

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-SEVENTH PARLIAMENT

FIRST SESSION

Tuesday, 25 June 2013

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The Honourable Justice MARILYN WARREN, AC

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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.

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FIFTY-SEVENTH PARLIAMENT — FIRST SESSION

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¹ Resigned 26 March 2013

² Appointed 8 May 2013

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Tuesday, 25 June 2013

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

ROYAL ASSENT

Message read advising royal assent on 18 June to:

**Aboriginal Lands Amendment Act 2013
Building and Planning Legislation Amendment
(Governance and Other Matters) Act 2013
Energy Legislation Amendment (Feed-in Tariffs
and Other Matters) Act 2013
Marine (Domestic Commercial Vessel National
Law Application) Act 2013
Parliamentary and Public Administration
Legislation Amendment Act 2013.**

QUESTIONS WITHOUT NOTICE

Children: early intervention services

Ms MIKAKOS (Northern Metropolitan) — My question is for the Minister for Children and Early Childhood Development. I refer to the minister's letter to service providers dated 7 June in which she informs them about the process for accessing the program for students with disabilities, and I ask: what medical reports are required for a child with autism spectrum disorder in order to access the program for students with disabilities?

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — President, I seek your guidance on this. The program for students with disabilities does not fall within my portfolio area.

Ms Mikakos — On a point of order, President, I specifically asked the minister this question because I have previously asked her questions about the situation at Sunshine Hospital and on 13 June she specifically referred to the program for students with disabilities by way of explanation as to what support services would be available to these families. She also referred to this program in a letter sent under her signature to service providers in the area, so whilst the program itself may technically not fall under her portfolio responsibility, she has referred to it on a number of occasions by way of explanation as to how this issue is being addressed. Therefore I think it is in order for me to ask the minister questions about this matter.

The PRESIDENT — Order! I ask Ms Mikakos to provide me with a copy of that letter and her question. In the meantime we will move on to Mr Ondarchie.

Planning: arts precinct

Mr ONDARCHIE (Northern Metropolitan) — My question is to my mate the Minister for Planning, the Honourable Matthew Guy, who is also my good friend and colleague in case members were wondering.

Honourable members interjecting.

The PRESIDENT — Order! Mr Ondarchie without assistance, thank you.

Mr ONDARCHIE — I was provoked. I ask the Minister for Planning if he can inform the house of what action the government has taken to protect our state's world-class arts precinct from overdevelopment.

Hon. M. J. GUY (Minister for Planning) — I will take the status upgrade to mate rather than just good friend and colleague from my mate and good friend and colleague Craig Ondarchie, who is a tireless worker for the northern suburbs and has asked me about an important issue in Southern Metropolitan Region for Mrs Coote, Ms Crozier and Mr David Davis, amongst others.

Melbourne, like many cities but certainly alone in Australian cities, has a number of precincts that make it Australia's most livable and most interesting central city area. One of those key precincts is our arts precinct. On the south side of the Yarra it would not be hard to go for a walk and see the National Gallery of Victoria, the Arts Centre, Hamer Hall, the Australian Ballet Centre, the Australian Centre for Contemporary Art — when it produces things that are tasteful — and a range of other institutions that have made the arts precinct far and away Australia's best. The government has been working with the City of Melbourne for some time now on the C171 planning scheme amendment, which will do two things — and it is my pleasure to inform the house that I recently approved that amendment.

Firstly, the amendment will provide for a mandatory height control around our arts precinct of 24 metres. For the institutions I have just mentioned, that mandatory control will ensure that there will not be overdevelopment of what is both visually and artistically the best arts precinct in Australia, and one might argue one of the best in the world. We are moving to make sure that the city of Melbourne planning scheme supports and provides certainty to the arts precinct in Southbank in Melbourne.

Secondly, the amendment to planning scheme C171 has also expanded the capital city zone to the south side of the Yarra and through the Southbank precinct to again give further weight to the government's promise,

pledge and policy to expand our capital city. Melbourne is not just the Hoddle grid anymore. Ours is a city that is growing, and our downtown area is growing strongly. People want to live here, they want to work here and they want to play here, and some of them even want to raise a family here. That is why it is important to ensure that we have the planning tools in place to be able to accommodate a growing population in the central city area.

We have done that with Fishermans Bend, an initiative of the coalition government. We have done that through the Docklands precinct, an initiative of the then Kennett coalition government — and I give credit to the Cain government for bringing forward the initial redevelopment through mixed use zoning in the Southbank precinct. Governments over time have seen this area as one for expansion.

The approval of the C171 amendment will give certainty to Melbourne's arts precinct, certainty to the vistas, feel and operation of our internationally acclaimed arts precinct, and certainty to the work done by the Melbourne City Council and by our very enthusiastic Minister for the Arts, Heidi Victoria, and local members Andrea Coote, Georgie Crozier and David Davis, who have long advocated for the protection of the arts precinct in their electorate. The expansion of the capital city zone will further give weight to the fact that Melbourne is Australia's greatest city when it comes to urban renewal and will provide massive opportunities for urban renewal and urban redevelopment in defined areas that once and for all will take the pressure off existing suburbs and existing quiet neighbourhoods.

The PRESIDENT — Order! On Ms Mikakos's point of order, I thank the chamber for allowing me the time to review some of the material that Ms Mikakos referred to in her point of order, and I thank Ms Mikakos for the courtesy of providing me with the written question that she asked the Minister for Children and Early Childhood Development, as well as the letter that she referred to in that question, and a *Hansard* record of a previous discussion that she had had with the minister in respect of similar matters.

As the chamber would recall, the minister indicated that this question fell on a matter that was outside her jurisdiction and therefore sought my guidance in terms of whether or not she should be required to answer the question. In fact the minister would be quite within her own rights to discharge the matter on the basis that it was not a matter within her jurisdiction without me needing to make a ruling or provide any decision.

I propose to give Ms Mikakos an opportunity to reword her question because, from the documentation that she has provided, I accept that this matter is not really within the minister's jurisdiction and therefore the minister would not have substantial knowledge of the program. In terms of the material provided to me, I refer Ms Mikakos to the paragraph she highlighted for my benefit. It is from a letter of 7 June sent by Ms Lovell as minister to service providers. The paragraph that I refer to in reaching my conclusion is thus:

In addition, all children in the year before school who will be attending a government school are eligible to be assessed for additional assistance through the Department of Education and Early Childhood Development ... program for students with a disability once they are enrolled.

As I understand it, this is more an education department responsibility than the minister's direct responsibility, and I rely on that paragraph in that sense. Could Ms Mikakos reword her question somewhat to ensure that the minister is able to provide an answer on a matter that she would have more thorough knowledge of?

Children: early intervention services

Ms MIKAKOS (Northern Metropolitan) — It is interesting, given that the minister has relied on this program in order to get herself off the hook here, that she is not prepared to give further explanation to the affected families about exactly how that program works. I ask the minister to again refer to her letter, from which the President has just read, in which she suggests that families can access an assessment through the program for students with disabilities, and I ask: is the minister aware of what reports are able to be provided for a child who is still in kindergarten, before they have started prep, through this program, as she has claimed in her letter?

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — As I have said, the program for students with a disability does not fall within my portfolio area. There was a need for me to write to kindergartens to inform them of the opportunity for children, once they are enrolled in school, to access the program for students with a disability because of the misinformation that was being put around by a member for Northern Metropolitan Region, Jenny Mikakos, in the western metropolitan district. There was a need for kindergartens to be informed that once their children had enrolled at school they could access the program for students with disabilities assessment process, which the schools organise to be undertaken as soon as the child is

enrolled. The reason for the letter was to combat that misinformation but also to encourage the kindergartens to encourage families to enrol early so that those assessments could take place as soon as possible.

Supplementary question

Ms MIKAKOS (Northern Metropolitan) — A child with autism spectrum disorder requires a multidisciplinary diagnosis, including from a child psychiatrist or paediatrician, and a report from a psychologist, a speech pathologist and, where appropriate, an occupational therapist. As I said earlier, the minister has claimed in her letter and in her answer to my question on 13 June that these multidisciplinary assessments are available through the program for students with disabilities. However, a primary school principal in Sunshine has advised me that the department will fund a psychologist and speech pathologist but not a paediatrician's report and that in any event these assessments are not sufficient for an autism diagnosis that is required to access this program. Is it not a fact that an external assessment is required for an autism diagnosis?

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — Once again the member is asking me to speculate on a program that is not within my portfolio area. I suggest that she puts detailed questions about the program for students with a disability to the Minister for Education.

What I am happy to talk about is our record on early childhood intervention services, something that does fall within my responsibility. Our record is to have provided 1150 additional places since we came to government to ensure that children in their preschool years who have a disability are getting all the assistance they need. We have also provided an additional \$10 million to provide 246 additional kindergarten inclusion support places to ensure that children with a disability can participate in kindergarten. In their preschool years children with a disability are getting greater service under this government. Under the guidance of the Minister for Disability Services and Reform, Mary Wooldridge, the implementation of the national disability insurance scheme will also service those families.

The PRESIDENT — Order! I indicate to Ms Mikakos that I thought about the supplementary question and whether it was calling for the minister to have an opinion when the minister had indicated it was outside her jurisdiction. I had some concern about that, but I let the minister answer.

Children: early intervention services

Ms MIKAKOS (Northern Metropolitan) — The Minister for Children and Early Childhood Development is referring to a program she mentioned in answer to a question last sitting week and also in correspondence to me, yet she does not wish to be accountable to those families she has cut off from accessing assessments at Sunshine Hospital.

Hon. D. M. Davis — On a point of order, President, this is question time and an opportunity for the opposition and government members to ask questions of ministers and not to give long editorials before a question is asked, and that was a long editorial rather than a question.

The PRESIDENT — Order! I do not accept that it was a long editorial, but I accept that it was an editorial. On the point of order, it is important for members when they ask a question to move to the question fairly quickly, and the remarks they make in support of that question ought to simply be to put the question into context rather than to make a criticism or, as the Leader of the Government has said, an editorial about whether a minister may or may not have discharged their responsibilities in a particular way. I was a little concerned again about the way Ms Mikakos initially made some comments with regard to the minister before entering into a preamble or a context for her question and then proceeded with the question. Because we are out of order in taking questions, perhaps Ms Mikakos needed more time to think that through and got caught on the hop a little bit, but I ask Ms Mikakos to put her question.

Ms MIKAKOS — The minister claims that I am providing misinformation. Today I have invited her to provide information to western suburbs families, but she does not want to do so. I refer the minister to my previous question in relation to the multidisciplinary assessments required for children with autism spectrum disorder. Those reports were previously provided by Sunshine Hospital's Children's Allied Health Service. Families in the western suburbs whose children can no longer be referred to that service are now either having to pay for private reports or go to Melton Health. Is the minister aware of the waiting list at Melton Health in order to obtain those reports?

Honourable members interjecting.

The PRESIDENT — Order! Thanks to Mr Elsbury and Mr Finn I did not hear the final question. I ask Ms Mikakos to repeat the final sentence of that question.

Ms MIKAKOS — Is the minister aware of the waiting list at Melton Health in order to obtain those reports?

The PRESIDENT — Order! Again I am a little concerned as to whether the minister would have knowledge of this matter given that it is outside her jurisdiction.

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — Again I indicate that Melton Health does not fall within my portfolio area. I will say that this government is very proud, as I said before, of its investment in early childhood intervention services, which do fall within my portfolio. I am happy to stand here every question time and talk about our investments in early childhood intervention services that are enabling more than 1000 more children to access early childhood intervention services. As we know, one place can service multiple children. Whilst we have provided 1150 additional early childhood intervention service places, more than 1150 children will actually benefit from those places. We have also provided 246 additional kindergarten inclusion support services places, which enable children with a disability to attend kindergarten. These areas are within my portfolio. The program for students with a disability falls within the education minister's portfolio.

I also refer the member who asked the question to the fact that these assessments are needed to access the commonwealth autism packages. I would suggest that the member ask her commonwealth colleagues to contribute towards the multidisciplinary assessments that are needed to access the commonwealth autism packages, because whilst we provide over \$1 million a year to Western Health to help disadvantaged families to access these assessments, the commonwealth is not providing anything towards them.

Mr Lenders — On a point of order, President, I raise a point of order and seek your response to it either now or later in order to assist the opposition. The minister is a minister in the Department of Education and Early Childhood Development (DEECD), and in answering portfolio questions for that department she has previously relied on, as she describes it, parts of the department that are administered by the Minister for Education rather than herself.

What I ask you to reflect on in order to assist us is: when a minister in previous answers has relied on those parts of the department that are not part of their administrative responsibility to respond to a question and then, when they are asked other questions later on, says that area is not their responsibility, that presents

the opposition with a dilemma as to what that minister's responsibility is. The minister is a minister in DEECD. She has relied on Minister Dixon's part of DEECD for parts of her answers before, which is part of the chronology of her dealing with these matters. I ask you to take this on notice and not necessarily answer it now. It is a dilemma for the opposition when ministers pick and choose when they are responsible for the whole department or not.

Hon. D. M. Davis — On the point of order, President, it may be that on some previous occasion Minister Lovell or another minister may have responded with knowledge they have that is incidental to their portfolio and provided some information to the house. That does not mean they are an expert in the particular area they do not formally administer. It may be that from time to time a minister provides incidental or tangential information to assist the house, but detailed knowledge of an individual portfolio area would still be required from the minister for that portfolio.

Mr Viney — On the point of order, President, my recollection is that there is considerable precedent that where a minister answers a question on a matter that is in their portfolio that may relate to other parts of the department within which they are a minister, that opens the door for the minister to be asked subsequent questions in relation to that matter. The minister in this instance has answered a number of questions on the matter of disability packages. I would have thought that it is therefore perfectly reasonable for the opposition shadow spokesperson to pursue those matters that have been discussed in question time by the minister on previous occasions.

Hon. W. A. LOVELL — On the point of order, President, we all have knowledge of things incidental to our portfolios. Even as local members we have knowledge of how to access particular programs. In my answers to the member who asked the questions I have referred to the processes for applying to a program; I have not taken questions or given information about that program in detail. The program for students with a disability falls within the responsibilities of my colleague the Minister for Education.

Ms Mikakos — On the point of order, President, the issue that I have raised in the last two questions is not incidental to the issue that has arisen at Sunshine Hospital, because the minister has confirmed on previous occasions that the closing off of referrals to this service at Sunshine Hospital is in fact within her portfolio responsibility. In response to those previous questions, she sought to rely on another program that

falls under Minister Dixon's responsibility that she says addresses this problem. I put it to her that it does not in fact address this problem. Families are still unable to access the assessments they need — —

The PRESIDENT — Order!

Ms Mikakos — The minister has opened this box — —

The PRESIDENT — Order! I am standing and Ms Mikakos is not. The member is debating. She is not raising a point of order; she is debating.

Ms Mikakos — On the point of order, President, the minister has in fact opened herself up to this line of questioning because she has relied on this program that she says addresses the problem we have in the western suburbs. That is why I think it is appropriate, given that she has written to kindergartens in the western suburbs referring specifically to this program, that I should be able to get some clarification for those families and, if there is a misunderstanding, give her the opportunity to clear it up; but she is refusing to actually answer those questions here today.

Mr P. Davis — On the point of order, President, dealing specifically with the point of order and not reflecting on the fact that Ms Mikakos has tried several times to ask some questions, the point of order I am making is that question time is a matter for members to ask ministers questions which they believe are within the portfolios of the ministers. It is a matter for ministers to determine how they shall dispose of the questions in terms of the answers. The minister has on several occasions made it clear that in her view she is not in a position to give further information because the matters fall outside the areas of her direct responsibilities. I think she has shown great forbearance in trying to give some information. It is clearly a matter of precedence in this place that a minister responds to and disposes of a question in any manner they see fit. It is not, if you like, a matter of an opposition member, or indeed a government member, expressing dissent from the answer. The issue is that it is a matter for a minister to answer a question as they choose.

Ms Broad — On the point of order, President, as one who has been on both sides of this experience, ministers indeed can answer questions any way they see fit; however, they should properly be held to account for what the content of the answer is. On this point of order, I put it to you that if a minister is able to get up and make statements to the house in disposing of questions both within and outside their portfolio area and then cannot be held to account for what they have

stated to the house in their answer — that is, if it is to be that anything outside the minister's portfolio that the minister has included in their answer is not something the house can then hold them to account on — that creates a fundamental problem for the member asking the question.

Mrs Peulich — On the point of order, President, the minister has indicated that she does not have responsibility for the administration of the program, which is the nub of the question without notice from Ms Mikakos. Secondly, in modern government it is not unusual — in fact it is expected — that a whole-of-government approach is taken to allied services, the complementary services that may be delivered across a range of portfolios. Coordination of those, awareness of those and knowledge of those is something that is expected. A whole-of-government approach to the delivery of programs has been the hallmark of this government, as it has been of former governments, but this does not negate the fact that the minister does not have administrative responsibility for the program, which is central to Ms Mikakos's question.

The PRESIDENT — Order! I thank the Leader of the Opposition for the point of order and the various members who contributed their positions with regard to that point of order. I have taken due note of the matters raised by various members. First of all, I will dismiss fairly quickly the position put about a minister sending out a letter to people advising them of a program as being in any way a matter of concern to the house. Each of us, as members of Parliament, will send letters to individuals and organisations within our electorates alerting them to various funding programs or initiatives of which we do not have carriage and on which we probably do not even have extensive knowledge but which are recognised as initiatives or opportunities that those individuals or organisations might avail themselves of with regard to funding or other opportunities.

For the minister to have referred in her letter of 7 June to service providers about that program, which is provided by the Department of Education and Early Childhood Development, is not in any way an indication that the minister has either carriage of this matter, has extensive knowledge of this matter or has any responsibility or accountability in terms of those services. The minister has simply alerted those service providers to that opportunity that existed. That is not out of step with what we all do as members of Parliament, I daresay on many occasions.

Of greater concern to me are matters brought before the house where a question is put to a minister and the

minister answers that question, albeit the minister might later suggest that the matter is outside their jurisdiction and they do not have a competence to answer the question. I think the nub of Mr Lenders's point of order is accurate. If a minister decides to answer a question and provides what I would regard as fulsome or significant detail to the house that demonstrates a knowledge in respect of the matter raised in the question, then that it is a matter of courtesy to the house and indeed a responsibility of the minister on future occasions to also provide information in respect of questions on the same matter. This is a matter that has been canvassed in the past, and I concur with the Leader of the Opposition in terms of the point he raised in his point of order about a minister's responsibility.

In this case it is a little less black and white. The minister's answer, according to the information provided to me by Ms Mikakos, relates to two questions that were put to the minister on 13 June: one being a question and the other, I assume, being the supplementary question, both in respect of the matter of this assessment program that was available. Ms Mikakos makes the point, and the Leader of the Opposition in his point of order took this up, that the minister on that occasion did provide responses to the question and the supplementary question. In terms of the answer to the question, it was a relatively short answer. Unfortunately members do not have the response to the question in front of them, but the nature of it did not, in my view, indicate that the minister had a thorough knowledge of that program and did not indicate a jurisdiction in this matter.

The answer to the supplementary question put by Ms Mikakos was more difficult for me to deal with because in her response to the supplementary question the minister did go further in terms of explaining some aspects of this program. It therefore becomes a fairly subjective matter in terms of this interchange, which has now been relied upon for the questions today.

From my point of view, whilst the minister has provided some information on both the question and, more significantly, in respect of the supplementary question, I do not think that the minister provided a response that indicated a thorough knowledge of the program but rather knowledge that the program existed and would be delivered to kindergarten children, who are obviously part of her responsibility in terms of managing preschool education. The minister indicated that the program was available to those preschool students under her jurisdiction but was not a program that she delivered or necessarily had extensive knowledge of. On the occasion of 13 June the minister was trying to provide Ms Mikakos with an answer that

would give her some understanding of it without necessarily indicating that the minister herself was responsible for the program.

Therefore this line of questioning today is fairly difficult. I would prefer, with respect to Mr Lenders's point of order, to rely on my early remarks in this discussion rather than on the specifics of today which, as I said, are a lot more grey. I hope we might proceed with the responses in a way where the minister has an understanding of what is involved but with Ms Mikakos recognising the answers she receives may well not be fulsome, because I accept that the minister does not have direct carriage of this particular program.

Supplementary question

Ms MIKAKOS (Northern Metropolitan) — Thank you very much, President, for your guidance on this matter. The matter I referred to in my original question related to the issue of four-year-old children not being able to have assessments through the Sunshine Hospital because referrals had closed and the families were now having to go to Melton Health. They are waiting 12 to 18 months to access Melton Health assessments. I ask: can the minister provide a guarantee that every child starting school next year will have the necessary assessments done before the deadline for applications for the program for students with disabilities closes and that we are able to get the assessments that those families require in time prior to starting prep?

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — In regard to the money that we provide to Western Health, it provides money for services to children that are similar to early childhood intervention services, and some of that funding provides multidisciplinary assessments. There were 58 children who were waiting for assessment at Western Health, and Western Health has said that all 58 will be assessed prior to starting school. As I have said, the program for students with disabilities is not within my portfolio. I have been advised by the department that once a child enrolls in school, they are given an assessment, and that is the information that we have passed onto kindergartens. I suggest that if the member wants to continue this line of questioning, she pursue it with the Minister for Education through one of her colleagues in the lower house.

Health: federal funding

Mr KOCH (Western Victoria) — My question without notice is to the Minister for Health, the Honourable David Davis. Will the minister update the house on the cuts to promised funding to Victorian

hospitals and health services by the commonwealth government?

Hon. D. M. DAVIS (Minister for Health) — I thank the member for his question and for his very strong advocacy for hospitals in western Victoria, including Geelong, Ballarat and other major hospitals and many of our smaller hospitals and health services across the western side of the state. What is important and is known in this house is that the federal government cut funding in November last year from 7 December onwards and, finally, restored it some months later in terms of the \$107 million that was ripped out of Victorian health services by the federal Minister for Health, Tanya Plibersek, and Prime Minister Julia Gillard.

The cut was not only \$107 million; it was \$475 million over four years. I can inform the house that the federal government intends to cut promised funding to our health services from 1 July. The cut in Victoria this year will be \$99.5 million. It is a very significant cut to promised funding.

I was hopeful — and I know Mr Koch was urging me in this regard — of raising the matter at the Standing Council on Health, and indeed the Queensland minister raised these matters there. Victoria very strongly supported the Queensland government submission. The Queensland submission drew on the work of the Senate finance committee chaired by Senator Scott Ryan from Victoria, and that Senate committee made it clear that the commonwealth government had relied on dodgy data. It made it clear that the commonwealth government had made a mistake with this enormous cut of \$1.6 billion nationally — —

Mr Drum — They supported those cuts.

Hon. D. M. DAVIS — That is right; they supported those cuts, Mr Drum. That they actually supported cuts to our hospitals of \$475 million is something that should forever rest on them like a crown of thorns. The Victorian government has increased its funding by \$2 billion over the last three budgets, with a 5.4 per cent increase in the acute health output this year. The \$99.5 million cut to the money promised to our health services this year will mean cuts to every hospital in the state and that they will get less money than they would otherwise have got. Less money will be paid into the pool by the commonwealth and less money will go out to hospitals. No matter what level of state investment and no matter how much the state tries to backfill these commonwealth reductions, the individual hospitals will have less money than if the commonwealth had lived up to its promised funding.

This will impact the Austin to the tune of more than \$6 million this year and more than \$22.8 million over three years. At Ballarat Health Services \$2.6 million will be the order of the reduction by the commonwealth government this year, and that will be \$9.6 million over three years.

Mr Viney — On a point of order, President, the Minister for Health and Leader of the Government has actually been asked this and similar questions on a substantial number of occasions. I draw your attention to standing order 12.15, which is headed ‘Irrelevance or tedious repetition’.

Hon. D. M. DAVIS — On the point of order, President, I know that the member is very sensitive about these matters. The fact is this is an area where the government is actively seeking money back from the commonwealth and is prosecuting that case. I am giving the house an update on the further steps being taken, including the meeting of the Standing Council on Health, which was held on the Friday before last and where these matters were debated extensively.

Mr Viney — Further on the point of order, President, when *Hansard* becomes available I invite you to check the wording, because I can assure you, President, that I have on previous occasions, and not only is the minister answering the same question but he is using the same phrases every time. We accept Mr Davis has a particular view, and we are not about to debate here in question time whether or not that view is correct, but it is a little tedious to use up the time of this house every single question time answering a similarly phrased question and giving us exactly the same answer.

Hon. D. M. DAVIS — Further on the point of order, President, members of this house are entitled to seek updates. This is a matter of great significance to health services. The member might be interested in the fact that Latrobe health will face a cut. Mr Koch is certainly interested in the fact that the cuts delivered to Ballarat will impact — —

Honourable members interjecting.

The PRESIDENT — Order! Mr Davis will make his point of order without debate.

Hon. D. M. DAVIS — There has been a very material set of developments. There was debate about this matter at the Standing Council on Health held on the Friday before last. This was an attempt to restore this money, and I am certainly entitled to report to the house on new developments as time progresses, item by item.

The PRESIDENT — Order! I thank the Deputy President for the point of order. From my point of view he perhaps relied on the wrong paragraph of the standing orders. Whilst the minister may on many occasions have referred to this matter of health funding for hospitals and the funding allocations that have been made by the federal government and changes to those allocations, I am not sure that the standing order referring to tedious repetition necessarily picks up the repeat of subject matter, if you like, in questions on a range of occasions. In other words, tedious repetition in the standing orders tends to refer to members who in the course of a speech might cover the same ground over and over and might simply be, if you like, filibustering in the course of the debate. I am not sure that relying on the standing order related to tedious repetition is actually appropriate in this instance.

The minister could well have been debating the matter, which is also covered by standing orders, and that might well have been the subject of a point of order. I uphold the view that was put in respect of the point of order by the Leader of the Opposition that obviously any member of this place is entitled to put a question and to seek an update on contemporary matters, and there is no doubt that the minister has had a meeting on a very recent date — in fact on a date following the last sitting week. This is a development that has come into play since we last sat, and therefore it is appropriate for the minister to update the house on that matter, which is a contemporary issue and which has unfolded subsequent to our last sitting week.

While the questions that have had the minister on his feet to discuss these federal government allocations to hospital funding are obviously similar, the fact is that the minister is in a position to answer those questions as he sees fit, and the minister is in a position to update the house on new matters. I cannot uphold a point of order on tedious repetition, but I can indicate to the minister that he might have regard to the point of order relating to debating an answer.

Hon. D. M. DAVIS — What I can indicate to the house is that at the Standing Council on Health Victoria strongly supported the paper submitted by Queensland that sought restoration of this funding nationally. While Victoria got back the \$107 million this financial year, the issues going forward are still very live. Queensland's proposals were summarily rejected by the federal Minister for Health, and a compromise proposal was put forward by some other states, which would have sought referral of this matter to the meeting of Treasurers, but that was also rejected by Tanya Plibersek, and for that reason the state is speaking out about this matter. We

sought to manage these issues within the processes of the Standing Council on Health, but we have not got the support. We know that the \$368 million to be cut over three years by the commonwealth will impact on hospitals. It will see fewer services being delivered — —

The PRESIDENT — Order! Thank you, Minister.

FKA Children's Services: mobile resource service

Ms MIKAKOS (Northern Metropolitan) — My question is again to the Minister for Children and Early Childhood Development. Why has the minister cut funding to FKA Children's Services for its mobile resource service?

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — I thank the member for her question. The FKA library is part of a service that is delivered through FKA Children's Services, which provides services to multicultural communities in Victoria. I will have to review the details of its funding this year and get back to the member on that question.

Supplementary question

Ms MIKAKOS (Northern Metropolitan) — It looks like the minister is not familiar with the matters that are directly within her portfolio responsibilities. I draw the minister's attention to the fact that Taylors Gully child-care centre in Stawell has raised concerns about this decision and believes that it and other early childhood services in regional and rural Victoria will be extremely disadvantaged by this cut to the funding. Taylors Gully child-care centre has been using the mobile library to resource items to include multicultural elements in its curriculum. I ask the minister to examine in particular the fact that these requirements are directly required under the quality framework. I ask her why she is making it harder for early childhood services to incorporate multicultural elements in their curriculums, particularly as it is a requirement under the national quality framework.

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — I refute the member's suggestion that we are making it harder. In fact the department has been working very closely with all services on the national quality framework to ensure that Victorian services meet the national quality framework. We saw recently in the first lot of results that were published that Victoria was far above the national average. The national average for services that

met or exceeded the national quality framework was 55 per cent. In Victoria it was 70 per cent. You can see from this that we are certainly not making it harder for our services. We are working with them to ensure that they are leading the way in the country on meeting or exceeding the national quality agenda. In fact some of our stand-alone kindergartens have been absolute standouts, with somewhere between 86 per cent and 87 per cent of our stand-alone kindergartens meeting or exceeding the framework. We are working very closely with all services to ensure that they can meet or exceed the national quality framework, and we are certainly not making it harder for them.

Teachers: recruitment

Mr P. DAVIS (Eastern Victoria) — It is a delight to be called to ask a question without notice today. I direct this question without notice to the Minister responsible for the Teaching Profession, Mr Hall. Can the minister inform the house on what the coalition government is doing to attract talented graduates from a range of professions to become teachers in government schools?

Hon. P. R. HALL (Minister responsible for the Teaching Profession) — I thank my colleague Mr Davis for his interest in this matter. The Victorian government employs a number of means to address the workforce needs of Victorian government schools, which employ 42 000 teachers. As a result of natural attrition, each year we require somewhere between 2000 and 2500 teachers to enter that workforce. While the majority are graduates from university teacher training programs, and some of our very best teachers come through those means, there are also other mechanisms by which we seek to attract people into the teaching profession. Scholarships are provided, and this government has offered scholarships to attract maths, science and language teachers. Career Change is another program used to encourage young adult people to change their professions and enter teaching. Teach for Australia is also a program by which we seek to attract graduates to teach in Victorian government schools.

On Friday last week ago I journeyed to Emerald Secondary College, which is in a corner of Mr Davis's and my electorate. I was joined there by the member for Gembrook in the other place, Brad Battin. The reason for our visit was to announce the Victorian government's support for the fifth cohort of teachers who will come through the Teach for Australia scheme. That scheme seeks to recruit outstanding young people to teach in schools around the state of Victoria which have difficulty filling teaching positions. The scheme started back in 2010. The previous government

provided funding for the first three cohorts, and the current government has continued with funding for last year's cohort. My announcement at Emerald was for \$1 million for participation in the fifth cohort of those teachers. We expect to employ about 40 associates out of that fifth cohort of teachers, bringing Victoria's total over the five rounds of the Teach for Australia scheme to about 143 associate teachers teaching in Victorian schools.

Another reason I chose to visit Emerald Secondary College and make that announcement was that Emerald Secondary College has five Teach for Australia graduates currently on its books. It has one young man, Dr Jonathan MacLellan, who was in cohort 2, which commenced in 2011. Jonathan has now finished his teaching qualification. He has chosen to stay on at the school and is accepting positions of responsibility within the school and doing very well. From the 2012 cohort Dr Susannah Ritchie and Stephen Barrett are in their second year now and are doing extremely well. The school is also fortunate to have two Teach for Australia associates in their first year: Emma Holmes and Emily Pearson. In total there are five recruits from the Teach for Australia scheme. There is also another local girl at the school now who is seeking to be in the cohort for which funding has just been announced. She is a graduate of Emerald Secondary College and is hoping to be positioned in the school next year.

We should all feel proud of our teaching force in Victoria. We have some excellent teachers in our system, and they should be encouraged. As I said, the majority of our teachers come through the graduate teaching programs run by our universities. This will always be a mainstay for teaching, but where there are gaps and where we can find others to fill the workforce needs of teaching, that should be explored. I am pleased to announce that the Napthine government is happy to support the fifth cohort of Teach for Australia graduates to the tune of \$1 million. We expect to employ at least 40 teachers from that group.

Housing: clean energy supplement

Ms MIKAKOS (Northern Metropolitan) — My question is to the Minister for Housing. I refer to the minister's decision to include the federal government's clean energy supplement in rent calculations for public housing tenants, and I ask: can the minister confirm that as a result of her government's cynical cash grab some of Victoria's poorest will be paying an extra \$87.50 a year in rent?

Hon. W. A. LOVELL (Minister for Housing) — I thank the member for her question. This is a payment

that was given to some Australians by the federal government to cover the increase in everyday costs which would result from the carbon tax being imposed on Australians, of which rent is just one. Twice annually we reassess the amount that public housing tenants pay in rent. A reassessment has just been done, and tenants have been notified of it. It kicks in on 11 August. As part of that reassessment the carbon tax resulted in an increase in income to some public housing properties and as such it was assessed for rent.

What I can say is that public housing residents do not pay any more than 25 per cent of their income in rent, so that remains unchanged. The 25 per cent of income is the amount that they will pay. Rent is reassessed twice annually. Some people's rent has decreased because their income has decreased, while some people whose income has increased will have had a small increase in their rent.

The state government subsidises the cost of rent for public housing tenants by about \$400 million per year. The carbon tax imposes significant costs on the operations of the public housing system through the construction and maintenance of our properties. As a result of these increases through the federal government's carbon tax, we have unfortunately had to ask tenants for 25 per cent of their Clean Energy Supplement, which in the case of the tenant mentioned in the *Age* the other day is about \$1.68 per week. This is in line with what is happening in other states. Queensland and New South Wales have also been forced to include the supplement when assessing rents because of the increased costs the carbon tax imposes on the running of this portfolio.

Supplementary question

Ms MIKAKOS (Northern Metropolitan) — I thank the minister for confirming that she is increasing the rents for public housing tenants. She might claim that this is a small increase, but it is not for our most vulnerable Victorians. I ask the minister to detail the actual savings this cash grab will provide to the government.

Hon. W. A. Lovell — I am sorry; I could not hear the member because of the conversations taking place.

Ms MIKAKOS — For the minister's benefit, I repeat: can the minister detail the actual savings this cash grab affords the government?

The PRESIDENT — Order! I am a little concerned that this supplementary question goes to new subject matter from that raised in the substantive question. I

will give the minister the opportunity to respond, but I indicate that I have a concern in that regard.

Hon. W. A. LOVELL (Minister for Housing) — As I have indicated, the carbon tax has imposed a significant additional cost on the public housing portfolio. Our initial estimate was that this cost could have been anything up to about \$16.8 million. I think that is what it was. We had additional work done to identify the exact cost of the carbon tax — probably not the exact cost but to estimate better what the costs were to our portfolio. The cost to our portfolio is up to \$7.3 million annually, and it was decided that that could not be ignored; it is a significant amount of money. The amount we will recoup from tenants in rent goes nowhere near covering the cost of the carbon tax to our portfolio, and as I have said, the government heavily subsidises rent for public housing tenants to around \$400 million per year.

Crime prevention: South Eastern Metropolitan Region

Mrs PEULICH (South Eastern Metropolitan) — My question without notice is directed to Mr O'Donohue in his capacity as Minister for Crime Prevention, and I ask: can the minister update the house on how the Napthine government is working with the community to help make Victoria a safer place, particularly in my electorate of South Eastern Metropolitan Region?

Hon. E. J. O'DONOHUE (Minister for Crime Prevention) — I welcome the question from Mrs Peulich in my capacity as the Minister for Crime Prevention, because as we know, and as I have advised the house before, this portfolio is a creation of this government and reflects the importance this government puts on crime prevention.

Mr Lenders interjected.

Hon. E. J. O'DONOHUE — I hear the interjections from the Leader of the Opposition. When the Labor government was in power it failed to have a Minister for Crime Prevention. This government takes very seriously the issue of crime prevention and working with local councils and working in partnership with local communities, so I thank Mrs Peulich for her important question and for her advocacy in relation to the \$35 million over four years that has been allocated to fund various measures within the crime prevention portfolio.

Last Thursday I was pleased to join Mrs Peulich to make a number of funding announcements and to

inspect a range of projects in her electorate that are either under way or have been completed. I was delighted to see progress on important improvements to Cranbourne Park — lighting, fencing and other infrastructure — funded by a grant of \$249 500 to the Casey City Council from the coalition government's Public Safety Infrastructure Fund. I welcome this partnership with the City of Casey. Mrs Peulich and I were joined by the mayor, Cr Amanda Stapleton, and Cr Gary Rowe, and again I appreciate the support of Casey City Council.

In Dandenong Mrs Peulich and I saw 13 CCTV cameras that have been funded by a \$250 000 Public Safety Infrastructure Fund grant to the City of Greater Dandenong. I note that Grocon contributed an additional \$50 000 to this project, and I congratulate the City of Greater Dandenong and Grocon on their partnership in this very important project. The government believes that CCTV cameras are a strong deterrent to people who seek to vandalise public property, commit crimes and engage in antisocial behaviour.

Mrs Peulich and I were also pleased to be in Frankston to announce funding for eight new CCTV cameras to be installed in crime and graffiti hot spots in the Frankston CBD. These cameras will be delivered by early next year.

Mrs Peulich interjected.

Hon. E. J. O'DONOHUE — As Mrs Peulich says, with the mayor of Frankston, Cr Sandra Mayer. Following consultation with Victoria Police and the Greater Frankston Business Chamber, new CCTV cameras will be installed at Wells Street, Stiebel Place and Shannon Mall, the Young Street taxirank and the Frankston railway station entrance. This builds on the existing network of CCTV cameras in the Frankston CBD, and I congratulate and acknowledge the partnership between Frankston City Council, the Frankston business chamber and Frankston police.

I also had the opportunity last week to attend Elsternwick Park Sports Club to speak with club members and inspect the new security lighting installed earlier this year. This was funded through a grant of more than \$4000 from the coalition government's Community Safety Fund. I acknowledge the work of the member for Brighton in the other place, Ms Asher, and her advocacy for this project to improve public safety in the area.

I thank Mrs Peulich for her question, and I acknowledge her strong interest in community safety. I

am pleased to be part of a government that has a Minister for Crime Prevention, that has allocated \$35 million to crime prevention initiatives, that is partnering with local communities, that is partnering with local councils and is working to respond to crime and perceptions of crime in our communities.

Planning: coastal developments

Mr BARBER (Northern Metropolitan) — My question is for the Minister for Planning, Mr Guy. The Moyne Shire Council has released the Port Fairy coastal hazards study, pointing to the likely impacts on a large number of properties of sea level rise associated with climate change. Can the minister tell the house whether he intends to introduce any planning rules to address these hazards as development continues in the area or whether he is going to give any guidance to Moyne Shire Council on how it should propose planning rules?

Hon. M. J. GUY (Minister for Planning) — I thank Mr Barber for his question, and if I can, I will give some background to some issues around sea level rise and flooding in and around the Port Fairy township, because it has been topical for some time, as Mr Barber would know.

Previously there has been a policy where a 1-in-100-year flood level has been mapped out for that town. I visited that town some years ago with the then opposition spokesman, now Premier, Denis Napthine, to see a block of land on which a couple had sought to build a house, but because during a 1-in-100-year flood event 10 centimetres of water could rise over the road towards the house, the catchment management authority had vetoed the permit for those people to be able to build on their block of land in the township of Port Fairy. To me, that was not common-sense policy. The coalition has stood up against what I have believed to be not common-sense policy when it comes to possible sea level rise issues.

I acknowledge people who do stand up to bad policy-makers. In this case I pay tribute to Labor member Kaye Darveniza for standing up against bad policy-makers, such as the federal Labor government and Julia Gillard, who put in place some of these matters that I am now — —

Mr Barber — On two points of order, President, no. 1, on relevance and, no. 2, I would be happy to grant leave for Mr Finn to answer this question in place of the minister, if that is what he wants to do.

The PRESIDENT — Order! I will treat the second point of order with some disdain, because I do not accept vexatious points of order.

On the first point of order, I must say that I was listening intently to the minister's answer to understand exactly what policy area Ms Darveniza might have taken up that would have any relevance to the question with regard to Moyne shire, and for that matter to potential flood levels. I hope the minister is not debating the answer.

Hon. M. J. GUY — In my answer I have referred to poor policy, particularly in relation to these matters, which have seen people in the township of Port Fairy unable to build on their block of land because of possible sea level rises and that 1-in-100-year flood event where 10 centimetres of water would rise over a road. In that case, under the Labor government, the catchment management authority knocked out a permit to build a family home in that town. To me, that is poor policy.

That is why this government has made reforms to the Planning and Environment Act 1987, in particular to ensure that we have properly dealt with issues such as flood mapping throughout towns. Importantly, through the amendments we have brought in through this Parliament, we will create changes to referral authorities who have a referral and a determining authority, organisations like catchment management authorities, so they will not be able to make silly and vexatious claims — and in many ways we are talking about the word 'vexatious' today — against people who simply want to build a house.

Mr Barber intimated these people will be drowning. Mr Barber might call 10 centimetres of water over the road drowning, but I say this government has a clear and unambiguous approach to problems in relation to flooding in places like Port Fairy that have provided certainty to that town, certainty to Lakes Entrance, certainty to Portland and certainty to Narrawong, whereas there was no certainty under the Labor government.

Supplementary question

Mr BARBER (Northern Metropolitan) — I now understand what the minister is against, but my question was about what he is intending to do. This Port Fairy project was one of the ones lauded on his department's website as setting a direction for towns impacted by sea level rise, but last time a council — Glenelg shire — undertook such an exercise and sought to introduce planning controls, the minister cut it off at

the knees and set in place his own controls. What should the Moyne Shire Council do now to proceed with this information? Should it send you a proposed planning scheme amendment or will the minister simply be taking this one on for himself and setting the rules?

Hon. M. J. GUY (Minister for Planning) — Let me be very clear about what this government has done and what the Moyne Shire Council should do. We have put in place unambiguous planning controls to assist councils and those who want to build in these townships. In response to those who said by interjection, 'Ten centimetres through your house is a lot', the issue was not about 10 centimetres of water through a house. People should listen. The issue for a catchment management authority was 10 centimetres of water over a road to provide access to a house. The house would be utterly unaffected. All the properties would be utterly unaffected. It would be 10 centimetres over an access road — as if a four-wheel drive, a two-wheel-drive or a Vespa could not drive through 10 centimetres of water over a road to access a house that is well and truly dry. That to me says poor policy is in place. That is why the coalition has fixed it.

Mr Viney interjected.

Hon. M. J. GUY — Matt Viney is the architect, and he stands by bad laws, but we stand by good laws. That is why we have changed them.

Kindergartens: funding

Mrs KRONBERG (Eastern Metropolitan) — My question is directed to the Minister for Children and Early Childhood Development, Ms Lovell. Will the minister inform the house on the status of the national partnership for early childhood education?

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — I thank the member for her question and for her ongoing interest in the welfare of Victoria's children, particularly in their early education. As the member would be aware, the national partnership on early childhood education was to move towards 15-hour programs in kindergartens around the nation. When we first came to government we found that the former government had signed up to this agreement without first assessing the capacity of our sector to deliver these additional hours, without assessing the impact that it would have on other programs, such as for three-year-olds, and also without assessing the need for additional educators. There was quite a lot of panic in the sector as to how it was going to reach the 15-hour program model.

Our approach to implementation has been progressive introduction focusing on planning, infrastructure, workforce and service models. We have worked closely with the sector, particularly with the Municipal Association of Victoria and also the Early Learning Association Australia. I commend those two organisations and the rest of the sector for the work they have put into getting Victoria to where we are now. I am pleased to say that Victoria currently has over 93.8 per cent of services offering 15-hour programs, and this number continues to grow. Some services identified that a potential displacement of three-year-old children and other early childhood programs was of great concern to them. We are taking additional time to work with these services to ensure that existing programs are not displaced.

At the last Council of Australian Governments meeting, Victoria and the commonwealth agreed to an 18-month extension of funding for this program. This was formally signed on 10 June. This has been a great national partnership that has acknowledged that all parties and all members care about the education of our children. However, I need to note that it was of great disappointment to all states and territories that the commonwealth would not agree to a national agreement as per Labor's 2007 election commitment and as it was set out in the first national partnership. This means that there is no commonwealth funding stream for kindergarten programs beyond the 18-month agreement, which expires in December 2014. Victoria, along with all states and territories, sought a national agreement with the commonwealth for ongoing funding. I will continue to prosecute the case on behalf of Victoria in upcoming discussions on the need for such an arrangement.

PETITIONS

Following petitions presented to house:

Nadrasca community farm: future

To the Legislative Council of Victoria:

The petition of concerned residents of Victoria draws to the attention of the house the decision by VicRoads that the reservation between Springvale Road, Vermont South, and Boronia Road, Vermont, will not be required for future road purposes and the consequent development of a structure plan for the future use of the land within the reservation, with the possibility of the land being sold by VicRoads for housing and other purposes.

This could result in Nadrasca community farm having to leave its current location at Morack Road, Vermont, and ceasing its operations in providing day services for adults with intellectual and physical disabilities, adversely affecting

organisations like Yooralla, Scope, Melba Support Services, Heatherwood School and Alkira.

The petitioners therefore request that the Legislative Council of Victoria urge the government to facilitate an affordable arrangement that will guarantee Nadrasca community farm will remain in its current location so it can continue to provide great service to the community and grow.

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

Laid on table.

Horses: cruelty

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council that animal welfare agencies currently have limited powers to take action in cases of cruelty against horses.

The petitioners therefore request that the Victorian government legislate to strengthen the powers of animal welfare agencies to intervene in cases of reported horse cruelty, including the ability to issue fines, and provide for the imposition of harsher penalties for acts of cruelty against horses.

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

Laid on table.

**UNIVERSITY OF BALLARAT
AMENDMENT (FEDERATION
UNIVERSITY AUSTRALIA) BILL 2013**

Introduction and first reading

Hon. P. R. HALL (Minister for Higher Education and Skills), by leave, introduced a bill for an act to amend the University of Ballarat Act 2010 to change the name of the University of Ballarat to Federation University Australia and for other purposes.

Read first time.

**HEALTH PRACTITIONER REGULATION
NATIONAL LAW AMENDMENT
(MIDWIFE INSURANCE EXEMPTION)
REGULATION 2013**

Hon. D. M. DAVIS (Minister for Health), by leave, presented regulation.

Laid on table.

OFFICE OF THE RACING INTEGRITY COMMISSIONER

Final report on the investigation of the Damien Oliver inquiry 2012 by Racing Victoria Limited

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer),
by leave, presented report.

Laid on table.

AUDITOR-GENERAL

Reports 2011–12

Hon. G. K. RICH-PHILLIPS (Assistant
Treasurer) — I desire to move, by leave:

That there be laid before this house a copy of the government
response to the Auditor-General's reports issued during
2011–12.

Leave refused.

SCRUTINY OF ACTS AND REGULATIONS COMMITTEE

Alert Digest No. 9

Hon. R. A. DALLA-RIVA (Eastern Metropolitan)
presented *Alert Digest No. 9* of 2013, including
appendices.

Laid on table.

Ordered to be printed.

PAPERS

Laid on table by Clerk:

Melbourne City Link Act 1995 —

City Link and Extension Projects Integration and
Facilitation Agreement Twenty-First Amending Deed,
7 June 2013, pursuant to section 15B(5) of the Act.

City Link Concession Deed Thirty-First Amending
Deed, 7 June 2013, pursuant to section 15(2) of the Act.

Exhibition Street Extension Agreement Fourteenth
Amending Deed, 7 June 2013, pursuant to
section 15D(6) of the Act.

Freeway Management System Coordination Agreement
Third Amending Deed, 7 June 2013, pursuant to
section 15(2) of the Act.

Members of Parliament (Register of Interests) Act 1978 —
Summary of Primary Return, May 2013 and Summary of
Variations notified between 6 October 2012 and 24 June
2013.

Parliamentary Committees Act 2003 — Government
Response to the Public Accounts and Estimates Committee's
Report on Effective Decision Making for the Successful
Delivery of Significant Infrastructure Projects.

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

Banyule Planning Scheme — Amendment C68.

Greater Bendigo Planning Scheme —
Amendment C187.

Greater Shepparton Planning Scheme —
Amendment C145.

Melbourne Planning Scheme — Amendment C171.

Moreland Planning Scheme — Amendment C145.

Mornington Peninsula Planning Scheme —
Amendment C171.

Mount Alexander Planning Scheme —
Amendment C65.

Stonnington Planning Scheme — Amendments C77
and C182.

West Wimmera Planning Scheme — Amendment C30.

A Statutory Rule under the Water Act 1989 — No. 60.

Victoria Police — Chief Commissioner — Report under
section 96 of the Drugs, Poisons and Controlled Substances
Act 1981, 2012.

A proclamation of the Governor in Council fixing an
operative date in respect of the following act:

Gambling Regulation Amendment Act 2013 — Remaining
provisions — 1 July 2013 (*Gazette No. S203, 12 June 2013*).

BUSINESS OF THE HOUSE

General business

Mr LEANE (Eastern Metropolitan) — By leave, I
move:

That precedence be given to the following general business
on Wednesday, 26 June 2013:

- (1) order of the day 5, the second reading of the Assisted
Reproductive Treatment Amendment (Access by
Donor-Conceived People to Information about Donors)
Bill 2013;
- (2) notice of motion given this day by Mr Somyurek
relating to the offshoring of Victorian services sector
jobs;
- (3) notice of motion 563 standing in the name of
Mr Lenders relating to the Gonski reforms;
- (4) notice of motion 589 standing in the name of
Ms Pennicuik relating to construction of a boat ramp at
Bastion Point, Mallacoota; and

- (5) notice of motion given this day by Mr Barber relating to the Doncaster rail line.

Motion agreed to.

MEMBERS STATEMENTS

Asbestos: eradication

Ms TIERNEY (Western Victoria) — In the past Australia was the highest per capita user of asbestos in the world. Consequently we have the unenviable reputation of having the highest per capita incidence of asbestos-related disease and death in the world. Areas such as Victoria's Latrobe Valley have paid and continue to pay a disproportionate toll due to past asbestos use.

It is conservatively estimated that more than 40 000 Australians will succumb to mesothelioma by 2020, and medical experts calculate that there are at least two cases of asbestos-related lung cancer for every case of mesothelioma. Almost every home constructed or renovated between World War II and 1987 contains some asbestos, which equates to more than 3 million residences in total. Experts agree that major problems in our response to the menace of asbestos include ignorance about the dangers it poses and the fragmented regulatory regimes that apply. This lethal legacy requires urgent, coordinated national action.

Against this background the federal government commissioned the Asbestos Management Review, which came up with 12 high-level recommendations. The review's recommendations received bipartisan support, and subsequent legislation to establish a new national Asbestos Safety and Eradication Agency passed through the House of Representatives unopposed. I have been advised that every state and territory government except Victoria's has agreed to participate in the governance and advisory arrangements for the new national agency. I believe this Parliament and all Victorians at the very least deserve an explanation from this government as to why it has such disregard for proactive intervention on asbestos eradication.

Firefighters: compensation

Ms HARTLAND (Western Metropolitan) — There are not many more important issues before this Parliament than the health and wellbeing of Victoria's firefighters. Every day they put their lives on the line for us. Members will know that firefighters have 5 to 10 times the risk of getting certain cancers than we do, and they are 2 to 3 times more likely to get lung cancer than a smoker — all because of their work protecting

our community. Yet firefighters and their families are not protected. If they get sick because of their work, it is almost impossible for them to access the WorkCover protections that other workers would have.

The government has claimed it is waiting for the completion of another study from Monash University, but the university has confirmed to me and others that the science is in and that there is no reason to delay on this matter.

I introduced the Accident Compensation Legislation (Fair Protection for Firefighters) Bill 2011 in February this year. On 13 March I wrote to the Minister for Police and Emergency Services requesting a meeting to discuss and to progress fair protection for firefighters legislation in this Parliament together. Since then I have contacted the minister's office five times, and at this stage I have had no response.

I call on the Premier and the minister to meet with me and discuss this legislation so that firefighters and their families are protected. If members care about firefighters and their families in their electorates, they will support my request today.

Warm Winter Voices

Mrs PEULICH (South Eastern Metropolitan) — There is nothing more heart-warming during these cold winter days and months than some of the events I have had the pleasure of attending that have been staged by members of our community. One of the events I had the pleasure of attending, along with my parliamentary colleague Mr Bernie Finn, was a wonderful concert of seven school choirs called Warm Winter Voices, which was held on 14 June at the Melbourne Town Hall.

I commend the 300 excited schoolchildren who sung on this special occasion in front of their teachers as well as parents and grandparents, many of whom came from far afield to be part of the audience. I also commend the organiser, Brooke Johnson, who is the performing arts coordinator at Kensington Primary School. The schools that participated were Ballarat Grammar; Kensington Primary School; St Mary's and Our Lady Help of Christians School, Brunswick East; Mentone Grammar; Marian College, Sunshine West; and St Aloysius College, North Melbourne. It was an amazing concert where I saw a lot of talent.

Johnny Famechon: statue

Mrs PEULICH — I would also like to commend the organisers of the Johnny Famechon fundraiser held last week in Frankston as a way of raising money for the erection of a bronze statue to honour the wonderful

life and career of world featherweight boxing champion Johnny Famechon, a long-time resident of Frankston. A lot of money has been raised, but much more still needs to be raised. I commend all those who attended to make it a very special night.

Nicola Roxon

Mr MELHEM (Western Metropolitan) — I rise to mention the contribution made not only for the people of western suburbs of Melbourne but also for Australia by an incredibly hardworking and inspiring woman and resident of Western Metropolitan Region, Ms Nicola Roxon, Australia's first woman Attorney-General and the retiring member for the federal seat of Gellibrand. A member of the Yarraville branch of the ALP, Ms Roxon has dedicated her professional life to bettering the lives of Australians through her hard work in government and the labour movement. Ms Roxon understands the value of strong governments which take decisive action on important issues — and there is no more important issue than the health of all Australians. That is why I praise Ms Roxon for her work to reform tobacco packaging. This reform is a world first, and we should all be proud of that. We will ultimately see the benefits of this trailblazing legislation in decades to come.

I wish Ms Roxon all the best for her future with her husband, Michael, and her daughter, Rebecca, and I thank her for her dedication to the people of western Melbourne.

Mrs Peulich interjected.

Mr MELHEM — I hope someone will say something nice about you when you retire.

Clarke Shields Pavilion, Albert Park: redevelopment

Mrs COOTE (Southern Metropolitan) — On 15 June I had the great opportunity to represent the Minister for Environment and Climate Change, Ryan Smith, in opening the upgraded Clarke Shields Pavilion in Albert Park. I was joined by Dr Bill Jackson, the chief executive of Parks Victoria; Noel Jones, the president of South Melbourne District Sports Club; Andrew Fairley, the chairman of Parks Victoria; Amanda Stevens, mayor of the City of Port Phillip; and Darren Olney-Fraser, who had been advocating that this government support the project for some considerable time. The Victorian government has been proud to invest \$700 000 in the redevelopment, through Parks Victoria and Sport and Recreation Victoria and

working together with club members, the local community, the City of Port Phillip and the AFL.

The club has a strong, proud history. Football greats who have played at the grounds include Roy Cazaly, Keith Forbes, Jack 'Basher' Williams and more recently Danny Jacobs, and Peter Bedford is currently the director of coaching. Interestingly, the club has had a close relationship with the South Melbourne Swans for decades — in fact, I have heard that at one point it lent the Swans £40 to enable the club to continue to survive. The redevelopment works include two new change rooms, showers, toilets, storage areas, upgrades to existing change rooms, a kiosk on the ground floor and, on the upper level, an extension to the balcony and club rooms.

Whilst there we were able to observe a number of little girls and boys playing Auskick. It was a fabulous morning. They will enjoy the Clarke Shields Pavilion for a considerable time.

Climate Commission: critical decade report

Mr SCHEFFER (Eastern Victoria) — This month the Climate Commission released its most recent report on the science and impacts of climate change, and today President Obama is set to launch a climate change plan for the USA. The Climate Commission has termed the current decade the critical decade, because this is the decade in which the economy must be decarbonised to limit the risks of climate change and stabilise the climate system. The commission's current update entitled *The Critical Decade 2013 — Climate Change Science, Risks and Responses* says that many of the forecasts are now evident and scientists have a better understanding of the risks involved.

The most arresting observation to hit the headlines is that the world must virtually decarbonise in the next 30 to 35 years and that fossil fuels must stay in the ground, a proposition that even a few years ago would have been almost universally repudiated. The duration and frequency of heatwaves, extreme bushfires, the longer term drying out of south eastern Australia and sea level rise are pointed to as evidence of the climate change effects of burning fossil fuels. A clear majority of the population is coming to its senses, with around two-thirds now accepting the science of global warming. They want something done and support Labor's plan over the coalition's.

The world is moving on these issues and President Obama's climate change plan to be launched later today is expected to encompass a national plan to reduce carbon pollution and prepare for climate change. While

the USA and China are developing serious strategies on global warming, Victoria lags behind on renewable energy.

Slovenia: independence day celebrations

Mrs KRONBERG (Eastern Metropolitan) — On Sunday I was delighted to represent the Minister for Multicultural Affairs and Citizenship, the Honourable Nick Kotsiras, at the celebration of the 22nd anniversary of Slovenia's independence. This coincided with and was supported by an art exhibition, which was held in the beautiful premises of the Slovenian Association Melbourne, a traditional alpine-style centre in Research. Community leaders and community members joined in the celebrations, which were led by the president of the association. A formal awards ceremony for the 'Colours of Love' art exhibition was held as part of this commemoration, and I had the pleasure of presenting encouragement awards and the people's choice award. Joining me were the Ambassador of the Republic of Slovenia to Australia, Dr Milan Balažič, and Ms Monika Brunacký.

It is important to place on the record the struggle of the Slovenian people. Slovenia became part of the socialist Federal Republic of Yugoslavia at the end of World War II and waves of political repression followed, with thousands of people imprisoned for their anti-Communist beliefs. By 1947 all private land had been nationalised and thousands of Slovenes left Slovenia for fear of persecution. By 1987–88 many Slovenes felt that the exploitation must come to an end, and in December 1990 — —

The ACTING PRESIDENT (Mr Ramsay) — Order! Time, Mrs Kronberg!

Eastern Ranges School: opening

Mr LEANE (Eastern Metropolitan) — I was very honoured to be at the official opening of the Eastern Ranges School, which is a new P–12 autism-specific school in Ferntree Gully on the site of the old Ferntree Gully High School. This is the fruition of a long campaign by parents, particularly an action group of parents spearheaded by Louise Anderson and Cathy Hammond, to get this facility out in the east where there was only a primary school that was autism-specific. Once again I congratulate the staff and parents involved on having established this school. Incorporated as part of the school is an academy for teachers to assist them with their training in how to deal with children with autism, not only in the environment of an autism-specific school but also in mainstream schools across the state where teachers deal with

children with different spectrums of autism. This will be a great facility and is a trendsetter in this area. It is a great effort by everyone involved in the long journey to get this school up and running.

North-eastern Victoria: mental health services

Ms DARVENIZA (Northern Victoria) — Mentally ill patients in north-eastern Victoria, particularly in Shepparton, are suffering from a lack of mental health services under the Liberal-Nationals state government. A matter of huge concern arising from recently released data from the state government is the revelation that fewer than 40 per cent of mentally ill patients had any pre-admission contact with a mental health service before being admitted to hospital as inpatients for clinical treatment during the period January–March 2013.

I was also very concerned to hear that Fruit Growers Victoria's survey report on SPC Ardmona fruit suppliers found that 21 per cent of respondents advised that they felt depressed and thought they needed emotional support. The survey revealed that growers are struggling to cope. I recently called on the Minister for Agriculture and Food Security to make available to growers all necessary support to ensure that they have access to the assistance they need during this time of transition to either skill up, find alternative employment or remain viable in the fruit industry.

In March a meeting of hundreds of farmers in Tongala highlighted the significant challenges facing the dairy industry. Dairy farmers are also doing it tough, and depression and mental health issues are becoming a massive problem, especially in communities that rely on farming for their income.

We need mental health services in north-eastern Victoria, and I ask the state government to make the necessary services available, particularly to our farming community.

African Australian Inclusion Program

Ms MIKAKOS (Northern Metropolitan) — On 14 June I had the pleasure of attending a luncheon to celebrate the 100th African Australian participating in the African Australian Inclusion Program, run in partnership by Jesuit Social Services and the National Australia Bank. The program runs for six months and was created to give African Australians an opportunity to gain knowledge and experience in the workforce through paid work and training in the finance sector. I congratulate Jesuit Social Services and the National Australia Bank for creating a successful program that

provides a valuable opportunity for African Australians to enter Australia's workforce.

City of Whittlesea: reconciliation awards

Ms MIKAKOS — On 14 June I was pleased to attend the City of Whittlesea's 2013 reconciliation awards dinner, which honours individuals, community groups, businesses, schools and sporting clubs that have contributed to reconciliation in the community. The award recipients were Mr Dein Vindigni for the Uncle Reg Blow Champion Award, Mr Tyrell Moore for the Individual Contribution to Reconciliation Award, Ms Laura Thompson for the Community Award and St Monica's College for the Reconciliation in Education Award. I congratulate the City of Whittlesea and the award recipients on their ongoing efforts and commitment to reconciliation in our community.

Sikh community: Craigieburn temple

Ms MIKAKOS — On 16 June, along with the Friends of India Parliamentary Group, I visited the Sikh temple in Craigieburn. The temple services the local Sikh community and others right across Victoria. It is the largest Sikh temple in the Southern Hemisphere. The visit gave members of the parliamentary friends group an opportunity to learn more about the Sikh faith, its needs and the vibrant community that it supports.

Hospitals: federal legislation

Hon. D. M. DAVIS (Minister for Health) — Today I want to put on record the Victorian government's concern about the federal government's proposed changes to the governance of our health services. The federal government has introduced into the federal Parliament — and they may well be debated this week — changes that will strike at the heart of the deal that was struck between the states and territories and the commonwealth in the national health reform agreement.

The commonwealth bill seeks to define a 'public hospital'. I make it clear that as I have moved around the Victorian community I have never once met a person who did not know where their public hospital was or what a public hospital is. The new governance bill put forward by the federal Minister for Health seeks to define a public hospital and to interfere in what under the agreement has been the right of states and territories to define hospital services. It particularly concerns me that the commonwealth government could use the leverage that would come from the bill to either force or propose changes to the configuration of our public

hospitals or seek to block changes proposed by state and territory governments.

What is important here is that model of the state as the system manager with local hospital boards and control — which is the Victorian model — should be preserved. The bill would dilute that. It would create confusion and potentially give a head of power to a commonwealth minister to tamper and interfere with the rights of local communities. I am concerned about the bill, and I welcome the decision of some members of the federal Parliament to oppose it. It may well not be debated today. The fact is that there are many things happening in Canberra at the moment.

The ACTING PRESIDENT (Mr Ramsay) — Order! Time, Mr Davis.

John Millington

Mr KOCH (Western Victoria) — I wish to congratulate John Millington of Nhill's Luv-a-Duck on his retirement after 30 years as general manager. After moving to Nhill from Gippsland in the early 1980s, John has grown the enterprise from a small family company employing 25 people to the second largest poultry operation in Victoria, employing more than 200 staff and producing up to 100 000 ducks per week.

Luv-a-Duck grows and processes ducks for the local and Asian markets and has an intensive breeding program to improve duck performance by importing superior genetic stock from France and the United Kingdom. Over the years John has taken on several industry roles including with the Australian chapter of the World Pheasant Association, the Victorian Avicultural Council and the federal government's advisory committee on live bird importation. His other roles included those with the Wimmera Southern Mallee Local Learning and Employment Network, the Wimmera 2020 agribusiness group, the Victorian government's food industry advisory committee and the Wimmera Catchment Management Authority. John was awarded an OAM last year for service to aviculture. With his involvement in numerous local community groups, he has had a major role in relocating numerous refugees to Nhill and has provided employment for many at Luv-a-Duck.

Having known John for many years, I am sure he will continue to be active in the Nhill community while maintaining an interest in ducks. John and his wife, Marg, have made an outstanding contribution to Nhill and the wider Wimmera district, and I wish them both a long and happy retirement.

**TRANSPORT LEGISLATION
AMENDMENT (FOUNDATION TAXI AND
HIRE CAR REFORMS) BILL 2013**

Second reading

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

Mr TEE (Eastern Metropolitan) — I welcome the opportunity to speak in this debate. I suppose the bill does come in the context of a government that after two years has disappointed many, many people across many different fields. In fact it is almost impossible to imagine an area where this government has not disappointed people, whether they are people in your electorate, Acting President Ramsay, who simply want to build wind farms — that is, farmers who want to have wind farms and have that guaranteed source of income; whether they are sick Victorians waiting for ambulances or, indeed, if they do get an ambulance find themselves waiting outside emergency rooms as we see ambulances ramping; whether they are chronically ill people unable to be treated because of the worst elective surgery lists that we have seen; whether they are people in education, where we see that the Gonski reforms might be slipping away, denying Victorian students an opportunity to reach their full potential by getting the funding that they need; or whether they are people in TAFE, where once again we have seen closures of campuses and courses, fees going up and young people being denied opportunities to get into fulfilling careers and to make their contributions to their communities.

When it comes to jobs across the board, we see that in New South Wales 19 000 jobs have been created in manufacturing and in Victoria we have lost 18 000 jobs in manufacturing. If you consider construction, you see that today fewer people are employed in construction than there were when this government was elected. In fact you have to go back to 1988 to see the current level of construction activity.

What we have seen is that this government has really taken us back to 1988, to the Kennett era, but even Mr Kennett spared the taxi industry in a way that this government has not. Even in its worst excesses the Kennett government did not take the sort of action that we are seeing this government taking with the taxi industry. As bad as Mr Kennett was, he never took the axe to 5200 taxi licence holders, that group of hardworking people many of whom have spent decades paying off their licences. What we are seeing with this bill is that overnight a whole group of Victorians have become the innocent victims of this government. We

will see many licence-holders lose everything because of the actions of this government in implementing this bill. Many Victorians have lost their life savings. Many have lost the one asset — their taxi licence — that was to provide for their retirement, and many may lose their homes.

It is hard to believe the government could get it so wrong. A process has been in place for nearly 18 months. We have had Mr Fels deliver a report and just short of 2000 submissions have been made, and all of that sent a consistent message to the government. Whether it was the submissions, whether it was Mr Fels, whether it was the consultation, all of that recognised the difficulty these so-called reforms would create for licence-holders, and none of it produced a recommendation that the government kill off the hopes, dreams and aspirations of licence-holders, many of whom have worked, as I said, for decades to pay off their licences. Given the government's decision, which flies in the face of those submissions and the report from Mr Fels, I do not think government members have an appreciation or an understanding of the injustice being done to many thousands of drivers and licence-holders or if they understand, they do not care about it.

I think we have all received correspondence from those who will be most affected by these changes. I know there has been a lot of communication and a lot of email traffic, and I want to thank those who have taken the time to put their stories in writing so we can understand the impact these changes will have on real people and on real lives. I think it is important we put just some of those stories on record so that we have on record a clear sense of the damage this betrayal on the part of the government is doing.

The opposition has received a communication from a concerned constituent, a 65-year-old woman who, with her husband, had been planning their retirement for 20 years. She wrote to the opposition about the fact that she has two taxi licences and she currently receives from them some \$60 000 a year to pay off her mortgage. Her income will now drop by \$17 000 from \$60 000 to \$43 000 in light of these changes, and she is struggling to see how she will be able to make her mortgage payments.

I received an email from Mr Tony Candido, who said he spoke at length with the Honourable Richard Dalla-Riva and wished to thank him for his call, which was unexpected. His email says the changes proposed in this bill will punish his family. It says:

Fixing the lease fees will mean a drop to my income of approximately \$24 000 per annum. I borrowed \$500 000 to purchase my first home only five years ago. My loan

application was accepted because I could demonstrate I had the capacity to repay the loan.

He goes on to say:

Please consider this request as I fear the worst for my family.

And it goes on. I received the following from Robert and Nina Masarra, who said of these changes:

This stands to ruin my entire family. You might expect this kind of aggressive takeover-type behaviour from big greedy corporations, but to have our own government behave this way is unconscionable.

My husband and I have remortgaged our home to purchase a licence for \$480K. This investment represented our kids' education and our future retirement. It will now be highly negatively geared and we may not be able to meet our repayments. The capital loss is irrecoverable.

My brother ... is in a similar situation, and relies on this to subsidise his income.

My parents ... are self-funded retirees — this is their sole source of income.

I urge you to carefully consider this, and ask you to put yourself in the place of each of these stakeholders.

Again, I suspect these letters — and we have received many — reflect many of the views out there, and many indeed reflect many of the submissions that were received by Mr Fels as he conducted his inquiry. I will read from one more. It states:

I am writing on behalf of my mother and father, who are the owners of a Victorian taxi licence.

...

My parents arrived in Australia ... 50 years ago and have been working extremely hard ever since. They have never stolen anything and never broken any laws, yet in this instance —

they appear to have lost everything. It continues:

When they bought their taxi licence, the price was equal to that of a residential property. They took out a loan and worked endless hours, seven days a week to pay it off. They thought that ultimately, this would be their superannuation. Now they are in their 70s and the government in one 'Fell' stroke is threatening to reduce all their hard work to nothing.

The writer tells of meeting many elderly people from all backgrounds and seeing them weep as a result of these changes. As I said, people in this chamber have received correspondence from many people who have been terribly affected and who are fearful of losing everything as a result of the changes that will be brought in by this legislation. It is a great concern to us.

What is most galling is that it did not have to be this way. The government set up a process, it received

submissions and after 18 months it got the recommendations. What the government then did was ignore the one critical recommendation that was going to make all the difference to these people. The government got its advice. The report says that these changes will harm many people. The government needs to act. It needs to do something to make sure that those who are most disadvantaged do not miss out. Mr Fels says at page 20 of his report:

The most substantial financial impact would be felt by licence owners who acquired their licences after 2006.

... the inquiry ... has suggested that the Victorian government consider providing tightly targeted assistance to licence-holders who suffer significant financial difficulties as a consequence of the reforms.

Having listened to those stories, having done the economic modelling and having looked at the social consequences, Mr Fels said the government must do something to make sure that those who will be disadvantaged are looked after. The government, in full knowledge of that recommendation, simply ignored it. I think that behaviour is unconscionable.

It also flies in the face of those more compassionate jurisdictions, both here and overseas, that have actually done something about it. Other jurisdictions have had similar reforms to the taxi industry and have done the right thing. They have made sure that there are steps in place to minimise the harm to licence-holders. For example, the New South Wales government went through similar reforms in 2000–01 and established a hire car hardship assessment panel which had some capacity to provide compensation to those who suffered a loss. The compensation potentially included ex-gratia payments, and issuing an extra hire car licence or offering a taxi plate to each hire car licence owner. It does not have to be an expensive budget measure. There are creative ways in which you can make sure that those who are most disadvantaged and will suffer most — those who are at risk of losing everything — have some capacity to be helped in this time.

We have to remember that these licence-holders are the innocent victims. They have done nothing wrong. They have paid their taxes, they have worked long and hard to pay off these licences and now in one fell swoop they are being disadvantaged. They are being robbed by this government.

As I said, other jurisdictions have had the compassion and the heart to do something, including Ireland. The Irish government went through the same process and provided a scheme of refunds, a taxation treatment and compassionate payments depending on the circumstances of individual claimants. No-one is saying

that there should be across-the-board compensation or that every licence should be paid out at its face value — not at all. What Mr Fels recommended after receiving 2000 admissions during an 18-month process is that the government look at those who are most at risk, who are going to suffer the most and who are likely to lose everything — their life savings, their homes and the capacity to look after themselves in their old age. It is quite galling that this government has simply walked away from that recommendation. It shows a complete lack of compassion.

We on this side of the house forcefully oppose this attack on the livelihood of Victorians. For this reason we propose a reasoned amendment. Essentially the reasoned amendment seeks to pick up a lot of the issues that the government has omitted or forgotten to address by asking that the house refuse to read this bill until there has been appropriate consultation with stakeholders. We believe if the government consults with licence-holders who are going to be affected by the legislation, who are having sleepless nights and who are unable to see a way through, it will not behave in this way.

I move my reasoned amendment, which states:

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 appropriate consultation with stakeholders has occurred to address serious concerns about the bill including, but not limited to:

- (1) measures to address the impact, including any hardship on taxi licence holders as a result of the devaluation of licences and the failure to adopt Professor Fels’s hardship test;
- (2) further examination of the impact on the market of an unrestricted release of taxi licences specifically in relation to customer demand and driver pay;
- (3) the structuring of the new taxi zones including the unique challenges facing urban and regional, regional and country zones;
- (4) the impact on numbers and availability of wheelchair-accessible taxis (WATs); and
- (5) possible fare increases.’

You would not act in this way if you had met with and read the stories of those who are going to be most impacted by this legislation. You certainly would not ignore the clear recommendation of Professor Fels to provide some compensation to those most affected by these changes. The reasoned amendment picks that up and asks the government — it gives the government the benefit of the doubt — to go out and do it properly, talk to people and then come back, because if the

government had done that, it would not have come back with this proposal.

The reasoned amendment also seeks an examination of the impact on the market of an unrestricted release of taxi licences, and the reason for that is clear as well. Currently in the bill there is some capacity for the commissioner to review the number of licences in certain circumstances. For example, if the commissioner is of the view that the issuing of additional licences would be bad for licence-holders, or indeed would be bad for the public, then the commissioner may put a hold on those licences. Inexplicably the bill has a three-year sunset period, which means that after three years the number of licences that will be issued will be unlimited. Irrespective of the impact on consumers, irrespective of the impact on licence-holders and irrespective of any factors there will be nothing that the new commission to be set up by the bill can do to stop the influx of taxi licences. We think that is an appalling omission, and it is something we urge the government, through this reasoned amendment, to go away and address.

Then there is the issue of the zones. A number of new zones will be created through the bill, and belatedly, in an effort to obtain the vote of the member for Frankston in the other place, the government has made some changes to those zones. But those changes, designed to placate the concerns of the member for Frankston, are limited to areas around Frankston, and that is not the right way to conduct public policy. You have to do it in a way that is consistent and that applies across the board rather than in this ad hoc manner and in some sort of grubby attempt to get the bill through. I have some further amendments, which I will come to in a minute that will pick up some additional changes to that.

The reasoned amendment also asks the government to go away and consider the needs of the most vulnerable in our community, those who are in a wheelchair and who rely on a taxi to get about. We want to make sure they are included in our community by being able to access transportation, and often that is only by a taxi. In fairness, we think the government needs to address any deficiencies in the provision and availability of wheelchair-accessible taxis. The issue of fare increases is an issue of wages, because we know that the bill provides that drivers will receive 55 per cent of the fare box, but we also know that consumers will have to pay those additional fares. There is a balance there, and that is something which ought be addressed, and that is why I have moved the reasoned amendment.

I also foreshadow that should the reasoned amendment be unsuccessful we will be moving a number of amendments. I ask that they be circulated, and I will speak to them as part of my contribution.

Opposition amendments circulated by Mr TEE (Eastern Metropolitan) pursuant to standing orders.

Mr TEE — Essentially the amendments build on the government's amendments, which are narrowly focused and designed to obtain the vote of the member for Frankston. I thank the government for making available a briefing, which we received this morning at 10.00 o'clock, although I am concerned about the lateness of that briefing, because it has meant that our response has also been delayed. In fact, I have only just received my amendments from parliamentary counsel.

What we have seen from the deal to get the vote of the member for Frankston is that annual taxi licence fees in Frankston will go from \$17 000 to \$22 000, and the current Frankston taxi zone will be enshrined in legislation. The concern about that is that the government responds to the views of the member for Frankston but is completely deaf to the nearly 2000 submissions received by Mr Fels.

Mr O'Brien — What about Bendigo, Ballarat and Geelong?

Mr TEE — Indeed. Come in spinner! What about Bendigo, Ballarat and Geelong? Let me tell Mr O'Brien about Bendigo, Ballarat and Geelong. What happens with Bendigo, Ballarat and Geelong is that they get nothing. The member for Frankston's amendments pick up Frankston, Port Phillip and Dandenong, but they do not pick up Bendigo, Ballarat and Geelong, which is why my amendment does. What my amendment does — —

Mr O'Brien — On a point of order, Acting President, our proposed amendments 17 and 18, as provided by the Clerk, relate to Bendigo, Ballarat and Geelong. Mr Tee is confused over the form of the amendments.

The ACTING PRESIDENT (Mr Tarlamis) — Order! There is no point of order. Mr O'Brien is debating the matter. He will have an opportunity to debate during his contribution.

Mr O'Brien — On a point of order, Acting President, I do not want to extend the debate, but Mr Tee seems to be confused. Maybe he has a wrong copy — —

The ACTING PRESIDENT (Mr Tarlamis) — Order! There is no point of order. Mr Tee has the call.

Mr TEE — The difficulty the house has, and this is part of the nature of the debate, is that the government's amendments have not been circulated. Amendment 2 in the copy I received from the government at 10.00 a.m. today provides for the addition of two new zones. Those zones, as described in the briefing we received from the department at 10.00 a.m. today, are limited to the cities of Greater Dandenong, Frankston and Port Phillip. If you look at amendment 2, you see that the boundaries for the cities of Greater Dandenong, Frankston and Port Phillip are enshrined in legislation.

Mr O'Brien interjected.

Mr TEE — Mr O'Brien has invited me to have a look at amendments 17 and 18. What they do is increase the annual licence fees for taxis in urban and large regional zones from \$17 000 to \$22 000 to make them consistent with the metropolitan Melbourne zone. We do not oppose that. I ask Mr O'Brien to have a look at the government's amendment 2, because it enshrines in the legislation the boundary around taxis for Dandenong, Frankston and Port Phillip. It says that a taxi in Bendigo does not have the same rights as a taxi in Frankston and a taxi in Geelong does not have the same rights as a taxi in Frankston because they do not have the support of the member for Frankston and because nobody on Mr O'Brien's side of the chamber cares about taxi licence holders in Bendigo, Ballarat, Geelong, Kilmore, Gisborne, Macedon, Melton and Bacchus Marsh. Those towns do not have the same boundary protections that the government has given to the member for Frankston. That is why I will be moving an amendment.

If Mr O'Brien looks at my amendment 2, he will see that Ballarat is picked up in my proposed paragraph (c); in paragraph (d) Bendigo is picked up; in paragraph (e) Geelong is picked up; in paragraph (f) Sunbury, Gisborne, Macedon, Romsey, Riddells Creek and Woodend are picked up; and in paragraph (g) Melton and Bacchus Marsh are picked up. In my proposed paragraph (h) Wandong, Wallan, Broadford, Kilmore and Whittlesea are all picked up, and they get the same rights and protections as the government has given to the member for Frankston — no more, no less. That is important.

I will come back to the government's proposed amendments 17 and 18. It will mean that licences are worth the same, but there is not the same boundary protection that the government has given to taxis in Frankston. That is a gaping hole. Government members

have the opportunity today to fix up that omission. They have the opportunity to support this amendment. In doing so, they will pick up Ballarat, Bendigo and Geelong. They will make sure a taxi licence holder in Frankston has the same protection as those in regional Victoria. They will make sure that these taxi licence holders do not miss out simply because the government members in this chamber have not stood up for regional taxis. We on this side have stood up for them. We have asked parliamentary counsel to include in the bill the boundaries that exist today for Ballarat, Bendigo and Geelong.

Mr O'Brien — You are going to move it to Dandenong — from Bendigo to Dandenong?

Mr TEE — No, let me explain this to Mr O'Brien. It is important for regional members that the government gets this right, because it will make a difference. Let me tell Mr O'Brien how it works. Each of those areas has a zone in which the taxi can operate. Next time I will invite Mr O'Brien along to the briefing from the department, like the one I got today. It explained it very clearly. I would invite Mr O'Brien to come along, because then he would understand that a Frankston taxi is protected. Frankston taxis cannot have Melbourne taxis come into their area, nor can they go out to other areas, except in limited circumstances where they have a pre-booked fare from Frankston. They have those protections. But the Ballarat taxis, after Mr O'Brien votes for this bill, will not have that protection.

Mr O'Brien interjected.

Mr TEE — They will not have that protection, and under the government's bill the Ballarat, Bendigo and Geelong zones can all be disposed of. There is no permanency or protection for them. I have no problem with clauses 17 and 18, but have a look at Mr Guy's amendment 2, which protects the Frankston taxi licence holders but provides no protection for Bendigo and Ballarat licence-holders. There is no protection for Sunbury, Gisborne or Macedon; there is no protection for anyone outside of Melbourne or outside of Frankston, because members of the Liberal Party and The Nationals have not stood up for taxis in regional Victoria.

Mr O'Brien does not have much time left, but we have given him the opportunity today to convince his MPs to do the right thing and make sure taxi licence holders in those areas are protected and treated in the same way with the same sense of fairness and policy consistency. Why should taxi licence holders in Frankston have greater rights than those in Bendigo? Why should taxi

licence holders in Frankston have better protections than those in Geelong, Sunbury and Gisborne?

This amendment was not drafted by us; it was drafted by parliamentary counsel, and my instructions were to make sure that Frankston taxis were treated the same as Bendigo taxis. I do not want to change or improve the protections; I just want to make sure that what the member for Frankston has secured is obtained for regional licence-holders. That is all I asked parliamentary counsel to do — no more, no less. Let us have a policy that is consistent across the board so we do not have policy that is dictated and written by the member for Frankston and members on Mr O'Brien's side of politics, who are kowtowing to the member for Frankston and asking, 'What will it take to get you across the line? Where do we sign off?'. That is great for the taxis in Frankston, but what about regional Victoria? Why is it that the government's bill allows their zones and boundaries to be completely written out and there is not a word from regional MPs on the Liberal side of the house and not a word from Nationals MPs, who stand up and purport to represent regional Victoria?

When it comes to walking the walk and making a difference, here is Mr O'Brien's opportunity; here is an amendment that allows him to stand up for regional Victorians, for regional jobs and for regional small business. It ticks all the boxes — regional small businesses, regional Victorians, regional taxi licence holders. All that parliamentary counsel has been asked to do is to protect existing rights and make sure they are the same as those the member for Frankston has secured. I am not worried about clauses 17 and 18 for the moment. As I said, I have ticked that; I am happy to do that. I want him to focus on amendment 2 because that is an important indication of where he should be.

As I said, we have concerns about this bill. We have concerns about the way it takes away the livelihoods of people who have done nothing wrong and who have complied with and obeyed the law. We are concerned that this action by this government not only stares in the face of decency but in the face of the over 2000 submissions that have been received. It is not only a slap in the face for Mr Fels and his work. Really, it is an affront to this Parliament and to the people of Victoria that the government would have a process like this — that it would have 18 months of consultation, get to an outcome and then just ignore it; the government just tore it up and pretended it never got it. This is an opportunity for the government to fix that, because people's livelihoods depend on it.

Mr O'BRIEN (Western Victoria) — It is with great pleasure that I rise as the lead speaker for the government to speak on the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013. At the outset I wish to outline that the government will oppose Mr Tee's reasoned amendment, and on behalf of the Minister for Planning, Mr Guy, I request that the amendments the government will introduce to the house be formally circulated to members.

Government amendments circulated by Mr O'BRIEN (Western Victoria) pursuant to standing orders.

Mr O'BRIEN — I will consider the amendments further in my presentation and put accurately on the record what the government is doing, rather than putting forward another misstated and inaccurate submission, such as that of Mr Tee. It is certainly not the first submission of this kind he has made in relation to his shadow planning portfolio, and unfortunately it will not be the last.

I note that Mr Tee began his contribution — and I estimated it to be about 4 minutes — talking about everything but the bill. He tried to talk about wind farms, ambulances, elective surgery, education, the Gonski reforms, TAFE funding, employment and construction. He went back to Jeff Kennett et cetera. What he did not do was talk about the bill during that time, and that was reflective of what his government did during its 11 years in office — it did not tackle the hard questions of industry reform or of appropriate deregulation to enable a more consumer-orientated industry to thrive in Victoria and to give small business the chance to determine its own destiny. Rather, as in plenty of other instances, the Labor government was unable to tackle the big reforms.

In terms of its worst excesses, Labor delivered a number of significant white elephants for this state, including the significant wasted expenditure on the desalination plant, the north–south pipeline and other infrastructure projects. In terms of Labor's excesses, I would happily put on record the achievements of the Kennett-McNamara government against the excesses of the Cain, Kirner, Brumby — and I agree with Ms Darveniza in this respect — and Gillard governments, as well as the Rudd government before it. The federal government is currently wasting parliamentary time with its lack of leadership and inability to respect the promises it made to the electorate.

I will return to the bill. Mr Tee's contribution was provocative and demonstrated Labor's failure to tackle these reforms. The government has taken a long time to consider this process. The consultation process put in place by Professor Fels was a result of the government listening to the taxi industry and examining how it operates. The reforms will mean a significant overhaul to the taxi industry which will provide better customer service and satisfaction. The reforms will ensure that more drivers are safe, knowledgeable, properly trained and fairly paid. As I have said, the government will put the interests of consumers first and balance them with the interests of drivers, operators and other people in the industry.

The key reforms in this tranche of legislation will remove the regulatory restriction on the numbers of metropolitan and urban licences and provide for the issuing of new licences to approved applicants at fees to be indexed annually. This reform was not recommended by Professor Fels, who recommended that licence fees be left at \$20 000. Contrary to what Mr Tee has said, we have listened to the interests of taxi licence holders in the metropolitan area, for example, and this legislation provides that the initial annual cost of \$22 000 for a taxi licence will be increased at CPI minus 0.5 per cent. This increased and indexed figure will ensure that, to the best extent possible within the confines of a market-operated reform, the industry will be able to proceed with certainty.

An extensive consultation process has already taken place, which is why the reasoned amendment moved by the member for Richmond in the Assembly is not supported by the government. I have received many submissions about this bill, and there is a need for the degree of certainty the reforms will provide. An important process which will provide further certainty will be by the newly appointed taxi services commissioner engaging in further consultation with the industry. Mr Graeme Samuel will commence as the taxi services commissioner on 1 July. His is an excellent appointment, and he comes to it with a long history of championing the interests of consumers and as a proven advocate for integrity and change.

I have had discussions with him and have drawn to his attention the interests of some of my constituents in the Ballarat, Hamilton and Geelong areas. This government has continued to listen not only while the bill passed through the lower house but also during the time it was between houses. The government is introducing amendments to the bill to further reflect the interests of people who work in the taxi industry in large regional centres, particularly Geelong and Ballarat — cities I represent in conjunction with Mr Koch and Mr Ramsay

on behalf of the government in this place — as well as Bendigo and the Dandenong-Frankston area.

In his contribution Mr Tee did not refer to the significant amendments that will be introduced by the government as part of its proposed amendments 17 and 18. I wish to take the house briefly through those amendments. Firstly, clause 17 of the bill amends section 147A of the Transport (Compliance and Miscellaneous) Act, which relates to annual licence fees. New subsection (2B) provides:

(2B) Subject to subsections (2D) and (2E), the holder of a new taxi-cab licence must pay the appropriate annual licence fee as set out in the following Table —

and sets out the four taxi licence zones that will be introduced by the bill. In the Melbourne metropolitan zone a conventional taxicab annual licence fee will be set at \$22 000, and a wheelchair-accessible taxi (WAT) annual licence fee will be \$18 400. In the urban and large regional zone a conventional licence will be \$17 000 and a WAT licence \$13 400. In the regional zone a conventional licence will be set at \$11 000 and the WAT licence at \$11 000. In the country zone a conventional licence will be \$3400 and a WAT licence \$3400.

The government is proposing amendments in this chamber to change the cost of a conventional licence for urban and large regional zones from \$17 000 to \$22 000 and to change the cost of a WAT licence in the same zones from \$13 400 to \$18 400, which will mean that urban and large regional zones — not just Frankston, but Bendigo, Geelong and Ballarat — will have the same licence fees as the metropolitan area. This is another example of the government considering the submissions it has received, listening to the industry and responding in the house with appropriate amendments. It also reflects the government's broader commitment to regional areas, at least in terms of the areas I represent.

Another example of that commitment was this government's introduction of other legislation so that the City of Greater Geelong has its own duly elected mayor, as has been the case in Melbourne for some time. Geelong is our second international city. This government is continuing to deliver on many election commitments and other initiatives to reflect the role of Geelong, Ballarat and Bendigo and other large regional centres that are closer in proximity to Melbourne.

These reforms respect the interests of stakeholders. These stakeholders have made submissions to the government and met with the minister and the Parliamentary Secretary for Transport, Mr Blackwood,

the member for Narracan in the Assembly, as well as having had extensive consultation with his predecessor, Mr O'Donohue. As members for Western Victoria Region, Mr Koch, Mr Ramsay and I have met with these stakeholders, and we urged the minister to consider those amendments. The minister has done that, and therefore those services will be able to operate in relation to licence values in the way that they have sought. In that regard the bill is consistent with our treatment of these great regional centres as growing, independent international cities in their own right. These cities are wonderful places to live and wonderful tourist destinations and should be given the full support of government in all areas.

Another aspect outlined by Mr Tee related to Mr Guy's proposed amendment 2, which seeks to amend clause 11 on page 14 by inserting after line 8 some boundary changes to the urban and large regional zone. Mr Tee needs a pretty radical lesson in geography in the sense that his criticism was that for some reason the government has neglected Bendigo, Ballarat and Geelong by not including those areas in this amendment. The amendment proposed by the government seeks to provide certainty to licence-holders in the existing outer suburban and Port Phillip zones. In terms of urban areas, there is a greater physical proximity between the outer suburbs on the eastern side of Melbourne and the regional zones in the Dandenong-Frankston area. The amendments proposed to clauses 17 and 18 will make it clear that the annual licence fees in those area will be elevated to \$22 000 and \$18 400.

In terms of the remaining areas across the state to be included in the urban and large regional zone, consultation will take place with licence-holders, other industry participants and the communities, and the boundaries will eventually be determined by the Taxi Services Commission. It will be part of the role of the Taxi Services Commission to determine zone boundaries, but the issue raised by Mr Tee's amendment is not a matter that has been put to me during my consultations. In relation to concerns about the boundaries of the urban and large regional zone, the 5-kilometre zone has now been reduced to a 3-kilometre zone for the Frankston-Dandenong area. It is entirely misconceived to assert that a solution for outer eastern metropolitan Melbourne should have been applied holus-bolus to Bendigo, Ballarat and Geelong, especially when to the best of my knowledge it is not something that stakeholders are seeking. In any event this could be further analysed if necessary by the Taxi Services Commission as part of its role in reviewing zone boundaries.

What is important in relation to Western Victoria Region, which I represent, is that the bill provides for areas within the four zones: the metropolitan zone; the urban and large regional zone, which we have discussed, such as in Ballarat; the regional zone; and also the country zone. The issues of the taxi industry are different in different areas in Western Victoria Region. I have also consulted with operators such as Jan Uebergang from Taxis of Hamilton, who is in a different situation and is concerned about opportunities that are not presently available to taxi services to provide the sort of flexible service that can compete on routes as potential public transport options.

These reforms will give those smaller towns greater flexibility. There is the opportunity for licences to be issued at the rate of \$3400, but this will be accompanied by a very important aspect of the legislation in terms of country areas — namely, the consumer interest test. As the minister outlined in the second-reading speech, the bill requires the Taxi Services Commission to have regard to the interests of existing and future users of taxi and hire car services in deciding to issue new licences to operate in these areas. This is an important aspect of the bill which will enable the introduction of any further licences to be properly assessed so we do not flood the market.

The consumer interest test will be applied in those areas by replacing the previous public interest test. The interests of consumers, not commercial enterprises, will be taken into account before licences are released, and the commission will need to ensure that the issuing of additional licences will not adversely affect the community. The final criteria for the commission's determination will be developed in consultation with interested groups in the taxi and hire car industry and other stakeholders. The commission will consider the impact of new entries to the market through passenger complaints, local government feedback and industry compliance standards, such as safety standards, and will seek information about taxi and pre-booked-only service delivery from disability groups, youth groups, police, business groups and other local transport providers. In addition, taxi operators in the area will be requested to provide information such as fleet utilisation data to enable the commission to make a determination about releasing additional licences.

In the regional areas that I represent there are great opportunities for existing operators, and in appropriate areas — particularly in many towns that have no taxi service or no public transport at all — there are opportunities to enter the market and provide, for the first time perhaps since Cobb and Co. and others left these areas many years ago, an effective public

transport system that can operate through the new opportunities that this legislation provides. It is those areas that I also speak to. I call upon existing operators to work with community leaders and potential drivers to use the flexibility that is afforded to the industry through this legislation, to help small businesses in these areas grow and to provide a more flexible and appropriate taxi service and public transport network in country Victoria.

In areas where public transport services are limited, taxis provide a cost-effective and accessible alternative. One of the other key aims of this government is to allow the industry to reflect that there are different solutions for different services, and localised knowledge and input is a very important part of that, particularly when we compare the issues in different parts of country Victoria with those in the big cities. These reforms are about empowering taxi companies to provide a personalised service, free from the burden of regulation, aimed at fixing problems that exist in the city. The government has also responded by including, as I have outlined, the important consumer interest test.

In relation to other initiatives that occurred in concurrence with previous legislation that has been passed through the house, I note that these programs have received the support of operators and industry participants, such as Peter Valentine of the Geelong Taxi Network, who has thanked the government for responding to the concerns of the industry by making the amendments to increase the starting values to \$22 000. It has also complimented the government and the minister on the support and assistance they have provided for the Geelong late-night share-ride taxi pilot program, which he acknowledged and appreciates.

I point out for the benefit of the house — I know my western Victorian colleagues are very familiar with this important program and it is but one example of the sorts of initiatives this government will support — that if you search the Essential Services Commission web page there is a project time line which indicates that the objective of the pilot is to grow both the Geelong taxi market and to maximise taxi occupancy by providing an incentive for passengers to share a high occupancy taxi with others travelling in the same general direction. The scheme is intended to operate from the safe taxi rank on Moorabool Street, Geelong, on Sunday mornings from 1.00 a.m. to 6.00 a.m. There will be a nine-week public consultation process, which will be undertaken with stakeholders, and it also invites public submissions.

There are additional benefits in relation to the wheelchair-accessible taxis that are available to country

services, including reforms of a subsidy up to \$44 000 which will be available for new and replacement wheelchair-accessible taxis for taxi operators in regional and country areas and provides a greater incentive to operate these very important services for disabled, frail and elderly members of our community. There is also the stakeholders reference group, which the minister is going to appoint after consultation with industry leaders, which will provide a valuable direct input into the operations of the Taxi Services Commission and the Essential Services Commission which, importantly, in the process of setting fares will take into consideration these very important individualised issues within our electorates and will consider those issues carefully.

We encourage the consultation process that has been ongoing with the industry to continue in relation to the further implementation of these reforms. They are significant reforms. There has been some concern. We note that those concerns have been dispelled by the Australian Bankers' Association in relation to the values, which confirms that each of the four banks has provided the government with statements of its current position and that no major bank is currently attaching a nil valuation to existing licences. That information is contained in a letter dated 19 June 2013. It dispels another misconception by Mr Tee. I look forward to the passage of the bill, including the government's amendments. I commend the minister on the amount of consultation he has undertaken, in addition to that done by his parliamentary secretaries and the departmental officers. I commend the bill to the house.

Ms HARTLAND (Western Metropolitan) — The Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013 is the result of a two-year long process, including an independent inquiry into the industry led by Professor Fels. The inquiry concluded with a vision to create a customer-first industry with improved safety, service and choice. Before I discuss the main part of the bill I advise that I, too, have been contacted by some 200 taxi owners and drivers. Because of living in the western suburbs, over several years I have met with many drivers and plate holders. I have not yet received an email that was supportive of this legislation, but I have heard from people who are deeply concerned about what effect it will have on their future.

My main concern with respect to this bill and to the wider issue is that we should move to an industry with better insured and better paid drivers who can rely on improved driver agreements and fairer licence arrangements. I firmly believe that better conditions for drivers will mean better services for customers. By

improving industry standards we make taxi driving a more attractive long-term career option and hopefully much safer than it is currently. Currently taxidrivers are among the most disadvantaged workers in Victoria. According to the Fels inquiry, the average hourly rate of pay for a Melbourne-based driver is around \$13, but I am aware from a number of drivers that sometimes they take home as little as \$6 per hour. They do not receive holiday pay, sick leave, superannuation or any of the conditions that modern workers have come to expect, and that is the average figure amongst drivers, but as I said, I have met a number who earn far below that figure.

I would like to read some excerpts from a report of the Federation of Community Legal Centres entitled *In the Driver's Seat — Achieving Justice for Taxi Drivers in Victoria*, which I think sums up the situation well. It states:

... taxidrivers have few legal rights, earn little money and have almost no bargaining power in the workplace. Most drivers are either international students or recent immigrants. Some have come to Australia as refugees. These drivers generally have limited employment prospects. They rely heavily on taxidiving to support themselves and their families.

In relation to the taxidriver legal clinic the report states:

As a result of our work at the clinic, we believe that the Victorian taxi industry needs urgent, radical reform. This process must start with a review of drivers' anomalous status as 'bailees'. As 'bailees', non-owner-drivers are deemed to be independent business operators. In practice, however, the relationship between drivers and taxi owners has many features of an employment relationship: non-negotiable hours, uniform requirements and a high degree of control on the part of fleets, depots and radio networks. Yet, as 'bailees', taxidrivers enjoy none of the benefits that most employees take for granted, such as minimum wages, sick leave, annual leave, superannuation, occupational health and safety training and protection against unfair dismissal. As a result, many drivers struggle to meet their day-to-day living expenses, despite working 12 hours a day, five or six days a week. In our view, these drivers represent a new and disturbing category of the 'working poor' in Australia.

When I went to the Footscray Community Legal Centre to speak to people at the taxidriver legal clinic the thing that really struck me was that this was a service, running on the smell of an oily rag, that was trying to represent the most disadvantaged group in Victoria and doing an amazing job. It is with this in mind that I strongly welcome reform to the industry.

This bill has a number of elements that I believe would be of benefit to drivers, but there is certainly room for major improvement. Firstly, I welcome the introduction of mandatory driver agreements between taxi operators and taxicab drivers to improve the working conditions

of drivers. However, given that the bill provides that the conditions in every driver agreement will be determined by the Taxi Services Commission, I am unable to verify whether the driver agreements will be adequate to bring the rights and conditions of drivers up to a standard expected by employees in other industries. I suspect that only an employment agreement would give drivers the entitlements they deserve, including minimum hourly rates, annual and sick leave, occupational health and safety training, and rights against unfair dismissal. If we are to improve services, we must make taxidiving a more secure, profitable and attractive occupation. This in turn will raise standards in the industry and address the current widespread dissatisfaction with Victoria's taxi services.

A driver employment agreement lies at the heart of improvements in this area. One element that the bill specifies in relation to taxi agreements is that at least 55 per cent of the gross fares will accrue to the taxicab driver. The explanatory memorandum for the bill states:

This change reflects that drivers, when entering into agreements with taxi operators, may not have equal bargaining power, and this provision ensures that taxidrivers receive fair working conditions.

It is my opinion that 55 per cent is not enough. Drivers can often work long hours for little return, and operators find many ways to short-change drivers. The draft report of the Fels inquiry suggested that 60 per cent of gross fares should go to drivers, but the inquiry scaled back its recommendation after complaints from operators. Drivers have limited bargaining power, and over time we should transition drivers to a higher proportion of gross fares.

I think the dispute resolution process for drivers is appropriate. I welcome the ability for disputes to be taken to the Victorian Civil and Administrative Tribunal. I hope the Taxi Services Commission will be active in ensuring taxicab drivers are aware of the new entitlements, rights and processes available to them in case of dispute. In particular I hope it will provide targeted support and training for recently arrived migrant taxidrivers. The Taxi Services Commission should also assist these drivers by providing translated materials explaining Victorian traffic laws, the infringement system and occupational health and safety laws. It should also provide those drivers with the contact details of free interpreting services and sources of legal advice such as the taxidriver legal clinic run by the Federation of Community Legal Centres.

The bill removes the current restrictions on the number of taxicab licences that may be issued and reduces the annual licence fee. I welcome this reform as it will

break the hold that holders of multiple licences — and when I talk about multiple, I am talking about people who hold 10, 20 or 30 licences — and fleet operators have on many drivers and increase the affordability of licences for owner-drivers, allowing more to enter the market.

Some fear this will lead to a flood of new licences coming into the market, reducing licence values significantly and causing incomes to plummet. While I do not expect a flood of new licences the bill does include safeguards to attempt to prevent such a shock to the industry. The bill provides that the Taxi Services Commission is required to monitor the number of licensed taxicabs in operation in the Melbourne metropolitan and urban and large regional zones and assess whether the number is excessive. If the number of licensed taxicabs in operation is excessive and the further granting of licences is not in the interests of existing and future taxicabs, then the bill confers the Taxi Services Commission with the power to suspend the release of licences for a maximum of 12 months.

This excessive number test should provide some protection from the flood but is certainly not a panacea. I am concerned that the power to suspend the release of licences will only be able to be exercised for three years from the commencement of the taxicab licensing reforms contained in the bill. I believe this power should endure beyond the three years to provide security to workers in the industry. I will circulate an amendment to delete this clause of the bill to allow the commission to have enduring powers in this respect. I ask that my amendments be circulated at this stage.

Greens amendments circulated by Ms HARTLAND (Western Metropolitan) pursuant to standing orders.

Ms HARTLAND — The excessive number test should also consider hire car vehicles and not just taxicabs. This bill is designed to increase choice partly by allowing an increase in the number of hire vehicles and by no longer restricting hire vehicles to luxury vehicles, which presumably would bring down the rate charged for pre-booked vehicles. This means hire cars will increasingly provide direct competition with taxicabs for pre-booked travel. Pre-booked fares currently make up 30 per cent of taxicab incomes; however, with changing technology and smart phone applications, I expect the pre-booked component will increase over time. If this segment of income were to decline substantially due to a shift to hire cars, it would have a notable impact on the income of many whose wages are already very low. I believe hire cars should be included, together with taxis, in the excessive

number test for the release of both hire car licences and taxicab licences, and I have proposed an amendment to this bill to that effect.

My further concern in this area is that the number of licences allowed is also at the discretion of the Taxi Services Commission, and the balance of numbers the commission comes to might not be that which taxidrivers would find acceptable or significantly profitable. I believe there is a real chance that some existing single-licence-holding owner-drivers, particularly those who bought their licences during the recent price peaks of up to \$550 000, will lose out financially by this reform. I understand that the value of licences has already dropped to about \$350 000. With the removal of the cap on the number of licences, this value is likely to drop again. For those who purchased licences in recent price peaks, the loss in the value of licences would put them under significant financial strain.

I have received many letters from individuals who have mortgaged their homes to finance the purchase of a taxi licence in recent years only to find that they are now worth significantly less than they paid for them. Like Mr Tee, I have received correspondence from a number of people, including the children of single-plate owners, who are using their licences as their superannuation and are quite concerned about what kind of income they will receive in their old age.

Because of the number of concerns that have been raised with me about what the banks would do, I contacted both the Commonwealth Bank and the National Australia Bank to ask them what their policies are. They told me they would continue to value current Victorian licences in accordance with previous practice. Existing clients seeking to extend finance for new licences would have these licences valued at the last observable price in the market. These banks have not changed their policies in respect of Victorian taxi licence holders. This may provide some short-term comfort for licence-holders who fear that they may soon lose their homes as a result of the legislation, but the longer term reality is that they are financially vulnerable, as they have paid a lot more for their licences than the licences are likely to be valued at after this legislation passes. It will put them at huge risk.

There is a strong case that this bill should include a hardship scheme whereby single and dual licence-holding owner-operators could, on a case-by-case basis, be assessed for eligibility for compensation for the loss of licence value associated with the introduction of this legislation.

Overall I have a number of concerns. I believe there will be a number of opportunities for improvement in respect of changes to licensing agreements in this bill, despite seeing the change as beneficial in the long run. My concerns regarding this bill also go to what is missing from it. I am concerned that a significant number of drivers remain exposed due to current insurance arrangements that leave many facing financial ruin when they find they are not fully covered for accidents by their taxi club. A requirement for comprehensive property damage insurance with reputable insurance companies belongs in the legislation and not in the regulations via a driver agreement or any other regulatory feature. A fundamental part of creating an industry that is safer, with better service and more choice is ensuring that drivers have better wages and conditions. Without mandatory insurance, drivers risk financial difficulties.

The Taxi Driver Legal Clinic is a project jointly conducted by the Federation of Community Legal Services Victoria and the Footscray Community Legal Centre, and it is doing amazing work. According to the report by the Federation of Community Legal Services Victoria entitled *In the Driver's Seat — Achieving Justice for Taxi Drivers in Victoria*, which examined cases from February to November 2011, the clinic assisted 169 clients, and 27 of those cases involved motor vehicle accidents where drivers were up to \$20 000 in debt to third-party insurers because their cars were not adequately insured. This is just the tip of the iceberg. This is a fundamental issue of driver conditions which must be addressed in this bill as a mandatory part of the driver agreement.

In New South Wales taxi insurance is legislated in the Passenger Transport Regulation 2007. This regulation provides that all taxi operators must take out comprehensive property damage insurance of at least \$5 million for each taxi in their fleet. They must cover the cost of repairing any damage to the taxi as well as any third-party claims. They must also pay any excess arising from a claim on the policy. While the Transport Workers Union reports some non-compliance — mainly cases of operators charging drivers excess payments — it seems that as a result of this legislation comprehensive insurance is far more common in the New South Wales taxi industry than in the taxi industries of other jurisdictions. This is the model we should follow in Victoria; thus I have proposed to amend the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013 to include such a provision.

Another area of concern discussed in the Fels inquiry is wheelchair-accessible taxicabs. It found that people

with disabilities reported poorly trained drivers, unacceptably long waiting times for wheelchair-accessible taxis and that there was limited scope in the taxi market to cater for customers with special needs. I am disappointed about the lack of measures in the bill to ensure an adequate supply of wheelchair-accessible taxicabs with well-trained drivers. I am concerned about the lack of safeguards and incentives to ensure that drivers of these taxicabs prioritise disabled passengers. The bill provides a discount of \$3400 on the annual licence fee for wheelchair-accessible taxicabs in the Melbourne metropolitan zone and in the urban and large regional zone. However, given that the up-front cost of a wheelchair-accessible vehicle is significantly higher than the cost of a standard taxicab — sometimes double — this discount is not significant enough to provide an incentive for the uptake of these licences. The discount on the annual licence fee should be greater.

The Fels inquiry recommended a major fare restructure to provide a proper incentive for both the take-up of short trips and the prioritising of disabled passengers. It recommended a general booking service be established for the metropolitan zone to provide a more efficient and customer-responsive booking service for wheelchair customers and measures to ensure that these taxis always prioritise the wheelchair-accessible taxi bookings they receive from the central booking service. The inquiry also recommended the Multi Purpose Taxi Program should be expanded to provide the subsidy to individuals aged 80 or over, subject to a means test, who have had their private vehicle driving licences suspended by VicRoads as a result of failing the fitness-to-drive assessment.

It does not appear that the government has acted on any of these recommendations and has completely ignored this area of reform, which is a huge disappointment. I am concerned that the change in the fee structure to allow higher rates at peak times may disadvantage wheelchair-accessible taxis, as the majority of their jobs are during the day and have a different set of peak times from those of standard taxis. As it is at the discretion of the Essential Services Commission to take this matter into consideration when setting minimum rates for different types of vehicles, I would feel more comfortable if the rates were legislated to ensure that wheelchair taxis receive rates that encourage them to take wheelchair passengers rather than late-night travellers, for example.

The legislation must include requirements on wheelchair-accessible licence-holders to take disabled passengers ahead of conventional passengers. To ensure these disabled access taxis service the

community they are designed to service, we need to have both financial incentives to encourage workers to take on the licences and the legal requirement for them to use the taxicab for its intended purpose. The legislation needs both carrot and stick. At the moment we have a very small carrot and no stick. This could lead to an undersupply of wheelchair-accessible taxis, and many of these, when available, may end up doing conventional trips in preference to disabled access trips when it suits them.

I welcome the involvement of the Essential Services Commission in determining the maximum taxi fare and non-cash payments surcharge. However, I believe that 12 months is too long a time for making a determination on the maximum taxi fare; I believe three months is a sufficient length of time for the commission to review its previous work and come to a decision. Taxicab workers have waited years for a review of prices, and another 12-month wait is not acceptable. I use taxis quite regularly after Parliament finishes and have been doing so for six years. I am still only paying \$20 to get from here to West Footscray — there has been no increase in six years — and yet we are all aware of the other increases that have occurred. But there has been no increase in taxi fares. I support the moves in this bill to make the Taxi Services Commission more independent of government.

Lastly, I am concerned that hire cars do not have to meet the health and safety standards of taxicabs. We must ensure that they meet the safety standards imposed on taxis.

To conclude, the Greens will not be able to support this bill until such time as the key areas identified by me and by Mr Tee for the Labor Party are addressed through a committee inquiry or through Mr Tee's reasoned amendment. This reform will provide some improvement in conditions for drivers and help break the hold that licence-holders and fleet operators have on drivers. However, there are many areas that require amendment, including providing the hardship system for single-licence holders, providing mandatory property damage insurance with reputable insurance companies and improving measures to ensure that there is an adequate supply of wheelchair taxis to service the disabled community. It is clear that the Greens will not be able to support this bill because of these deficiencies.

I listened to the contribution of Mr O'Brien. I would have thought the government would love this bill to go to a committee or be put off due to a reasoned amendment, because it is saying it has consulted and thinks it has it right. I say to the government, 'Prove it. Allow it to go to a committee. Allow it to have more

scrutiny'. On the issue of the government's amendments, we will support the amendments that have obviously been done on behalf of the member for Frankston, and we will support the amendments put forward by the Labor Party, which I would have thought complemented each other. I will be extremely surprised if the government votes down those amendments, given that it has organised what I am referring to as the 'Frankston amendments'.

Ms MIKAKOS (Northern Metropolitan) — I rise today to speak on the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013, which the Labor opposition opposes. This bill has been two years in the making. The government announced an inquiry in March 2011, an interim report was delivered in May 2012 and the final report was handed down on 28 September 2012 with 139 recommendations. The government sat on the final report for a number of months, and it was not tabled until 12 December 2012. The government announced its response to the final report on 28 May this year and introduced the bill the next day, so one has to wonder how, after two years, the government has managed to get it so wrong. The time that the bill has taken to get here, including the big time gaps between the first report and the second report and then the bill, has created a great deal of uncertainty and put an enormous psychological strain on people in the industry.

It is important to note that a range of issues have affected the taxi industry for many years. It is important to stress that the vast majority of recommendations have been welcomed by the industry and by many players and supported by both commuters and the industry itself. Reform is needed to drive training, knowledge and remuneration to ensure that the industry can attract and retain quality drivers who meet the expectations of commuters. However, in saying that I note that the government's response has been criticised by not only key stakeholders in the industry but also by the inquiry authors themselves, as not all the recommendations have been implemented in the bill. There has been some cherry picking of recommendations by the government. The opposition has a number of key concerns regarding the bill and the impact some of the changes will have on taxi licence holders in particular.

The taxi industry is a government-regulated industry, with licence numbers to date having been restricted by the Victorian government. The bill seeks to remove the cap on licences to allow anyone to apply to own a taxi licence, subject to meeting the accreditation test and paying an annual licence fee, to be set initially at \$22 000 for metro Melbourne, and save for the ability

of the taxi commissioner to slow down the issuing of new taxi licences only during the first three years of his functioning. An oversupply of taxis will of course impact on the income of both drivers and licence owners.

I know all MPs have received a huge volume of correspondence and have had personal visits from licence owners, many of whom are from non-English-speaking backgrounds, who are very concerned for the future. Many licence owners bought their licences as an investment and, in many cases, to provide for their retirement income as self-funded retirees. They are concerned that the unrestricted access to taxi licences in the market will have a massive downward effect on the value of licences, thereby devastating not only the industry but their families as well. I am talking here about small business owners, many of whom are immigrants and some of whom have worked their entire lives to pay off their licences, only to have them now devalued. This was to be their super and their nest egg for their retirement, and in many cases it is their only source of income.

Then there are others who with financing have purchased licences in recent years at the peak value of \$500 000 or more and who now face the prospect of losing their family homes as a result of being unable to repay their loans. I noted that during the Assembly debate the Minister for Public Transport, Mr Mulder, claimed he was confident there would be no diminution in the value of taxi licences over time as a result of these changes. I am not sure how he could have made such an unequivocal claim, given we have already seen the market value of taxi licences fall since the interim Fels report was handed down last year. In fact people have been quite rightly concerned, given the recent media reports that all the major banks have declared licences to be of nil value.

I particularly draw attention to a *Herald Sun* article that appeared on 11 June, headed 'Taxi licence holders could face ruin as Commonwealth Bank labels licences "nil value"'. This article reported:

A leaked email sent to staff within the Commonwealth Bank of Australia tells staff that 'a nil value is to be extended for Vic taxi plates for the foreseeable future'.

Since then Taxi Industry Stakeholders Victoria Incorporated has claimed that no bank in Australia is prepared to refinance loans for the thousands of small business people who own a Victorian taxi licence.

During the Assembly debate government members referred to a subsequent statement from the

Commonwealth Bank of Australia, published in the *Herald Sun* of 21 June, stating:

The bank is currently reviewing valuations attached to taxi financing, though existing customers will continue to have an appropriate valuation for their plates.

You have to wonder how the first statement could have been issued, given that it came from a very senior person within the bank and given that the bank is now trying to assure us there is no change. I guess only time will tell who in fact is correct in relation to this issue.

Many in the industry have mortgaged their homes against these licences, and they are incredibly anxious at the thought of losing their entire livelihood. The government seeks to downplay these issues, but it is the government's own legislation that is making this a very real possibility.

That brings me to the second area of my contribution, which is the issue of hardship provisions. It beggars belief that the government is not accepting the recommendation of its own Fels review to include hardship provisions in this legislation. In his final report Professor Fels stated on page 247:

The inquiry concludes that there may be grounds for the Victorian government to consider providing closely targeted assistance to licence owners who experience significant financial difficulties due to the implementation of the licensing reform package.

He went on to state:

The inquiry suggests that if the government is attracted to this idea —

that is, of some form of hardship compensation —

it may wish to consider an approach that centres on closely targeted assistance directed to those licence owners placed in exceptional circumstances as a direct consequence of the reduction in income obtainable from a taxi licence.

Professor Fels also wrote:

The inquiry strongly suggests that if the government determined to provide some additional assistance to licence owners, assistance should relate to the income reduction effect, rather than capital value reduction effect.

However, the bill is silent on all these matters. The government has tried to ignore this issue entirely. The report did, however, include those recommendations.

The correspondence I have been receiving and the personal representations I have had made to my office are from those people directly affected by these changes. Prior to these reforms the value of conventional licences for metropolitan Melbourne

averaged in excess of \$500 000. In fact many taxi licences were bought for more than that. Since the Fels report was handed down last year, however, prices fell to an average of around \$350 000. This is why people who are licence-holders are very concerned about their homes and businesses.

I have been made aware of many case studies, and whilst unfortunately time does not permit me to outline them all, I want to touch upon a few to indicate the frustration that those people who have contacted me are feeling, particularly at the sense that this government is ignoring their pleas and that their voices are remaining unheard. I have heard many reports of Liberal members of Parliament saying they are too busy to meet with such people or that the Liberal members were undecided as to how they were going to vote. In fact the week before the bill was debated in the Assembly, one minister's office told a constituent that it was too late and the changes had passed. That is an absolute disgrace — that people were actually being lied to.

I am aware that these changes are putting enormous strain on people — many elderly people with serious health conditions are being put under enormous stress — and I want to touch on some of their personal stories to make sure that their voices are heard by the government this evening. Abdul from Newport owes \$510 000 on two taxi licences and has a mortgage against his house. He has seven children and faces the prospect of losing his home. Demessie from Sunshine West owes \$500 000 on two taxi licences and says he will lose his business, his house and his family. His four children still live at home and attend school, and he says he will not be able to support them if these changes are implemented.

Jeff from Plenty is 70 years of age. He paid \$50 000 for his licence and has held it for 23 years. He said the devaluation of licences will destroy his retirement plans and that although the figures he referred to look low now, they were real money at the time and took real effort to repay over many years. In fact many people have relayed stories about how they chose to invest in taxi licences, which at the time were comparable in value to buying a home, rather than invest in real estate.

Aleksandar from Glen Waverley has \$127 000 left to pay on his licences. He said:

Our livelihood will be decimated after 23 years of hard work, and we will have to continue paying off a worthless asset. We are devastated by such prospect.

Tina from Reservoir said:

Communist governments routinely seize the assets of their citizens ... If you are intending to destroy the value of

licence-holders' assets, effectively taking away the value of a residential home, then at least have the decency and integrity to compensate them.

Ettorino and Gilda from Thornbury said they are 'ashamed of the Liberal Party that they can take such advantage of its citizens'. These are just a sample of the many emails I — and I am sure other members of Parliament — have received on this issue. A recurring theme in this correspondence is people's shock that the party that purports to represent the interests of small business owners is seeking to destroy the value of their assets without any compensation being provided and, as I said, without taking on board the recommendations made by Professor Allan Fels in his report regarding hardship provisions. The government has not explained why it has chosen to ignore those recommendations.

It is for all those reasons that I strongly support the reasoned amendment moved by Mr Tee. If agreed to, it would enable a whole range of issues to be considered further. The reasoned amendment moved by the Labor Party in the other house also sought to have a number of very important issues examined further. In particular the reasoned amendment would enable further examination of the issue of disadvantage to taxi licence holders as a result of the devaluation of licences and the failure to adopt Professor Fels's hardship test. It would enable further examination of the impact of an unrestricted release of taxi licences into the market in relation to customer demand and driver pay. It would allow further examination of issues around taxi zones, the impact on numbers and availability of wheelchair-accessible taxis and also possible fare increases. These are all important issues that need to be looked at further, and that is why Labor will oppose this bill until there is further examination of these issues and until further consultation has occurred with stakeholders around these and other issues relating to the bill.

The government has reluctantly moved to propose some amendments to this bill because it has had a gun held at its head by Mr Geoff Shaw, the member for Frankston in the other place. We will support the amendments because they address some of the concerns that we have in relation to anomalies around zoning and also around annual licence fees. However, the government's amendments do not go as far as they should. Mr Tee has proposed some amendments to the government's amendments to ensure that a whole range of regional areas are included in different zones so we do not have people in different parts of the state being treated differently in relation to taxicab zones.

Ms Hartland has also circulated some amendments, particularly in relation to driver conditions, and the Labor opposition is also supportive of these

amendments. The government's amendments go part of the way towards fixing up some of the problems with this bill but only make very minor changes to legislation. We will still oppose the legislation, because all of the fundamental issues which would be examined if the reasoned amendment were supported would still need to be addressed. We urge the government to support Mr Tee's reasoned amendment and to enable all of these very important issues, which affect so many thousands of people in our community, to be examined further.

Mr DRUM (Northern Victoria) — It is with great pleasure that I take the opportunity to speak on the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013. In this bill Minister Mulder has been able to do what Labor balked at for all of its 11 years in office. This package of reforms has been loudly called for across metropolitan Melbourne and, to a significantly lesser extent, across regional Victoria. Regional Victoria came out of the Fels inquiry looking pretty good in relation to customer service, and it was no great surprise that many of the operators from around regional Victoria needed to be made well aware of all the provisions that are being put in place to support them as they take their businesses forward into the future. The recommendations of the Fels inquiry would have made it difficult for taxi licence holders in metropolitan Melbourne and the major regional cities to be confident that their licence values were going to be retained.

Entering the market with an annual licence fee, which under the Fels inquiry was indexed at \$20 000, would have put the value of the licence at significant risk, and that value would have diminished over time. However, after further consultation the government, through the Minister for Public Transport, Mr Mulder, took steps, and it is worth noting the way the process has taken place.

Professor Fels put in place an extensive process. He took his group around the state to make sure they spoke to all of the taxi operators. Every operator was given an opportunity to sit before Professor Fels and inform him about how their operations were performing. When the recommendations came to government we recognised that there was a risk that the value of licences would diminish around the state. Mr Mulder has proposed an annual metropolitan licence valued at \$22 000 and indexed to grow at the rate of consumer price index minus 0.5 per cent. This means that for the first time we will see metropolitan licences grow in value as a matter of course as opposed to the speculative way in which

they have grown in the past, and that will secure the value of the metropolitan licences.

The amendments that are being introduced following the passage of the bill through the lower house show the government has listened to people around the regions and in the outer suburbs of Melbourne. There is no doubt that the work done by the members for Morwell and Gippsland East in the Assembly as well as Mr O'Brien and me and the other Liberal members who represent regional Victoria has meant we have had open-door access to Minister Mulder and to the member for Narracan in the Assembly in his role as Parliamentary Secretary for Transport. That is how a government should act. It should be open to change and to the possibility of improving a bill even further as it transitions between the houses, and that is what we have seen here. The house amendments that will be introduced by the Minister for Planning will mean that Bendigo, Ballarat, Geelong, Frankston and Dandenong will also move into the metropolitan bracket where an annual licence will cost \$22 000.

Mr Tee spoke at great length about the fact that what we are introducing for the regional cities is not as good as what we are introducing for Frankston because we have not put in place a reduction in the overlap distance from 5 kilometres to 3 kilometres. It was necessary to put that in place in Frankston because the 5-kilometre crossover enabled Melbourne taxi operators to pick up fares from the train station at Frankston. That problem does not apply anywhere else in the state. Mr Tee needs to get an atlas or drive around some of the places in regional Victoria he was talking about. He mispronounced some of their names, obviously because he has never heard of them or has never visited them. He stands in this place and purports to represent the interests of people in places he has never heard of with names he cannot pronounce.

We see crocodile tears from opposition members who for 11 years in government put their heads in the sand and tried to imagine that the problems were not there. We have stepped up to do the hard lifting and to reform this industry in a manner that will hopefully look after the people who regularly use taxis. Ms Mikakos said that she had been told that Liberal Party members were telling their constituents that the bill could not be changed because it is already done — that it is too late. We are proving that is also wrong, because here we are making amendments to the legislation to make sure we protect the values of the licence-holders' assets. We are increasing the annual licence cost to \$22 000 as opposed to the recommended \$20 000, indexing them to grow on an annual basis, bringing the major regional centres into the metropolitan bracket, and putting in

place an excessive entry test to make sure there is not a flood of new licences into any of the areas and to make sure the values are retained. If we are going to grow the number of taxi licences around Melbourne and around our major regional centres, we want to make sure it is done in a steady-as-she-goes way. We are not just going to rush in and flood any of the areas with licences. The excessive entry test will be applied to each and every new licence around Victoria.

We are also putting in place the consumer interest test, and this is possibly one of the strongest, most interesting and critical parts of the bill. The consumer interest test will apply to anybody who wishes to have a new licence in a rural or regional area. These licences will have an annual fee of \$11 000 in a regional zone and \$3400 in a country zone. A consumer interest test must be passed for the commission to establish the need to grant more licences in any of these smaller regional towns across the state. Again, this will be critical. We understand that there are many perpetual licences out there which are valued at considerably more than they would be if new entrants were simply able to pay \$3400. We understand there are still some loopholes and anomalies within the system in regional Victoria. The government is well aware that these anomalies exist. We also understand that it is in our interests to make sure we protect the values of businesses that are operating on a daily basis.

Over 11 years the previous government provided no assistance, care or responsibility for what happened in the taxi industry. In Castlemaine, which is in my patch, the entire taxi system shut down for a week or two under the previous Labor government. There was no service whatsoever because no support had been given to the industry. The industry simply closed down, and it then had to be reinvigorated by a new group of families who got together and reinvested in the town to give us the service that Castlemaine is now able to offer. There are many other examples — Castlemaine is just one of many that we could mention.

I am sure Minister Guy, the Minister for Planning, will tease out many of these aspects of the process of the granting of new licences, the taxi commission and the work that the commission will have to do with the reference group, which will consist of taxi industry operators and stakeholders — people who are actively involved in the taxi sector. These people will be part of the reference group that Minister Mulder, the Minister for Public Transport, is putting together. Consultation will take place on a regular basis. Any additional applications around the state will go through a very strenuous and arduous process before licences are granted, and they will only be granted when the need

for additional licences is established beyond any doubt. Many of the operators in our smaller towns with populations of less than 10 000 need this safeguard. We are able to offer this assurance through the consumer interest test, through the commission and through the reference group. They will make sure that additional licences in small towns and regional towns will only be granted when they are in the best interests of everybody.

We again thank the minister for the way in which he has tackled this problem and put in place the reforms that Melbourne and Victoria have needed for many years. We understand the angst that many of the licence-holders are feeling at the moment. They have worked hard to build their assets over many years, and they should be congratulated on the way they have done that. However, an unhealthy dynamic has developed within the taxi industry in Melbourne, which revolves around people who are totally dissociate from the industry and have come in as sheer investors. Professor Fels sees that as a very unhealthy aspect of the industry. That dynamic does not exist in regional Victoria where 90 per cent of the drivers, owners and operators work in the business.

The precautions that the government needed to put in place are in place. The value of taxi licences in metropolitan Melbourne and the major regional cities has been protected. The value of these licences will grow in time, in line with increases in the CPI. This will give licence-holders the comfort of knowing that their assets have been secured. If these businesses no longer have to come up with significantly larger interest repayments to lending institutions, this will mean they have more money to spend on drivers and driver training, on cleanliness — —

The ACTING PRESIDENT (Mr Finn) — Order! The member's time has expired.

Mr MELHEM (Western Metropolitan) — No doubt this bill will have a major impact on jobs in the industry. It will have an impact on driving the incomes of stakeholders down. Assets will be taken away and life savings will be drained. Without compensation for current licence-holders the livelihoods of small business operators across the community are threatened by this bill. Thousands of Victorian taxi licence holders could be bankrupted by the sudden devaluation of their primary asset, which may put them in danger of losing their family homes and retirement nest eggs. Under this bill the government will be issuing new licences for a price that undercuts the current market by thousands of dollars. New licences will be available for \$22 000 per annum. This will have a dramatic effect on the worth of

current taxi licences held in Victoria. Because of this undercutting by the government, a lot of the banks have started a process of declaring a nil valuation on Victorian taxi licences.

An honourable member interjected.

Mr MELHEM — I am coming to it, if you will just be patient. The big players — ANZ, National Australia Bank and the Commonwealth Bank — are no longer prepared to refinance loans for thousands of small business owners.

An honourable member interjected.

Mr MELHEM — Let me read an email dated 13 June from Nick Ash, a business banking manager at the ANZ. It states:

Effective from now, ANZ will not extend any value against Victorian taxi licences.

Honourable members interjecting.

Mr MELHEM — Let me finish.

Hon. D. M. Davis — On a point of order, Acting President, the member knows that that information is out of date and is wilfully misleading the house.

The ACTING PRESIDENT (Mr Finn) — Order! There is no point of order. I think that might actually be a point of debate.

Mr MELHEM — By refusing to refinance loans the banks have shown the effects of this terrible legislation. They have exposed the Liberal government on this issue. Taxi Industry Stakeholders Victoria states:

The total outstanding Australian bank debt in respect of Victorian taxi licences is estimated to be somewhere between \$800 million and \$1.2 billion.

The stakeholders say around half of that amount is secured in licences and the other half in other assets such as family homes. It is clear from this that the Napthine government is happy to take from small business operators until they lose their livelihoods, their homes and their life savings. How could the Liberal Party, which declares in its platform that it is a party which encourages small business and individual initiative, act less in the spirit of supporting small business owners in Victoria than with this legislation?

This legislation is doing the opposite of encouraging small businesses and individuals to use their initiative; it is taking assets from small business operators. Its actions are on a par with the governments of China or

Vietnam in that the worth of private business is being utterly destroyed by this legislation and the rights of business owners are being completely ignored. Imagine what the Liberal Party and the media would be saying if the Labor Party attempted to do this. They would be saying that we had returned to an era of socialism and that the old reds under the beds had taken over. But this is the Liberal Party taking the assets of small business owners.

Many taxi operators have worked hard all their lives to ensure the best for their families, and this government thinks it is fine to rip that away from them. Many are also migrants who came to this great country to make a better life for themselves and their families. They are working hard, playing by the rules and investing in good faith in government-backed assets. Now that backing is gone, and with it the hopes of many new migrants in our country.

Some of the stories of small business operators are heartbreaking, and I will go through a few of them. One operator, Mr Katis of Mordialloc, in writing to me said that he purchased three licences progressively over two decades in good faith to secure his retirement income and his family's financial future. The decrease in licence values caused by this government will mean that Mr Katis and his wife will lose most of their income and be forced onto the pension. They will be forced into the welfare system because this government believes it is fine to strip their assets from under them even though they have done nothing wrong. It is disgraceful.

Another operator, Mr Abu-Jaber, has been driving taxis for 30 years and owns a licence in Dandenong. He owns another licence with his son, who is disabled. Their family will be terribly affected by the lack of compensation from this government. Mr Abu-Jaber says that he and his wife have worked hard all their lives, day and night, often seven days a week, to provide security for their family. Mr Abu-Jaber is over 80 years old and only now feels secure enough to retire. However, under these reforms Mr Abu-Jaber's licence will essentially be worthless. He fears for his future. He says all of his life's work will be taken away from him and he and his family will lose everything. Mr Abu-Jaber will not be able to sell his licence to reinvest in superannuation because of its devaluation thanks to this government. He will not be able to lease it either. Mr Abu-Jaber said:

All of that hard work and all of the sacrifices we made — never going on holidays or taking our children away because we were always working, going without luxuries to set ourselves up for this time of our lives will have been for nothing.

He went on to say:

This is just so terribly unfair, Our Liberal government is going to take everything that we have worked so hard and so long for ... and just give it away to anybody who wants it. This is not the way Western democratic societies are meant to work. This sort of thing is just not — —

Mr Ramsay interjected.

Mr MELHEM — Mr Ramsay had better go and have a chat to him and explain what this legislation is all about. I am quoting a real person; it is not me saying this.

The report of the government's inquiry, conducted by Allan Fels, states that dramatically reducing the value of licences to 'close to zero', which would occur in an open market, without compensation is likely to cause significant hardship to some licence-holders. Because of this the inquiry did not recommend a full open market. But what the government is doing will still cause significant hardship to licence-holders.

The comment from the inquiry I mentioned above is an understatement: the wiping out of the value of current taxi licences is causing hardship across the board. You cannot on the one hand say it is a free-for-all open market that determines the value of licences and then come in later and say, 'We are now going to set the price of what a licence is worth'. Basically, that is total regulation. If government members want to do so, that is fine, but there is one fundamental thing they have to do — that is, look at a way to compensate and look after the people who currently own licences. Some people have paid \$500 000 for a taxi licence, and that value is about to go down. We can argue about whether it will go down by 20 per cent, 30 per cent, 50 per cent or 100 per cent. There has been debate on this issue, and the truth might be somewhere along that scale. Opposition members are saying that we need to look after these people to reduce the impact of this legislation.

As I said in a members statement two weeks ago, I am for reform, and the reform of the taxi industry is welcome, but we need to look after its stakeholders, including licence-holders, operators and drivers and their customers. What is missing in this legislation is the major impact this legislation will have on licence-holders. We need to revise the system so these people can be compensated. It is all very well to regulate the industry through imposing a \$22 000 annual licence fee and index it to the CPI to increase opportunity and open up the industry, but the government's proposal will drive some people to the wall. We need to step back, take a deep breath, send the bill to a committee, work

through a process and then see how we can address the impact of these reforms on licence-holders and taxi operators.

Mr Ondarchie — A pity you didn't have that attitude when you were running the union.

Mr MELHEM — I will ignore that. Where we support the reforms — —

Mr Ondarchie interjected.

Mr MELHEM — I am happy to have that debate with the member — —

The ACTING PRESIDENT (Mr Finn) — Order! I would be much happier if Mr Melhem did not, and I would be much happier if Mr Ondarchie would cease interjecting.

Mr MELHEM — I am more than happy to have the debate, but this is not the time for it. I will conclude by saying opposition members want a fair outcome for operators, for drivers and for the customers — us — but at this point in time there is one group of people who are aggrieved, and we cannot leave them behind. The Napthine government needs to rethink its failure to provide compensation to taxi licence holders who will be hit hardest by this reform. I urge the government to rethink its position, to do the right thing by these licence-holders and to make sure we do not leave them out in the cold.

Mr RAMSAY (Western Victoria) — I am pleased to speak to the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013. I acknowledge the contribution made by the Minister for Public Transport, the Honourable Terry Mulder, and I commend his courage in bringing this bill to the Parliament and in helping its progress through the amendments which form part of this bill.

I also thank the people who came to my offices in Ballarat and Warrnambool to make representations about the bill, particularly the representatives from the Ballarat Taxis Co-operative. Ballarat Taxis chairman, Mr Stephen Armstrong, came to see me and detailed his own concerns about the drafting of the bill. Many owner-drivers in the Ballarat region also came to my Ballarat office to raise their concerns. Hopefully the contributions made to this debate this afternoon will address those concerns, and those people will realise that there has been some fearmongering about the issues around the legislation.

I am disappointed Mr Melhem has left the chamber, because he made a number of assertions in his

contribution. His is the sort of scaremongering and fearmongering we have seen from the union movement. The Construction, Forestry, Mining and Energy Union has been employing those same tactics at Loy Yang, trying to stop power right throughout Victoria by the hideous scare tactics its members employ continuously, and Mr Melhem provided us with a fine example of that during his contribution to this debate.

I refute Mr Melhem's claims about bankers — he identified the ANZ bank, and I am sure the bank will respond to Mr Melhem's contribution this afternoon — when he suggested that the banks thought that perpetual taxi licences had nil value. I can quote from the Australian Bankers Association.

I am aware that there has been a degree of misunderstanding and misrepresentation —

and I suggest mischief, from the likes of Mr Melhem's contribution —

of the implications of the Victorian government's taxi industry reforms for the valuation of Victorian taxi licences for credit purposes.

I understand each of the four major banks has provided the government with statements of their current positions and that no major bank is currently assigning a 'nil valuation' to existing licences.

The drivel and scaremongering Mr Melhem has inflicted, not only on this chamber but also obviously on the taxi owners with whom he has been speaking in his electorate, is absolutely false, misleading and mischievous. He should be ashamed of himself, because there are people out there who have taken out loans to buy their perpetual taxi licences and who are worried about the impact the reforms will have on the value of their licences. However, the fact is that the value of those licences has not reduced significantly, and certainly not to a point where it would affect any potential loan asset support or loan valuation against the purchase of their licence.

Mr Melhem interjected.

Mr RAMSAY — Simple arithmetic, Mr Melhem, will indicate that under the — —

The ACTING PRESIDENT (Mr Finn) — Order! I would appreciate it if Mr Ramsay would direct his comments through the Chair. That might enable Mr Melhem to cease interjecting out of his place, which is most unparliamentary.

Mr RAMSAY — I am glad you saw fit to remind Mr Melhem he is not sitting in his place, and therefore

will have to remain silent, unless he wants to contribute by interjecting in his place.

There are important issues that I want to clear up. Firstly, the ANZ bank has been very committed, very strong and very vocal in saying that it has not been assigning any detrimental valuations to perpetual licence-holders.

As I was going to say to Mr Melhem but I will say through you, Chair, simple arithmetic will tell you that under the bill before the Legislative Council zone 1 and 2 annual licences will be valued at \$22 000 per year plus the consumer price index less 0.5 per cent — that is, they increase in value every year — and will in fact attract about a 6 per cent yield on a perpetual licence costing about \$440 000, which is the current marketplace value. My superannuation fund has not reached those dizzying heights of 6 per cent over a 10-year period. I have no guarantees. Mr Melhem talks about compensation, but there are no guarantees about investments in life. There are no guarantees that my superannuation fund will make a 20 per cent or 30 per cent return each year. There are no guarantees my shares will have an automatic indexed 6 per cent return every year. There are no guarantees that my farming land will hold its current value. There are no guarantees about any investments that an individual makes in relation to commercial activity in the marketplace.

However, what we have guaranteed under this reform bill is that we are going to clean up the taxi industry. There is no doubt that there was community concern and a desire for better taxi services. The industry would not, could not or did not want to clean up its act through self-regulation. There was a monopoly by a cartel of taxi owners with multiple licences. There was a rip-off in relation to Cabcharge's credit card charges. I am pleased to see that these reforms will reduce that surcharge from 10 per cent to 5 per cent. There is no doubt there was a lack of driver experience and knowledge of locations in the areas where they were providing a service. There is no doubt there were dirty taxis and poor service.

I myself was a victim of the refusal of a short fare. I wanted to get a taxi from the Southern Cross railway station down to Docklands, and I was refused. The driver's excuse was that he did not have enough room for me to put hand luggage in his boot because of the gas tank. I have to say it was pathetic. I took down his licence number and reported him to the taxi service. Some of these drivers now only have numbers on their identification, not faces, which makes it even more difficult to identify the drivers who refuse to take short

fares. However, that is just one area that these reforms are cleaning up.

There is no doubt that a shake-up has been needed, certainly in the metropolitan areas. Unfortunately there was a bit of wash in relation to regional areas. I am pleased to see that the advocacy from regional members of Parliament has been successful in providing some government amendments to the Council today in relation to the parity of Ballarat and Geelong; increasing annual licences in those areas to \$22 000 will provide a significant increase in yield to the owners of perpetual licences.

The other important thing in the reforms, as has been talked about, is the consumer interest test. I am pleased to see the minister has again consulted widely and listened to concerns raised about how that would work. It is pleasing to see that he has formed a steering committee made up of a number of stakeholders to advise the commission in relation to the methodology to be used for the consumer interest test. In the Ballarat region, where I had a number of representations made to me, there was concern that taxis in Ballarat were providing a service that met consumer demand. There is only a certain amount of dollars for taxi services in the Ballarat catchment, and operators were concerned that there would be a flood of new applications. It is important that we give owner-drivers comfort that there will be rigour and vigour in the consumer interest test for expressions of interest in licence applications in regional areas and also that a steering committee made up of stakeholders big and small, including owner-drivers across the state of Victoria, will be providing advice to the commission.

There was some talk about bailment agreements. Ms Hartland went on for a considerable time about the low wages of drivers. She indicated that she would prefer to increase the bailment from a 50-50 split, which is the agreement prior to these reforms going through the Parliament, to a 45-55, 40-60 or 30-70 split. I would like Ms Hartland to accompany me to Ballarat, where I have seen the financial figures of owner-drivers. With the cost of the car, the gas — —

Ms Hartland — On a point of order, Acting President, I would like Mr Ramsay to quote me correctly rather than saying I said some — —

The ACTING PRESIDENT (Mr Finn) — Order! There is no point of order.

Ms Hartland — So Mr Ramsay is permitted to say anything about anybody else — —

The ACTING PRESIDENT (Mr Finn) — Order! There is no point of order. Ms Hartland should resume her seat.

Mr RAMSAY — *Hansard* will show what Ms Hartland said. In fact she had a prepared speech, which she read word for word. She clearly indicated that she would prefer an increase in the bailment ratio for drivers.

Ms Hartland — No, I did not.

Mr RAMSAY — Yes, you did, and that is exactly what I said. I do not understand why Ms Hartland would call a point of order. Getting back to the bill, the financial figures given to me by an owner-driver with the cost of gas — —

Ms Hartland interjected.

The ACTING PRESIDENT (Mr Finn) — Order! I ask Ms Hartland to cease interjecting.

Ms Hartland interjected.

The ACTING PRESIDENT (Mr Finn) — Order! I have asked Ms Hartland nicely. I have been polite. I am asking her to do the same.

Mr RAMSAY — As I was saying, some financials that were given to me in my Ballarat office indicated that there is a fine margin, particularly for those single owner-drivers that operate taxis. I can only use the Ballarat experience, given that Ballarat was where the representation came from. In terms of increasing the bailment agreement from what was a 50-50 split to a 45-55 split, I certainly do not deny that the wages, particularly for drivers in the metropolitan region, are low. I am not going to quote Ms Hartland again, because I do not want to go through the trials, tribulations and points of order, but the wages are low, and through the change in ratio these reforms are trying to address that.

With an owner having to pay for tyres, maintenance, car, gas, insurance and all the things associated with running a car — usually it is a family-owned business — an increase in the split to 55 per cent would take away any significant profit margin, so increasing that by another 5 per cent or 10 per cent, as Ms Hartland suggested, would no doubt put those families in jeopardy.

At the end of the day these reforms were reforms that the Labor government did not have the courage to implement. They were talked about for many years, the community was sick and tired of having a poor taxi

service and there was a monopoly in the metropolitan taxi plate industry. Professor Fels, to his credit, provided a number of recommendations to which the government responded, and part of that response is in this bill. I congratulate the government on having listened to the concerns raised by many regional taxi companies that felt that without the amendments they would be prejudiced in relation to what the reforms were trying to do in metropolitan Melbourne. I congratulate the minister on having introduced the amendments.

We are trying to find an appropriate balance between the interests of licence-holders and the interests of consumers. It gives the industry itself an opportunity to take action to improve performance, increase service availability, offer a new service level and attract and retain good drivers. On that basis I recommend these reforms to the house, I recommend the government's amendments and I commend the bill to the house.

Mr ELASMAR (Northern Metropolitan) — I rise to contribute to this debate with a sad heart. The Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013 was designed primarily to reform the taxi industry and provide a better service for the taxi-travelling passengers of Victoria. What started out as a reformation has become a revolution. The two years spent by Professor Fels consulting key stakeholders in the taxi industry has succeeded in ripping the heart out of the owner-operators in Victoria.

Over the last year I have had countless meetings with taxi representatives and they all had similar stories to tell of sacrifice and fear of losing their homes due to the devaluation by this government of their hard-earned taxi licences. They told me they wanted me to fight for justice on their behalf. I empathise with and relate to their plight. This proposal to slash the value of Victorian cab licences is unfair in anyone's language. I have been genuinely upset by the extreme stress shown by these ordinary men and women who are angry and frightened at the prospect of poverty and the possibility of homelessness. They told me that they thought a Liberal government would protect their interests, as they are in essence business people. Most of them spoke about the need to reform their industry and agreed with some of the recommendations in the report, but they did not expect that their life savings and livelihoods would be destroyed.

My electorate of Northern Metropolitan Region is home to a huge number of constituents from the Middle East as well as people with Greek and Italian backgrounds who migrated to this country in the 1950s, many of whom form the backbone of the taxi industry.

They are horrified to think that a review in which they participated willingly has resulted in their financial destruction. That is how they see it. They feel betrayed and angry. This review, they tell me, is not helping them but is robbing them and their families of their future financial security.

I listened to Professor Fels on talkback radio last week being confronted by callers with questions about compensation for those people who have mortgaged their homes in good faith to acquire taxi licences, often costing many thousands of dollars. These people believed they were investing in a solid business enterprise. Professor Fels's response was, 'There may need to be a minor adjustment'.

I heard members of the coalition government say they had undertaken a full consultation process with people, yet today we find the government is proposing amendments and attacking Mr Tee, who is also proposing amendments, because it failed to consult with Mr Shaw, the member for Frankston in the Assembly. That is the reality: the government did not consult with Mr Shaw. Government members came to this chamber and told us they had conducted a full consultation, which is not true. Mr Tee's amendments aim to look after the people who were ignored by the government. We are here to support his amendments.

People are saying they will lose hundreds of thousands of dollars. They see a harsh government which does not care about their livelihoods, which is deaf to their pleas and fears and which is just not listening.

Mr Ramsay — Tell the truth!

Mr ELASMAR — This is the truth. What began as a positive exercise has become punitive. The losers will not be just the taxi industry but Victorians as a whole. The government needs to understand that this is an unjust act of cruelty. It must respond in a meaningful way to allay the fears and ease the concerns of ordinary Victorians who expected better from this government and who have received much less than they deserve. With those words, I will support the amendments circulated by Mr Tee and the Greens.

Sitting suspended 6.26 p.m. until 8.02 p.m.

Hon. P. R. HALL (Minister for Higher Education and Skills) — I am pleased to have the opportunity tonight to make some comments on the bill before us, the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013. The bill has attracted a lot of statements of opinion from people all over the state, and the slant of those opinions varies as it is pretty much dependent on which of the four zones

the bill divides the state into and where those making such statements live or operate a business. One of the difficulties one has in representing an electorate like Eastern Victoria Region is that one's electorate encompasses at least three of those zones, being the urban and large regional zone, the regional zone and the country zone. Consequently, some of the issues raised by people operating businesses in each of those zones have a different focus than others.

As my electorate is predominately comprised of the regional and country zones, tonight I will raise some issues that are relevant to those two particular zones. I will also take the opportunity to respond to the inquiries of many people in my electorate about the implications of some of these changes on their operations, which I have taken on board. I am grateful to the minister's office for the supply of information which has assisted me in responding to the various issues that have been raised.

I will start by talking about the zone classification of the Latrobe Valley, which is a major part of my electorate — indeed, my electorate office is located in Traralgon, in the Latrobe Valley. There has been some talk about whether the Latrobe Valley should be reclassified as an urban and large regional zone, in the same vein as the government amendments reclassify Ballarat, Bendigo and Frankston as part of the urban and large regional zone. There are advantages and disadvantages of such a reclassification. If the Latrobe Valley were to be reclassified from regional to urban and large regional, there would be some significant changes to take into account.

As I said, I am grateful to the minister's office for providing me with this advice. If the Latrobe Valley were to be reclassified as belonging to the urban and large regional zone, new licences would not be subject to a consumer interest test. That is something we need to seriously consider, because a consumer interest test provides a degree of protection for the current operators in the area — that is, that further licences for that area will not be automatically granted upon application, as will happen at least initially in the metropolitan Melbourne zone and also the urban and large regional zone. If you are concerned about the value of your licence, there are advantages in retaining the regional classification rather than the urban and large regional or metropolitan classification.

The second point I make in respect of that is that if there were a reclassification of the Latrobe Valley to the urban and large regional zone or metropolitan Melbourne zone, there would be a loss of access to the wheelchair-accessible taxi subsidy of \$44 000 per year.

Again, this is a serious issue that the local operators would need to consider. Also, as has been mentioned, the costs for new entrants would increase from the current \$11 000 to \$22 000 per annum. While some would say having a tougher barrier of access would be an advantage for existing licence-holders, in many instances it is just as likely that existing licence-holders and business operators will be the persons who apply to run additional taxis. Consequently, if we put up barriers against the introduction of additional licences, it is just as likely to affect existing licence-holders as those seeking to enter the market.

In respect of that reclassification there are some strong arguments to suggest that it would not be in the best interests of those who currently operate businesses in the Latrobe Valley.

I want to go now to the issue of the consumer interest test. This will provide a degree of comfort to many operators in country and regional zones as there is no automatic, as-of-right granting of new taxi licences upon application when a consumer interest test is applied. The question that many current operators are now asking is, 'What will be taken into account? How will that consumer interest test work?'. First of all, it is important to put on the record that the advice is that the consumer interest test will only apply in country and regional zones. It is up to the Taxi Services Commission, which receives applications for new taxi licences, to undertake some consultation and investigation as to what the consumer interest might be in the granting or otherwise of a new licence, and it has the ability to refuse such an application.

More importantly, the application of the consumer interest test process will be determined by the Taxi Services Commission, which is going to be guided by a reference group following a commitment given by the minister. The reference group that will assist the Taxi Services Commission in determining the process and elements of the consumer interest test will contribute to the views of those in the industry. We will have large and small taxi operators form part of the reference group that will advise the Taxi Services Commission on the construction of the consumer interest test. A degree of comfort can be taken from the fact that there will be industry input into how that consumer interest test will work. I had a conversation with Graeme Samuel, the new chairman of the Taxi Services Commission, about this matter a fortnight ago, and I am comforted by some of his remarks in that the industry, as much as consumers, will be consulted in terms of giving consideration to applications for new licences.

Another issue that has been raised with me by some of my constituent companies across the Eastern Victoria Region is whether a taxi licence will be zone specific or transferable between equivalent zones — that is, if you are granted a licence to operate in Mildura, will you be able to operate that same licence in Bairnsdale? I am informed by the minister's office that the answer to that question is no. They are zone specific and it will not be a matter of simply applying for a licence in a country zone, say, Mildura, and then utilising that licence in another country zone such as Bairnsdale. You would need to follow a process of surrendering the licence in one area and then reapplying in another area.

A further concern raised by some of my constituents relates to the setting of fares. The Fels report signalled that in country and regional zones taxi operators will ultimately have the ability to set their own fares. This responsibility is of concern to some of those operators, who would rather have fares set by an organisation like the Essential Services Commission (ESC). I point out that this item is not covered in this legislation. In his second-reading speech the minister makes the process very clear, and I quote:

The bill requires that the Essential Services Commission make an initial taxi fare price determination within one year of the bill being given royal assent. By that time, the government also intends that the price notification scheme recommended by the inquiry for regional and country districts will be implemented. This will occur either through further legislation or by the making of regulations.

There will be an opportunity for us to look at this particular issue again, either through further legislation or through regulation. If some of the country operators have a concern about the setting of their own fares, there will be a chance for the Parliament to revisit this, and there will be a chance for the reference group to the Taxi Services Commission to have input into that as well.

I also want to refer to the issue about the 55 per cent to 45 per cent driver-owner fare split. I note that a number of operators in Eastern Victoria Region who I represent have some concern about the viability of their businesses if they embark upon a 55 to 45 split. They have suggested to me that at the very least that split should not apply until a review of fares is in place. The advice I have received from the minister's office is that there is no intention of commencing the provisions in the bill requiring the driver to receive at least 55 per cent of the fare revenue they generate until the initial taxi fare price determination is made by the ESC and the price notification scheme is in place. I am further assured that a consultative process will be carried out before the terms of the driver agreement are

determined. There will be an opportunity for taxi operators in regional and country areas to have input into that process, which will not occur for at least 12 months and then only after consultation.

I want to comment on two other issues which have been raised. The first is in regard to hire cars. The question posed to me was, 'What, if anything, will prevent a flood of such vehicles entering a local market and competing directly with the booked services that currently represent 80 per cent of the country taxi service market?'. I point to clause 6 of the bill which provides for a community interest test to be satisfied before a new hire car licence is granted. There will be no carte blanche process by which all applications for hire car licences will be approved. The Taxi Services Commission will have the opportunity to consider the broader interests of consumers and the industry before granting additional licences to operate in the hire car market.

Finally, concern has been expressed to me about the local network service providers. In regional Victoria the network service provider network is very important for the efficient, effective and fair distribution of taxi services. The question that is being posed is, 'What measures are in place to ensure that new entrants to the market will not diminish the importance of that network service provider?'. Common sense tells us that people utilise network service providers because 80 per cent of the use of taxicabs in country areas is determined by booked services. Unless a new or an existing operator provides an efficient network service provider, they will lose business themselves. I am confident that the practice that is employed very efficiently in regional Victoria will continue to be employed by having a network service provider that efficiently deals with the needs of taxi users in regional Victoria.

These are some of the issues that have been raised with me by taxi operators in my electorate. I think many of their concerns can be addressed. Of course there is some uncertainty with a new system being introduced but, quite frankly, when I look at the balance of all these measures, I do not believe that there is going to be a great deal of impact on country operators. If there is, then I think it will be a positive one.

Some people have suggested to me that if it is not broken, why are we changing the system at all. It is not broken, but that does not mean that there is not some room for improvement. Collectively and overall if we manage these changes well, then we can ensure that the system that is not broken can be improved with these measures. I am confident that the processes the minister has put in place will ensure that the operators I

represent will not be disadvantaged and indeed will have an opportunity to further grow their businesses in an effective and efficient way in regional Victoria.

Mr EIDEH (Western Metropolitan) — As I rise to make a brief contribution to the debate on this bill, I cannot help but wonder how many of those opposite are likely to follow their colleagues in the other place and support this bill, how many will get into a taxi, look straight at the driver and yet not care one little bit that this legislation could send that driver bankrupt, that this bill could force them, their families, their children to suffer. Indeed, I wonder how many of those opposite will get into any cab anywhere and state openly to the driver that they voted for a bill that is killing their industry.

I realise that I am getting ahead of myself, as the formal vote has not yet been taken, but I do so given that government members in the other place totally opposed a logical and sensible amendment moved by the honourable member for Richmond and that they all voted as a block, every Liberal and Nationals member, including the Liberal member representing an electorate closest to a seaside electorate. While we all have vehicles supplied to us by the generosity of the people of Victoria, who elect us to office, there are times when we will need a taxi. However, while many of us will ride in those taxis, half of the members of this Parliament are seeking to do them harm.

I mean no disrespect whatsoever to Professor Allan Fels, who came up with his report on the taxi industry, although he should reappraise some of his recommendations. I am deeply concerned that while the taxi industry has some problems this bill is not the solution. It is not the best way forward.

I received a letter from Mr Bill Papastergiadis, the president of the Greek Orthodox Community of Melbourne and Victoria. He is a well-respected lawyer and, I am told, a solid Liberal Party supporter, yet he has written to me, and most likely to many others, about the terrible ramifications of this bill for members of his vast community.

The bill will significantly devalue the cost of licences lawfully purchased with significant pain and often with money borrowed by having heavy mortgages placed on family homes. Those licences will drop massively in value. Owners will not find the banks friendly towards them as they struggle to repay massive loans on licences that will be worth peanut shells by comparison with what they were valued at previously.

I invite members to imagine a licence being valued at \$530 000 one day and then one-twentieth of that value the very next day. Will the Napthine government financially compensate owners who will lose so much? Is the government prepared for any legal action that may well arise? Certainly the government has paid no mind to the fact that the vast majority of drivers come from migrant families. As Mr Papastergiadis states, the Greeks, Lebanese and other migrants of many different nationalities came here in the 1950s and 1960s. They are people who struggle to feed their families and who work the most pathetic of hours, often in dangerous circumstances. Again I state that I understand the need for reform, but this bill is not that reform. This bill is not what is needed, but, as usual, the government is not listening and its members are not speaking with the people of Victoria, with affected groups or with the industry.

The Victorian Taxi Association has also written to me and others with some very sensible and intelligent suggestions, but again the government is deliberately deaf to their pleas. If the government were serious about reforming the industry and making it fairer, then it would sit down with the Victorian Taxi Association and key players to work out the best and the fairest model possible. There should be no rush here, because the taxi industry is very important as a key mode of transport in our state: in the CBD, in regions and in rural areas. For its own reasons the government is not keen to think or to speak; instead, it prefers to race ahead. The trouble is that by doing so, many good and decent Victorians, hardworking people, will run the risk of losing their very homes.

We need to look at how we can make drivers much safer in their cabs. We need to consider whether navigational aids such as the Garmin Pilot should be mandatory. We need to work with the industry to ensure a proper complaints and review system. We need to look at the many issues that have become evident at Melbourne Airport at Tullamarine. We must examine access and availability, especially for the elderly and for disabled people. There are many issues here, but the government is ramming the bill through as if its view is the only one that counts, since it has the numbers.

I wonder also how these changes will impact on fares, whether there will be fights between existing and new drivers at airports and other venues as they all seek the same passengers, and when for some drivers their costs will be 20 times higher than they are for others. This bill is wrong, and in all conscience I cannot support it.

Mr ONDARCHIE (Northern Metropolitan) — I rise tonight to speak in the debate on the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013. I thank my colleagues on this side of the house, Mr O'Brien, Mr Ramsay, Mr Drum and Mr Hall, for their very professional and moderate contributions to the debate today.

The proposals in this bill and the reforms that will come in subsequent months will result in a safer, fairer and more rewarding job for drivers, a more viable business for operators, a more accountable and transparent taxi industry and a vast improvement in the quality of service delivery in the taxi industry, greater than Victoria has ever seen. This is a reforming bill.

Is it not interesting that we are debating this bill this week, when a vulnerable lady was refused a short fare in Victoria? I invite members to cast their minds back to the tragedy that occurred in Brunswick not long ago when a vulnerable woman was walking along a street. The taxidriver who refused a short fare the other day put another woman in the same position. That is unacceptable, and it is time to reform this industry. This bill is about the safety of Victorians. The other day, when that woman asked for a short fare, she was offered a rude gesture by the taxidriver. Recently I asked for a short fare to go from this place to Crown Casino to a charity dinner, and the taxidriver said, no, he was not going to take me because it was too short.

Mr Somyurek interjected.

Mr ONDARCHIE — When I then took his taxi number, Mr Somyurek, he got out of the car and confronted me very aggressively, because he did not feel that I was doing the right thing. Here is an idea for him: take the fare that is presented to you. It is interesting that we are talking about taxis this week.

What disappoints me more than anything, and my sadness about today, is that members on the other side of the chamber have decided to play politics with people. There are people watching on the Net who have met with me and who may well be in the gallery today. They are frightened, nervous and worried about their futures because those opposite have not explained this to them properly. Those opposite should be hanging their heads in shame today.

Honourable members interjecting.

The ACTING PRESIDENT (Mr Elasmr) — Order! Mr Ondarchie has the call.

Mr Melhem interjected.

Mr ONDARCHIE — Mr Melhem has disappointed me. For a man who stood here and said, ‘I’m a businessman, and I know something about supporting business’, he has done nothing but put fear into the heads of businesspeople because of his inaction. I have taken a view and met with lots of owners from a variety of non-English-speaking backgrounds. I have met with Indians, Greeks, Macedonians, Italians, Lebanese and Turks. I have met with many of them and had meetings at all — —

Mr Somyurek — That’s why you can’t get a taxi!

Mr ONDARCHIE — Is it not sad that those opposite think that this is a joke? We are talking about Victorian lives here. Is it not sad that those opposite think this is a big joke? Politics over people — that is the problem.

Mr Melhem interjected.

Mr ONDARCHIE — Here is an idea, Mr Melhem: do economics 101 and you would be able to explain it to them.

Mr Melhem interjected.

The ACTING PRESIDENT (Mr Elasmarr) — Order! Mr Melhem! Mr Ondarchie should address his remarks through the Chair.

Mr ONDARCHIE — I have met with many of these people, who do not have English as their first language. They were frightened and concerned. They had been fired up by members of the ALP in this state. I sat down with them at various times in the day. In fact at 8 o’clock one Saturday night I had a telephone meeting with a taxi owner to explain things. In the main, when I explained the basic economics of this whole proposal, they got it; they understood. Rather than playing politics with people, those opposite should have spent time explaining the bill to those people. What have those opposite done? They have raised the anxiety of those people, who are worried about things and are having sleepless nights because those opposite have failed to do their job.

It is interesting that those opposite talk about a lack of consultation. In fact, Mr Wynne, the member for Richmond in the lower house, said this:

... you could not complain about the process the government has gone through ... it has been a very open, transparent process. I think all parties have had the opportunity to have their voices heard ...

Mr Wynne said that. This is a bill that supports Victorians.

Mr Tee interjected.

Mr ONDARCHIE — I will take up the interjection from Mr Tee about what people are saying. Let me tell those opposite what people are saying. I will quote people from my electorate of Northern Metropolitan Region. Nina from Broadmeadows, who is 28 years of age, said:

The reform will help improve the reputation of drivers — knowing they have to pass a knowledge exam including English skills and directions.

Zac from Mill Park said:

It will help by making the system fairer for the general taxi consumer and encourage education and responsibility for drivers.

Ana from Broadmeadows said:

The drivers deserve the ... increase on fares for Friday and Saturday nights. It will encourage more taxis on the roads at ... peak times.

The Professional Drivers Association says these are good reforms. It says the 45 per cent to 55 per cent arrangement is a good reform that will give drivers an opportunity to develop a good lifestyle. The fundamental reforms include providing better conditions and pay for taxidivers, who will receive a guaranteed 55 per cent of the fare box. They will require new drivers in the metropolitan urban zone to pass an independent knowledge exam. How many of us have got into a taxi and asked to go to a destination and the driver has said, ‘I don’t know where that is.’? I got into a taxi outside 333 Collins Street some time ago and asked to go to the airport, and the driver said, ‘Where is the airport?’.

This is a good reform. It will provide better services for people with a disability through driver training and through encouraging more accessible vehicles. It is going to create a four-tiered taxi zone system, and it is going to introduce new powers and functions for the Taxi Services Commission, led by Graeme Samuel, for industry participants from 1 July. These are good reforms. We have consulted widely, and Mr Wynne agrees we have consulted widely.

Mr Tee interjected.

Mr ONDARCHIE — The Australian Taxi Drivers Association said these were good reforms. Why is Mr Tee not standing up for Victorians? Others in the chamber today have gone through this bill in great detail, and I compliment Mr Hall, who just now addressed a number of the issues, including worries about new entrants into the markets of both pre-

booked-only services and taxicabs. The consumer interest tests will deal with that. There is confidence there. And as Mr Ramsay said today, people are responsible for their own investment decisions. I think Mr Melhem said there are thousands and thousands of owners who have paid high prices for their taxi licences. I ask Mr Melhem to go back and check the figures. Again the Labor Party is scant on facts, is big on rhetoric and is not looking after Victorians. I commend the bill and the amendments circulated by the coalition to the house.

Mr SOMYUREK (South Eastern Metropolitan) — I rise to join the debate on the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013. I have to say that this is the most heartless and ruthless pieces of legislation I have seen introduced into this Parliament. It is a piece of legislation that will ruin the lives of good, hardworking people and their families. It is a piece of legislation that will rob thousands of individuals and their families of their life savings.

Reform of the taxi industry is a perennial issue — —

Honourable members interjecting.

The ACTING PRESIDENT (Mr Elasmarr) — Order! I do not mind some interjection, but if members want to interject, I ask that they do so from their places.

Mr SOMYUREK — Reform of the taxi industry is a perennial issue in this state, as it is in other jurisdictions throughout Australia and the world. There have been many attempts at reform of the industry, but no government has been heartless and ruthless enough to do what this government is doing with this piece of legislation. These reforms — —

Honourable members interjecting.

Mr SOMYUREK — Mr Ramsay talks about courage. These reforms are not about political courage, Acting President. There are only 3500 individual taxi owners in this industry — not enough to cause any electoral discomfort at all. Furthermore, a great number of the individual taxi owners are unskilled migrants whose alternative form of employment is typically working in factories or opening up a small business. That may be a little bit clichéd, but I am afraid it is the truth. Given that these people are predominantly from working class migrant family backgrounds, they are not as articulate or eloquent as people in some other interest groups. The owners of taxis are easy targets. They are soft targets. This does not require political courage; these people are soft targets.

I suspect coalition members have done the numbers on this. I suspect they have done the maths on this. And that is why they have taken a sledgehammer to the owners of these licences. They can count. They have done the numbers. Among previous governments, Labor and Liberal, Jeff Kennett's overhauled the taxi industry. Jeff Kennett did many things to this state, but he was not as ruthless as this mob here. He could count. He knew there were only about 3500 owners. The Labor Party governments — the Bracks and Brumby governments — knew there were only 3500 taxi owners. They could do the maths, but they were not heartless as this mob is.

The threshold question for the members of the government to consider before they vote on this bill — and they should have a think about this — is whether they would like their superannuation to be ripped out of their hands. Would they want the government to step in and take away their houses or their superannuation? Those are the threshold questions. Members opposite should decide which way they vote today by considering those questions.

I am going to continue my contribution, but that is enough from me as far as my words are concerned. I will quote former Victorian Premier Jeff Kennett. According to a newspaper article:

Former Victorian Premier Jeff Kennett has showed his support for the taxi industry and taken aim at Professor Allan Fels over proposed taxi reforms.

Mr Kennett criticised Fels's review and says it will 'deliberately destroy' individuals' superannuation assets.

Is this Jeff Kennett scaremongering? What are his motivations for scaremongering? I am going to stop using my own words and let the people who are affected by these reforms have their say.

Mr Ondarchie interjected.

Mr SOMYUREK — I did not go out and solicit responses from these people; they wrote to me, they emailed me, they telephoned me and they visited my electorate office. I was not out there scaremongering; these people did it themselves. Do you know why? They had motivation to do so because they were losing their life savings. I am not going to name the individual correspondents because it is not fair as I have not spoken to them, but I will be quoting their words.

Mr O'Brien — Why have you not spoken to them?

Mr SOMYUREK — I have spoken to many of them. One of them wrote:

I am a taxi licence holder and I will be financially ruined if this legislation is passed. I purchased the taxi licence for \$505 000 in 2010, mortgaging my home to do so. Now the government is telling me this licence is worth between \$300 000-\$350 000.

I would like Mr Ondarchie to reflect on that. From a value of \$505 000 in 2010 this gentleman's licence is now worth between \$300 000 and \$350 000. I want the members of the government to reflect on that.

I will quote from another letter from a constituent, and again I am not going to name the person:

This stands to ruin my entire family. You might expect this kind of aggressive takeover type behaviour from big greedy corporations, but to have our own government behave this way is unconscionable.

My husband and I have remortgaged our home to purchase a licence for \$480K. This investment represented our kids' education and our future retirement. It will now be highly negatively geared and we may not be able to meet our repayments. The capital loss is irrecoverable.

My brother, Con, is in a similar situation, and relies on this to subsidise his income.

It is a brother; this is not a person who owns multiple licences. The letter continues:

My parents, Maria and Tony, are self-funded retirees — this is their sole source of income.

I urge you to carefully consider this and ask you to put yourself in the place of each of these stakeholders.

I echo those thoughts and would urge government members to consider those words. Another correspondent wrote:

We purchased our licence three years ago for \$520 000 at the same price as city licences and have always had the same fare structure.

We know what that licence is valued at now. Another correspondent wrote:

I live in a humble, underdog family and am extremely fortunate that our family taxi business has enabled me to finish my tertiary schooling — —

Mr Ondarchie interjected.

Mr SOMYUREK — I am happy to table these.

If this has occurred today, I will be working possibly as child labour, as the Melbourne, Victorian government has liquidated my family business.

Ms Crozier interjected.

Mr SOMYUREK — This is a correspondent who has written to me. This is a person who will be affected

by this legislation. I quote from another piece of correspondence:

I am a retired taxidriver for many years. I had the opportunity to purchase my licence which is my superannuation today.

I do not get a dime off the government (nothing) —

from the government, nothing —

Take this away from me then the only out is the pension ... most of the drivers are people who are not interested in this as their future, but just passing through for a quick buck.

Another correspondent wrote:

Currently my wife and I own our taxi plate and both drive split shifts daily. With three children under the age of eight, we find that this allows one of us to be with the children. We purchased our taxi plate in 2003 for \$360 000, at the time the average house price was less than this amount. We mortgaged our house taking advantage of the available equity provided by the property boom. Currently we are paying off a large combined mortgage which includes our house and the taxi plate, the term for which was set at 30 years.

Another correspondent wrote:

My husband and I purchased a taxi licence in 1994 in what was then a regulated taxi industry and on the basis of the following words, as stated by the then Premier of Victoria, Jeff Kennett (who did much at the time to revolutionise Victoria's taxi industry) that the taxi industry in Victoria would never be deregulated. Bring on changes in government and here we are in 2013 facing the biggest single crisis to face the industry.

We purchased the licence as my husband was a taxidriver and we mortgaged our home in order to be able to fund and finance his entry into the taxi industry as a small business owner-operator. Come 2013, and it appears that we are now going to be penalised, and in a big way, for saving, struggling and endeavouring to fund our business and plan for our retirement on the basis that the value of the taxi licence would be my husband's self-funded retirement. WRONG —

'Wrong', the correspondent wrote —

bring on Professor Fels's recommendations and it appears that my husband has been working himself to the ground for nothing!

We are now being penalised for this. Should the open market be voted in, we stand to lose the most substantial part of our superannuation plan.

Another correspondent wrote:

We have provided for ourselves and our children and contributed to this country to this day. To receive this from the Liberal Party, it feels like criminals entered our home and demanded our belongings. But this feels even worse, much, much worse having received this from our state government. Are we turning into a communist country?

If only Mr Finn were here. Another correspondent wrote:

I've invested in the industry and firmly believe I was preparing for my retirement fund, especially when we were told by the then relevant authorities that MT licences could be used as collateral that gave me security and confidence. Over the past 4 decades, as both a taxidriver and operator, I have worked hard to purchase more than one licence.

Another correspondent wrote pleading:

Please help us! Be our saving grace against financial, personal and familial ruin! Many lives are in turmoil. We need you to fight for justice on our behalf.

...

From \$500 000 to nil! Let the taxi licence holders out before the Victorian government takes a disastrous unprecedented lead! It had not been an intelligent inquiry and resolution...

Please support us!

The correspondent pleaded —

We are people that have built a service. We have worked hard — retired on humble incomes from leasing taxis (not a pension!) haven't got any superannuation — leased or worked on our own taxis with very ordinary incomes and only had comfort in the dollar value of our business — most of us hoping to pass this modest legacy on to our families one day. We paid a great deal of bank interest while earning these licences and wish to be compensated for our losses.

Before voting on this bill, I hope government members —

The ACTING PRESIDENT (Mr Elasmár) — Order! Time, thank you.

Ms BROAD (Northern Victoria) — I rise to make some remarks on the Transport Legislation Amendment (Foundation Taxi and Car Hire Reforms) Bill 2013, and I do so because it is important to respectfully record some of the concerns that have been raised with me and with my office by constituents from across the northern half of Victoria, which is the region I represent. I say 'respectfully' because some of the things that have been said in the debate to date have been far from respectful. It is my view that many of the owners and drivers who have contacted me of their own volition understand perfectly well what the government is intending to do through this bill. There was a comment earlier from a member of the government who said, 'If you had studied economics 101, you would understand this'. Let me say to that member, who has now left the house, that I have studied economics 101 and 2 and 3, and so have many taxi owners and drivers. In fact, there are taxi owners and drivers with PhDs who cannot get work in this country because their qualifications are not recognised but who are very capable of understanding exactly what the government is intending to do with this bill, and they are not impressed.

Just to take a few examples, I was very impressed today that a group of owners of taxi licences from across northern Victoria travelled to Parliament to set out their concerns. They came from Wodonga, Swan Hill and Benalla and from the Macedon and Kyneton areas, and run businesses which cover areas much greater than that. They do not believe they have been heard or that their concerns have been listened to by the government. They do not believe they have been adequately consulted or, in some cases, consulted at all.

I would like to refer in particular to a group of trustees on behalf of Mildura taxis. Quite understandably, given the distance involved, they were unable to make it to the Parliament today but have instead set out their concerns. They have requested that their concerns be put forward in this debate, and I think that is a very reasonable request. They have put on the record that, like many taxi owners and operators throughout Victoria, they are not opposed to reform taking place. They understand that without reform the industry cannot go forward. However, they make the point that they think it is reasonable to expect proper consultation with all interested parties, and they do not believe that has happened or that all the implications and consequences of the proposed reforms have been taken into consideration.

They set out, for example, that the value of a licence in the Mildura region is currently approximately \$330 000 and that the proposed reforms would allow a licence to be rented from the government for just \$11 000 per annum. Quite understandably they believe this is going to significantly reduce the value of the existing licences owned in the region, and in a worst-case scenario it will make the investment in a taxi licence worthless and certainly impossible to sell. They give the further example that they purchased their first licence in 1978, worked very hard to purchase a second licence 15 years ago, and recently were 'fortunate' enough to be in a position to purchase a third licence for \$330 000 subject to a bank loan. That did not include the cost of the purchase of a further vehicle.

As has been pointed out by other speakers, as these people are now approaching retirement age it had always been their plan to realise the business they had built from the ground up as a way of funding their retirement, and there are many other licence owners in the Mildura region who have made similar plans. They do not now believe this is going to be possible. They have further put on the record their huge disappointment with the member for Mildura in the Assembly, Peter Crisp, who is a member of The Nationals, because he voted for these changes without any consultation whatsoever with Mildura Taxis

Associated or Mildura Taxis Pty Ltd. They believe this is unconscionable — that these things should be done by a member who is supposed to represent them, and without any consultation whatsoever with them.

A similar story has been put to me by the owners who made the journey and who have provided information to my office since the bill was introduced to the Parliament, whether they are from Swan Hill, Benalla, Seymour, Whittlesea, Gisborne, Melton or from a large number of other areas in which these operators provide a much-needed public service.

Having put those concerns respectfully on the record, like other members on this side of the house I urge government members, who claim to represent these constituents, to carefully take into account the concerns that have been put forward by small business operators who have contacted me as a Labor member. As other Labor members have pointed out in this debate, they have expressed their absolute disbelief that the Liberal Party is doing this to small business operators.

They are almost apologetic that they are saying this to a Labor member. I have urged them not to be apologetic. I absolutely understand their disbelief that the Liberal Party, which claims to represent small business, is doing this to them, and particularly to older members of country communities who have spent their lives building up these businesses and are now concerned that they have no superannuation, no retirement to look forward to, and whose adult children are no longer interested in taking over the businesses because they can see that the value is being stripped away from them.

I think that covers the points that my constituents have been most concerned to have put on the record in the debate in this house tonight.

House divided on amendment:

Ayes, 19

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

Noes, 21

Atkinson, Mr	Koch, Mr
Coote, Mrs	Kronberg, Mrs
Crozier, Ms	Lovell, Ms
Dalla-Riva, Mr	O'Brien, Mr (<i>Teller</i>)
Davis, Mr D.	O'Donohue, Mr

Davis, Mr P.
Drum, Mr
Elsbury, Mr
Finn, Mr
Guy, Mr
Hall, Mr

Ondarchie, Mr
Petrovich, Mrs (*Teller*)
Peulich, Mrs
Ramsay, Mr
Rich-Phillips, Mr

Amendment negatived.

Motion agreed to.

Read second time.

Referral to committee

Ms HARTLAND (Western Metropolitan) — I move:

That the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013 be referred to the Legal and Social Issues Legislation Committee for inquiry, consideration and report.

I will be very brief in speaking on this motion. During the second-reading debate the fact that this legislation is deficient was raised a number of times. It is appropriate that it be referred to the Legal and Social Issues Legislation Committee for review. There are a number of issues that need to be addressed — for example, the hardship issue, which has already been mentioned, driver conditions and wheelchair access for consumers. Insurance has not been considered. These types of things all need to be covered by this legislation.

If the government is so certain that it has this bill right, I would have thought it would leap at the chance for it to go to the Legal and Social Issues Legislation Committee to prove us all wrong. I hope the government can be transparent on this bill and refer it to that committee, because it is an appropriate referral.

The PRESIDENT — Order! Could Ms Hartland clarify the committee she would like the bill referred to? Is it the Economy and Infrastructure Legislation Committee?

Ms HARTLAND — I apologise for my error. I should have moved:

That the Transport Legislation Amendment (Foundation Taxi and Hire Car Reforms) Bill 2013 be referred to the Economy and Infrastructure Legislation Committee for inquiry, consideration and report.

Mr TEE (Eastern Metropolitan) — The opposition, having considered this referral, will support Ms Hartland's motion on the basis that the debate has revealed a concern about the impact these changes will have. We have seen the government ignore the recommendation that there be some compensation and we have seen that other jurisdictions in New South

Wales and overseas have adopted such a model. It is appropriate that this issue be considered as well as the impact the bill will have on consumers, drivers and everybody caught up in the industry. The opposition supports this referral motion.

Hon. M. J. GUY (Minister for Planning) — The government will not be supporting this motion by Ms Hartland.

An honourable member interjected.

Hon. M. J. GUY — Could the member let me finish. Up to this point, as members would understand, there has been a lot of consultation by the government in relation to the Victorian taxi industry inquiry. The inquiry consulted licence-holders directly through a taxi licence holder survey, with 335 licence-holders responding directly. That is around 10 per cent. There was a survey seeking the views of licence-holders, submissions were sought and the draft report was issued. The government has done the appropriate level of consultation for a reform as significant as this. The bill has been widely debated in the public forum. After that level of consultation and with a very clear knowledge of the proposition itself, the government believes the bill is worthy of now being committed to the house.

House divided on motion:

Ayes, 19

Barber, Mr (<i>Teller</i>)	Mikakos, Ms
Broad, Ms (<i>Teller</i>)	Pennicuik, Ms
Darveniza, Ms	Pulford, Ms
Eideh, Mr	Scheffer, Mr
Elasmar, Mr	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	Lovell, Ms
Dalla-Riva, Mr (<i>Teller</i>)	O'Brien, Mr
Davis, Mr D.	O'Donohue, Mr
Davis, Mr P.	Ondarchie, Mr
Drum, Mr (<i>Teller</i>)	Petrovich, Mrs
Elsbury, Mr	Peulich, Mrs
Finn, Mr	Ramsay, Mr
Guy, Mr	Rich-Phillips, Mr
Hall, Mr	

Motion negatived.

Committed.

Committee

Clause 1

Hon. M. J. GUY (Minister for Planning) — I foreshadow that I will move some amendments to clause 11, which have been distributed.

Mr TEE (Eastern Metropolitan) — As part of the purposes clause, and particularly around the functions of the Taxi Services Commission and the powers set out in the clause, I note that one of the recommendations of the Fels report that was not picked up was the recommendation that there be some opportunity for compensation and tightly targeted assistance to taxi licence holders. I am wondering why that was not picked up as part of the powers of the commission or indeed elsewhere.

Hon. M. J. GUY (Minister for Planning) — The industry inquiry did not make recommendations to the government in respect of a compensation or hardship package. The report merely includes a discussion about the arguments for and against the provision of that assistance. Page 247 of the final report details those discussions. It concludes that there may be grounds for the Victorian government to consider providing closely targeted assistance to licence owners. The government made considerations and determined that it would be better to increase the price of new licences and index their value at rates below the CPI. As a result of those changes it is anticipated that the value of licences will be maintained at a similar level to what it is now. Assignment incomes will largely be retained in real terms, which is good news for those reliant on an assignment income. The government could not have afforded to have been as generous if it had decided to proceed with the prices the inquiry recommended and had provided targeted assistance.

Ms MIKAKOS (Northern Metropolitan) — Can the minister tell us what the average value of a metropolitan taxi licence was 12 months ago?

Hon. M. J. GUY (Minister for Planning) — I am advised that it was between \$350 000 and \$400 000.

Ms MIKAKOS (Northern Metropolitan) — My understanding is it was a lot higher than that in terms of sale prices at that time, but I ask the minister to advise what the government's view is as to the current value of a metropolitan taxi licence.

Hon. M. J. GUY (Minister for Planning) — Those licences will be determined by market value.

Ms MIKAKOS (Northern Metropolitan) — So the government does not have a view at all as to what the current market value is?

Hon. M. J. GUY (Minister for Planning) — I will give some more formal wording for Ms Mikakos. As I have said, the value of an existing perpetual licence is a matter that is ultimately determined by the market as per her question to me about what it was 12 months ago. The media has claimed that the Commonwealth Bank determined that the value of a taxi licence would reduce to zero as a result of the proposed taxi and hire car reforms. That is misleading and incorrect.

The bill will make the following changes. It introduces new taxi licences and an annual fee prescribed in legislation, proposed to be \$22 000, which is to be indexed, for conventional metropolitan taxi licences. The assignment price of existing licences will still be determined by the market, but it will be also influenced by the new licences and the corresponding annual fee. It is expected that assignment prices will reduce to match the annual price of a new licence.

Holding all else constant, the bill will only change the amount of income a licence-holder can derive from the licence. As the licence-holder will still be able to derive an income, the licence will still have a value greater than zero.

Ms MIKAKOS (Northern Metropolitan) — Obviously the income that people derive has a bearing on the value of the licence itself as an asset. Whilst the government is refuting the Commonwealth Bank's initial claim that there will be a nil value, the government is not prepared to state what the current market value is. How can we then believe the government that the licences are worth more than zero?

Hon. M. J. GUY (Minister for Planning) — That is a very inexact science. Before the inquiry the licences ranged in value between \$500 000 and \$550 000, and after it they were down to around \$300 000 to \$350 000. We are talking about something that is moving around quite substantially over a period of time. As I said, I think rather than settling on a dollar figure, which is what Ms Mikakos is wanting, it is more worthwhile to focus on a process.

Ms MIKAKOS (Northern Metropolitan) — The only comment I would make in response to that is that it is the process that has driven down the market value. The process of the government's legislation has driven down the market value.

Clause agreed to; clauses 2 to 5 agreed to.

Clause 6

The DEPUTY PRESIDENT — Order!
Ms Hartland is to move her amendment 1, which relates to hire car licences. This amendment can also be considered a test of her amendment 6.

Ms HARTLAND (Western Metropolitan) — I will be fairly brief on this. The thing that struck us very clearly was the fact that a number of hire car licences will be released onto the market, but they do not appear to be counted in terms of how many vehicles are available. The fact is that when a calculation is made about how many taxi licences are to go onto the market, hire cars are not considered in that number. We believe hire cars quite clearly should also be counted in the figure of the excess number.

Hon. M. J. GUY (Minister for Planning) — If we are making comments on Ms Hartland's amendment, I would make some comments about clause 6 and the purpose of clause 6 as the government sees it at this point in time. It is to establish a new framework for the granting of hire car licences, which Ms Hartland has said, and that involves continuing a 'fit and proper' test for the granting of hire car licences for the proposed metropolitan hire car zone and providing for a consumer interest test in addition to the fit and proper test for the granting of hire car licences for the proposed country hire car zone. This replaces the existing public interest test that applies to the granting of hire car licences in those areas. The bill's amendments also specify new licence fees for hire car licences and transitional arrangements.

The inquiry recommended the removal of the existing public interest test for the granting of hire car licences in country areas. However, the government was concerned about the impact that this might have had on the smaller markets that exist in those areas. The licensing authority is currently the Secretary to the Department of Transport, Planning and Local Infrastructure. From 1 July 2013 the licensing authority will be the Taxi Services Commission. Just on that point, the applicant will have to be determined to be fit and proper in regard to the purpose for which the licence is to be issued and the various legislative requirements in accordance with which the licence must be operated. We believe clause 6 is in good order as it stands, and we will be opposing the amendment.

The DEPUTY PRESIDENT — Order! Can I clarify if Ms Hartland has formally moved her amendment at this stage? I do not recall her having done so.

Ms HARTLAND (Western Metropolitan) — No, I have not.

The DEPUTY PRESIDENT — Order! Does Ms Hartland wish to continue to make general points or to move it now?

Ms HARTLAND (Western Metropolitan) — I move:

1. Clause 6, page 5, after line 20 insert —

“(1ACA) The licensing authority may at any time determine to suspend both the granting of, and the acceptance of applications for, hire car licences in which the Metropolitan Hire Car Zone is specified if satisfied that the aggregate number of hire car licences in existence in which that Zone is specified and taxi-cab licences in existence in which the Melbourne Metropolitan Zone or the Urban and Large Regional Zone is specified is such that it is not in the interests of existing and future users of hire car services in the Metropolitan Hire Car Zone for any additional such hire car licences to be granted for a period.

(1ACB) In considering whether to exercise the power to suspend conferred by subsection (1ACA), the licensing authority must have regard to whether the financial viability of providers of hire car services in the Metropolitan Hire Car Zone is diminished, but only to the extent to which that diminution impacts negatively on the interests of existing and future users of hire car services in that Zone and the impact is significant.

(1ACC) The power to suspend conferred by subsection (1ACA) is exercised by the licensing authority publishing notice of the suspension in the Government Gazette and on its website.

(1ACD) A suspension takes effect from the day on which notice of it is published in the Government Gazette and continues in effect until —

- (a) the first anniversary of that day; or
- (b) the day on which the licensing authority publishes notice of the cessation of the suspension in the Government Gazette —

whichever occurs first.”.

Mr TEE (Eastern Metropolitan) — The opposition will be supporting the amendment. We think it gets the balance right in the sense that it allows the licensing authority to have an overview of the industry and makes sure that if the authority is issuing additional

licences, the authority needs to consider the impact that will have on existing and future users of hire car services. We think the amendment gets the balance right to make sure that there is an overview of the industry. We think it is appropriate, and we will support the amendment.

Committee 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	Somyurek, Mr
Hartland, Ms	Tarlamis, Mr
Jennings, Mr	Tee, Mr (<i>Teller</i>)
Leane, Mr	Tierney, Ms
Lenders, Mr	Viney, Mr
Melhem, Mr	

Noes, 21

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

Amendment negated.

Clause agreed to; clause 7 agreed to.

Clause 8

Ms MIKAKOS (Northern Metropolitan) — Clause 8 relates to the issuing of taxicab licences and the new subsection (1B) to be inserted provides the licensing authority having regard to:

... the interests of existing and future users of taxi-cab services in any particular district or districts in the Zone within which the service is proposed to be provided.

I ask the minister, in determining the interests of existing and future users of taxicab services, will regard be given to whether there is already an oversupply of taxicabs in a particular zone?

Essentially what I am asking is: will the test be there to look at the number of existing licences issued in that particular district in the zone?

Hon. M. J. GUY (Minister for Planning) — No, because the view is that the market will determine that.

Clause agreed to.

Clause 9

The DEPUTY PRESIDENT — Order!

Ms Hartland will now move her amendments 2 and 3. These amendments can be considered a test of her amendments 8 and 9.

Ms HARTLAND (Western Metropolitan) — I move:

2. Clause 9, lines 33 to 35, omit “number of taxi-cab licences in existence in which the relevant Zone” and insert “aggregate number of taxi-cab licences in existence in which the relevant Zone is specified and hire car licences in existence in which the Metropolitan Hire Car Zone”.
3. Clause 9, page 11, line 1, omit “that Zone” and insert “the relevant Zone”.

These amendments go to the subject on which we were speaking earlier, which is the fact that hire cars have not been included in the excessive entry test. I think they should be, and that is why I am moving this amendment.

Mr TEE (Eastern Metropolitan) — As I indicated before, and for similar reasons, the opposition will support these amendments. We think a properly regulated industry should cover the hire car industry in terms of what constitutes an appropriate number of vehicles.

Hon. M. J. GUY (Minister for Planning) — Regarding Ms Hartland’s amendments, I would just say that an excessive entry test is not necessary for hire cars. Excessive entry is only an issue in relation to taxis and then only in metropolitan areas where rank and hail work is higher than pre-booked work. Hire cars can only be pre-booked; they cannot be lawfully hailed off the street. Therefore excessive entry cannot be an issue with hire cars. Numbers will rise and fall according to the market. As such, the government views the amendments as slightly misconceived.

Ms HARTLAND (Western Metropolitan) — I fail to understand how the government can think that not including a count of hire cars in terms of excess numbers will not affect the market. There are not as many conditions on hire cars, and the fee for them is much lower. Anybody will now be able to have a hire car. If there are huge numbers of hire cars in the marketplace, it is going to affect things. When you consider that 30 per cent of hire car work is pre-booked, that is 30 per cent of work that they will share with the taxi industry.

Hon. M. J. GUY (Minister for Planning) — If I understand Ms Hartland’s point correctly, she is saying that hire cars will then compete with taxis. The point of this legislation is to create competition. I would also point out once again that hire cars can only be pre-booked; they cannot be lawfully hailed off the street. Noting both that point and the fact that the government is seeking to create greater competition for the benefit of the consumer, we stand by the clause as read.

Ms HARTLAND (Western Metropolitan) — I understand that 30 per cent of all hire car business is pre-booked. Clearly those hire cars will be competing with taxis, yet there is not going to be any regulation around how many of them will be in the marketplace. Can the minister tell me if I am right in saying that?

Hon. M. J. GUY (Minister for Planning) — I do not want to get into a ‘he said, she said’ argument all over again. I think I have been very clear in saying that excessive entry is only an issue in relation to taxis and only then in metropolitan areas where rank and hail work is higher than pre-booked work. I have made a number of comments on this. The government has stated that there are a number of areas where the market will sort out those issues as they arise, and importantly it has noted the differences, as I have also articulated, in relation to hire cars and rank-and-hire cab work.

Committee divided on amendments:

Ayes, 19

- | | |
|---------------|---------------------------------|
| Barber, Mr | Mikakos, Ms |
| Broad, Ms | Pennicuik, Ms (<i>Teller</i>) |
| Darveniza, Ms | Pulford, Ms |
| Eideh, Mr | Scheffer, Mr |
| Elasmar, Mr | Somyurek, Mr |
| Hartland, Ms | Tarlamis, Mr (<i>Teller</i>) |
| 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 | Lovell, Ms |
| Dalla-Riva, Mr | O’Brien, Mr |
| Davis, Mr D. | O’Donohue, Mr |
| Davis, Mr P. | Ondarchie, Mr |
| Drum, Mr | Petrovich, Mrs |
| Elsbury, Mr | Peulich, Mrs (<i>Teller</i>) |
| Finn, Mr (<i>Teller</i>) | Ramsay, Mr |
| Guy, Mr | Rich-Phillips, Mr |
| Hall, Mr | |

Amendments negated.

Ms HARTLAND (Western Metropolitan) — I formally move:

4. Clause 9, page 11, lines 29 to 33, omit all words and expressions on these lines.

Again this is a straightforward amendment. My concern, and the reason I have moved this, is that I think the sunset clause is not appropriate. The government is saying that after three years market forces can just take over, but I think there needs to be more regulation in this industry rather than less to make sure that it is functioning properly.

The DEPUTY PRESIDENT — Order! I thank Ms Hartland. I should have advised that I believe this amendment to be a test of Ms Hartland's amendment 7.

Mr TEE (Eastern Metropolitan) — The way the clause works, as I understand it, is that in considering whether to grant additional licences there needs to be a balance. If you are going to issue new licences, you need to consider the impact of additional licences on the financial viability of providers of taxicab services, but only to the extent that that impact will have a negative effect on future users of taxicab services. Essentially the clause starts off by saying if you are going to issue new licences, you need to have a look at what is in the best interests of consumers, of the end-users, by reference to the number of taxis that will be provided.

Our concern is that if you take away that test, which has as its focal point the best interests of users, then not only the industry but also users could be disadvantaged. We think that that provision ought to stay in place — that there should not be a sunset clause — and for that reason we will support Ms Hartland's amendment, because without this provision there will be no capacity for consideration to be given to the interests of consumers prior to any decision to issue additional licences.

Hon. M. J. GUY (Minister for Planning) — The government has determined that the Taxi Services Commission's power to suspend the issue of licences will not be needed three years after the commencement of the licensing reforms. We do not support the proposal that the power be retained beyond the transition period because in our view it is unnecessary. The government queries why the mover of this amendment believes that those powers should be maintained indefinitely. It is not clear what would lead the mover of such an amendment — in this case the Greens — to believe that that power will be needed beyond the initial transition period. As I said, we do not support the amendment.

Ms HARTLAND (Western Metropolitan) — I will just make a brief comment. It is pretty clear from the

amount of correspondence we have all had on this and the amount of discussion we have had with the taxi industry that there are going to be major transition problems for the industry, and I do not think they will be resolved within three years. If we want to be back here in three years with another piece of legislation because the industry was not regulated properly, that is our problem. That is why I have moved this amendment.

Committee divided on amendment:

Ayes, 19

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

Noes, 21

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

Amendment negatived.

Ms MIKAKOS (Northern Metropolitan) — I take the minister to the public interest test that is set out in subsection (2) of new section 143AA which is being inserted by virtue of clause 9, and in particular to the way I have read that new subsection in that the interests of existing and future users of taxicab services in any particular zone appear to be the primary test in considering whether taxicab licences are to be suspended for a period rather than the financial viability of providers. Can the minister confirm that is the case?

Hon. M. J. GUY (Minister for Planning) — That is correct.

Ms MIKAKOS (Northern Metropolitan) — I thank the minister for that confirmation, because I know that in their contributions a number of government MPs held out the public interest test as somehow safeguarding the interests of existing licence-holders. It appears, as the minister has confirmed, that the primary test for whether licences will be suspended will be the

interests of existing and future users rather than the financial viability of providers. Perhaps it is not such a safeguard after all. However, I ask the minister to elaborate further on how this test will work, in particular the reference to the word ‘significant’ in terms of the interests of existing and future users of taxicab services. The test is in effect whether there is a significant negative impact on the interests of existing and future users of taxicab services. Can the minister give us an indication of what that means? Perhaps he could give us some examples of how the word ‘significant’ will be interpreted.

Hon. M. J. GUY (Minister for Planning) — I appreciate that Ms Mikakos is asking us about some points, but these are matters for the Taxi Services Commission to determine. For me to interpret what the Taxi Services Commission might do would not be correct. They are matters for the commission to determine.

Ms MIKAKOS (Northern Metropolitan) — We are the Parliament. We are passing the legislation. Presumably we should be expressing a view, and the minister, representing the government, should be indicating a view to the Taxi Services Commission about the intention of this particular clause and how the government believes the clause should be interpreted, not to mention giving the public of Victoria some indication of what the government’s intentions are here.

Hon. M. J. GUY (Minister for Planning) — A brief example might be street congestion due to excessive entry.

Clause agreed to; clause 10 agreed to.

Clause 11

The DEPUTY PRESIDENT — Order! I call on the minister to move the first of the proposed government amendments. This amendment can be considered a test for amendments 2 and 3, which all relate to the boundaries of taxicab zones.

Hon. M. J. GUY (Minister for Planning) — I move:

1. Clause 11, page 14, line 3, omit “The” and insert “Subject to subsections (3) and (4), the”.

I note the amendment proposed by the government seeks to provide certainty to licence-holders in those existing outer urban areas — namely, the taxi zones within the cities of Greater Dandenong, Frankston and Port Phillip. These licence-holders would be disproportionately adversely affected if annual licence fees were set at a \$17 000 per annum rate, so these

outer suburban and city of Port Phillip taxi zones ought to be included in the urban and large regional centre zone. These outer suburban and Port Phillip taxi zones border the Melbourne metropolitan zone. The government amendments ensure that the outer suburban zones are protected from the Melbourne metropolitan zone. It is not an issue for the Ballarat, Bendigo and Geelong taxi zones, which do not require the same protection. However, it is not clear that the taxi licence holders in other areas that might be included would be disadvantaged in the same way or in a similar way. The remaining areas to be included in this urban and large regional zone will be determined by the new Taxi Services Commission after consultation with licence-holders, other industry stakeholders and of course the community.

Mr TEE (Eastern Metropolitan) — I have a question on the impact of this amendment. The minister mentioned Bendigo and Ballarat. If the amendment is agreed to, following the processes set out in the act could the zones for, say, Bendigo or Ballarat be removed or amalgamated?

Hon. M. J. GUY (Minister for Planning) — It would be a matter for the commission to set the zones after a regulatory impact statement process.

Progress reported.

Business interrupted pursuant to sessional orders.

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

That the sitting be extended.

House divided on motion:

Ayes, 21

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

Noes, 19

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

Leane, Mr
Lenders, Mr
Melhem, Mr

Tierney, Ms
Viney, Mr

Motion agreed to.

**TRANSPORT LEGISLATION
AMENDMENT (FOUNDATION TAXI AND
HIRE CAR REFORMS) BILL 2013**

Committee

Resumed from earlier this day; further discussion of clause 11 and Hon. M. J. GUY's amendment:

1. Clause 11, page 14, line 3, omit "The" and insert "Subject to subsections (3) and (4), the".

Mr TEE (Eastern Metropolitan) — In terms of, say, the abolition of a zone for Ballarat — although it could equally apply to Geelong and other zones — the minister confirmed that that could be achieved by the Taxi Services Commission following the process set out in the legislation. Can the minister also confirm that the commission cannot amend, change or in any way vary the boundary for the Frankston zone?

Hon. M. J. GUY (Minister for Planning) — The member's question is a tad misleading because the government amendment only requires that the Frankston, Dandenong and Port Phillip areas be in the urban and large regional zone. The point of the amendment is to require them to be in that zone.

Mr TEE (Eastern Metropolitan) — Does that mean that the commission can change the boundaries for the Frankston zone?

Hon. M. J. GUY (Minister for Planning) — There will not be a Frankston zone; Frankston will be included in the urban and large regional zone. That zone can be enlarged, but the amendment requires that Frankston be in that zone.

Mr TEE (Eastern Metropolitan) — The minister has indicated that the zone can get bigger; could that be by way of the commission redrawing the boundaries?

Hon. M. J. GUY (Minister for Planning) — I think I answered this before the division on the extension of the sitting when I said that it would be a matter for the commission to set the zones, obviously after the regulatory impact statement process.

Mr TEE (Eastern Metropolitan) — Why not provide protection for the other zones, say, the Ballarat taxicab zone or indeed the Bendigo taxicab zone? Why

limit that protection to the outer suburban zones and the Port Phillip zone?

Hon. M. J. GUY (Minister for Planning) — I answered that initially in my statement when I said that we sought to provide certainty to licence-holders in the existing outer suburban Dandenong, Frankston and Port Phillip zones and that the government believes that licence-holders would be disproportionately adversely affected if annual licence fees were at \$17 000. Therefore these outer suburban zones ought to be included in the urban and large regional zone, and that is why the government has done that.

Mr TEE (Eastern Metropolitan) — I am sure they welcome that certainty. I suppose the question is why is there not the same certainty for, say, the Ballarat taxicab zone or indeed the Bendigo taxicab zone?

Hon. M. J. GUY (Minister for Planning) — They are not contiguous with the current metropolitan zone.

Mr TEE (Eastern Metropolitan) — Can I just clarify that every zone that is contiguous with the metropolitan zone is picked up by the minister's amendment 2?

Hon. M. J. GUY (Minister for Planning) — No.

Mr TEE (Eastern Metropolitan) — I again ask: why is there certainty for some but not other zones? Why is there differential treatment?

Hon. M. J. GUY (Minister for Planning) — I am advised that feedback from stakeholders during consultation indicated that those areas in particular would be adversely affected and that is why the changes have been made.

Ms HARTLAND (Western Metropolitan) — Considering this amendment has been moved this week after the bill was debated in the lower house, can the minister tell us about the consultation and with whom he consulted?

Hon. M. J. GUY (Minister for Planning) — I am advised that various industry stakeholders contacted the government and the appropriate amendments were prepared.

Ms HARTLAND (Western Metropolitan) — Can the minister outline who he met with and on what day? This has been very quick. We were aware in the last sitting week that there would be amendments, so can he outline who he met with — or rather who the Minister for Public Transport met with — when and how it happened, and what outcomes came from those meetings?

Hon. M. J. GUY (Minister for Planning) — I apologise but, as Ms Hartland corrected, I am not the Minister for Public Transport. I am the Minister for Planning and I am representing the Minister for Public Transport in this chamber. I did not meet with anyone in relation to any fundamental decisions on this matter. Having said that, I also do not have the transport minister's diary in front of me so I cannot provide the evidence that she is seeking. Suffice to say, the government has consulted a number of industry stakeholders over a long period of time, particularly in the last week or so. This whole topic has been well debated in the public domain, and as such the government has prepared the amendments that have been brought to the chamber today, and we believe they are correct.

Ms HARTLAND (Western Metropolitan) — I acknowledge that I should not have referred to the Minister for Planning as the Minister for Public Transport, and I apologise for that. The Minister for Public Transport's adviser is in the box as well as other members from his department. Surely they would know who the Minister for Public Transport met with and when. There seems to be some preferential treatment regarding this amendment, and I would like to understand how the government decided to come up with this amendment when it has refused to engage with any other amendment that has been put forward tonight.

Hon. M. J. GUY (Minister for Planning) — I am only going to follow this up by saying that there is no preferential treatment. I have come into this chamber for various committee stages when opposition members have asked the government to listen to consultation phases, and when the government does that, it is accused of preferential treatment. I simply say that the government has listened to industry stakeholders over a period of time. There has been a lot of consultation on this proposal, and we are bringing appropriate amendments to the chamber.

Ms HARTLAND (Western Metropolitan) — I will repeat my question. There is a ministerial adviser in the box. Could the minister seek from the adviser when the consultation occurred and with which stakeholders in order for these amendments to be drawn up?

Hon. M. J. GUY (Minister for Planning) — The ministerial adviser is not the Minister for Public Transport's diary secretary, so I cannot give Ms Hartland an outline of the minister's diary over the last three weeks, and I think it would be unfair for me to turn up to the chamber and start detailing the minister's diary when I have no details of it.

Ms HARTLAND (Western Metropolitan) — The minister is not prepared to explain what consultation occurred in order for these amendments to be drawn up.

Hon. M. J. GUY (Minister for Planning) — I stand by the answers I have given, and I reject the assertions being put forward by Ms Hartland. The government has been consulting widely. A number of members of the government have been widely consulting with their communities. We have brought amendments to the chamber in good faith after listening to a number of people's points of view. We believe they are appropriate amendments in those areas, and the government will move them as such.

Mr TEE (Eastern Metropolitan) — I suppose the difficulty is this: there has been an 18-month consultation process, there has been a report, a bill has been introduced into the chamber and then these amendments have been dropped on us over the last 24 hours. The minister has indicated that the amendments, which have been put forward subsequent to the process and the introduction of the bill to this place, were the result of consultation. Perhaps taking the point that Ms Hartland raises and turning it around, can the minister assure the house, and indeed the broader community, that the consultation the government has adopted since the introduction of the original bill and which led to this amendment was wide ranging and that it included representatives?

Hon. M. J. GUY (Minister for Planning) — The final report was released on 12 December 2012 and there were consultations until 30 January with over 500 submissions received in that time. The government has taken those submissions into account, and as a consequence we are making these amendments tonight. How can we be accused of not going through a long period of consultation in this process? I find it astounding.

As I said from the start, the taxi industry inquiry undertook extensive consultations, and all parties were provided with an opportunity to comment. It sought submissions and a draft report was provided. There were six weeks of consultations, and stakeholders presented their submissions to the inquiry's public hearing. The inquiry consulted licence-holders directly via a taxi licence holder survey, and I said earlier in the committee stage that 335 licence-holders responded directly to that survey, which is around 10 per cent. Views were sought from the licence-holders about how they manage their licences. The government released the inquiry's final report on 12 December and gave a further six weeks consultation. The submissions

received informed our response to the inquiry and of course the development of the bill.

Mr TEE (Eastern Metropolitan) — I thank the minister. I want to focus on the consultation that has occurred in the last couple of weeks leading up to these amendments being circulated, and that is the consultation the minister has indicated led to the amendments. I seek an assurance that there was consultation with representatives outside of those zones that are protected by the bill.

Hon. M. J. GUY (Minister for Planning) — Yes.

Mr TEE (Eastern Metropolitan) — Can I be assured that there was consultation with representatives of the contiguous zones and indeed consultation with representatives from the regional zones, including those around Bendigo, Ballarat, Geelong and so on?

Hon. M. J. GUY (Minister for Planning) — I am advised that there has been relevant consultation in the zones mentioned by Mr Tee, and quite a bit of it through a number of members of Parliament, including members of the government.

Amendment agreed to.

Hon. M. J. GUY (Minister for Planning) — I will not go into a long debate but simply move:

2. Clause 11, page 14, after line 8 insert —

“() In determining the boundaries of the Urban and Large Regional Zone under subsection (2)(a), the licensing authority must include within those boundaries —

- (a) the Outer Suburban Taxi-Cab Zone as described in Schedule 1 to the Order made under section 143A on 17 June 2010 and published in the Government Gazette (No. S246) on 28 June 2010; and
- (b) the Port Philip Taxi-Cab Zone as described in Schedule 1 to the Order made under section 143A on 16 November 2011 and published in the Government Gazette (No. S370) on 16 November 2011.

() The licensing authority does not have power under subsection (2)(b) to alter the boundaries of the Urban and Large Regional Zone in such a way that it no longer would include the whole of both the Zones referred to in paragraphs (a) and (b) of subsection (3).”.

The DEPUTY PRESIDENT — Order! I ask Mr Tee to move his amendments 1 to 3, which are amendments to Mr Guy’s amendment 2.

Mr TEE (Eastern Metropolitan) — I move:

1. Amendment No 2 — In the proposed paragraph (b) omit “2011.” and insert “2011; and”.
2. Amendment No 2 — After proposed paragraph (b) insert —
 - “(c) the Ballarat Taxi-Cab Zone being the area within an 11 kilometre radius of the Ballarat General Post Office; and
 - (d) the Bendigo Taxi-Cab Zone being the area within an 11 kilometre radius of the Bendigo General Post Office; and
 - (e) the Geelong Taxi-Cab Zone being the area bounded by the coastline, Hermsley Road to the Portarlington Road railway crossing at Curlewis, Curlewis road, a straight south-west line to the intersection of Ocean Grove Road, a straight south-west line to the intersection of Barwon Heads and Breamlea Roads, a straight south-west line to the intersection of Torquay and Blackgate roads, a straight north-west line to the intersection of Anglesea and Dickens Roads, a straight north-west line to the intersection of Prices Highway and Devon Road, a straight north-west line to the intersection of Barrabool and Hendy Main Roads, a straight north-east line to the intersection of Hamilton Highway and Pollocksford Road, a straight north-west line to the Midland Highway railway overpass at Gheringhap, a straight north line to the intersection of Sutherland Creek and Staceys Road, Staceys Road to Geelong-Ballan Road, a straight north-east line to the intersection of Geelong-Bacchus Marsh and Peak School Road, Peak School Road, a straight east line to Hughes Road, Hughes Road, Pousties Road, Beach Road and the coastline to Hersmsley Road; and
 - (f) the Sunbury, Gisborne, Macedon, Romsey, Riddell’s Creek, Woodend Taxi-Cab Zone being —
 - (i) the area within an 8 kilometre radius of the Sunbury Post Office; and
 - (ii) the area within an 8 kilometre radius of the Gisborne Post Office; and
 - (iii) the area within an 8 kilometre radius of the Macedon Post Office; and
 - (iv) the area within a 10 kilometre radius of the Romsey Post Office; and
 - (v) the area within a 2 kilometre radius of the Riddell’s Creek Post Office; and
 - (vi) the area within an 8 kilometre radius of the Woodend Post Office; and
 - (g) the Melton/Bacchus Marsh Taxi-Cab Zone being —
 - (i) the area within a 15 kilometre radius of the Melton Post Office; and

- (ii) the area within a 15 kilometre radius of the Bacchus Marsh Post Office; and
- (iii) the area within an 8 kilometre radius of the Ballan Post Office; and
- (h) the Wandong, Wallan, Broadford, Kilmore, Whittlesea Taxi-Cab Zone being —
 - (i) the area within a 3 kilometre radius of the Wandong Post Office; and
 - (ii) the area within a 4 kilometre radius of the Broadford Post Office; and
 - (iii) the area within an 8 kilometre radius of the Kilmore Post Office; and
 - (iv) the area within a 9 kilometre radius of the Wallan Post Office; and
 - (v) the area within a 10 kilometre radius of the Whittlesea Post Office.”.

3. Amendment No 2 — Omit “the whole of both the Zones referred to in paragraphs (a) and (b) of” and insert “the whole of all of the Zones referred to in”.

The amendments seek to provide a degree of consistency in terms of the protections that the government has sought to provide to the Port Phillip, Frankston and Dandenong areas through its amendment 2 to clause 11. I seek to provide — and I think the minister used these words — the same certainty for the other zones, including Ballarat, Bendigo, Geelong, Sunbury and surrounds, Melton, Wandong, Wallan and so on, to ensure a better policy outcome where there is a consistency of application so that the same certainty that you get in Frankston is provided in those areas, which is the argument the government has used for introducing it for Frankston, but also so that you have a consistent approach throughout the bill rather than the government’s approach, which seems to be reasonably ad hoc, where you single out a particular zone with no particular rationale or process for how you got there. We are seeking to provide a better and more consistent outcome across the board.

Hon. M. J. GUY (Minister for Planning) — The government will be opposing Mr Tee’s amendments.

Ms HARTLAND (Western Metropolitan) — The Greens will be supporting these amendments. We are surprised that the government is not supporting the amendments, considering it has put forward its own set of amendments. It is clear now that the government’s amendments only relate to Frankston and that it does not have much concern for the rest of the state.

Committee divided on Mr Tee’s amendments:

Ayes, 19

- | | |
|--------------------------------|---------------|
| Barber, Mr | Mikakos, Ms |
| Broad, Ms (<i>Teller</i>) | Pennicuik, Ms |
| Darveniza, Ms | Pulford, Ms |
| Eideh, Mr | Scheffer, Mr |
| Elasmar, Mr | Somyurek, Mr |
| Hartland, Ms (<i>Teller</i>) | 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 | Lovell, Ms |
| Dalla-Riva, Mr | O’Brien, Mr |
| Davis, Mr D. | O’Donohue, Mr |
| Davis, Mr P. | Ondarchie, Mr |
| Drum, Mr | Petrovich, Mrs (<i>Teller</i>) |
| Elsbury, Mr | Peulich, Mrs |
| Finn, Mr | Ramsay, Mr |
| Guy, Mr | Rich-Phillips, Mr |
| Hall, Mr (<i>Teller</i>) | |

Amendments negated.

Hon. M. J. GUY’s amendment agreed to.

Hon. M. J. GUY (Minister for Planning) — I move:

- 3. Clause 11, page 14, line 9, omit “(3)” and insert “(5)”.

Amendment agreed to.

The DEPUTY PRESIDENT — Order! I call on Mr Guy to move his amendments 4 to 15. These are related amendments about the overlap of taxicab zones. They are also a test for his amendment 16.

Hon. M. J. GUY (Minister for Planning) — I move:

- 4. Clause 11, page 14, line 9, omit “The” and insert “Subject to subsection (6), the”.
- 5. Clause 11, page 14, after line 11 insert —
 - “() An area of overlap cannot have any point within that area that is more than 3 kilometres from any point in either of the two adjoining zones that is outside that area.”.
- 6. Clause 11, page 14, line 12, omit “(4)” and insert “(7)”.
- 7. Clause 11, page 14, line 12, omit “(5)” and insert “(8)”.
- 8. Clause 11, page 14, line 22, omit “(5)” and insert “(8)”.
- 9. Clause 11, page 14, line 30, omit “(6)” and insert “(9)”.
- 10. Clause 11, page 14, line 30, omit “(5)” and insert “(8)”.
- 11. Clause 11, page 15, line 1, omit “(7)” and insert “(10)”.

12. Clause 11, page 15, line 1, omit "(8)" and insert "(11)".
13. Clause 11, page 15, line 6, omit "(8)" and insert "(11)".
14. Clause 11, page 15, line 15, omit "(9)" and insert "(12)".
15. Clause 11, page 15, line 16, omit "(8)" and insert "(11)".

Amendments agreed to; amended clause agreed to; clauses 12 to 15 agreed to.

Clause 16

Hon. M. J. GUY (Minister for Planning) — I move:

16. Clause 16, line 15, omit "143B(8)" and insert "143B(11)".

Amendment agreed to; amended clause agreed to.

Clause 17

Hon. M. J. GUY (Minister for Planning) — I move:

17. Clause 17, page 22, Table in proposed new subsection (2B), omit "\$17 000" and insert "\$22 000".

Amendment agreed to.

Hon. M. J. GUY (Minister for Planning) — I move:

18. Clause 17, page 22, Table in proposed new subsection (2B), omit "\$13 400" and insert "\$18 400".

Mr TEE (Eastern Metropolitan) — This amendment and the previous amendment increase the annual licence fee. Has the government done any calculation in terms of the total annual fee that is expected via this licence fee in a 12-month period?

Hon. M. J. GUY (Minister for Planning) — Could Mr Tee repeat the last part of his question?

Mr TEE (Eastern Metropolitan) — This amendment and the previous amendment to clause 17 increase the annual licence fee. Does the government have an estimate in terms of the total amount it expects to raise on an annual basis?

Hon. M. J. GUY (Minister for Planning) — I do not have an exact figure for Mr Tee, principally because it would depend on how many applicants there are. It would be an inexact science that I would not want to be quoted on.

Amendment agreed to; amended clause agreed to; clauses 18 to 31 agreed to.

Clause 32

Ms HARTLAND (Western Metropolitan) — I move:

5. Clause 32, page 50, after line 6 insert —

"() Without limiting subsection (1), it is an implied condition of every driver agreement that the operator of the taxi-cab has a comprehensive policy of insurance covering liability in respect of damage to the taxi-cab or any other property caused by, or arising out of the use of, the taxi-cab —

- (a) issued by a corporation authorised under the Insurance Act 1973 of the Commonwealth to carry on insurance business; and
- (b) providing cover that in the opinion of the TSC is sufficient for the taxi-cab."

Again, this amendment should have been included in this bill. I was a bit surprised in going through the bill that issues around insurance for drivers were not covered, which is why we have proposed this amendment. I was alerted to this issue by the Federation of Community Legal Centres report entitled *In the Driver's Seat — Achieving Justice for Taxi Drivers in Victoria*, which states that when it looked at its cases from February to November 2011 it found that the clinic had assisted 169 clients and that 27 per cent of those cases involved motor vehicle accidents where drivers were getting into debt because for claims up to \$20 000 there is no clear insurance process for drivers. There are the taxi clubs, which I think we all acknowledge are not a good way to do insurance. My reason for proposing this amendment is not only for the protection of taxidrivers but also for the travelling public. These taxis should be properly insured, and currently that is not happening.

Hon. M. J. GUY (Minister for Planning) — There is a bit of detail there, so I want to make sure I get it right. I am informed of three points in answer to Ms Hartland's question. It is a matter for the commission, and there are issues around the availability of insurance on the commercial market for cabs, but if availability is there, then it can be included in the drivers agreement. This picks up recommendation 5.12 of the inquiry report.

Mr TEE (Eastern Metropolitan) — Did I hear the minister say that there was an issue as to the availability of insurance?

Hon. M. J. GUY (Minister for Planning) — Yes. We understand there is a reluctance in the commercial insurance market to insure taxis. I point out that that has been there for some time.

Ms HARTLAND (Western Metropolitan) — I highlight that New South Wales taxi insurance is legislated in the Passenger Transport Regulation 2007, so I do not quite understand why New South Wales can do it and Victoria cannot.

Hon. M. J. GUY (Minister for Planning) — Ms Hartland raises a fair point, although in Victoria that is a matter for the commissioner. The commission will be able to look into what is happening in New South Wales and then make recommendations on how it sees that operating.

Ms HARTLAND (Western Metropolitan) — Would we expect new legislation to come from the commission to make sure that this is in legislation rather than regulation?

Hon. M. J. GUY (Minister for Planning) — I will just say that it is probably premature and probably a little wrong for me to prejudge the commission. It will do its job and its work, and we will see what comes in time.

Mr TEE (Eastern Metropolitan) — I want to unpick the issue of the lack of availability of insurance for taxis. I suppose the concern that raises is that it reinforces the importance of having this amendment, because it prescribes or requires insurance as part of the contractual arrangements. Without this are we in a situation where there is a risk that vehicles cannot obtain insurance and can be on our roads uninsured?

Hon. M. J. GUY (Minister for Planning) — No. As Mr Tee would know, every vehicle will have third-party insurance, so cabs will certainly have third-party insurance. Anything beyond that at a comprehensive level is where there is an issue of discussion.

Ms HARTLAND (Western Metropolitan) — It is my understanding from discussions with the Federation of Community Legal Centres, which runs a taxidriviers clinic, that it is a major problem in that because of the taxi clubs, people believe they are insured, but they are not. I would have thought this amendment would have been an obvious way for the government to make sure that these problems do not continue.

Hon. M. J. GUY (Minister for Planning) — I reiterate that all cabs will have third-party insurance. It is not as easy as simply passing legislation to fix an issue with the commercial insurance market. That is why we believe it is a matter for the commission to examine further, and we believe the amendment as it stands in the government's form is sufficient.

Ms HARTLAND (Western Metropolitan) — I am really surprised this government is not going to support this amendment and is happy to have taxicabs out there on the road that are inadequately insured.

Hon. M. J. GUY (Minister for Planning) — I only reiterate my comments in terms of recommendation 5.12. That might clarify a little further Ms Hartland's points, and I reiterate the necessity for third-party insurance and public safety that results from that.

The DEPUTY PRESIDENT — Order! At the outset I should have mentioned to Ms Hartland that her proposed amendment 5 is considered a test of all her remaining amendments to clause 42.

Committee divided on amendment:

Ayes, 19

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

Noes, 21

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

Amendment negatived.

Clause agreed to; clauses 33 to 54 agreed to.

Reported to house with amendments.

Mr Lenders — On a point of order, President, I apologise for doing this now, but clause 17 of this bill proposes to increase a financial burden on taxpayers. The question I raise for you is: if a burden is imposed, normally before the second reading you form a view as to whether it is in breach of the relevant section of the constitution. I seek from you a view as to what procedure is available to the house now. Clause 17 clearly increases a burden, and this bill is now being sent to the Legislative Assembly for its consent, which is arguably ultra vires.

Hon. D. M. Davis — On the point of order, President, it is simply outrageous for the Leader of the Opposition to raise a matter at the end of the committee stage, after the bill has been reported, when he had ample opportunity during the committee stage to raise precisely that point or indeed any other point about a clause. He chose not to do that. The house would face great difficulty in the future if people were able to take points of order about clauses long after they were considered during the committee stage. This is an abuse of process, an abuse of the chamber and discourteous at a minimum.

Hon. M. J. Guy — On the point of order, President, in relation to clause 17, which Mr Lenders's inquiry is about, the government sought advice from parliamentary counsel and was advised there is no issue, principally because this is a fee for a licence and does not constitute taxation.

Mr Barber — On the point of order, President, the relevant standing order, standing order 14.02, simply says:

A bill not prepared according to the standing orders and practices of the Council will be ordered to be withdrawn by the President.

That was the procedure that was used with other bills, but there is nothing in that standing order that says at what particular point in the debate you must rule in that way. It is simply open-ended and says that a bill that is irregular will be ordered by the President to be withdrawn.

Hon. D. M. Davis — On the point of order, President, likewise, if a member believed that in some way a bill was out of order, they could and should have raised it at an earlier point — or if they believed it about a particular clause.

The PRESIDENT — Order! On the point of order, in the first instance it is my view that the Leader of the Opposition is quite entitled to raise this matter with me at this juncture. The reason is that from my point of view it would be better that we avoided a problem in terms of returning a bill to the lower house by giving some consideration to an issue such as that which the Leader of the Opposition has raised than to proceed with a matter and send a bill back to the Legislative Assembly were there a problem. The issue that has been raised by the Leader of the Opposition might well have been raised earlier in the debate or at an earlier point today, but at the same time it might well be that this matter has just occurred to him as an issue with regard to this legislation. I regard him raising this point of order at this point, before I proceed to putting this

bill to the final test, as legitimate, taking into account the committee report that has been presented to me by the Deputy President.

I also indicate that if there were a problem with this legislation with regard to the fact that it increases fees — licence fees, as it were — beyond what the Legislative Assembly had put to us in the original bill, then I would see that it would not necessarily be an impediment to the legislation being put to the test in this house and conveyed to the Legislative Assembly. However, were the position of the opposition a valid position, obviously the amendments would be by way of suggestion to the Legislative Assembly, which is quite consistent with our procedures.

However, on this occasion I concur with Mr Guy, as the minister who has led this legislation. I understand what Mr Barber has raised about standing orders, but members would be aware that where there is legislation that governs these matters, that legislation overrides standing orders. In this case we do have a significant body of legislation that overrides the standing orders by way of the Constitution Act 1975. The Constitution Act provides under clause 64 regarding appropriation bills:

- (1) A Bill shall not be taken to be a Bill for appropriating any part of the Consolidated Fund or for imposing any duty rate tax rent return or impost by reason only of its containing provisions for the imposition or appropriation of fines or other pecuniary penalties or —

and this is the relevant part in terms of my judgement of this —

for the demand or payment or appropriation of fees for licences or fees for services under such Bill.

As the amounts referred to in the clause in the bill that has been considered by the committee relate to licence fees, I am of the view that in fact the house is competent to accept the committee report with the amendments that have been passed by the committee and to convey this bill with those amendments to the Legislative Assembly.

Report adopted.

Third reading

The PRESIDENT — Order! The question is:

That the bill be now read a third time and do pass.

House divided on question:*Ayes, 21*

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

Noes, 19

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

Question agreed to.**Read third time.****ADJOURNMENT**

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

That the house do now adjourn.

Geelong: regional migration agreement

Ms TIERNEY (Western Victoria) — My adjournment matter this evening is for the attention of the Premier, and it is in relation to the state government's plan to seek Geelong's inclusion in a program that uses temporary skilled migration to address labour shortages. In November 2012 the then Premier, Ted Baillieu, wrote to the then federal Minister for Immigration and Citizenship, Chris Bowen, asking for the population threshold of the regional migration agreement to be changed to allow the City of Greater Geelong to participate. The program facilitates increased labour flows to regional areas experiencing acute labour shortages, in particular regions that are isolated from large populations and do not have Australian skills and labour available.

Since this government came to power in 2010, the people of Geelong have seen Geelong's unemployment rate skyrocket to rates constantly above the state's average. We know there have been significant job losses from factories, retail outlets and various other

industries in Geelong, with little response from this state government. It has been under this government's watch that we have seen jobs lost at Ford, but of course there will be significantly more in 2016; Qantas's maintenance arm at Avalon Airport; Dick Smith retail stores; and Hungry Jack's. We had Elsworthy's electrical retailer close last week. We have had job cuts at Target, Godfrey Hirst, Air Radiators, Queenscliff Marine Discovery Centre, Quiksilver, Boral Concrete, Marand Precision Engineering, and the list goes on, not to mention the forced job losses at Gordon Institute of TAFE and hundreds of public sector job cuts in the region. However, instead of addressing these issues currently faced by the Geelong community, the government has chosen not to have a job plan or a job creation scheme for the region, and instead it has been seeking that Geelong become a migration work zone for overseas workers to fill job vacancies.

The action I seek from the Premier is for him to clearly state to the people of Geelong what the state government's current position is to including the region in the regional migration scheme, and if he is pursuing this, for him to explain to the people of Geelong the exact reasons for that decision, particularly given that there is an increasing number of people unemployed in Geelong, not just in the blue-collar and manufacturing sectors but also in white-collar jobs, in the retail sector and right across the board. It seems preposterous to me that any government would be pursuing such a position, particularly in the Geelong region.

Victorian Disability Sector Awards: recipients

Mrs COOTE (Southern Metropolitan) — My matter this evening is for the attention of Mary Wooldridge in her capacity as the Minister for Community Services and also as the Minister for Disability Services and Reform. Last Friday, together with Minister Wooldridge, I attended an excellent awards afternoon. The Victorian Disability Sector Awards recognise talent, creativity and leadership in the disability sector. It was an extraordinarily uplifting event, and everyone came away feeling very positive about the whole afternoon. The Victorian Disability Sector Awards are a joint initiative between the Victorian coalition government, National Disability Services and Disability Professionals Victoria.

The 2013 Lifetime Achievement Award was presented to Heidelberg West resident Pam Erwin. Pam Erwin has been a volunteer board director for a not-for-profit organisation that provides employment for people with a disability and their families. For the past 38 years Pam has demonstrated an outstanding level of commitment as a volunteer board director at Oriel

Services. She has provided social activities for people with a disability by managing a social club, organising local and overseas travel opportunities and forming a number of sporting teams in local disability and mixed competitions. What was so endearing about Pam was just how modest she was about her huge achievements and that she had done it in such an unselfish way. She said it was pleasing to see the enjoyment that people got, particularly out of the travel she arranged.

Some other recipients I would like to acknowledge include the winner of the Emerging Leader Award, Kirsty Buhlert-Smith, the team leader and physiotherapist at the Better Start for Children with Disability program at Scope. The Excellence in Advocacy and Rights Promotion Award was won by Rhonda Joseph for her quality advisor advocacy at Scope in Box Hill. The Excellence in Personal and Community Support Award was won by Jack Mulholland, the MetroAccess officer at Maroondah City Council in Ringwood. He talked about the opportunities for people with a disability to have access to changeable toilets. As he said, 'I think I will go down in history as the only person who was advocating for toilets'. The ability of people with a disability to get out into the community is a very real quality-of-life issue, and Jack Mulholland is to be congratulated.

The Volunteer Award was won by Sports Education and Development Australia students volunteering with Scope in Hawthorn East. The Excellence in Improving Health Award was won by the joint epilepsy management plan team. The Business and Community Supporting Disability Award was won by Victoria University, and the Excellence in Improving Participation was won by Scope Communication Access Assessors. The action I seek from the minister is that he ensure that these results and case studies are well publicised and acknowledged, because the award recipients are great role models and examples.

Smoking: regulation

Ms HARTLAND (Western Metropolitan) — My adjournment matter tonight is for the Minister for Health. In the last sitting week the government voted against the Greens Tobacco Amendment (Smoking in Outdoor Areas) Bill 2012, which sought to amend the Tobacco Act 1987 in order to make outdoor dining and drinking areas and a range of other crowded outdoor areas smoke free.

The government has stated that it is very supportive of measures to reduce the incidence of smoking within our population and decrease the uptake of smoking by younger Victorians. However, this statement is contrary

to its actions in voting against the Greens bill, which was developed on the recommendation of Quit Victoria, the Cancer Council Victoria, the Australian Medical Association Victoria, the Asthma Foundation and the Heart Foundation, together with hundreds of oncologists and health specialists. These organisations and individuals have called on the government to legislate to restrict smoking in outdoor areas because such legislation has been very effective in bringing down the smoking rate, including amongst young people. However, the calls of these organisations have fallen on deaf ears.

When I perceived the government's lack of action I called on its members to act in Parliament, but again it was to no avail. In response the Greens were forced to take on this bill ourselves. Even then the government did not support this reform and voted against the bill. The reason outlined by the government for not supporting the bill was that it was concerned about the consultation process. Its representative stated that it was unknown whether consultation had been undertaken with the Australian Hotels Association, Restaurant and Catering Victoria, the Department of Transport, Planning and Local Infrastructure, and local councils. We did contact the Australian Hotels Association, and it refused to respond. We developed this bill on the recommendation of the Municipal Association of Victoria and its 2011 report entitled *Local Government Recommendations for a Victorian Outdoor Smoking Framework*, but we did not consult beyond this as such a task is not possible for a two-person office. We took on the drafting and promotion of this bill because someone had to step up in the absence of government action.

The government has committed to reducing the incidence of smoking, and yet the Minister for Health claims it only voted against the Greens bill on the basis that we did not consult widely enough, which I presume is the case given it was the only reason identified in Ms Crozier's contribution to the second-reading debate. The action I seek is for the minister to announce the government's intention to make outdoor drinking and dining areas smoke free and for it to begin consulting with key stakeholders.

Bedford Road–Great Ryrie Street, Ringwood: traffic lights

Mr LEANE (Eastern Metropolitan) — My adjournment matter is directed to the Minister for Roads, Mr Mulder. The action I am seeking is for the minister to act to ensure that the intersection of Bedford Road and Great Ryrie Street in Ringwood is supplied with traffic lights that will make it much safer to use.

This area is an education precinct, with about 4000 students attending Ringwood Secondary College, Great Ryrie Primary School and Aquinas College. This particular intersection is a T-intersection — —

The PRESIDENT — Order! Can I just be assured by Mr Leane that he has not raised this matter previously on the adjournment?

Mr LEANE — No, not this particular matter.

The PRESIDENT — Order! I seem to recall Mr Leane speaking about this exact intersection, but maybe it was not on the adjournment. Can Mr Leane assure me that this particular matter has not been raised before?

Mr LEANE — You might be thinking of Tormore Road — —

The PRESIDENT — Order! No, it is this one because I am familiar with this intersection; my ears pricked up last time Mr Leane mentioned it because it is an intersection with which I am familiar. I will take Mr Leane's assurance that he has not previously raised this matter on the adjournment or sought the same action.

Mr LEANE — This particular intersection, as I said, is a T-intersection that also incorporates a level crossing, which increases the concerns of people in the area. The precinct is being used more and more, particularly since the closure of Swinburne University of Technology, Lilydale campus. Many more students are using the skills centre that is aligned with Ringwood Secondary College because it is the only place in the outer east where young people can do automotive and engineering TAFE courses. I call on the Minister for Roads to act on implementing traffic light signals at this intersection.

Werribee Football Club: facilities

Mr ELSBURY (Western Metropolitan) — The matter I wish to raise this evening is for the attention of the Minister for Sport and Recreation. It relates to the Werribee Football Club and its desire to redevelop its facilities at Chirnside Park or, in recognition of the commercial arrangements the club has in place, Avalon Airport Oval in Werribee.

I must say I have a vested interest in this matter as I am a member of the Werribee Football Club; I have been a member of the mighty Tigers since 1995 — —

Hon. D. M. Davis — A different mighty Tigers!

Mr ELSBURY — A much better Tigers — the Werribee Tigers. I was actually at the game on the weekend when the Tigers took on Box Hill, although it was not a good result in the end.

The oval is already equipped with light towers which enable VFL matches to be played at night, and this has been a great advantage. In partnership with Wyndham City Council and the AFL the Werribee Football Club wishes to transform its very tired facilities to reflect the professional nature of the sport and also to provide the Wyndham community with a world-class community facility.

The plans include the construction of new change rooms for male and female participants, new male and female umpire change rooms, a new grandstand and a new catering area which will allow access for people of all abilities. At the moment people have to go up some very tight stairs.

One of the activities that will be supported by these new facilities will be the AFL's multicultural engagement program. There is great diversity in the city of Wyndham. The 2011 census highlighted the fact that over 38 per cent of the population of Wyndham was born overseas, with 6.8 per cent born in central and southern Asia, 6.5 per cent born in South-East Asia and 5 per cent born in north-west Europe. Sudanese-born Majak Daw has also utilised the Werribee Football Club on his pathway into the North Melbourne Football Club.

The minister has already visited the club and received a briefing from club officials on what they hope to achieve with the new facilities, including engaging with more people from the Wyndham community. The action I seek is that the minister give this worthwhile project serious consideration. I urge the Victorian government to support this project so that it can become a reality and the many great programs run by the club and the AFL can be supported.

Responses

Hon. D. M. DAVIS (Minister for Health) — I have written responses to the adjournment debate for matters raised by Ms Darveniza on 5 February this year, Mr Lenders on 28 May, Mrs Coote also on 28 May and Ms Pennicuik on 29 May.

Matters raised with me tonight by Ms Tierney relate to Geelong — this is a matter for the Premier, as I understand it — and 457 visas and the unemployment rate. I think the unemployment rate in Geelong in some ways compares well to that in other parts of the

country. I know Geelong is a very dynamic community. I saw the mayor, Frank Costa, speak about these matters recently; I saw him on television tonight speaking eloquently about the strength and resilience of the Geelong community.

Honourable members interjecting.

Hon. D. M. DAVIS — Yes, indeed, talking up Geelong.

Ms Tierney — On a point of order, President, my adjournment matter was for the Premier, and that has been acknowledged by the minister, but he has chosen now to editorialise my adjournment matter.

Hon. D. M. DAVIS — On the point of order, I am entitled as minister to dispose of the matter in any way I see fit.

The PRESIDENT — Order! So I can understand, is the minister disposing of it on behalf of the Premier?

Hon. D. M. DAVIS — President, I will refer the matter to the Premier, but I am entitled to flesh out the points that were made by Ms Tierney and put them in context.

The PRESIDENT — Order! On the matter raised by Ms Tierney, the minister is entitled to respond to the adjournment items as he sees fit. I would have been concerned if the minister had taken it upon himself to discharge the item completely when it was in fact referred to the Premier; he has given us an assurance that he is to make that referral, and so his remarks are to be seen as his remarks on this occasion, but the matter will in fact be referred to the Premier, so I do not have a problem with that.

Hon. D. M. DAVIS — To complete that point, I will refer the matter to the Premier. I think Geelong as our second-largest city is a very important city. The national disability insurance scheme announcement is a significant one which has both federal and state support in this context and which will help to generate jobs and economic and social activity in the Geelong region. As I say, I also saw Frank Costa speaking eloquently tonight, providing great leadership for the Geelong community in a way that I think was very positive and encouraging, not like one of the naysayers or negative people who would talk down the future opportunities for what is a remarkable region and city. The city has the strong support of the government and, I might add, the very strong personal support of the Premier, who not only barracks for the football club but is very well acquainted with the region, having grown up not too far from that area. I note there are issues for the region,

including federal taxes like the carbon tax, that are causing challenges, but I am sure all of those will be covered in the Premier's response to Ms Tierney.

The matter raised for the Minister for Community Services by Mrs Coote relates to a series of awards for those with disabilities. I think the remarkable list of people that she referred to should hearten all of us in terms of the capacity of people to respond and to contribute. The volunteer award that she mentioned for excellence in improved health and the long list of other awards reflect very favourably on some of the organisations that she referred to. I will pass that matter on to the minister for advice about its further and wider publicity.

Ms Hartland raised a matter for me concerning smoking in outdoor dining areas. I am familiar with the bill Ms Hartland brought to the chamber. The bill was opposed because there were matters of consultation that were not completed and details that were, frankly, not up to scratch. Notwithstanding that, I think the deeper intention behind Ms Hartland's bill — to elucidate ways to reduce smoking — is strongly shared by all in this house, and I include members of the Labor Party as well as the Liberal Party, The Nationals and the Greens.

The incidence of smoking is reducing, and the government is committed to reducing it further. In the foreseeable future we will bring a bill to this chamber to deal with smoking in children's playgrounds and at children's sporting events and a number of other matters. That will not be the end of the matter. Outdoor smoking is a matter the government is considering discussing. We will be talking to key groups in this area — for example, I talk to the Australian Medical Association quite regularly, as well as to other stakeholders, about these matters. Yes, there is significant work to be done in tobacco control and reducing smoking rates, and we will continue to take significant steps in that area.

Mr Leane raised a matter for the Minister for Roads concerning the intersection of Bedford Road and Great Ryrie Street, Ringwood, seeking the installation of traffic lights or other traffic control mechanisms at that intersection. Like the President, I am familiar with that intersection. I note that during 11 years of government, Labor did not take this step. The member now raises the matter in the chamber, as he is entitled to do. I will refer that matter to the Minister for Roads for his detailed response.

Mr Elsbury raised a matter for the Minister for Sport and Recreation concerning the parks and ovals of the Werribee Football Club — where I note the mighty

Tigers performed poorly this weekend, from the sound of it. Nonetheless, it is a team greatly loved by the member, and I note the importance of the team to his community, the desire to expand, with the support of Wyndham City Council, and to transform what he described as tired facilities by putting in change rooms and other facilities of importance to the sporting code — a very good code, I might add. As I understand it, Minister Delahunty has recently visited the area. He would have been highly impressed by the local spirit and the commitment of local people, including Mr Elsbury, to the club. I know he will give this matter detailed consideration. I will pass it on to him for his response.

The PRESIDENT — Order! The house stands adjourned.

House adjourned 11.28 p.m.