number of facilities that meet the required environmental credentials, the park is a superior location.

VCEC recommended that the government remove the prohibition on private sector investment in tourism infrastructure in Victoria's national parks and allow sensible and sensitive developments in national parks, provided they complement environmental, heritage and other values and generate a net public benefit. It also recommended increasing the maximum duration of leases on land managed under the National Parks Act.

The government's response to the VCEC report

The government supported VCEC's recommendations relating to national parks and is committed to reforming current policy to allow the possibility of appropriate, environmentally sensitive, private sector tourism investment in those areas, subject to a range of strong environmental protections. It also committed to increasing the maximum lease term for developments on land managed under the National Parks Act to 99 years.

The government response also committed to developing guidelines on the approval process as well as standard terms and conditions for leases in national parks. In addition, the minister, in considering any investment proposal, would have regard to the relevant park management plan and any joint management plan, the net impact of the tourism investment on the environment and other values of the park, and the management of the future financial risks and liabilities to government.

Guidelines for tourism investment opportunities of significance in national parks have now been released. They outline clear principles for considering investment proposals as well as setting out a transparent process to guide investors and other parties. The guidelines will ensure that any new tourism proposals are sensible and sensitive, demonstrate high environmental standards and deliver a net public benefit for the community use of that park.

The government is also seeking expressions of interest from those who may wish to invest in the future of the magnificent Quarantine Station in Point Nepean National Park and it has allocated funding to prepare the historic Mount Buffalo Chalet for appropriate future private sector investment.

Providing for private sector investment and longer lease terms

As part of implementing the government's response to the VCEC report, the bill will provide for lease terms of up to 99 years for appropriate tourism investments in parks under the National Parks Act. A longer maximum lease term will provide greater incentive for private investment and will make Victoria competitive with other states which provide for longer term leases.

The bill will replace the existing general leasing and associated licensing powers in section 19 of the National Parks Act with powers to enable the minister to grant a lease for an appropriate use or development for a term of up to 99 years. This will be accompanied by provisions which enable the minister to enter into agreements to lease and to grant licences associated with leases.

Before granting a lease with a term exceeding 21 years, the minister must be satisfied that the proposed use, development, improvements or works are substantial and are of a value which justifies the granting of a longer term lease, and the granting of the lease is in the public interest.

The bill will make consequential amendments to the leasing and licensing powers in the existing provisions applying specifically to the quarantine station in Point Nepean National Park, the Mount Buffalo Chalet, Cresta Valley and Dingo Dell in Mount Buffalo National Park and the land in Arthurs Seat State Park that may be used for a chairlift and associated visitor facilities.

Providing for sensible and sensitive development

The bill includes measures to ensure that any lease granted reflects the government's commitment to sensible and sensitive developments in parks under the National Parks Act. In particular:

leases cannot be granted over land in parks where development is clearly not appropriate — in particular, in wilderness parks and wilderness zones, remote and natural areas, reference areas, the designated water supply catchment areas in the Great Otway, Kinglake and Yarra Ranges national parks, and natural catchment areas under the Heritage Rivers Act 1992. In total, these areas cover a little over one-third of the land protected under the National Parks Act;

the purpose of any lease granted under the new general leasing provisions must be consistent with the objects of the National Parks Act; and

any lease must contain conditions that prevent or minimise any adverse impacts on the relevant park.

Providing for transparency and public consultation

The bill includes measures that reflect the government's commitment to transparency and to seeking public feedback on leasing proposals in our parks:

before granting any lease under the new provisions, the minister must consult with the National Parks Advisory Council; and

before granting a longer term lease, the minister must have given in-principle approval to the leasing proposal. This may only be given after advertising the proposal, seeking comment from those who may be affected by the proposal and taking that comment into account.

The mandatory public consultation phase will not apply to the current proposal to replace the chairlift at Arthurs Seat, where the process to grant a longer term lease is already under way.

Strengthening the regulation-making head of power

Unrelated to the leasing amendments, the bill will also strengthen and modernise the regulation-making head of power in the National Parks Act in relation to three matters:

creating offences for the owner of an animal found in a park against the regulations to be guilty of an offence;

setting aside areas of parks for particular purposes, and granting or revoking permits relating to particular activities in parks; and

exempting persons or things from any of the provisions of the regulations.

Conclusion

This bill will, by enabling sensible and sensitive tourism developments in our magnificent national and other parks, increase the opportunities for visitors, whether local, interstate or from overseas, to enjoy these special places. In doing so, this will encourage their long-term protection and will make a significant contribution to our nature-based tourism industry.

I commend the bill to the house.

Debate adjourned for Ms PULFORD (Western Victoria) on motion of Mr Leane.**Debate adjourned until Thursday, 4 July.****BAIL AMENDMENT BILL 2013***Introduction and first reading***Received from Assembly.****Read first time for Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation) on motion of Hon. G. K. Rich-Phillips; by leave, ordered to be read second time forthwith.***Statement of compatibility***For Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation), Hon. G. K. Rich-Phillips tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:**

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the Bail Amendment Bill 2013.

In my opinion, the Bail Amendment Bill 2013, as introduced to the Legislative Council, is compatible with the human rights protected by the charter act. I base my opinion on the reasons outlined in this statement.

Overview of bill

The purpose of the bill is to implement the government's election commitment for strong and effective bail laws. It does this by amending the Bail Act 1977 to, amongst other things:

create two new offences — contravention of certain bail conditions and committing an indictable offence whilst on bail;

list key and commonly imposed bail conditions in the Bail Act.

Human rights issues

The bill engages the right to freedom of movement, the right to freedom of association, the right to privacy and the right not to be subjected to medical treatment without consent. The

impact of the bill upon each of these charter act rights is discussed in turn below.

1. Human rights protected by the charter act that are relevant to the bill**Freedom of movement and freedom of association**

Section 12 of the charter act provides that every person lawfully within Victoria has the right to move freely within Victoria and to enter and leave it and has the freedom to choose where they live. This right recognises that people are entitled to move from one place to another and to establish themselves in a place of their choice, irrespective of the purpose or reason for moving or staying in a place.

Section 16(2) of the charter act provides that a person has the right to freedom of association with others. This right is targeted at protecting the freedom of people to join together formally in groups to pursue common interests. Some examples of such groups include political parties, non-government organisations, professional or sporting clubs, trade unions and corporations.

Clause 4 inserts new section 5(2A) in the Bail Act, which contains a non-exhaustive list of conditions about the conduct of an accused that a bail decision-maker may impose, including:

- residing at a particular address;
- being subject to a curfew;
- surrendering his or her passport;
- being subject to a geographical exclusion zone;
- not driving a motor vehicle;
- not contacting specified persons or classes of person.

These conduct conditions may be said to limit the rights in sections 12 and 16(2) of the charter act as:

restrictions are placed on where an accused may live, the times at which an accused must be at home and where an accused may go or when an accused may go to certain places;

a non-association condition may affect an accused's ability to join or participate in a group (e.g. such a condition may prevent an accused from contacting certain people or classes of people, which may prevent the accused from joining or participating in any group which those persons are members of).

However, if those rights are limited, the limitations are reasonable and justified in a democratic society for the purposes of section 7(2) of the charter act, having regard to the factors set out below.

(a) the nature of the right being limited

The rights of freedom of movement and freedom of association are not absolute.

(b) the importance of the purpose of the limitation

In accordance with section 5(3) of the Bail Act, bail conditions may only be imposed for the purpose of reducing

the likelihood that, if released on bail, an accused may: fail to attend court; commit an offence while on bail; endanger the safety or welfare of members of the public; or interfere with witnesses or otherwise obstruct the course of justice. This purpose is important as it seeks to preserve the integrity of the criminal justice system and to protect the community.

(c) *the nature and extent of the limitation*

The Bail Act and the bill contain safeguards in relation to the imposition of bail conditions:

Section 5(2) of the Bail Act requires a decision-maker who is considering bailing an accused to consider the imposition of conditions in the following order:

release of the accused on his or her undertaking, without any conditions;

release of the accused with conditions about conduct;

release of the accused with a deposit or surety condition, with or without conditions about the conduct.

Section 5(4) of the Bail Act requires conditions to be no more onerous in nature and number than required to achieve the purposes in section 5(3) as well as reasonable, having regard to the nature of the alleged offence and the circumstances of the accused.

Section 18AC of the Bail Act allows an accused to apply to a court for variation of his or her conditions of bail.

New section 5(2B), in clause 4 of the bill, sets a maximum curfew period of 12 hours a day.

Furthermore, an accused must agree to the conditions included in his or her bail undertaking and sign that undertaking before being released on bail.

(d) *the relationship between the limitation and its purpose*

The limitation on the right is rationally and reasonably directed towards achieving its purpose.

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

None apparent.

Privacy

Section 13(a) of the charter act provides that a person has the right not to have his or her privacy, family, home or correspondence unlawfully or arbitrarily interfered with.

The list of conduct conditions in new section 5(2A) includes conditions related to an accused not contacting specified persons or classes of person, and attending and participating in a bail support service. This may be argued to interfere with matters referred to in section 13(a) of the charter act as:

a non-association condition may affect an accused's ability to maintain close or enduring personal relationships (e.g. such a condition may prevent an accused from having contact with a witness or a co-offender who is also a close friend);

bail support service is defined, in clause 3 of the bill, as a service provided to assist an accused to comply with his or her bail undertaking, including medical treatment.

The important purposes of these interferences are set out above in the section dealing with the rights to freedom of movement and association.

The interferences with privacy are neither unlawful nor arbitrary. They are not unlawful because the precise circumstances in which a conduct condition may be imposed are specified in the bill and in section 5 of the Bail Act. They are not arbitrary because they are rationally and reasonably directed towards legitimate policy objectives. Furthermore, an accused must agree to the conditions included in his or her bail undertaking and sign that undertaking before being released on bail.

Medical treatment

Section 10(c) of the charter act protects a person from being subjected to medical treatment without his or her full, free and informed consent.

As noted above, attending and participating in a bail support service is a conduct condition listed in new section 5(2A), and bail support service is defined as a service provided to assist an accused to comply with his or her bail undertaking, including medical treatment.

Such a conduct condition not only benefits an accused but promotes safer communities through reduced rates of reoffending. As noted above, the discretion to impose bail conditions is exercised in accordance with section 5 of the Bail Act. Furthermore, an accused may subsequently refuse to comply with a conduct condition requiring attendance and participation in a bail support service, but in doing so may be brought before a bail justice or court to have his or her bail undertaking reviewed. Importantly, the bill provides that the new offence of contravening certain conduct conditions does not apply to contravention of conduct conditions requiring attendance and participation in bail support services.

Furthermore, nothing in the bill detracts from the normal requirements regarding consent before any medical treatment forming part of a bail support service is administered.

In conclusion, I consider that, if a conduct condition related to attendance and participation in a bail support service engages rights under section 10(c) of the charter act, it does not limit these rights.

Conclusion

I consider that the bill is compatible with the charter act because, even though it does engage human rights, it either does not limit those rights or any limitations are reasonable and justified.

The Hon. Matthew Guy, MLC
Minister for Planning

Second reading

Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. G. K. RICH-PHILLIPS (Assistant Treasurer).

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

That the bill be now read a second time.

Incorporated speech as follows:

When a person is arrested and charged with a crime, a decision must be made about whether to hold them in custody or release them on bail. Bail allows accused people to remain in the community until their trial, unless there is an unacceptable risk that they will fail to attend court, commit offences while on bail, endanger the community or interfere with witnesses or otherwise obstruct the course of justice. Bail laws are an integral part of our criminal justice system. They must be strong, fair and effective.

Too often those who are released on bail commit serious offences and breach their bail conditions. Bail decision-makers — police, bail justices and courts — may not be fully aware of an accused's bail history when hearing a bail application. Currently under the Bail Act there is limited guidance as to bail conditions and the bail system is also susceptible to abuses, such as unjustified, repeat bail applications by accused people.

The package of reforms in this bill will address these issues. It is an important first step by this government to strengthen and improve Victoria's bail laws. The reforms send a clear message to those granted bail that bail obligations should be treated seriously. The reforms will help make Victorian communities safer and strengthen community confidence in the bail system.

Listing conduct conditions in the Bail Act

The Bail Act currently gives decision-makers a general discretion to impose bail conditions on accused people. The bill inserts into the Bail Act a list of key and commonly imposed conditions relating to an accused's conduct.

This reform aims to make the process of setting, monitoring and enforcing of bail conditions easier and more straightforward and effective. For example, it will be clear on the face of the Bail Act that a decision-maker may impose a curfew or a geographical exclusion as a condition about an accused's conduct. The list is non-exhaustive so that decision-makers may tailor conditions to the particular circumstances of the case.

New offence provisions

In Victoria, there are inadequate deterrents to accused people on bail committing offences and contravening their bail conditions. Most other Australian jurisdictions make it an offence for accused people to contravene a bail condition.

Currently an accused who contravenes a bail condition faces no penalty and their contempt for the bail system goes unpunished. All that can happen is that the accused is brought back before a bail justice or a court to have their bail reviewed. The accused's bail may be continued as is or with further conditions or may be revoked. There is no clear record of the breach of bail to inform any later bail decisions.

The bill makes it an offence to contravene certain bail conditions or to commit an indictable offence whilst on bail. The maximum penalty for each of these offences is a fine of

30 penalty units or three months imprisonment. The Sentencing Act provides that a term of imprisonment imposed on an adult for an offence committed while on bail must be served cumulatively with any other sentence of imprisonment, unless the court directs otherwise.

The new offences will also ensure that bail decision-makers are better informed about the bail history of accused people who come before them. The bill ensures there will be clearer, more accessible bail history records available to decision-makers. Convictions for contravening a bail condition or committing an indictable offence while on bail will appear on the criminal histories of accused people. This will allow more informed decision making, as bail decision-makers will be better equipped to identify any risk an accused may present of absconding, committing offences on bail or endangering the safety or welfare of members of the public.

The bill also provides a range of enforcement tools. As well as a new offence, it will give police the power to issue infringement notices to accused people who contravene a bail condition. It is intended that infringement notices will be issued for minor contraventions, such as reporting late to police. Giving police this enforcement option frees up their time for other law enforcement activities and enables them to more readily issue penalties to those who deserve them.

The government recognises that some accused people need help to get their lives back on track and that bail conditions can assist this. For example, an accused who has a drug addiction may be released on bail with a condition that they undertake treatment. Such conditions not only benefit the accused but can reduce rates of reoffending. The contravention offence does not, therefore, apply to a condition requiring an accused to attend and participate in bail support services. 'Bail support services' are defined in the bill as certain services provided to assist an accused to comply with his or her bail undertaking.

The reforms also allow for flexibility in relation to children aged under 18, while still expecting them to accept an appropriate level of responsibility for their conduct.

Decisions as to whether a person will be charged with an offence will be made in accordance with Victoria Police guidelines, which set out the matters that must be considered when assessing the most appropriate enforcement action, including the nature of the alleged offending, the accused and the victim. Where the accused is a child, additional special conditions apply, including consideration of the age and maturity of the child and available alternatives to prosecution, such as cautioning and diversion.

When children are prosecuted and found guilty of the new offences, they will be sentenced in accordance with the principles in the Children, Youth and Families Act 2005. That act includes a range of specialised sentencing options for children and a presumption of concurrency of sentences. It also sets out the matters the Children's Court is to take into account in determining sentence, including the desirability of allowing the child to live at home and to continue education, training or employment, and the suitability of the sentence for the child.

The government is also examining whether there are opportunities to improve pre-sentence diversion for young people, including for bail offences, having regard to the

submissions received in response to the discussion paper *Practical Lessons, Fair Consequences — Improving Diversion for Young People in Victoria* released in August last year.

Bail shopping and other abuses

The bail system must not be susceptible to what is commonly referred to as bail shopping. This is the process of going from magistrate to magistrate, or judge to judge, after bail has been refused with the hope of obtaining a better outcome. Nor must the bail system be susceptible to other abuses, such as accused people who are held in remand making unjustified repeat bail applications. Such abuses may result in distress to victims and take up valuable court, police and prosecution time.

The bill contains two measures aimed at strengthening the integrity of Victoria's bail system and guarding against bail shopping and other abuses.

First, where a court has refused bail previously, the bill requires any further bail applications to be heard by the same magistrate or judge who heard the previous application, if it is reasonably practicable to do so. That magistrate or judge will be familiar with the accused and aware of the key facts of the case. They will be in a better position to deal effectively and efficiently with any further applications for bail.

Second, the bill requires accused people to give the informant and the prosecution notice of further bail applications or applications to vary bail conditions. The notice must be given at least three days before the hearing of the application. Proper notice will ensure the prosecution is in a better position to oppose further bail applications or applications to vary the conditions of bail, if appropriate. Notice may be waived by the court if it finds that the circumstances of the case justify it, and the application can be adequately heard and determined despite the deficiency of notice. The notice period may also be waived if all the parties agree.

Conclusion

This bill delivers another major component of the government's law and order reforms. It strengthens and improves Victoria's bail laws and administration. In doing so, it improves community safety and helps restore public confidence in the criminal justice system. It also sends a clear message to those on bail that they must treat their responsibilities and obligations with the seriousness they deserve.

I commend the bill to the house.

Debate adjourned for Mr TEE (Eastern Metropolitan) on motion of Mr Leane.

Debate adjourned until Thursday, 4 July.

EDUCATION AND TRAINING REFORM AMENDMENT (SCHOOL ATTENDANCE) BILL 2013

Introduction and first reading

Received from Assembly.

Read first time for Hon. P. R. HALL (Minister for Higher Education and Skills) on motion of Hon. G. K. Rich-Phillips; by leave, ordered to be read second time forthwith.

Statement of compatibility

For Hon. P. R. HALL (Minister for Higher Education and Skills), Hon. G. K. Rich-Phillips tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the Education and Training Reform Amendment (School Attendance) Bill 2013.

In my opinion, the Education and Training Reform Amendment (School Attendance) Bill 2013 (the bill), as introduced to the Legislative Council, is compatible with the human rights protected by the charter act. I base my opinion on the reasons outlined in this statement.

Overview of bill

The purpose of the bill is to amend the Education and Training Reform Act 2006 (the act) to provide a framework for the enforcement of compulsory enrolment and attendance at school through the introduction of a penalty infringement regime. The bill also sets out a range of supports and strategies that schools can put in place to promote attendance and address complex issues of non-attendance.

Human rights issues

Right to privacy and freedom of expression

Section 13 of the charter act provides that a person has the right not to have his or her privacy unlawfully or arbitrarily interfered with. An interference with privacy will not be unlawful if it is permitted by a law that is accessible and precise.

Section 15 of the charter act protects a person's right to freedom of expression which has been interpreted to include a right not to impart information. The right to freedom of expression is not absolute; lawful restrictions necessary to protect the rights of other persons, or for the protection of public order and public health, are permissible under the charter act.

School enrolment notices and school attendance notices

Clause 13 of the bill inserts a new division 3 into the act, which provides a regime for the issue of school enrolment notices and school attendance notices, and parents' obligations in relation to such notices. The provisions in division 3 engage the rights to privacy and freedom of expression in that they require parents to disclose personal information about their children and potentially themselves.

Specifically, new section 2.1.15 provides that a school attendance officer may issue a school enrolment notice to a parent if, after making enquiries, the officer has reasonable grounds to believe that a child is neither enrolled at a registered school nor registered for homeschooling. New

section 2.1.16 provides that a school attendance officer may issue a school attendance notice to a parent if the officer has reasonable grounds to believe that a child has been absent from school on at least five separate days in the previous 12 months, without reasonable excuse, and measures to improve the child's attendance have been taken but have been unsuccessful or are considered to be inappropriate. New sections 2.1.19 and 2.1.20 govern how a parent must respond to a school enrolment notice or a school attendance notice. Under new section 2.1.19, a parent must reply to a school enrolment notice and either state the true reason why the child is not enrolled at school, state that the child is enrolled at a school or registered for homeschooling, or state that the parent does not have parental responsibility for the child. Under new section 2.1.20, a parent must reply to a school attendance notice and either state the true reason why the child did not attend school on the dates specified in the notice or state that the child was not living with the parent on the dates specified and provide details of the parent with whom the child was living. Parents must respond to both kinds of notices within 21 days. New sections 2.1.21, 2.1.22 and 2.1.23 provide that it is an infringement offence to fail to respond adequately to a notice, and that it is an offence to provide false information in response to a notice.

These provisions engage the rights to privacy and freedom of expression in that they require parents to disclose information that may include personal information about their children, themselves and other family members (including another parent). For example, the 'true reason' for a child's non-enrolment or absence from school may relate to sensitive issues impacting the child, such as the child or parent's health, financial pressures, homelessness, family breakdown, and other issues that the parent may not otherwise choose to disclose. However, in my view these provisions do not limit the rights to privacy or freedom of expression. The requirement to disclose information is neither unlawful nor arbitrary. It is for the clear and important purpose of promoting and monitoring compulsory school enrolment and attendance, and will only apply in circumstances where a school attendance officer has reasonable grounds to believe that follow-up action is necessary. The provisions are precise in their application and are appropriately confined. Further, the power to issue a school attendance notice is limited to situations in which measures to improve a child's attendance have already been undertaken (if appropriate), so that the issue of a notice will in practice be a last resort. To the extent that the requirement to disclose information may interfere with a parent's freedom of expression, I consider the provisions fall within the internal limitations on the right as they are reasonably necessary to promote and monitor compulsory school enrolment and attendance, which is vital to children's wellbeing and long-term health outcomes.

Authorisation to access information regarding the school enrolment or attendance of a child

Clauses 10 and 13 of the bill authorise school attendance officers to obtain information about children's school enrolment and attendance records for the purpose of carrying out their functions under the act.

Specifically, clause 10, which inserts new section 2.1.10(3), (4) and (5) into the act, provides that a principal must, on the request of a school attendance officer, provide the officer with any information regarding the enrolment or attendance of students that the officer may reasonably require, and that the officer may access, use or disclose information in the student

register. The student register is established under the act and records for each Victorian student under the age of 25 their student number, name, date of birth, and gender.

Clause 13, which inserts new section 2.1.15(3) into the act, sets out the enquiries that a school attendance officer may make in order to determine whether there are reasonable grounds to believe that a child is neither enrolled at a registered school nor registered for homeschooling. These include ascertaining whether a child is registered for homeschooling on the state register, is included on the student register (and accessing those details), and is included on the register of students kept by the child's designated neighbourhood government school.

These powers engage the right to privacy in that the information being obtained by school attendance officers may include personal information about individual children. However, for the same reasons as outlined above, I consider that these provisions do not limit the right to privacy as they are neither unlawful nor arbitrary.

Right to presumption of innocence

Section 25(1) of the charter act provides that a person charged with a criminal offence has the right to be presumed innocent until proven guilty according to law. The right is relevant where a statutory provision shifts the burden of proof onto an accused in a criminal proceeding, so that the accused is required to prove matters to establish, or raise evidence to suggest, that he or she is not guilty of an offence.

Clause 6 of the bill inserts new section 2.1.2A which makes it an offence for a parent not to ensure that instruction is provided to a child registered for homeschooling without reasonable excuse. The penalty is 1 penalty unit for each day on which the duty is not complied with. As this provision creates an offence and provides an excuse upon which an accused may rely (thereby requiring the accused to present or point to evidence that suggests the reasonable possibility of the existence of facts that will establish the excuse), it imposes a reverse evidentiary burden of proof. However, in my view, this does not limit the right to be presumed innocent. An accused must simply adduce evidence; the prosecution will still carry the burden of proving the elements of the offence. Further, whether an accused has a reasonable excuse will be entirely within that person's knowledge; the offence reflects the importance of ensuring that a child registered for homeschooling is indeed receiving appropriate instruction; and the relevant penalty is not severe. Consequently, even if clause 6 was found to limit the right to be presumed innocent by imposing a reverse evidential onus, it would be reasonable and justified under s 7(2) of the charter act.

Conclusion

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

The Hon. Peter Hall, MLC
Minister for Higher Education and Skills

*Second reading***Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. G. K. RICH-PHILLIPS (Assistant Treasurer).**

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

That the bill be now read a second time.

Incorporated speech as follows:

The Education and Training Reform Amendment (School Attendance) Bill 2013 is the result of the Victorian government's strong commitment to ensure that all school-aged children are engaged in approved education and for those enrolled in a registered school to be attending school at all times that the school is open for instruction.

This bill proposes amendments to the Education and Training Reform Act 2006 to enable enforcement of the duties of a parent to ensure the enrolment and attendance of their child at a registered school or to ensure their child is registered for homeschooling. Whilst the duties of a parent to ensure enrolment and school attendance are currently mandated, existing processes for enforcing these obligations are convoluted and can require a full court proceeding for each incident.

The proposed amendments recognise the importance of daily school attendance in ensuring children and young people succeed in education and reach their potential. Daily school attendance is important for young people to succeed in education and to ensure they do not fall behind both socially and developmentally. It is recognised that young people who regularly attend school and complete year 12 or an equivalent qualification have better health outcomes, better employment outcomes, and higher incomes across their lives.

The Victorian government has been working to design and implement a range of strategies and initiatives aimed at further strengthening the inclusion, engagement and participation of children, young people and families in education. This includes the transfer to schools of funding for student support services and other allied health workforces. This will ensure that student support services are optimally placed to provide students with necessary support in a timely manner. This will also ensure that schools, principals and student support services officers can successfully create strong partnerships with other government agencies and community organisations to further support vulnerable children and families.

In addition, the Victorian government has now increased the number of primary welfare officers who are in place to enhance the capacity of schools to develop positive school cultures and to work in collaboration with staff, students and parents to support students who are at risk of disengagement and not achieving their educational potential.

The Victorian government's new Bully Stoppers initiative will ensure schools are supported to implement effective antibullying strategies to deal with the specific needs of vulnerable students, as it is recognised that bullying and cybersafety can be an issue for this cohort. An evidence-based toolkit is available to provide advice and templates for the

development of behaviour support plans, which are school-based documents designed to assist individual students who require additional assistance because they display difficult, challenging or disruptive behaviours, as well as students who would benefit from additional wellbeing support.

The bill will also be supported by a refreshed student attendance support kit for schools, which will help schools to record, monitor and better encourage improved student attendance. Most importantly, the kit will provide best practice examples of attendance strategies that have been tried and tested in different schools catering to different needs across sectors and across the state.

It is intended that schools will make use of this range of resources to work with students and their families to improve attendance prior to referral to a school attendance officer.

The bill proposes to allow a school attendance officer, where they have made enquiries and believe on reasonable grounds that a child of compulsory school age is not, at the time of making the enquiries, enrolled at a registered school and is not registered for homeschooling in accordance with the Education and Training Reform Regulations 2007, to issue a school enrolment notice to a parent. The bill gives the parent the opportunity to provide a reason why their child is not enrolled in school, to enrol or conditionally enrol the child in school or register the child for homeschooling in response to receiving a school enrolment notice. The bill also provides for the situation where the parent who has been issued with the school enrolment notice does not have parental responsibility for the child in accordance with the commonwealth Family Law Act 1975, and allows that parent to nominate the parent with parental responsibility.

The bill proposes to allow a school attendance officer to issue a school attendance notice to a parent if they have reasonable grounds to believe that a child has been absent for at least five separate days in the previous 12 months, without reasonable excuse, and where measures to improve student attendance have been unsuccessful, or where taking measures to improve school attendance is considered inappropriate. The bill gives the parent the opportunity to provide a reasonable excuse for why the child has not attended school on the dates outlined in the school attendance notice. The bill allows for consideration of shared custody arrangements so that a parent who receives the notice may respond that they did not have care for the child on the dates specified and nominate the responsible parent.

There is a requirement that measures to improve student attendance be taken prior to issuing a school attendance notice. This aspect of the bill is considered critical. Such measures must be taken in accordance with any guidelines issued by the minister. Guidelines issued in relation to this issue will assist schools to create and maintain environments where students feel safe and supported and to ensure that there are shared expectations about the importance of school attendance as well as rigorous procedures for monitoring and recording student absence and promoting school engagement. The proposed bill builds on what is already a core business for schools. Schools are already required to follow processes for recording, monitoring and following up attendance, including corresponding and meeting with parents and working in partnership with families to address identified attendance issues.

A failure to comply with a school enrolment notice or school attendance notice will constitute an offence. A failure to provide a reasonable excuse for the non-attendance or non-enrolment of the child in response to a notice or a failure to respond to a notice in the required time may result in the issuing of a penalty infringement notice. Providing false information in response to a school attendance notice or school enrolment notice is an offence also, however is not subject to an infringement penalty notice.

It is the intention of the Victorian government that the use of penalty infringement notices is a last resort for repeated failure of the duty of a parent to ensure the enrolment or attendance of their child at a registered school, or to register their child for homeschooling. The aim of the bill is to improve school attendance, not to penalise parents who want to do the right thing. To this end the government intends to issue guidelines which will encourage principals to consider any social, cultural, lingual, economic, geographic or learning difficulties and the circumstances of the student and family before making a referral to a school attendance officer.

The bill proposes necessary additional powers to school attendance officers to enable effective enforcement of the duties of a parent to ensure the enrolment and attendance of a child. The powers allow officers to gather information from principals regarding enrolment or attendance, and to access, use and disclose information recorded in the student register. Importantly, in order to protect privacy, access to this information is restricted to a school attendance officer for specified and limited use in relation to carrying out their responsibilities assigned by the bill only.

The bill preserves the current offence and penalty for a parent not to provide instruction to a child registered for homeschooling in accordance with the registration. The bill does not propose amendments to the current operation of homeschooling in Victoria.

An exposure draft of the proposed bill as well as proposed supporting documentation, including draft regulations, attendance guidelines and enrolment guidelines, was released for public consultation in February and March of this year. The public consultation sought to ensure that the reforms aligned with the needs of all the school community. Agreement to the driving principles behind the bill was such that no substantive amendments to the bill were necessary. The guidelines will be refined in light of submissions to the exposure draft process to ensure that adequate support and guidance is available to schools, parents and the wider community to ensure children and young people and their families are supported to regularly attend school when the new provisions proposed by this bill come into operation.

I commend the bill to the house.

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

Debate adjourned until Thursday, 4 July.

ADJOURNMENT

Hon. P. R. HALL (Minister for Higher Education and Skills) — I move:

That the house do now adjourn.

WorkSafe Victoria and Transport Accident Commission: Victorian Competition and Efficiency Commission

Mr LENDERS (Southern Metropolitan) — I am delighted that Mr Rich-Phillips is in the chamber because I have been waiting all week to ask him about this adjournment matter. My adjournment matter relates to the Victorian Competition and Efficiency Commission (VCEC) review of the Transport Accident Commission and the Victorian WorkCover Authority, particularly recommendation 17, which calls for full cost recovery from self-insurers. An article by Matthew Dunckley in the *Australian Financial Review* of Monday this week quotes Self Insurers Association of Victoria chair Steve Irving and other stakeholders, and there is quite a degree of contention about whether there should be full cost recovery from self-insurers or not. As the house will be aware, self-insurers take the insurance costs of the WorkCover program upon themselves, but some of the enforcement procedures are effectively cross-subsidised by the Victorian WorkCover Authority.

From reading the narrative in the *Australian Financial Review* and looking at the government's response to the recommendations, there was an assumption on the part of the self-insurers that the government gave a commitment that they would continue to be cross-subsidised. I am not advocating for self-insurers; I am seeking clarity. Certainly the government's response to recommendation 17 seems to effectively call for full cost recovery from self-insurers, and there is a \$15 million swing depending on whether the WorkCover Authority does it through everybody's premiums or the self-insurers do it through their premiums as a subset.

The action I seek from the Assistant Treasurer is the release of the Victorian government's full and detailed response to the VCEC report and not just the executive summary, which is all that is on the public record so far, so that the community can be made aware of the government's intentions.

Local government: federal referendum

Mr RAMSAY (Western Victoria) — My adjournment matter tonight is directed to the Minister for Local Government, the Honourable Jeanette Powell. The action I seek is in response to the extraordinary chain of events Australians witnessed last night with the knifing of yet another Labor leader, a Labor Prime Minister, and, out of the political mire, the recycling of Kevin Rudd as Labor leader. Prior to this riveting demonstration of Labor politics at work, the then Prime

Minister, Julia Gillard, signalled an election date and a local government referendum. Now all bets — —

The PRESIDENT — Order! Can I understand where Mr Ramsay is going with this? His commentary is on the federal government, which is not the jurisdiction of any state minister. We have rules about set speeches in the adjournment as well. Can I just understand where the member is going in terms of the question to the minister?

Mr RAMSAY — The adjournment matter is a request for action from the Minister for Local Government in response to the proposed local government referendum that is supposedly attached to the election date of 14 September. Given the circumstances, I was providing a context — —

The PRESIDENT — Order! The Minister for Local Government and the referendum are certainly okay with me. I again remind all members about set speeches. There were a couple of adjournment items earlier this week that I also felt were close to set speeches. I am not sure that the commentary on the federal Labor Party and yesterday's events was necessary context for an item on local government as such.

Mr RAMSAY — Now all bets seem to be off about the timing of a federal election and whether a referendum can even be constitutionally attached to an earlier election date. Despite a number of attempts to have local government recognised through referendum, the then Gillard government unashamedly skewed the debate and provided \$10 million to the yes vote and only \$500 000 to the no vote. The total disrespect the former Prime Minister has shown to the Australian people by not providing fair, reasonable and equitable funding for both sides of the argument is a disgrace. Australians know that this is a blatant push by the Gillard and Rudd governments to centralise power in Canberra and to have greater control of local government.

Many local councils have been blinded by the pot-of-gold mentality and like sheep have been herded towards the yes vote without fully understanding its impact. Worse still is that many have been using ratepayers money to push the yes case while passing budgets of 8 per cent to 10 per cent increases to their ratepayer base, and I will name and shame them in another forum. To date, 37 councils have used \$733 000 of ratepayers funds to push the yes case.

The commonwealth government could divert funding away from well-performing councils to poorly

performing government bodies in other states. In fact if local government funding was allocated like the GST, Victoria's share would shrink by 2.3 per cent, or \$36 million. The commonwealth already has mechanisms to fund local government such as the Roads to Recovery program and federal financial assistance grants through the Victoria Grants Commission direct to local government and not through the state government.

We have a dilemma, and that is the reason for my adjournment matter. The action I seek is from the Minister for Local Government. Given the circumstances I have outlined in the change of leadership at the federal level, the timing of the election date, the biased funding allocation for the yes and no cases, the blatant misuse of ratepayers funds, the push for centralist power and the detrimental impact on local Victorian councils if this referendum is successful for the yes vote, if conducted, I ask the minister to urgently call the new Prime Minister, Mr Rudd, and request that he call off the proposed referendum.

Healesville freeway reservation: future

Mr BARBER (Northern Metropolitan) — My adjournment matter is for the attention of the Minister for Roads, Mr Mulder, and it relates to a former road reservation, the so-called Healesville freeway reservation, that runs between EastLink, some important areas of public open space and Springvale Road. This reservation is actively used as open space by the local community for a range of activities. VicRoads has determined that it is going to flog it off and it is running through a process, which it has recently published in the form of a document entitled *The Way Forward*. Apparently the way forward is for VicRoads to achieve:

... a significant financial return from the sale of this state asset while making provision for the continuation of established community uses where practical.

In practice what this means, further quoting from the document, is that:

Housing development is the only practical way of achieving a financial return from the reservation and consequently the plan will provide for housing development over a considerable part of the reservation.

VicRoads claims to have achieved this conclusion after undergoing public consultation. It then goes on to say that community activities are to continue where practical; that not-for-profit organisations should be provided with assistance if required to relocate; that it will obey all legislated requirements for the preservation of flora and fauna and heritage

buildings — in other words, it will follow the law; and that some of the costs of open space and community infrastructure may be funded through public and open space contributions and developer contributions. In other words, VicRoads does not even want to pay for the tiny areas of parkland that it is going to leave behind.

I was absolutely outraged to read that kind of language. This is a piece of land that belongs to the public and not to VicRoads. VicRoads proposition is that it is its land to sell off to a private developer. Why should the public be asked to buy land that it already owns, and why is it that VicRoads, which has determined that it does not want to build a freeway, seems to be in the driver's seat when it comes to determining what will happen at the site? This is clearly an important piece of open space, which is highly used by the local community. My request for the Minister for Roads is that he take away from VicRoads the control of this process to determine the future community use and that he transfer title to the land to the local council, because the council can be relied on to have the best interests of the community at heart.

Automotive industry: future

Ms TIERNEY (Western Victoria) — My adjournment matter this afternoon is directed to the Minister for Manufacturing, Mr Hodggett, and it is in relation to the future of vehicle manufacturing in this state. Members would be aware that the vehicle industry is in an extremely difficult situation. We are all aware of the Ford Australia announcement to close its manufacturing operations in Geelong and Broadmeadows, which will lead to thousands of people losing their jobs. In recent weeks Holden has also indicated that it is in a critical situation and is seeking assistance. It is a publicly reported fact that the future of Holden's engine plant at Fishermans Bend is in serious doubt.

In an attempt to understand what the position and the commitment of the manufacturing minister are in relation to the vehicle manufacturing industry, what his views are and what action he has taken, I have looked at *Hansard*. Quite frankly, I have been taken aback by the fact that Minister Hodggett has made hardly any comments about manufacturing, and in terms of vehicle manufacturing I can find only one reference. He has not mentioned the word 'Ford' once — not once — let alone the Ford announcement or the consequential job losses. The only mention of the car industry is a passing reference to 100 redundancies in Victoria from Holden's operations. It was one paragraph, and it was

by the way of, 'By the way', and that is it; that is all we have seen from the Minister for Manufacturing.

The action I seek from the minister is for him to outline in writing the actions he has taken to maintain and secure vehicle manufacturing in this state. In particular I seek information on what his position is, what his commitment is in relation to the attention of large vehicle manufacturing in this state as well as the auto components sector and the auto retail and services sectors, and what he has done since becoming minister to secure their ongoing operations. In particular, given the urgency of the issue, I seek detailed information on what meetings, measures and actions he has taken to secure the future of the Holden engine operations at Fishermans Bend.

Princes Bridge: bike lane

Mrs COOTE (Southern Metropolitan) — My adjournment matter this evening is for the Minister for Roads, Mr Mulder. Recently the City of Melbourne and its Lord Mayor, Robert Doyle, have taken one road lane for cars off the Princes Bridge to make it into a speed run for cyclists. The Lord Mayor has told people that he travels on this route every day and that it only takes him 1 minute longer. I am not sure what time the Lord Mayor gets to work — perhaps it is 5 o'clock in the morning, or perhaps it is midday — but the reality is that people on that road at other times tell me that it takes them 20 minutes to 30 minutes and longer to get across the bridge. A number of people have told me that this is unacceptable. There was no consultation with car drivers, and they are furious. I have regularly received feedback about the behaviour of bike riders and have experienced this behaviour myself.

I am the first to acknowledge that increasing the number of bike riders is very important, and it is good to see livable Melbourne with additional riders. However, I have previously referred to those who ride along Beach Road in my electorate as lycra terrorists. Their riding has been so dangerous that they have killed pedestrians. I am not suggesting the people who use the stretch of road along St Kilda Road and across Princes Bridge are lycra terrorists, but I have observed, as I am sure have others in this chamber, bike riders seriously flouting the rules. They now have dedicated bike lanes, and they are supposed to ride single file in those dedicated bike lanes. However, they are often to be found three or four abreast, particularly at traffic lights, trying to beat the lights and push themselves in front of vehicles. If the vehicles have the temerity to just go along very quietly at their own pace, the riders thump the cars and threaten the drivers.

I do not think it is acceptable. I do not think the bike riders have any idea of which rules apply to them or what their obligations are as users of our roads. The action I seek of the minister is that he have a close look at the behaviour of bike riders on Victorian roads, for the safety of the bike riders and for the convenience of all road users. I remind the minister that car users, not bike riders, pay registration fees. Perhaps the bike riders need to have some more stringent rules as they learn to better use our roads and these dedicated bike lanes. I will wait with great interest to see what the Lord Mayor's response is.

Rail: St Albans level crossings

Mr EIDEH (Western Metropolitan) — My adjournment matter this afternoon is for the Minister for Roads, Terry Mulder. My concern is for the safety of people who use the Main Road, St Albans, railway crossing. I state this for a number of reasons, including the minister's gross inaction, his tardy approach and his inability to lead his portfolio when it comes to not only the St Albans rail crossing but also other rail crossings in my electorate. This is not the first time that I have raised my concerns on this important subject, and it certainly will not be the last, because this minister is not doing his job.

We need a significant improvement to the railway crossing at St Albans train station for a host of safety and even time management reasons. We also need an improvement of major proportions to the crossing at Furlong Road, where good and decent people have been tragically killed — people who were expected to be alive today and who had their whole futures ahead of them. Without swift and proper action, I fear that others may face this awful fate.

The Australian Level Crossing Assessment Model report of 2008 listed the worst rail crossings in our state. They included Main Road, St Albans, at no. 4 and Furlong Road at no. 5. The level crossing in the electorate of Minister Asher, the Minister for Innovation, Services and Small Business, was rated at no. 223 on the list, yet this government and this minister prioritised it because it is a Liberal Party-controlled seat. That comment offends some members opposite, but I would like the minister to advise us through his colleagues here why St Albans is not a priority for attention. I would like to know why Furlong Road is being ignored when people have died there. When will the Main Road crossing be upgraded, and when will Furlong Road be added to the list as a matter of urgency?

Volunteer West: funding

Mr FINN (Western Metropolitan) — I wish to raise a matter on the adjournment this evening for the Minister for Community Services, Mary Wooldridge. I am sure we would all agree that without volunteers our society would cease to exist. Certainly in the western suburbs there is no exception to that rule. Recently I had a meeting with an organisation called Volunteer West, which is committed to supporting community groups in the western region of Melbourne. The organisation provides training on a variety of topics at low cost designed to assist organisations to effectively manage all aspects of their volunteering programs and reach their full potential. It is a very good organisation that provides a worthwhile service, including, for example, a number of workshops.

One workshop allows participants to examine in detail the steps involved in successfully recruiting volunteers, including considerations before recruitment, developing a recruitment time line, choosing the target audience, attracting volunteers and creating effective promotional materials. In this instance participants also receive various templates that allow them to implement knowledge gained at the workshop in their particular area.

Volunteer West also involves itself in areas such as volunteer management essentials, planning and designing a volunteer program, volunteer screening and matching, volunteer orientation and training, volunteer supervision and support, volunteer recognition, volunteer evaluation and diversifying a volunteer program to include recruiting and managing volunteers in the area of culturally and linguistically diverse backgrounds.

As we can see, Volunteer West has quite an impressive program. Unfortunately it does not have a very impressive resource base. That is the reason I raise this matter for the minister this evening. I ask the minister to facilitate with her department a meeting with Volunteer West to examine the needs of this organisation with a view to providing the support necessary to ensure that the organisation not only continues but grows and thrives so it can provide the sort of service that will make the western suburbs of Melbourne an even better area than they are. I ask the minister to give this matter her urgent consideration. This organisation does a great job, and I believe it is deserving of our support.

Palliative care: Eastern Victoria Region constituent

Mr SCHEFFER (Eastern Victoria) — I raise a matter for the attention of the Minister for Health, David Davis, regarding the impact of the coalition cuts to the health budget on the family of a constituent in Eastern Victoria Region, Ms Dale Burnham. Ms Burnham wrote to me about the situation of her husband, George Burnham, who has had a life-limiting illness for a number of years. Ms Burnham has informed me that budget cuts to the palliative care clinic at Lilydale have resulted in the loss of services. Mr Burnham's palliative care doctor prescribes medication, makes referrals to specialists and hospitals as necessary and monitors pain control medication to manage the side effects of Mr Burnham's medications regime. Mr Burnham is also potentially able to draw the support of a palliative care nurse who was about to upgrade to nurse practitioner and would have been able to prescribe medications at times when there is not a doctor at the clinic.

The palliative care services regime is obviously critically important to Mr Burnham's wellbeing given his health condition. The result of the withdrawal of funding from the health budget is that Mr Burnham is now required to attend a local GP, which exposes him to the danger of infection from others in the waiting room, and although the GP is a very good doctor, he is not a palliative care or pain control specialist.

I ask the Minister for Health to provide me with advice that I can pass on to Mr and Mrs Burnham about what he, the minister, will do to restore the health services that were removed from Mr Burnham. Ms Burnham has advised me that as a result of the funding cuts in the health portfolio, the social worker, occupational therapist, physiotherapist, music therapist and nutritionist, and also the carers group that provided support for those who care for people with life-limiting illnesses, have been removed from Lilydale. Prior to the budget cuts the clinic provided care for people living as far away as Warburton and Yarra Glen, but now that its services have been so drastically reduced, Ms Burnham cannot reasonably access a carers support group.

It is important to add that carers groups are very important to people who care for relatives day in, day out because they help them manage the enormous pressures they are under.

Stawell Gold Mines: future

Mr O'BRIEN (Western Victoria) — My adjournment matter is for the Minister for Energy and

Resources, the Honourable Nick Kotsiras. I ask the minister to visit my electorate of Western Victoria Region, specifically the town of Stawell, to inspect Stawell Gold Mines and the surrounding area.

As the minister knows, Stawell Gold Mines is in a period of transition. Currently approximately 15 per cent of the region's workforce is employed in mining or related industries. Crocodile Gold Corp, the owner of the mines, has flagged a period of winding down as the current resource is depleted. It has proposed investment in the Big Hill Enhanced Development project which is currently undergoing an environment effects statement process through the former Department of Planning and Community Development.

I recently had the pleasure of announcing a significant contribution by the Victorian government of \$100 000 towards a program aimed at ensuring there is an ongoing legacy for the Stawell area after the underground mining presently taking place there ceases, including looking at the historic significance of goldmining in the town. I have also discussed with the Minister for Higher Education and Skills, who is in the house this evening, opportunities for the possible establishment of educational, trade or tertiary facilities, as well as opportunities the council has been exploring vigorously for fly-in fly-out workers with mining skills to be based in the Stawell area. As the minister has said previously, he is committed to the appropriate development of Victoria's earth resources in accordance with our rigorous laws and regulations.

It is worth noting that when the Legislative Council sat in Bendigo, another historic Victorian gold city, Minister Hall somewhat mischievously produced a prop, being an item of gold, which I was very tempted to seize in my role as Acting President at the time and to ask the Usher of the Black Rod to render unto the state. But I accepted that doing so would have caused Mr Hall difficulty given the undertaking he had made to return the gold. It is also worth noting that during that regional sitting of the Legislative Council, Premier Baillieu announced that gold was to be the mineral emblem for the state. Gold has a future in this state in relation to small prospectors, but it is also very important to Stawell, which is a historical goldmining town.

The Big Hill project is a good example of the potential gold has for Stawell, but it is a project that must be considered with appropriate consultation, which I know the company and the local council are continuing to conduct, particularly in relation to nearby residential properties. Other community consultation is also being conducted.

I commend the council and the Minister for Energy and Resources for their attention to these issues and encourage the minister to visit the wonderful town of Stawell.

Seniors: program funding

Ms MIKAKOS (Northern Metropolitan) — My adjournment matter this evening is for the Minister for Ageing. It is extremely concerning to me that the recent coalition state budget shows a massive 36 per cent cut in funding to seniors programs and activities compared to last year. Seniors programs and activities give many senior Victorians the opportunity to maintain an independent and healthy lifestyle. A particularly great way for seniors to participate in the community is through their local University of the Third Age (U3A), which runs various courses and activities, and it has been a great pleasure to attend some of my local U3As in the past.

Page 134 of budget paper 3 in the 2013–14 budget, however, shows that the total output funding for ‘Seniors programs and participation’ will fall from an expected outcome for 2012–13 of \$10.3 million to a target output of \$6.6 million in 2013–14. Despite this the targets remain the same for the number of new University of the Third Age programs funded and the number of approved seniors funded activities and programs. The government is not fooling anyone by claiming that it is going to deliver the same services and achieve the same targets at a much lower cost. Clearly the funding will be spread a lot more thinly.

I also note that the bipartisan Family and Community Development Committee report on its inquiry into opportunities for participation of Victorian seniors made a number of recommendations as to how more participation by seniors in our community could be promoted. The government response to that report was very light on. It committed to only a handful of the recommendations and provided no new funds for their implementation.

One of the recommendations in the committee’s report was the establishment of an independent commissioner for seniors. However, the government only committed to a commissioner for senior Victorians who would report directly to the minister. The minister announced this position on 20 February this year, but more than four months down the track it still has not been filled. It should be filled as soon as possible. This follows the coalition’s trend of ignoring the needs of seniors. It dismantled the Office for Senior Victorians in its very first year in government, and now we are seeing the

wholesale privatisation of public sector aged care in this state.

I call on the minister to explain the reasons for the funding cut in the budget this year, to address that cut and to ensure that it will not result in a reduction in the number of U3A or seniors programs and activities offered to senior Victorians.

Responses

Hon. P. R. HALL (Minister for Higher Education and Skills) — Tonight we had 10 members working right up to the end of the session. The first of those was Mr Lenders, who raised a matter for the Assistant Treasurer, Mr Rich-Phillips, regarding a request that the Victorian government response to a Victorian Competition and Efficiency Commission report be released in full. I will pass that request on.

Mr Ramsay raised a matter for the Minister for Local Government regarding funding for the local government referendum. I will pass his concerns on.

Mr Barber raised a matter for Mr Mulder in his capacity as the Minister for Roads.

Mrs Coote also raised a matter for the Minister for Roads, particularly in regard to the behaviour of bike riders in Melbourne. I will pass those two matters on to the minister.

Mr Eideh raised a matter for the Minister for Roads regarding railway crossings in St Albans, and I will pass that request on.

Ms Tierney raised a matter for the Minister for Manufacturing regarding vehicle manufacturing in Victoria. I will pass that on. She might also like to have a chat to the minister about that down in Geelong tomorrow.

Mr Finn raised a matter for the Minister for Community Services regarding an organisation in his community called Volunteer West. In particular he sought the assistance of the Minister for Community Services in arranging for members of her department to meet with Volunteer West representatives to explore ways in which that organisation can be supported.

Mr Scheffer raised a matter for the Minister for Health regarding palliative care services in the outer east. I will pass that on.

Mr O’Brien raised, with some passion, a matter about gold. In particular he asked the Minister for Energy and Resources to visit the Stawell Gold Mine area and

acquaint himself with the most recent developments and the particular needs at Stawell.

For the benefit of Mr Rich-Phillips, I might add that I have already responded to Mr Lenders on his behalf, because I did not know whether the minister was coming back to the chamber.

Finally, Ms Mikakos raised a matter for the Minister for Ageing. She asked some questions about funding for seniors programs, and I will pass her request on.

Beyond that, I have written responses to four adjournment matters raised previously, including one by Mr Somyurek on 9 May, one by Ms Tierney on 9 May and one by Ms Hartland on 28 May. Probably appropriately, the last person to get a mention in my contribution to this adjournment debate is Mrs Petrovich. I have a response to an adjournment matter she raised on 28 May. Somebody had better deliver that adjournment response to her very quickly.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I will just respond to the matter raised by Mr Lenders with respect to an Essential Services Commission (ESC) review. Mr Lenders referred to a Victorian Competition and Efficiency Commission review of the Transport Accident Commission (TAC) and the Victorian WorkCover Authority (VWA). Last year the government commissioned the Essential Services Commission to undertake a review of both statutory insurers, the Transport Accident Commission and the Victorian WorkCover Authority, on the basis that both agencies are around 25 years old and have not been subject to reviews in their lifetimes.

The purpose of the review was to look at what they are doing, how they are doing it and how they can improve it. The focus was actually on the organisations rather than on the respective insurance schemes, which are set down in legislation — the workplace accident insurance scheme and the transport accident insurance scheme. The focus was on how they are operating as organisations, including looking at the way they work together. WorkCover and TAC jointly undertake a number of functions, and part of the review was about looking at opportunities for them to improve that.

The specific matter that Mr Lenders raised related to recommendation 17 of the Essential Services Commission review, which relates to self-insurers in the Victorian WorkCover Authority scheme. Within the VWA scheme we have a small number of employers, around 25 or 30 — typically very large employers, household name companies in Victoria — which rather than being insured under the WorkCover scheme elect

to assume the risk of workplace injuries and insure against those risks themselves. That is done under the legislative framework set down within the Accident Compensation Act 1985.

The issue that recommendation 17 goes to is other costs which are covered by the Victorian WorkCover Authority because the authority is not only a statutory insurer but also a workplace safety regulator. The VWA incurs costs associated with its obligations under the Occupational Health and Safety Act 2004, and the bulk of those costs are currently paid for through workplace premiums, which are charged to employers who are members of the scheme.

It is not appropriate that all those costs be recovered from scheme-insured employers, so a proportion of those costs are collected from the small number of self-insurers. Under the regulations currently in place self-insurers receive a discount of 40 per cent on their contribution towards the cost of those non-insurance costs — elements that are passed on to the self-insurers. It is an arbitrary figure that was put into a previous set of regulations. Last year or the year before I was asked by the Victorian WorkCover Authority to remove that 40 per cent discount. At that point in time I declined to do so, and I indicated as much to the Self Insurers Association of Victoria. The reason I declined to remove the discount at that point in time was because of a lack of transparency around the actual costs associated with undertaking the occupational health and safety (OHS) and administrative functions of the VWA.

Part of recommendation 17 of the ESC review is to ensure full cost recovery, but the key element of that recommendation goes to the issue of unpacking those costs and the VWA becoming transparent around which costs are associated with running the insurance business and which costs are associated with the OHS and other functions so that we have far better visibility in terms of allocating costs, whether it be to scheme insurers or self-insurers, as to the actual cost base.

The government has supported recommendation 17 on the basis that it will lead to greater transparency around that cost base. That will then provide an opportunity to consider whether the current cost allocation mechanism with the 40 per cent discount continues to be appropriate.

I note some media coverage earlier in the week — Mr Lenders referred to it in his adjournment matter — that talked about a new tax being imposed on those self-insurers. This is a closed system. If that discount was removed from those self-insurers, it would not represent new revenue for the government; in fact it

would represent costs being taken off small and medium enterprises, which are typically scheme insured, and being picked up by large businesses, which are self-insured, if indeed that reflects where those costs are incurred. This is not an exercise in looking at new revenue for VWA; it is an exercise in determining accurately what those non-insurance scheme costs are and which elements of the total employer population they are covered by.

Ms TIERNEY (Western Victoria) — I seek responses to four adjournment matters, one of which is over 12 months old — from 21 June 2012; another deals with special schools in Geelong and is seven months overdue; and there are two other matters, one dealing with funding for the Country Fire Authority, and the other dealing with fire management overlays for the Surf Coast shire from 7 May.

Hon. P. R. HALL (Minister for Higher Education and Skills) — I was unaware that those responses were outstanding. I note there was one, but obviously not one of those four from Ms Tierney that I was able to table this evening. I will follow up those other four matters she has mentioned and seek responses from the appropriate ministers.

The PRESIDENT — Order! The house stands adjourned.

House adjourned 5.29 p.m.

