

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-SEVENTH PARLIAMENT

FIRST SESSION

Wednesday, 19 February 2014

(Extract from book 2)

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The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

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Legislative Council committees

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

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

Legislative Council standing committees

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

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 Finn, #Ms Hartland, Mrs Kronberg, #Mr Leane, Mr Ondarchie, Ms Pennicuik, #Mrs Peulich, Mr Ronalds, Mr Scheffer, #Mr Tarlamis, Mr Tee and Ms Tierney.

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

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

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

Participating member

Joint committees

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

Dispute Resolution Committee — (*Council*): Mr D. Davis, Mr Hall, Mr Lenders, Ms Lovell and Ms Pennicuik. (*Assembly*): Ms Allan, Ms Asher, Mr Clark, Ms Hennessy, Mr Merlino, Mr O'Brien and Mr Walsh.

Economic Development, Infrastructure and Outer Suburban/Interface Services Committee — (*Council*): Mr Eideh, Mrs Peulich and Mr Ronalds. (*Assembly*): Mr Burgess, Mr McGuire and Mr Shaw.

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

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

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

Family and Community Development Committee — (*Council*): Mrs Coote and Mr O'Brien. (*Assembly*): Ms Halfpenny, Mr Madden and Ms Ryall.

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

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

Law Reform, Drugs and Crime Prevention Committee — (*Council*): Mr Ramsay and Mr Scheffer. (*Assembly*): Mr Carroll, Mr McCurdy and Mr Southwick.

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

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

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

Scrutiny of Acts and Regulations Committee — (*Council*): Mr Dalla-Riva. (*Assembly*): Ms Barker, Ms Campbell, Mr Gidley, Mr Nardella, Dr Sykes and Mr Watt.

Heads of parliamentary departments

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

Parliamentary Services — Secretary: Mr P. Lochert

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FIFTY-SEVENTH PARLIAMENT — FIRST SESSION

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Deputy President: Mr M. VINEY

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Mr Tarlamis

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Deputy Leader of the Government:

The Hon. W. A. LOVELL

Leader of the Opposition:

Mr J. LENDERS

Deputy Leader of the Opposition:

Mr G. JENNINGS

Leader of The Nationals:

The Hon. P. R. HALL

Deputy Leader of The Nationals:

Mr D. DRUM

Member	Region	Party	Member	Region	Party
Atkinson, Hon. Bruce Norman	Eastern Metropolitan	LP	Lenders, Mr John	Southern Metropolitan	ALP
Barber, Mr Gregory John	Northern Metropolitan	Greens	Lovell, Hon. Wendy Ann	Northern Victoria	LP
Broad, Ms Candy Celeste	Northern Victoria	ALP	Melhem, Mr Cesar ³	Western Metropolitan	LP
Cote, Mrs Andrea	Southern Metropolitan	LP	Mikakos, Ms Jenny	Northern Metropolitan	ALP
Crozier, Ms Georgina Mary	Southern Metropolitan	LP	Millar, Mrs Amanda Louise ⁵	Northern Victoria	LP
Dalla-Riva, Hon. Richard Alex Gordon	Eastern Metropolitan	LP	O'Brien, Mr David Roland Joseph	Western Victoria	Nats
Darveniza, Ms Kaye Mary	Northern Victoria	ALP	O'Donohue, Mr Edward John	Eastern Victoria	LP
Davis, Hon. David McLean	Southern Metropolitan	LP	Ondarchie, Mr Craig Philip	Northern Metropolitan	LP
Davis, Mr Philip Rivers ¹	Eastern Victoria	LP	Pakula, Hon. Martin Philip ²	Western Metropolitan	ALP
Drum, Mr Damian Kevin	Northern Victoria	Nats	Pennicuik, Ms Susan Margaret	Southern Metropolitan	Greens
Eideh, Mr Khalil M.	Western Metropolitan	ALP	Petrovich, Mrs Donna-Lee ⁴	Northern Victoria	LP
Elasmr, Mr Nazih	Northern Metropolitan	ALP	Peulich, Mrs Inga	South Eastern Metropolitan	LP
Elsbury, Mr Andrew Warren	Western Metropolitan	LP	Pulford, Ms Jaala Lee	Western Victoria	ALP
Finn, Mr Bernard Thomas C.	Western Metropolitan	LP	Ramsay, Mr Simon	Western Victoria	LP
Guy, Hon. Matthew Jason	Northern Metropolitan	LP	Rich-Phillips, Hon. Gordon Kenneth	South Eastern Metropolitan	LP
Hall, Hon. Peter Ronald	Eastern Victoria	Nats	Ronalds, Mr Andrew Mark ⁶	Eastern Victoria	LP
Hartland, Ms Colleen Mildred	Western Metropolitan	Greens	Scheffer, Mr Johan Emiel	Eastern Victoria	ALP
Jennings, Mr Gavin Wayne	South Eastern Metropolitan	ALP	Somyurek, Mr Adem	South Eastern Metropolitan	ALP
Koch, Mr David Frank	Western Victoria	LP	Tarlamis, Mr Lee Reginald	South Eastern Metropolitan	ALP
Kronberg, Mrs Janice Susan	Eastern Metropolitan	LP	Tee, Mr Brian Lennox	Eastern Metropolitan	ALP
Leane, Mr Shaun Leo	Eastern Metropolitan	ALP	Tierney, Ms Gayle Anne	Western Victoria	ALP
			Viney, Mr Matthew Shaw	Eastern Victoria	ALP

¹ Resigned 3 February 2014

² Resigned 26 March 2013

³ Appointed 8 May 2013

⁴ Resigned 1 July 2013

⁵ Appointed 21 August 2013

⁶ Appointed 5 February 2014

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Wednesday, 19 February 2014

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

The PRESIDENT — Order! I inform the house that I have been advised that the Economy and Infrastructure Legislation Committee and the Legal and Social Issues Legislation Committee will be meeting this day following the conclusion of the sitting of the Council.

I take the opportunity to say that Ms Pennicuik has had some difficulty with cold air currents around her seat in the chamber. On a previous occasion she suffered some headaches as a result. If necessary, I will authorise acting chairs to recognise Ms Pennicuik in an alternate seat. We are addressing the problem.

PETITIONS

Following petition presented to house:

Gippsland public transport

To the Legislative Council of Victoria:

The petition of residents and public transport users of far east and north Gippsland draws to the attention of the house the inadequate, unreliable and infrequent bus services and train services on the Bairnsdale V/Line line and throughout Gippsland.

The petitioners therefore request that the Legislative Council of Victoria calls on the government to deliver much better and more reliable public transport services to residents of east and north Gippsland. Specifically:

better bus and train services between Traralgon and Sale through to Maffra and on to Bairnsdale — buses running between major towns on a more regular, reliable basis;

a more reliable and frequent service that will connect with the V/Line trains to Traralgon and allow passengers to connect easily for their onward journey to eastern areas; and

the provision of newer, better maintained buses for East Gippsland townships.

By Mr SCHEFFER (Eastern Victoria) (3670 signatures).

Laid on table.

PAPERS

Laid on table by Clerk:

Auditor-General’s Report on Asset Management and Maintenance by Councils, February 2014.

Heavy Vehicle National Law Application Act 2013 — Heavy Vehicle (Vehicle Standards) National Regulation pursuant to section 6 of the Act.

Independent Broad-based Anti-corruption Commission — Special Report concerning allegations about the conduct of Sir Ken Jones QPM in relation to his dealings with certain confidential Victoria Police information, February 2014.

Legal Profession Act 2004 — Practitioner Remuneration Order 2014.

Melbourne City Link Act 1995 — Melbourne City Link Thirty-Second Amending Deed, 17 February 2014, pursuant to section 15(2) of the Act.

ECONOMY AND INFRASTRUCTURE LEGISLATION COMMITTEE

Membership

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

That —

- (1) Mr Scheffer be a participating member of the Economy and Infrastructure Legislation Committee; and
- (2) Mr Scheffer act as a substitute member of the Economy and Infrastructure Legislation Committee for Mr Lenders.

Motion agreed to.

MEMBERS STATEMENTS

DonateLife Week

Mr TARLAMIS (South Eastern Metropolitan) — I rise to speak on Australia’s national awareness week to promote organ and tissue donation, which is known as DonateLife Week. DonateLife Week runs nationally from Sunday, 23 February, to Sunday, 2 March, and is a perfect opportunity for people to have a very important discussion with family and close friends about their donation decision — that is, have they registered their wish to be an organ and tissue donor? Appropriately the theme this year is ‘Have a chat that saves lives — ask and know your loved one’s wishes’. I suspect many people remain unaware that in Australia no donation can proceed until the donor’s family gives consent and confirms their decision.

The importance of donations in our health system should not be underestimated. Last year alone 391 organ donors gave 1122 transplant recipients a new chance at life. This is a truly remarkable achievement. However, we should bear in mind that around 1600 Australians remain on organ transplant waiting lists at any given time, with most of these waiting

between six months and four years for a suitable donor. Given that just one organ and tissue donor can change the lives of 10 or more people, much more needs to be done to increase awareness and donation consent rates.

The discussion around donation can be a sensitive one; indeed the decision to become a donor is both personal and important. However, once made it is critical that it is communicated to family and friends as the fact remains that almost half of Australians, or 47 per cent, do not know or are not sure of the donation decision made by their loved ones. The good news is that the vast majority of Australians, or 96 per cent, who are aware of their family member's choices indicate they would uphold them when the time came. I urge everyone to have this discussion with their family and close friends during DonateLife Week. A little preparation now can save a lot of emotional stress during what is always a difficult time for families. The decision to contribute to organ and tissue transplants will be nothing short of life-saving.

Rotary Club of Craigieburn

Mr ONDARCHIE (Northern Metropolitan) — On Tuesday, 11 February, the Rotary Club of Craigieburn held its inaugural community services awards night, recognising the hard work of local services and their members. The night was attended by more than 120 people, including Rotarians, the mayor of the City of Hume, Casey Nunn, me and other dignitaries.

First Constable Patrick Derksen was awarded Craigieburn Police Officer of the Year. Also recognised was the hard work of Domenic Isola, CEO of Hume City Council, and Brook Watson, from aged and public health services within Hume City Council.

Vocational awards for Hume City Council staff were awarded to Joanne Parson and Kim Middleton. Recipients of community service awards for emergency services were Trudy Harris from the Craigieburn emergency response team, Paul Ledwich from the State Emergency Service (SES) and Dianne English from the Country Fire Authority (CFA). The Rotary Club of Craigieburn also contributed \$1000 to each of the Craigieburn CFA, the Craigieburn SES and the Craigieburn emergency response team. This will go towards the purchasing of much-needed equipment.

I pay tribute to Peter Broomhead, the president of the Rotary Club of Craigieburn, and to David Ronksley, the secretary of the club. As my first introduction to what is going to be my new electorate after the redistribution of electoral boundaries it was a pleasure to visit the great

township of Craigieburn, an area I got the opportunity to doorknock last Saturday.

Save Live Australia's Music

Ms PENNICUIK (Southern Metropolitan) — This Sunday, 23 February, will be the fourth anniversary of the Save Live Australia's Music (SLAM) rally, when 20 000 people marched from the State Library of Victoria to Parliament House in support of live music and to protest against the blanket security conditions that have been imposed on live music venues.

As I said at the same time last year, live music is a significant contributor to the Victorian economy and much loved by Victorians who attend live music venues every day of the week all around Victoria. The government has made some achievements over the last three years by putting protection of live music in the Liquor Control Act 1987 and just this week by putting forward legislation to allow for under-age gigs in licensed venues. There will not be a formal SLAM Day event this year, as there have been in the past two years to mark SLAM Day. The SLAM website states that there were 350 gigs last year but that it cost a lot to host the SLAM Day.

I would like to thank everybody who has been involved over the last four years in SLAM actions and for keeping up the pressure on the government to support live music. We are still waiting on the agent-of-change principle to be strengthened and for the state environment protection policy N-2 to be reviewed.

Knitted Knockers Australia

Mr LEANE (Eastern Metropolitan) — I would like to raise awareness of a group that I only recently found out was operating. It is a network of volunteers called Knitted Knockers Australia who hand knit 100 per cent cotton prostheses and provide them free to women who have had a mastectomy. Knitted Knockers provides women with another option to silicon prostheses and has helped many women who have not had a breast reconstruction. Sometimes women may be on a waiting list for breast reconstruction; Knitted Knockers provides them with an alternative while they wait.

Knitted Knockers Australia operates out of the Burwood neighbourhood house and supplies cotton prostheses in all sizes to people right across Australia and even overseas. It is a great organisation that funds itself. Each volunteer pays for their materials. Unfortunately this is starting to become a bit hard to sustain, so if any members in this chamber think they

have any ideas that may be able to assist the volunteers in their great work, that would be fantastic.

Government financial management

Ms CROZIER (Southern Metropolitan) — The extraordinary revelation of a \$19 billion shortfall in Labor's transport policy should be of concern to every single Victorian. The revelation highlights the inability of Labor to manage money. Victorians remember only too well the legacy the Victorian coalition inherited when we came to government in 2010. A little over three years ago we discovered project after project either underfunded or having massive project cost blow-outs.

Labor gave us projects such as the desalination plant, which will cost Victorians \$1.8 million each day for decades. The botched pokies licence fiasco is \$3 billion of Victorian taxpayer money wasted. Myki was budgeted at \$350 million, and on coming to government we found it to be a cost to Victorian taxpayers of around \$1.4 billion — not to mention the numerous other IT project cost overruns totalling hundreds of millions of dollars. The north-south pipeline represents a cost of \$750 million without delivering a drop of water. The Ararat prison project is another botched contract that has required significant renegotiation to save jobs and further cost to the taxpayer.

Unlike the Labor government, the coalition government understands the importance of managing projects properly with sound financial management. Victorians want strong leadership and a government planning for the future in a realistic manner. They do not believe the media stunts of the Leader of the Opposition in the Assembly and member for Mulgrave, Daniel Andrews, who waves around blank cheques, or his rhetoric of unfunded promises such as the removal of 50 level crossings.

The Napthine government is planning for the future in transport, whether that be with improved train punctuality, more trams, more trains, more bus services or crucial infrastructure projects such as the east-west link or the staged removal of level crossings, as is happening at the Murrumbidgee level crossing in my electorate of Southern Metropolitan Region. Victorians understand the need for careful planning, and they want a government that can manage money.

Steven Kadar and Katie Peters

Mr MELHEM (Western Metropolitan) — As members will know, bushfires ravaged a large part of

the state last week. Some of these fires are still going. However, a year ago on 13 February 2013, two heroes who worked for the Department of Environment and Primary Industries (DEPI) as firefighters — Steven Kadar and Katie Peters — were tragically killed while firefighting near Harrietville in the state's north-east. Their deaths severely traumatised their families, friends, colleagues and the community. I knew Mr Kadar, and as the secretary of the Australian Workers Union back then I had the unfortunate task of visiting and spending time with their families after the tragic event.

This statement is a reminder of what these people do for us. The people who wear the green overalls of DEPI are not as highly recognised; we normally look at the yellow overalls of the Country Fire Authority (CFA) because the colour is more visible. They fight fires on people's land and do a terrific job. Both the volunteers and the professional firefighters are heroes, and it is time to reflect on that as I reflected last Friday along with many Department of Sustainability and Environment friends with whom I spent time.

It is worthwhile remembering these two heroes, and today we need to spare a thought for their families, friends and colleagues. Victorians should give thanks to these brave firefighters — both the paid and voluntary firefighters of DEPI and CFA — who risk and unfortunately sometimes lose their lives in trying to defend the state.

Alcoa

Mr RAMSAY (Western Victoria) — Yesterday's announcement by Alcoa of its decision to close the Point Henry smelter and rolling mill by the end of the year was a huge disappointment for its 810 workers, and my thoughts are with them and their families. The news was expected but the speed and timing of the announcement was not, and Alcoa has not given its workers time to adjust and retrain for other opportunities.

The Victorian coalition government demonstrated its commitment to Alcoa by granting an extension to its lease of land for its power station through legislation; but as we have seen time and again, throwing money into a fledgling industry does not guarantee success. We saw this when former Premier Steve Bracks gave \$80 million in taxpayer dollars to Kodak, and it walked away. Again we saw this when former Prime Minister Julia Gillard gave \$40 million in taxpayer dollars to Ford with no strings attached. Thankfully, Premier Napthine negotiated a far better investment with SPC Ardmona, which requires job retention for three years. I

congratulate the Premier on a great outcome for SPC and its workers.

I am absolutely disgusted with Gayle Tierney's letter to the *Geelong Advertiser*, which blames the Napthine government for the job losses. It is a typical reaction from a former union state secretary, now Labor MP, who is playing the political blame game and trying to drag Geelong down in a mire of negativity. The fact is Geelong is in a transitional phase and the coalition government, through the Geelong Region Innovation and Investment Fund and the \$11 million Geelong Advancement Fund, is creating new jobs through providing support to companies like IXL Metal Castings, Carbon Revolution, Associated Kiln Driers and Farm Foods. The new mayor, Darryn Lyons, is a great advocate for talking up Geelong, despite Ms Tierney's efforts in trying to talk the city down. It is now time for the federal government to fast-track projects and a good start would be a \$19 billion land combat vehicle contract. It is time we took a bipartisan approach to — —

The PRESIDENT — Order! Thank you, Mr Ramsay.

Employment

Ms MIKAKOS (Northern Metropolitan) — The pain being experienced by Victoria's manufacturing industry has been well publicised. We have witnessed announcements from Ford, Holden, Toyota, Qantas, the ANZ bank, Bosch, Heinz and Swan Services, which are all shedding jobs and letting go thousands of manufacturing and service staff. Yesterday we witnessed yet another blow to not only Victoria's manufacturing industry but also the entire Geelong community. The closure of Alcoa's aluminium smelter will see hundreds of jobs lost. Premier Denis Napthine said yesterday that it was a sad day for Geelong, but how many more sad days do Victorians have to endure before this government gets real about its role in the job losses that we are experiencing in Victoria?

Victoria needs a jobs plan, and Victorians need a government that is willing to give them one. It was only after sustained community outrage and an election commitment by the Labor opposition that the Napthine government finally caved in and came to the table in support of SPC Ardmona. Former Premier Ted Baillieu may have been labelled the 'Do Nothing Premier', but Denis Napthine has earned his own label of the 'Bystander Premier'. Under his watch more Victorians have become unemployed than at any time over the last 12 years. At 6.4 per cent, Victoria's unemployment rate is higher than the national average. Under the Liberals,

Victoria has seen 55 000 more people become unemployed. It is a sad day each and every day the Premier of our state stands by and watches as Victoria bleeds more jobs.

Geelong defence contract bid

Mr KOCH (Western Victoria) — Last week the Premier was in Canberra seeking to secure several Australian Defence Force contracts for Victoria, including Geelong. A strong case was made for Geelong to be the base for the design, engineering, manufacturing and maintenance of the new LAND 400 Sentinel military vehicle. This \$10 billion design and manufacturing project, plus a \$10 billion maintenance program, is to be funded through the defence capability plan. No further funding is needed for its implementation. The LAND 400 project has been identified as the world's largest current armoured vehicle project, and Geelong is uniquely positioned to be the manufacturing centre for this combat vehicle.

Such a major defence project requires high technology manufacturing, advanced composite production, software development and maintenance, vehicle system integration and a range of logistics and other skills. Geelong has the advanced capability in each of those disciplines, particularly in the area of vehicle manufacturing, and is a national leader in advanced composite manufacturing through Carbon Nexus, the Victorian Centre for Advanced Material Manufacturing at Deakin University. Gaining the LAND 400 project would be an important transition for the vehicle manufacturing sector in Geelong by creating valuable jobs for many already trained car industry workers while providing a significant and lasting boost to the Geelong and Victorian economies.

I congratulate the Premier on his support for Geelong. I also congratulate the delegation from the City of Greater Geelong led by mayor Darryn Lyons that further presented Geelong's case in Canberra for this exciting project just 48 hours behind the Premier. Much is being done to assist Geelong to meet the current challenges confronting this great community.

Werribee Mercy Hospital

Mr ELSBURY (Western Metropolitan) — I congratulate the Werribee Mercy Hospital on achieving 20 years of serving the community in Werribee and the greater western suburbs which it will celebrate tonight at a dinner that unfortunately I will not be able to attend. However, I do send my very warm regards to everyone who has been involved in the running of that

hospital and in providing health care to the people of the west from that great institution.

Morgan Blazina

Mr ELSBURY — I would also like to congratulate the Lions Club of Dousta Galla on running its section of the Youth of the Year quest, and Morgan Blazina from Pascoe Vale Girls College on winning that award this year. Morgan will be moving on to the next round and I wish her the best of luck.

Manor Lakes Reserve

Mr ELSBURY — Last week I was also pleased to join with the Minister for Sport and Recreation, the Honourable Hugh Delahunty, at the opening of the \$3.6 million Manor Lakes Reserve, a sports field which will serve the people of Wyndham Vale and Manor Lakes for many years to come. The state government proudly contributed half a million dollars to that project.

Firefighters

Mr ELSBURY — I would also like to join with my parliamentary colleague Cesar Melhem in sending our best wishes to the state's firefighters. Given the effort they have already put in and the effort they will put in I hope every Victorian will pray to whatever deity they believe in, and if they do not believe in a deity, then certainly wish our firefighters the best of luck over the next few weeks.

Warrandyte bushfire

Mrs KRONBERG (Eastern Metropolitan) — I was travelling home on Sunday, 9 February, from the Chinese New Year celebrations in Glen Waverley and was alarmed to hear the street coordinates for a bushfire that was burning out of control in Flannery Court, Warrandyte, which is close to the intersection of Reynolds Road and Tindals Road. Where the fire started was very close to my home. For the entire afternoon we watched anxiously as the air crane and helicopters circled over our street. It was a stark reminder of the last fire that threatened our home in 1982, when our side of the hill was only saved because of a wind change. And there we were again. How could such a large fire be happening in a built-up area such as ours? It is a stark reminder of how vulnerable those of us are who love the landscape and the natural environment and live on the urban fringe.

We have good roads in our neighbourhood, which in the event of a fire storm would most likely carry a large volume of people needing to be evacuated. This is not

the case across the river in areas like North Warrandyte, Eltham and Research. Their road systems and bridges would be totally inadequate should an emergency arise like the one we experienced during that terrible week. I wish to place on record my sincere thanks to Country Fire Authority (CFA) captain Adrian Mullins and his brave crew of volunteers from the Warrandyte CFA. Where would we be without our fire service heroes? Thank you to one and all, and may God bless them in their work. My thoughts are with the families that have lost their homes; they are obviously suffering a great deal of stress as a result of the conflagration during those days.

AUTOMOTIVE INDUSTRY

Mr SOMYUREK (South Eastern Metropolitan) — I move:

That this house notes that:

- (1) the withdrawal of Ford, Holden and Toyota from local manufacturing activity has occurred within 11 months of Dr Napthine being appointed Premier and Mr Hodgett being appointed Minister for Manufacturing;
- (2) Mr Abbott and Mr Hockey engaged in a game of brinkmanship at the expense of the jobs of tens of thousands of Australian and Victorian automotive manufacturing workers by daring the automotive manufacturing companies to leave Australia; and
- (3) the Baillieu and Napthine governments have consistently failed to respond to the Victorian ALP's calls for an auto plan in order to avert the demise of our automotive manufacturing industry;

and condemns the Abbott and Napthine governments for failing to support the critically important Australian automotive manufacturing industry and therefore the jobs of tens of thousands of Victorians.

It is now futile to stand here and wax lyrical about the importance of the auto industry to our nation and our state. No amount of arguments supporting the sustenance of industry, of which there are many types, will bring back to life the auto industry. Last time I moved to debate an auto industry motion in this place I was hoping we would get some form of bipartisan or even tripartisan support. I pulled my punches and put up a motion I thought would be palatable for the government side. There were no booby traps in that motion; it was a simple request for support for the auto industry.

The reason I put up that motion last time was that I was hoping the Premier, armed with the support of the political establishment in Victoria — the Labor Party and perhaps the Greens and The Nationals — would go in hard when he went to Canberra to meet with the

Treasurer, Mr Hockey, and the Prime Minister, Mr Abbott. I thought the motion would give Dr Napthine a bit of courage to really take it up to Mr Abbott, because at that stage our auto industry was on the brink of collapse. As it has turned out, our anxieties were well placed.

Despite my pleas, nothing came of the motion, because the Premier continued to behave as he has behaved since the first day he took the job — that is, by expressing concern and running a commentary on how bad things are in Victoria but never offering concrete solutions or initiatives. Someone on the government side ought to tell Dr Napthine that he is the Premier of one of the biggest and most powerful states in the commonwealth. Someone ought to tell him he has a massive budget and he presides over a huge economy. He is not a commentator on some community radio station. He is the Premier of this state, and he has powerful policy instruments at his disposal to enable him to affect outcomes.

Mr Lenders — He does not act like that.

Mr SOMYUREK — Mr Lenders is right — he does not act like that. He acts like a commentator at a community radio station or a suburban newspaper.

Needless to say, I am no longer interested in sugar coating the catastrophic demise of our automotive industry. It is time to call the destruction of Victoria's critically important automotive industry what it is. The Napthine and Abbott governments have decided to euthanase the automotive industry. Why is that? Ideology is the only reason I can come up with. We should be trying to do all we can to maintain the automotive industry rather than daring automotive manufacturing companies to leave our shores. I do not know how ideologically driven the Napthine government is; it has demonstrated a lack of urgency in attempting to save our automotive industry. However, one must assume that with so many prominent members of the Liberal Party campaigning against the automotive industry, there must be a few Liberal members within the Napthine caucus, and perhaps even a few members holding powerful positions within the Napthine government, who are against our automotive industry.

The opposition to the automotive industry by the Liberal Party is predicated on convictions based on neoclassical economics and the ideal of a pure market economy with essentially no government intervention. This is a fantasy that just does not exist anywhere in the world. It does exist in the minds and aspirations of some delusional members of the Liberal Party, which, I

must add, comes at a great cost to the workers of Australia and ultimately to the Australian economy. These members of the Liberal Party want to turn Australia into a laboratory for neoclassical economics, where the government has absolutely no role to play in the economy, where only the market decides upon the allocation of the nation's resources and where government intervention is deemed to be a deadweight cost to the economy. In this paradigm there is no place for industries that need assistance or support, apparently not even industries in which Australia and Victoria may have a competitive or comparative advantage, such as high-tech advanced manufacturing industries. The rest of the world is courting these industries with financial incentives and other government-sponsored inducements.

At this point I do not think the Napthine government is ideologically committed to neoclassical economic theories, but I think there is an element of those theories in Dr Napthine's approach to government. There are probably some very powerful people in the Napthine government who do subscribe to those theories. The Abbott government and federal Treasurer, Mr Hockey, certainly subscribe to those theories. The Napthine government and certain members of the Liberal Party would have us believe that manufacturing companies will miraculously appear on Australia's doorstep begging to be given permission to bring in cutting edge technology and foreign investment. I have news for Mr Abbott, Mr Hockey and Dr Napthine — that just does not happen in the real world.

What will happen in the real world is that Australia and Victoria will increasingly get left behind, losing all our high-tech capabilities that have been built up over generations, losing our entire manufacturing industry and losing other parts of our economy which require any form of government assistance or support, until we eventually have nothing to produce but misery. We will become the quarry of the world if Mr Hockey and Mr Abbott, in particular, get their way. I will not say that Mr Abbott and Mr Hockey, with at best the acquiescence of Dr Napthine, are on the way to turning Victoria and South Australia into the Detroit of the Antipodes, but I will say that we are heading down a very dark path at the moment.

I take this opportunity to call on The Nationals to wake up and to stand up and be counted, because anyone who has heard the public musings of Mr Hockey over the last couple of months with respect to industry support would understand that the ideological commitment of the Liberals to the destruction of industry does not stop with the manufacturing sector alone. Mr Hockey has made it clear that he opposes any form of government

assistance to business, including to the agricultural sector; in fact, Mr Hockey refers to this as business welfare.

I am sure The Nationals have some devious plan to check Mr Hockey and Mr Abbott for the peace of mind of the Australian and Victorian people and industry. I hope The Nationals will share this devious plan with us pretty quickly, because I am here to say that their constituency will be the next target of Mr Hockey and Mr Abbott. There is absolutely no doubt that Holden and Toyota decided to leave our shores because of the advent of the Abbott government. Whilst in opposition Mr Abbott — —

Mr Ramsay — What a load of rubbish.

Mr SOMYUREK — I will tell you why this is so. Whilst in opposition Mr Abbott pretended to be a friend of the local auto industry — in fact the entire manufacturing industry. Ironically, who can forget Mr Abbott running around the country — —

Mr Ramsay — On a point of order, President, I have listened to Mr Somyurek's contribution, and twice now he has called the Prime Minister 'Mr Rabbit'. I am not sure if that was intentional, but twice is too much.

Mr SOMYUREK — On the point of order, President, absolutely not. If it has come out that way, it was certainly not my intention.

The PRESIDENT — Order! I will take in good faith Mr Somyurek's reassurance to the house. I do remind members, as I have on a previous occasion, that the pronunciation of people's names is important because it can be offensive to some people, or indeed to friends and associates of people, if there are mispronunciations of people's names, whether it be deliberate or incidental. We should all strive to make sure that we are acquainted with the pronunciation of names that we use in debates and that we use them appropriately.

Mr SOMYUREK — President, I can assure you that with a name like Adem Somyurek I have no intention of making fun of people's names. As I was saying, there is little doubt that Toyota and Holden decided to leave our shores as a result of the advent of the Abbott government. Whilst in opposition Mr Abbott pretended to be a friend of the auto industry — in fact the entire manufacturing industry. Ironically, who can forget Mr Abbott running around the countryside with his fluoro jackets and hard hats telling anyone who would listen that the Gillard government was destroying the nation's manufacturing

industry? During his days as the champion of Australian industry, Mr Abbott is on record as saying:

Any government which makes it harder to manufacture cars is making it harder for us to continue to be a first-world economy ...

That is an interesting quote from Mr Abbott.

The PRESIDENT — Order! I think Mr Somyurek is going to have to take a deep breath between saying 'Mr ' and 'Abbott' because he is running the two together in a way that is disconcerting.

Mr SOMYUREK — I will say 'Prime Minister Abbott'.

The PRESIDENT — Order! Prime Minister would be better.

Mr SOMYUREK — From here on Mr Abbott will be referred to as Prime Minister Abbott. Because this is important, I will repeat what Prime Minister Abbott said in 2011 when he was opposition leader:

Any government which makes it harder to manufacture cars is making it harder for us to continue to be a first-world economy ...

Prime Minister Abbott is clearly damned by his own words. There is no doubt that the demise of the auto industry will have a severe impact on our economy and our standard of living. The former Allen Consulting Group prepared a report to the Federal Chamber of Automotive Industries in April 2013 entitled *The Strategic Role of the Australian Automotive Manufacturing Industry*, and the analysis contained in that report reinforced Prime Minister Abbott's astute analysis of the importance of the auto industry for Australia which he made when he was opposition leader. The report models the massive impact that the loss of the auto industry will have on Australia's economy and more particularly on the economies of South Australia and Victoria. It showed that 5 of the 20 regions most affected by the demise of the auto industry in terms of employment are located in Victoria and that 18 of those 20 regions are located in either South Australia or Victoria.

The report also contends that without the automotive manufacturing industry Australia's gross domestic product would be \$7.3 billion smaller in today's terms by 2018. Furthermore, billions in direct foreign investment would cease since, if the industry shuts down, the capital invested in the auto industry, which is, I believe, to the tune of \$30 billion or so, would not be reallocated within Australia. That \$30 billion would leave our shores, and as a result the economies of

Adelaide and Melbourne ‘would be devastated’ if government assistance to the industry ceased. The report also makes the point that employment would fall by 1.5 per cent, which may not sound like much but is a big amount when you consider what the current unemployment rate is.

The car industry receives about \$500 million in government funding each year. Much is made about that \$500 million in government assistance, but what do we get back for it? According to the Allen Consulting Group report we get back a larger economy to the tune of \$21.5 billion. That is not a bad investment for \$500 million — a \$21.5 billion larger economy.

I do not intend to spend too much time on how important the industry is for our economy because we are past that now. We did that in the past. I have spent hours in this place delineating how important it is. My colleagues have also done so, particularly Ms Tierney, who has spent lots of time talking about the importance of the auto industry, as have many other colleagues in this place. Even members opposite have acknowledged the importance of the industry. I note that Dr Napthine is cognisant of the auto industry’s importance to Victoria.

The Allen Consulting Group’s report *The Strategic Role of the Australian Automotive Manufacturing Industry* outlines the importance of the industry and states:

A shutdown of the Australian automotive manufacturing industry will lead to not just a permanent loss of GDP, but a loss in economic welfare (measured as loss of consumption expenditure) as well, amounting to \$21.5 billion, or \$934 per person. The economic loss will be particularly severe in the automotive industry-intensive states of Victoria and South Australia, especially in Melbourne and Adelaide.

In contrast, if the barriers to Australian exports of motor vehicles could be lowered, this would lead to significant positive economic effects.

A shutdown of the Australian automotive manufacturing industry will also deplete the range of spillover benefits the industry currently provides to the broader economy. This includes technology transfer, lean management techniques and applications, and advanced labour skills and manufacturing techniques.

As can be seen from Allen Consulting’s arguments and from the arguments I presented earlier, the evidence is overwhelming that the auto industry should never have been let go. The Prime Minister and his Treasurer should not have played chicken with the auto industry and dared Holden to leave our shores, because there was too much at stake for jobs and for the economic prosperity of our nation. Notwithstanding Prime Minister Abbott’s astute observations when he was

opposition leader about the importance of the auto industry to the standard of living of Australians, it needs to be said that both Mr Abbott and Mr Hockey are the single biggest reason why Australia no longer has an auto industry. The Napthine government also has to answer some questions about the auto industry leaving, but I will get to that in a minute.

Despite serious concerns that the industry would leave, from day one the Abbott government obstinately refused to commit to coinvest in the industry before the Productivity Commission handed down its report. By the way, the Productivity Commission was only ever going to hand down a report which wrote the execution warrant for the industry, so it was absolutely a set play by Mr Hockey and Mr Abbott. The Productivity Commission was never going to find anything other than what it found. The Productivity Commission process was a justification — a set play and justification — to kill the industry.

As expected, when the Productivity Commission handed down its report into the Australian auto industry it found that essentially the automotive sector was a burden on the Australian economy because of the coinvestment required by government to keep the industry viable. ‘Surprise, surprise!’ were the shouts from industry. It was lost on the commission that Australia has one of the least protected auto industries in the world, therefore it is being targeted for auto exports from other countries. It was also lost on the commission that all other countries that have an auto industry coinvest in their industry, and I would say that 90 per cent of them — 99 per cent, perhaps — coinvest per capita more than Australia does. If you look at the United States — and here we are talking about free market economics, because that is the birthplace of free market economics, I guess — it invests much more than we do. The figures are there; I have quoted them before. In the numerous speeches I have given on this topic I have quoted how much each country coinvests in its auto industry. There is no use going back over that, because the auto industry is now dead.

The Productivity Commission report was predicated on a model with erroneous assumptions, as industry knew it would be. Everyone connected to the industry and anyone who has any sort of economic nous understood what the Productivity Commission was going to do, the model that it was going to use and the assumptions it was going to build into its model, so the findings in the report were a foregone conclusion even before it was begun. By the time the report was handed down, Holden had seen the writing on the wall and had decided to leave. Holden knew the Productivity Commission process was a sham. It was not going to sit

around and play games with Prime Minister Abbott and the Treasurer, Mr Hockey; it could see a sham when it came across one, and it knew the government had no intention of supporting the auto industry through coinvestment.

The appointment of Holden's Australian operations head, Mike Devereux, to a new position in its international division around the time Mr Abbott was elected was a clear indication that Holden had begun to seriously doubt its future in Australia under an Abbott government. There were pleas from former federal industry minister Kim Carr for the Abbott government to act quickly since Holden's manufacturing future was being discussed. Mr Carr pleaded with the Abbott government — with Mr Abbott and Mr Hockey — telling them that the people in the Holden headquarters were serious and were reviewing their operations in Australia on a monthly basis.

December 2013 — a few months back — was a key time. Mr Carr reminded Mr Abbott and Mr Hockey of this on a daily basis. Mr Carr also claimed that the federal coalition was informed last year that Holden's deadline of December 2013 was critical for the future of the auto manufacturing industry. So, if Mr Carr is to be believed — and I have no reason to disbelieve him, and certainly Mr Abbott and Mr Hockey have not come out and said anything to the contrary — the government would have known for a year that December 2013 was a key date for the future of Holden, yet it decided to stall and it set up a process run by the Productivity Commission. They essentially goaded Holden into leaving.

Mr Carr's comments were reinforced by information obtained by News Corp Australia, as published in an article dated 31 October 2013 on its website news.com.au. The article states:

... News Corp Australia understands Holden's plans to build two new models in Australia from 2016 to 2022 have been put on hold pending the government's decision on further funding, due in April or May next year after a Productivity Commission review.

That sounds very familiar to us in Victoria — a coalition government coming into office and having no idea what to do and thus calling in an efficiency commission to formulate a policy as it gained some valuable time. I have to say I am being unfair to the Napthine and Baillieu governments here, because I think they genuinely came into office that way. They really did not know where to go in terms of the manufacturing industry, so they attempted to acquire a manufacturing policy through the Victorian Competition and Efficiency Commission (VCEC)

process. However, I cannot be as generous to Prime Minister Abbott and Mr Hockey. They knew exactly what they were doing. They wanted to destroy an entire industry, and they were using the Productivity Commission as justification for doing that. I cannot level those charges at Mr Baillieu and Dr Napthine. Theirs was a different set of circumstances. Prime Minister Abbott and Mr Hockey set out from the start to destroy the auto industry.

Holden had made it clear it wanted certainty, and it wanted it immediately. Yet the federal government was not prepared to act and engage in meaningful discussions with Holden about its future in Australia until the Productivity Commission had handed down its recommendations. Obviously that is simply inviting trouble. Given the high level of risk that Holden might very well go, the Abbott government knew it was engaging in brinkmanship with an entire industry. The federal government knew it was playing chicken with the jobs of tens of thousands of Victorians and perhaps hundreds of thousands of Australians, although that is disputed.

It is no secret that prior to the federal election the Rudd government was in advanced discussions with Holden on a new investment plan. However, the deal was never sealed. Holden is a very astute observer of the politics of its host countries; it follows polls and is very sophisticated in the way it follows politics. It knew that the Gillard and then the Rudd government were not going to make it. I think everyone in Australia knew, including Mr Rudd and Ms Gillard, that Labor was not going to be in power after 2013 — hence Mr Rudd being brought in to save the furniture. Holden was essentially looking for signals from what was then the Abbott opposition; that is why it did not sign the investment plan with the Rudd government. Very soon after the 2013 federal election Holden was to find out that the Abbott government was no friend of the auto industry, despite Mr Abbott's hardline comments sympathising with the auto industry when he was in opposition.

In the meantime we had the spectacle of Mr Macfarlane, the federal Minister for Industry, declaring to the world that he was facing a big fight within cabinet to keep Holden in Australia. This is absolutely outrageous, and it is outrageous for two reasons. It signalled to Holden that the Australian government was not interested in keeping Holden in this country. As I said before, the headquarters of these companies are very interested in how they are viewed by governments, and that was a clear signal to Holden that it was not welcome in Australia. It is also outrageous because there was no consensus of opinion.

The coalition parties — the Liberals and The Nationals — had been in opposition for some seven years, and the opposition still had not landed on a policy on the auto industry. Going into government the coalition had not landed on a policy on the auto industry, one of the biggest and most important industries of our nation. It did not know whether it was supporting the auto industry or not.

Labor members were unequivocally supporting the auto industry, and we have been in opposition for only three years. I could have told members that from day one, yet the coalition, which had been in opposition for seven years, could not decide whether it supported one of the most important industries of our nation. That is absolutely scandalous. Even if the intention of the Abbott government had been to keep the industry in Australia, the mere fact of their incompetence in not being able to land on a position on the auto industry would have sent the company offshore.

I have taken a great deal of time talking about how and why the primary destroyer of the auto industry has been the Abbott government, given what it did. I will now discuss the dereliction of duty on the part of the second major culprit in the demise of our auto industry — I speak of course about the Baillieu and Napthine governments. In particular the Napthine government has a lot to answer for in this regard. With Dr Napthine as Premier and Mr Hodgett as Minister for Manufacturing, that government came into office in March last year, and within a short 11 months — and this is some achievement — exit Ford, exit Holden, exit Toyota. There goes our auto manufacturing sector. What a vote of confidence in Dr Napthine, what a vote of confidence in Mr Hodgett and what a vote of confidence in the Napthine government. Dr Napthine was supposed to be a new-look Premier, who was open for business and out there engaging with people and businesses and growing the Victorian economy. This was in comparison to Mr Baillieu, who was a Premier who had stopped — —

Mr Lenders — He wasn't interested.

Mr SOMYUREK — He wasn't interested; he was a do-nothing Premier. What we were promised by the backers of Dr Napthine was a man of action, someone who would take Victoria forward and grow industry, jobs and the manufacturing sector. Within 11 months we had Ford, Holden and Toyota all exiting Victoria, not to mention all the other manufacturers and industries that have since exited Australia.

Mr Ramsay interjected.

Mr Lenders — He is an active commentator.

Mr SOMYUREK — That is right, Mr Lenders. What we got was not a man of action but a man of commentary. I am sure there are plenty of community radio stations that will be interested in the services of Dr Napthine. I must say that I am being unfair on Mr Hodgett.

Mr Ramsay interjected.

The ACTING PRESIDENT (Mr Tarlamis) — Order! Mr Ramsay has been consistently interjecting since Mr Somyurek began to speak. I note Mr Ramsay's name is on the list of speakers, so he will have an opportunity to make a contribution. I ask him to refrain from interjecting.

Mr SOMYUREK — I have been unfair on Mr Hodgett, because he is a man of action. He actually flew to Detroit in an attempt to save the auto industry. Unfortunately the day after Mr Hodgett met with executives in Detroit and was on his way back to Australia, Ford announced that it would no longer manufacture in Victoria. There is a man of action we could do without.

Since being elected to government the Victorian coalition has been asleep at the wheel. Due to its laziness in opposition the coalition did not have a manufacturing policy to work with when it was elected to government in 2010. Let me talk about this for a while. Unlike the Abbott federal opposition, the coalition opposition in Victoria did not come into government with devious, bad or destructive thoughts. It did not come into government to destroy industry. I do not believe that for a second. I believe Prime Minister Abbott and Treasurer Hockey have those destructive thoughts in mind; they are certainly motivated by some dark forces, but I do not believe for a moment that the Baillieu and Napthine governments were motivated to destroy our industry.

The problem was that the state coalition was too lazy in opposition. The federal coalition had 7 years to land on a manufacturing policy. The state coalition had 11 years to land on a manufacturing policy, which it did not do. It came to government in November 2010 with no manufacturing policy. So what did it do? It called on a cost-cutting efficiency commission, the Victorian Competition and Efficiency Commission, to formulate its manufacturing policy. It essentially subcontracted out its responsibility to form a manufacturing policy to this cost-cutting body. It was no surprise to anyone when VCEC came back with some pretty toxic

recommendations, such as doing away with local content targets.

The coalition government did not really have to do that, because a lot of the work was done for it. In August 2010 the then parliamentary Economic Development and Infrastructure Committee (EDIC) handed down a very impressive report into the Victorian manufacturing sector, which I have read on a number of occasions; I consistently refer to it. It clearly set out the challenges facing Victoria's manufacturing sector, and it offered up solutions to some of those problems. About 60 submissions were taken up by industry. Industry treated this inquiry very seriously, much more seriously than it did VCEC, because VCEC only received about 20 submissions.

EDIC was made up of some very senior members, and some are now in government. The President, a man of considerable intellect, was on that committee. The Leader of the Government, Mr David Davis, was also a representative on that committee. Some very high-level Liberal Party members were on that committee. Its composition indicates it was a very powerful committee. It travelled extensively, as it should have. It went to other advanced economies, as it should have, to see what they were doing, and it came back with information on which to make informed recommendations. It finally handed down a report in August 2010, which included dozens of recommendations. I have read through them all, and they are very well informed. Even though it was lazy in opposition, the government did not have to resort to calling on VCEC to do a manufacturing report; it could have utilised the recommendations and report of EDIC.

When the Baillieu-led opposition came to government in November 2010 the Australian dollar was trading at US96 cents. The entire process took about 13 months, which included VCEC handing down the report and the government responding to that report and finally coming out with a so-called manufacturing statement. Let us not challenge that at the moment. Calling the product they came out with at the end a 'manufacturing statement' is a stretch. Let us not get off the topic.

We had 13 months of complete policy paralysis because those opposite were hooked into this VCEC process. In the meantime the Australian dollar went from US96 cents to US\$1.11 in July 2011. In that time big manufacturers operating in Victoria — not necessarily Victorian-owned manufacturers, but certainly manufacturers that had become icons in the Victorian manufacturing space — decided either to shut up shop and leave or to significantly scale down their operations. The corollary of that was that jobs were lost

on a regular basis. Those jobs have continued to be lost because during that critical 13-month period industry lost confidence in the leadership of this government. There was a bit of optimism when Dr Napthine assumed the reins. Business thought, 'Okay, let's have a look at this. Let's see what happens and whether there's a change of attitude'. But no; Victoria was not open for business. The very next budget was a big disappointment to business, and other industries began to leave Victoria as well.

We have not stopped haemorrhaging jobs since this government came in; 38 100 jobs have been lost in the Victorian manufacturing sector since the coalition government assumed office in 2010. They are the raw numbers, the absolute numbers, and in terms of percentage — and I know Mr Ondarchie likes percentages — that is 14 per cent of the manufacturing workforce that has been lost under this government.

Those opposite talk about having created such-and-such number of jobs. That is all irrelevant. Let us talk about net jobs. The net number of jobs lost is 38 100. The net decrease in Victorian manufacturing employment is 14 per cent. When members opposite later today get up and talk about the achievements of the Baillieu and Napthine governments in the manufacturing space and about an increase in jobs, the question for them is: how many net jobs have they created — that is, how many jobs have they created versus lost? I will tell you the answer: 38 100 jobs have been lost. Those opposite cannot spin their way out of that one; it is clear.

I have just gone through the problem with the Baillieu and Napthine governments. As I said earlier, I do not think those opposite have been motivated by destructive tendencies. I believe they have been incompetent, lazy, indolent and undisciplined, but unlike Prime Minister Abbott and his Treasurer, Mr Hockey, they are not driven by a destructive motive. I must say I am disappointed in Prime Minister Abbott. He is obviously a social conservative, and that is fine, but I did not pick him for the neoliberal, neoclassical sort of ideologue that he has turned out to be. His mentor, former Prime Minister Howard, would not have allowed what has happened here to occur. He would not have gone into this nasty dark place; he would have intervened. He would not have presided over an economy that was losing hundreds of thousands of jobs. He would not have gone out to deliberately destroy an industry. But that is exactly what Prime Minister Abbott and his Treasurer are doing.

As I said, the Napthine government seems not to understand why state governments do not have control over the macroeconomic levers of the national

economy. Clearly state governments do not control the level of our currency or the demand in the international marketplace, but that does not mean they do not have powerful policy levers and instruments at their disposal to drive the economy and the manufacturing sector. The Premier and his cabinet have those policy instruments at their disposal; unfortunately the Premier acts as if he is a commentator rather than a Premier who has some powerful policy instruments at his disposal.

There has been no infrastructure investment over the last three years. This government has been living off the work and investment of former Labor governments. Infrastructure investment is a key driver of the economy, manufacturing and productivity. Those opposite like to talk about productivity, but they do not invest in things that actually drive productivity. They like to talk about productivity in areas where governments should not have any involvement. A lot of productivity improvements are workplace issues — that is, the purview of CEOs rather than ministers. Things like investing in infrastructure, skills and education, and in research, development and innovation is where governments have control over productivity.

We have seen what this government has done to investments in our TAFE system, with \$300 million being taken out of TAFE. We have also seen what it is doing to the research and development sector by defunding biotechnology and nanotechnology. It was dragged kicking and screaming to the table to re-fund the synchrotron. Last week it defunded NICTA, formerly known as National ICT Australia, to the tune of \$8 million.

Other drivers of manufacturing include government procurement. The Victorian government procures about \$15 billion of goods and services annually, but this government has failed to match Labor's commitments on government procurement in strengthening the Victorian Industry Participation Policy.

Before I conclude, Acting President, and I am running out of time.

Mr Ramsay interjected.

Mr SOMYUREK — I will provide Mr Ramsay with a personal briefing. A couple of years ago Labor opposition members got sick of waiting for a jobs plan from the government. We eventually worked out that this was a lazy government. It had no plan for jobs and was never going to get around to formulating a plan for jobs. We were calling for a plan for jobs, and as part of that we were calling for a car plan. It never happened, so we decided we would help the government not out

of political expediency but as good Victorians. As people who care, we decided we would help the government by formulating a jobs plan. We did the hard work, and we came up with a plan for jobs which we presented to the Liberal Party. It responded by saying that we could not plagiarise its plans. We said that the government was welcome to plagiarise what we had done, but it was too lazy to do that. It was too lazy to plagiarise us.

Mr Leane — It wanted a soft copy.

Mr SOMYUREK — It did not want the hard copy; it wanted a soft copy so it could cut and paste. However, we had to draw the line there. We gave it the hard copy and said it would have to do its own typing. It is not that hard. We told the government it should not outsource it, because it would go international. We were scared it would outsource that as well.

We were sick of waiting for the indolent government, formerly the indolent opposition, so we came up with a jobs plan and lots of recommendations on how we could fix the jobs crisis that was looming both in manufacturing and other sectors of our economy. In that jobs plan we also touched on the auto sector. Our policy was that the state government and all its agencies would be mandated to procure locally manufactured cars. Local governments were also to procure locally manufactured vehicles. We pleaded with the government to adopt this policy. We made it clear that we did not mind if it adopted a policy for which we had the intellectual property — that was not a problem. It did not adopt our policy with respect to auto procurement, and it did not come up with a car plan.

We also pleaded with the Premier to lobby the Council of Australian Governments (COAG), but he did not. Lobbying COAG was a part of our policy too. We have seen the spectacle of the Queensland government not purchasing locally manufactured vehicles. I will not start on Queensland, because it has a very poor track record on local procurement. The train contract was tendered out, and as a consequence trains will now be manufactured by Bombardier in India. It is not Bombardier's fault, because if it had been asked to, it would have come up with a good local content plan. However, Dr Napthine has been totally ineffective within COAG in protecting Victoria's interests.

We asked for a car plan. We asked for a jobs plan. We asked for specific initiatives targeting the auto industry. If the Napthine government had come up with a car plan, it would have seen that there are certain things state governments can do to stimulate demand for the purchase of locally manufactured vehicles. There are a

number of things that the state governments could have done to help. I have been in contact with a number of those companies, and I can tell members that they wanted certain things. I am not going to betray trust and talk about that now, but this government could have done a number of things to retain the auto industry in Victoria. It did not do that. Either it did not have the will or the courage, or it is not ideologically committed to sustaining the auto industry. I do not believe it is the latter. In concluding — —

Mr Ramsay — You were concluding about half an hour ago.

Mr SOMYUREK — Mr Ramsay is enjoying my contribution so much that I am going to give him a few more minutes.

The next battleground involves the auto component manufacturers, where the bulk of the auto industry jobs are. Unfortunately I have heard very little from the government — and it is an ominous sign — about its plans to buttress the auto component industry. Unless the auto component industry is supported, it will trigger the early demise of Ford, Holden and Toyota. The jobs that are going to be lost in a few years time will be lost over the next year or so, unless the government comes up with a plan for the auto component sector. I now make a plea to the government to do something, to come up with a plan or a strategy or even talk to these people about making sure that the auto supply sector is buttressed.

In conclusion, there is a body of evidence, that I have just delineated, showing that the Australian auto industry was deliberately and callously exterminated by the Abbott government, and it was done for no other reason than a bloody-minded ideological commitment. The jury is out on the motives of the Napthine government in its part in this execution; I am oscillating between incompetence and a lack of courage to stand up for Victoria. A more sinister person may conclude that there was a game of good cop, bad cop being played out between the Abbott and Napthine governments. I tend to take a more optimistic view; I think it was just incompetence, laziness and, perhaps, a lack of courage.

Mr ONDARCHIE (Northern Metropolitan) — What a pleasure it is to rise this morning to speak in the debate on Mr Somyurek's motion 733. It was the longest preamble I have ever heard. I was waiting for him to start, but we had an hour of introduction although I thought at some point that he was going to start his arguments. But I say, 'Good luck, Mr Somyurek'. He had his time in the sun. He must

have written a letter to the Leader of the Opposition in the Assembly and member for Mulgrave, Mr Andrews, who said, 'Yes, you can have a turn'. Well done, Mr Somyurek.

I will take Mr Somyurek up on one point before I start, and that is his quote in his contribution today that 'creating jobs was irrelevant'. There will be plenty of Victorians — —

Mr Somyurek interjected.

Mr ONDARCHIE — Mr Somyurek should check *Daily Hansard*. He said 'creating jobs was irrelevant'.

Mr Somyurek — On a point of order, Acting President, Mr Ondarchie has done this in the past. Every time I get up to make a contribution in this place, Mr Ondarchie follows, and he invariably misrepresents me.

The ACTING PRESIDENT (Mr Tarlamis) — Order! What is your point of order, Mr Somyurek?

Mr Somyurek — My point of order is that Mr Ondarchie is misleading the house.

The ACTING PRESIDENT (Mr Tarlamis) — Order! There is no point of order. Mr Ondarchie to continue.

Mr ONDARCHIE — Mr Somyurek will have to check *Daily Hansard* tomorrow to see what he said. But how dare he say that creating jobs is irrelevant. There will be people throughout Victoria and throughout Australia — —

Mr Somyurek — On a point of order, Acting President, for the record, I did not say that.

The ACTING PRESIDENT (Mr Tarlamis) — Order! There is no point of order. I ask Mr Ondarchie to remain relevant to the motion before the house.

Mr ONDARCHIE — I am more than happy, Acting President, to talk about what is relevant. Mr Somyurek is very quick to get to his feet to defend himself, but there will be Victorians and Australians who will be disgusted at that remark. There will be secondary school students at great schools like William Ruthven Secondary College who will be disappointed to hear him say things like that — that is, that creating jobs is irrelevant. But let us put this into context, just so Mr Somyurek can understand exactly where we are going.

There were 200 000 vehicles produced in Australia in 2012, which accounted for one-quarter of 1 per cent of

global vehicle production in that year. There are currently three motor vehicle producers in Australia — Ford, General Motors Holden and the Toyota Motor Corporation. All of them are foreign-owned subsidiaries of global companies with affiliates in many countries. The three production plants combined currently assemble six models of motor vehicles. Production is spread across two states: Ford and Toyota in Victoria and Holden in South Australia. There are four market segments: the small car, such as the Holden Cruze; the medium-size car, the Toyota Camry; the large car, such as the Ford Falcon, the Holden Commodore and the Toyota Aurion; and the sports utility vehicle in the form of the Ford Territory.

The three motor vehicle producers in Australia also manufacture engines and undertake vehicle design and engineering in specialty centres located across Victoria. There is a complex logistical supply chain of about 160 businesses that are involved in the engineering, design, tooling and manufacture of automotive components. Some component manufacturers also supply the aftermarket. In total there are about 260 businesses located in Australia that manufacture components and accessories for the aftermarket — a market, I would remind members, that Ms Tierney said in a contribution last year by way of interjection was not an element of the automotive industry. I say that she is wrong.

Ms Tierney — On a point of order, Acting President, Mr Ondarchie is misleading the house yet again. He deliberately misinterprets other members' contributions for his ends.

The ACTING PRESIDENT (Mr Ramsay) — Order! There is no point of order. Mr Ondarchie to continue.

Mr ONDARCHIE — We are talking about the automotive industry, not a defence bill. There seems to be a lot of defence happening across the chamber this morning.

Australia has a comparatively small industry sector that also manufactures trucks, such as Paccar Australia and Iveco Trucks Australia in Victoria and the Volvo Group Australia in Queensland. There are 15 manufacturers of buses throughout Australia. The automotive industry includes cars, buses, trucks, trains and trams. I noticed yesterday as I walked along Bourke Street that a tram had pulled up outside the Parliament with a sign on it that said, 'Made in Melbourne for Melbourne'.

Mr Somyurek interjected.

Mr ONDARCHIE — Mr Somyurek, by way of interjection, suggests that he did it.

Mr Somyurek interjected.

Mr ONDARCHIE — Apparently the government built the tram. This is a great example of how opposition members simply do not understand the automotive sector.

Mr Somyurek interjected.

The ACTING PRESIDENT (Mr Ramsay) — Order! Mr Somyurek!

Mr ONDARCHIE — I remind you, Acting President, that I did not interrupt Mr Somyurek at all during his preamble. I was waiting to hear him get to the meat of his argument, but it did not happen.

To put this motion in context, global forces are driving, and are likely to continue to drive, dramatic changes in both the demand for motor vehicles and the size and scale of the location where motor vehicles are produced. At a global level production capacity exceeds demand for motor vehicles. Demand in a number of developed economies has been slow to rebound from the global financial crisis, and many assembly plants across the globe are operating below capacity. There has been a significant rationalisation in the production capacity of many plants in the US and Europe, and there have also been significant plant closures in places like the United Kingdom and Belgium. Vehicle manufacturing is shifting to regions with lower labour costs and high demand growth, such as China, Eastern Europe, India, Thailand and Mexico.

There is constant, relentless pressure on motor vehicle producers worldwide to reduce their manufacturing costs, particularly in the segment of small to medium-size cars, where there are high production volumes and pressure from other market segments. The selling price for cars in that segment is kept down with very fierce competition from local suppliers and importers. It is worth noting that in Australia 45 different brands of motor vehicles are sold and that with model variations you can buy almost 66 different types of cars. The most diverse market for makes and models anywhere in the world is found in Australia.

Continual cost pressures are extended to component manufacturers right through the supply chain, and we know that production costs and labour costs are the key drivers of automotive manufacturing costs. All vehicle manufacturers in Australia are producing well below the 200 000 to 300 000 vehicles needed each year to

make an assembly plant viable. The cost of producing new vehicles through labour is substantially higher in Australia than in countries such as China and Thailand, and therefore there is a significant cost gap between Australia and many overseas plants.

The capacity to increase vehicle production in Australia for local supply or export is challenging, and vehicle producers have been losing market share. By global standards the new car market in Australia is very small. It is very competitive, which is to the benefit of consumers, but it is fragmented. Top-selling Australian models enjoy just over 40 000 vehicle sales per year, but as consumers we are not necessarily buying just Australian-made vehicles. Export opportunities — and Mr Somyurek only touched on this — are limited by the high cost of production, the very high sustained value of the Australian dollar against the greenback and other currencies, competition and continuing barriers to trade in other parts of the globe.

The cost of component manufacturing in Australia is high compared to that in countries such as China and India, and Australian motor vehicle producers are increasingly sourcing their components from overseas. Vehicle producers require their component suppliers to have a presence across the globe and to be located close to their production facilities. The greater use of the global platform that we are seeing with car makers across the world is adding to pressures for some Australian component suppliers, and for others it may well lead to their closure.

Over time Australian governments of all persuasions have provided capital grant subsidies to automotive manufacturers and also given them assistance to transition to other opportunities. That is the context we are talking about today. However, Mr Somyurek woke up this morning and said, 'I think I'll blame it all on the Napthine government and the Abbott government', without any relevance to what is actually happening across the globe and in Australia.

This coalition government is focused on a strong economy through investment attraction, through job creation, which is important, through increasing exports and through building communities and infrastructure. Manufacturing in Victoria employs over 270 000 people, with a gross valued-added industry of about \$25.6 billion and exports of \$14 billion in 2012–13. As I indicated earlier, manufacturing is facing significant and increasing economic challenges, such as the high Aussie dollar, high energy costs and very inflexible workplace laws under federal Labor's Fair Work Act 2009.

The coalition government has taken strong leadership on these issues. After Ford's announcement that it would cease manufacturing in 2016 we acted immediately by providing \$9 million in structural adjustment packages to assist the company to create new employment opportunities both in Geelong and in Melbourne's north, the area I represent. The Napthine coalition government also provided \$12 million to the Automotive New Markets program. The fund was originally \$10 million, but after Ford's announcement the Victorian government added another \$2 million because it wanted to support the supply chain in an increased fashion.

As part of that initiative and the initiative to support manufacturing, the coalition government has sponsored a jobs summit in Geelong, bringing together key stakeholders from the region to debate issues and challenges while identifying opportunities to diversify our industries and create and generate new employment options. That is something that the people who represent Geelong and that area should be very happy about.

This government made a clear case to the Productivity Commission that the automotive sector was an important part of the Victorian economy. We also emphasised the importance of the automotive supply chain, two-thirds of which operates out of Victoria. I am not sure if the opposition has ever put such a submission to the Productivity Commission. We have also delivered a strong case to the federal government's review of the Victorian economy following General Motors Holden's decision to cease operations here. Following Toyota's announcement we sought additional assistance from the commonwealth for infrastructure projects and for the retraining of Toyota workers. I remind the house that at 6.00 a.m. on the day after Toyota's announcement the Premier was at the front gate of the Toyota plant talking to the Toyota workers. He spoke to those workers one by one.

Mr Leane — Whoop-de-do!

Mr ONDARCHIE — By way of interjection Mr Leane said, 'Whoop-de-do!'. He may think the Premier's actions are whoop-de-do, but they were very important to the Toyota workers.

The Napthine government has led automotive and defence trade missions to the United States and Japan. Many of the automotive companies that have benefited from our trade missions program include automotive component manufacturers. As the automotive industry is based on global platforms, our trade missions are a key part of enabling our companies to enter the global

automotive supply chain. So far the Premier has held two automotive industry round tables, the second of which was on Friday last week, to assist workers from the automotive sector and encourage discussion and ideas regarding the viability of the automotive supply chain.

Minister Rich-Phillips, the Assistant Treasurer, who is in the house at this time, recently reaffirmed our commitment to support the Australian vehicle manufacturing industry when he announced changes to the standard motor vehicle policy (SMVP) with respect to fleet management. Members sitting across the chamber should look and learn. This is leadership. Through the standard motor vehicle policy the Victorian government already supports the Australian vehicle industry with its commitment to purchase Australian-made passenger vehicles and Australian-made light commercial vehicles (LCVs) where fit-for-purpose Australian-made vehicles are available.

Honourable members interjecting.

Mr ONDARCHIE — It is interesting that Mr Somyurek is laughing about the pressures on Australian manufacturing. He finds them amusing. I do not.

Under new changes the government's SMVP has been further strengthened by a commitment to purchase LCVs imported by Australian vehicle manufacturers, where fit-for-purpose Australian-made LCVs are not available. Minister Rich-Phillips, in his capacity as Assistant Treasurer, approved this new policy change to boost the Victorian government's support for its local manufacturing sector. He did that on 6 February. We are looking to build a better Victoria. We have reaffirmed our commitment to the local vehicle industry, which, as I outlined earlier, spans a wide range of activities.

The Victorian coalition government's support for Australian vehicle manufacturers is in stark contrast to the position of the Leader of the Opposition, Daniel Andrews, who has called for a boycott on the government purchase of Australian-made Holden and Ford vehicles. Really? Daniel Andrews wants us to boycott Holden and Ford vehicles? I guess this week he will extend that to Toyota as well. While those opposite claim to support vehicle manufacturing in this country, their own leader has said, 'Let's not buy Holdens, and let's not buy Fords'. How dare he? That sort of reckless policy decision is a great example of how the Leader of the Opposition could have a devastating effect on the automotive supply chain, which needs time to adjust as

Ford and Holden remove themselves from manufacturing in this country.

My call today to Mr Somyurek and members of the opposition is that they stop talking down the automotive sector.

Mr Somyurek — It's gone.

Mr ONDARCHIE — Mr Somyurek has interjected by saying, 'It's gone'. It has not gone. There are elements of the automotive industry that Mr Somyurek has failed to recognise. I saw a tram outside the Parliament recently that was made in Melbourne for Melbourne. There is another critical part of the automotive sector that Mr Somyurek has failed to recognise, and it is a really important element — —

Mr Somyurek interjected.

The ACTING PRESIDENT (Mr Ramsay) — Order! I will allow some interjection given the subject of the debate, but Mr Somyurek is not in his place to start with, so I ask him to desist.

Mr ONDARCHIE — The opposition should stop saying the automotive sector is dead, because it is not, and the opposition should stop saying it is over, because it is not. There is a critical element of the automotive industry that the opposition has failed to recognise, and I do not know why. I have told members opposite time and again, but they will not recognise it. Comments like, 'It's not part of the automotive sector' are wrong. Victoria's automotive industry includes its aftermarket manufacturers.

There are 260 automotive aftermarket companies in Australia, and 170 of them are actively exporting their products. Aftermarket manufacturing represents 36 per cent of all automotive manufacturing in Australia, and that represents \$5.2 billion per annum. Why is it that members opposite will not recognise these manufacturers as part of the automotive industry? Those opposite have denied it time and again. The aftermarket sector alone employs 21 000 people directly and exports \$800 million per year of locally manufactured products, and it continues to show year-on-year growth.

Members opposite should stop talking down the automotive sector. The aftermarket sector is significant in terms of its size. I note that those opposite are laughing about the aftermarket sector.

Ms Tierney — On a point of order, Acting President, the member is misleading the house yet

again. We were not laughing about the aftermarket — —

The ACTING PRESIDENT (Mr O'Brien) — Order! There is no point of order; it is a matter of debate. I ask Mr Ondarchie to resume his speech and to be careful with his comments reflecting on other members. I also ask that he speak through the Chair.

Mr ONDARCHIE — Thank you, Acting President; I appreciate your counsel. Others may see this as jovial and fun, but I take this matter very seriously.

The aftermarket segment is very significant in terms of its size, but it has totally different drivers compared to the original equipment manufacturer (OEM) segment. While some aftermarket manufacturers also supply original equipment (OE) components for fitment to Australian-made or imported vehicles, the majority — 85 per cent — of that product is sold to customers external to the car companies and their franchise dealer networks. Their customers include wholesalers, retailers, resellers and end users. The aftermarket products include replacement parts, accessories, vehicle modification and performance enhancement products and workshop tools and equipment. Many aftermarket manufacturers are expanding through high technology innovation, with exports to Asia, Europe, the Middle East and the United States.

The global demand for specialty products is growing in line with an increase in sports utility vehicle sales, and the ageing population is supporting demand for specialised vehicle retrofit components — all made by the aftermarket industry. The rise of global platforms, while representing a threat to local OE component producers, is also generating opportunities for the development of accessories and modification products, first developed for local use and then exported. Our Australian aftermarket has been very successful in branching out into non-automotive industry sectors, such as rail, defence, mining, marine and industrial, thereby creating further opportunities for volume growth through diversification.

In the face of strong import penetration, the aftermarket's response has been to move up the value chain — from service parts to high-value specialty products with a technological advantage, such as four-wheel drive, high performance and motor sport components. These products are purchased on innovation, performance and other features rather than just on price. This competition has created a vibrant aftermarket segment that has the right preconditions to be a globally competitive sector. These Victorian manufacturing businesses in the automotive segment

have been successful because they have made significant investments in research and development (R and D) and capital equipment and have a strong export focus.

If the full growth potential of the aftermarket manufacturing segment is realised, it can absorb some of the excess capacity, skills and knowledge that will become available as the shutdown of the Australian domestic passenger vehicle sector plays out. The performance of both the OE component segment and the aftermarket segment can be simultaneously enhanced through a holistic approach to policy setting which embraces both segments. There is a great deal of synergy in the labour skills of OE and aftermarket employees, and it is quite realistic to assume that a growing and sustainable part of the industry can assist in absorbing some of that excess labour.

The argument being tendered across the chamber — that the car industry does not have a future and that therefore there is no reason to keep talking about this — ignores the economic loss that will occur in any restructure process. Forty per cent of aftermarket manufacturers are here in Australia. They make products for specialty markets, such as performance improvement, emissions, stability, safety replacement parts and collision repair, as well as the four-wheel drive market. I remind this house that the sector employs 21 000 people across the country and earns \$800 million a year in export sales.

I believe Australia should be a producer of cars and automotive components. In fact we are creating a car here in Victoria, in Oakleigh. It is called the Tomcar vehicle. It is a brand-new multiterrain vehicle being produced by Tomcar, which is owned by David and Joe Brim. They are doing a fantastic job, in partnership with MtM Automotive Components, to produce a vehicle that is made in Australia by Australians for Australian conditions. Those opposite have not talked that opportunity up today.

I have touched on the aftermarket sector. I just want to talk a bit more about that because it produces motor vehicle components, including parts that are regularly replaced through the lifecycle of a vehicle through normal wear and tear, such as filters, tyres, wiper blades, batteries, brake parts — a huge list of things that fit onto motor vehicles. They are an important part of the automotive industry, so I wish those opposite would finally recognise them as being an important part of the industry rather than talking them down. The sector has significantly invested in R and D and has acquired and developed quality systems and knowledge of OEM producers. There is a real opportunity to support the

over 45 brands and 66 cars that are sold here in Australia.

In their contributions today the members opposite talked about the ALP's credibility when it comes to jobs and the economy. I do not think those opposite today should be talking about the benefits they would bring to the Victorian economy, because their track record hardly stands up for itself when it comes to economic management. They built the desalination plant here in Victoria at a cost to Victorians of \$1.8 million a day for the next 27 years — that is \$1.8 million a day for the next 27 years even before we draw water from it. The myki ticketing scheme had to be repatriated when we came to government. They had spent \$1.35 billion on it, and it did not work. The north–south pipeline is probably one of the greatest white elephants to be built in this state under the Brumby government.

This government is about jobs. According to the latest data Victoria created 7300 new jobs in January alone, which demonstrates clearly that the fundamentals of the Victorian economy remain strong. According to the latest Australian Bureau of Statistics (ABS) data Victorian employment grew by 7300 persons in January against a national contraction of 3700 jobs. This is a show of confidence by business and industry across the state. There are now 66 900 more people employed than when Labor left office in 2010. Only the resource-rich state of Western Australia has delivered more jobs than Victoria over the last three years. Victoria continues to have the highest labour participation rate of all the non-mining states, as well as strong population growth. The figures from the ABS demonstrate clearly how important it is to have sound state finances in order to provide a strong infrastructure pipeline to generate jobs, increase investment and boost productivity.

This government is getting on with creating opportunities for Victorians. This is a state of opportunity. When it comes to jobs it is worth touching on the Premier's leadership in securing the future of SPC Ardmona (SPCA). I know members in this chamber, including Mrs Millar, Ms Lovell and Mr Drum, together with the Minister for Local Government, Mrs Jeanette Powell, have been very active in supporting this project and are extremely proud of the outcome. Together with the Premier and the Deputy Premier they have been a strong active team that has worked to help secure SPCA. The long-term future of SPCA in Shepparton has been secured with a \$100 million coinvestment from the Victorian coalition government and Coca-Cola Amatil (CCA). There are

up to 2700 jobs in the Goulburn Valley that depend on SPCA, and this coinvestment by the Naphthine coalition government has secured those jobs that are so vital to the region's economy.

That strategic coinvestment was made after careful financial assessments to secure the long-term future of SPCA and to grow its export opportunities, particularly in the Asian markets. As a result of this coinvestment SPCA will transform its operations, modernising its food processing capacity and increasing its global and domestic product range. It is worth noting that the \$22 million commitment from the Victorian coalition government has been sourced from existing programs through Regional Development Victoria and the Department of State Development, Business and Innovation. This aligns absolutely with the government's work in creating export opportunities for business and growing markets that support regional communities.

We thank CCA for its investment and for working constructively with the Naphthine coalition government to achieve a positive outcome for the company and the broader community. This is what important fiscal management is all about, unlike the things we have seen from the opposition.

Mr Somyurek spent some time today talking about his party's leadership in creating plans and a pathway for the future of Victoria. Let me touch on that if I may.

Mr Elasmarr — You may.

Mr ONDARCHIE — I thank Mr Elasmarr. We have had a good look at Labor's transport promises, and we have discovered that they are underfunded by up to \$19 billion. Labor's transport promises are underfunded by up to \$19 billion. Is that a surprise? Labor cannot manage money. It would need to increase taxes significantly to fund its bungled transport promises. Let us not forget, as we go through this journey from now until November, that members opposite will say, do and claim anything to get elected, and Victorians are not going to believe them. Labor has learnt nothing from its major project disasters of the past. Opposition leader in the Assembly Daniel Andrews and Labor have shown yet again to Victorians that Labor simply cannot manage money or properly cost major projects. You cannot trust Labor.

Labor claims its transport promises would cut costs by up to \$17.8 billion; however, a detailed analysis of Labor's transport promises shows it would actually cost \$22.7 billion. When it comes to costing projects in this state the Labor Party ignores basic financial rules, such

as the need to pay for the ongoing operational costs of new capital projects. It is the same fuzzy, woolly thinking that brought Victorians the major project disasters such as myki and the desalination plant.

Ms Tierney — On a point of order, Acting President, I ask that you to bring the speaker back to the motion before the house.

The ACTING PRESIDENT (Mr Finn) — Order! My understanding is that Mr Ondarchie is the lead speaker for the government on this motion, and that gives him some scope to cover a range of matters. I suggest that he is covering it pretty widely, but I will keep an ear out to ensure that Mr Ondarchie does not stray too far from the motion before the house. There is no point of order.

Mr ONDARCHIE — I remind you, Acting President, that I was reporting this matter in the context of Mr Somyurek's claims about the opposition's capacity to manage the economy and to create opportunity. If opposition members choose to be defensive about their bungling, that is a choice they can make.

At this point it is worth reminding the house that members of the coalition government continue to be serious about employment opportunities and opportunities for all Victorians. In fact when we talk about the automotive industry across the regions and in Geelong, it is worth reminding the house that Victoria's employment growth is the strongest in Australia. Regional employment in Victoria increased by 19 200, or 2.6 per cent, in 2013 — the strongest growth rate of all the states. Our regional unemployment rate of 5.3 per cent is the lowest of all the states, and regional families are benefiting from the Victorian coalition government's strong focus on regions. That growth in regional employment of 2.6 per cent is the best performance of any state in this country. According to the Australian Bureau of Statistics, in the three months to December 2013 employment in regional Victoria grew by 6700 jobs, or just under 1 per cent, compared to the three months to September 2013.

I note Mrs Millar is nodding favourably. All Victorian regional areas saw growth in employment, with the Loddon Mallee region putting on 3600 people, the strongest growth over the quarter. Those figures compare very favourably with the Australian regional average unemployment rate of 5.7 per cent and are significantly stronger than the rate of 6.3 per cent when Labor left office in November 2010. There are now 46 200 more people employed in regional Victoria than when Labor left office. That is another demonstration

of this government's strong economic management in this state, and it will support investment in projects to further secure the regional economy.

I refer to such projects as the building of the wonderful Bendigo Hospital, and to projects down in Geelong that members of the coalition have talked about. For example, I know Mr Ramsay and Mr O'Brien have been very active in pursuing opportunities for Western Victoria Region. Mr Ramsay has also been very active in supporting the restoration of the Ballarat railway station precinct, a job-creating project. I have already mentioned the \$630 million Bendigo Hospital and the \$1 billion Regional Growth Fund.

This government is getting on with creating opportunities and jobs. Government members understand the global pressures on our automotive manufacturers, but we remind those opposite that the automotive industry is not limited to the members of the Federal Chamber of Automotive Industries and the three car companies; the automotive sector is much wider than that. Those opposite have a penchant for talking down Victorian manufacturing. When they next do so, we ask them to realise how important manufacturing is for this economy. We call on members of the opposition to join us in supporting manufacturing and recognising all the elements of manufacturing in this state, because it is not doomsday. There is real opportunity here in Victoria, and this coalition government is showing leadership and getting on with the job. We oppose Mr Somyurek's motion.

Ms TIERNEY (Western Victoria) — I start by thanking Mr Somyurek for bringing this motion before the house. It is timely that he has done so, particularly given the recent announcement that Toyota Australia will cease manufacturing cars in this country by 2017. Manufacturing was dealt another serious blow yesterday, with Alcoa announcing that up to 1000 workers will lose their jobs, including 840 blue collar workers at Point Henry in Geelong. Today's editorial in the *Herald Sun* is headed 'Alcoa storm hits Victoria':

Geelong sits at the epicentre of a manufacturing tornado that is currently battering Australia.

Other headlines refer to our industry being in 'meltdown'. The headline on the front page of today's *Age* is 'Geelong a city under siege — Up in smoke', and it lists:

800 jobs lost at Alcoa

510 jobs lost at Ford

300 jobs lost at Avalon

The latter is from heavy engineering at Qantas Avalon. Along the line it is estimated that another 500 jobs will be lost due to the sale of Shell's Geelong refinery, which is currently on the market. People would be aware of the job losses we have had in the Geelong area, including job cuts from Target's Geelong headquarters, where a significant number of people have lost their jobs. Boral Cement has also cut jobs, and other key jobs have been lost in the region.

I raise this matter so that people will start getting the idea that there is an issue. With opposition members having raised this matter, it is not for those opposite to say that Labor is talking down manufacturing and talking down Geelong. The fact is that the opposite is true. Labor has always had a very strong connection with Geelong. Those of us with a particularly close connection to Geelong understand that community and how its members care for each other. It has a very strong community leadership, whether that be within the greater city of Geelong, within the suburbs or within the smaller coastal communities. So to accuse Labor of talking down manufacturing or talking down Geelong is just rubbish. To be quite frank, we care about Geelong because we understand it to be our second city in the state, and we will not walk away from it. We will make sure that every person who is displaced as a result of this government's decision to walk away from manufacturing will not be left behind.

On this side of the chamber we are absolutely committed to Geelong, and we are committed to the continuation of manufacturing. I was grossly disappointed with Mr Ondarchie's contribution when he said that Labor does not understand vehicle manufacturing and that it does not understand the auto industry. The fact is that when this matter has been before the house in the past, debate concentrated on car manufacturing in Australia for the obvious reasons: the finger was being pointed at the time for the demise of the industry. That is why Labor concentrated on car manufacturing in Australia. It is not because we do not accept the aftermarket sector of the industry; we do accept it. In fact I have always tried to explain to those opposite that the vehicle industry in this country and this state is absolutely interconnected, whether it be premarket or aftermarket. To deliberately try to create division in the industry is absolutely outrageous and not helpful to the industry — —

Mr Ondarchie interjected.

The ACTING PRESIDENT (Mr Finn) — Order! Mr Ondarchie should restrain himself.

Ms TIERNEY — It is not helpful to those who hopefully will remain in the industry. They will remain in the industry if the state and federal governments actually get their act together and act in a strategic way to try to make sure that the auto component companies remain in this country and do not collapse as a result of the major manufacturers being run out of town.

When Mr Ondarchie comes into this place and tries to give us a lecture or a 101 lesson on the vehicle industry, he should not try to create divisions in an industry that is fraught with crisis already. He should not try to do that at all.

Returning to the motion, Acting President — —

Mr Ramsay — You are not a shop steward anymore.

Ms TIERNEY — I will take up the interjection from Mr Ramsay that I am no longer a shop steward. I think that is the third time I have heard that, and I corrected it in *Hansard* when he raised it before Christmas. In line with what has been mentioned by Mr Ramsay when he has been in the chair in recent times — and indeed what we have heard from the President today — it is really important to try to get the pronunciation of people's names correct. I agree with that; we need to be sensitive to that fact. I also think it is important to be a little bit more respectful and to read the *Victorian Parliamentary Handbook* in terms of the facts about certain members in this house, including me. I think the role of a shop steward is incredibly important, but it is a role that is constantly underestimated by workers and employers alike. I do not have a problem with that.

Mr Ondarchie — On a point of order, Acting President, during my contribution Ms Tierney interjected and raised points of order about relevance. I would ask you to direct her back to the motion at hand, rather than allowing her to just make an ALP — —

The ACTING PRESIDENT (Mr Finn) — Order! I thank Mr Ondarchie; I get the gist of what he is saying. I think the member will find that Ms Tierney was in fact responding to an interjection. It would be preferable if she did not respond to interjections, but it would also be preferable if we did not have interjections to begin with. It takes a thief to catch a thief. Ms Tierney is at the moment within her rights to defend her previous occupations, as I think she is currently doing.

Ms TIERNEY — Can I also say that I think it is preferable for members to actually read the CV of those

who are in the house, on both sides of the chamber, before they assert — —

Mr Leane — Make things up.

Ms TIERNEY — Or make things up; Mr Leane is quite correct.

I would also ask Mr Ramsay, before he sends his letter to the editor, which was obviously the content of his members statement this morning, to change his facts in that letter before submitting it presumably to the *Geelong Advertiser* or elsewhere.

Honourable members interjecting.

The ACTING PRESIDENT (Mr Finn) — Order! This is turning into a bit of an all-in brawl. Ms Tierney has the call, and it would be very helpful if she were able to address the house unassisted.

Ms TIERNEY — Moving back to the motion, I wish to remind the house that manufacturing has been the lifeblood of this state and its economy for a long time. Since the first car rolled off the production lines in the 1920s we have seen a whole range of manufacturing companies establish themselves here, as well as a lot of subsidiary companies supporting this industry. Of course we have also seen cities such as Geelong be built on manufacturing. For decades families have raised their children on the pay packets of good manufacturing jobs and workers have been trained to become very highly skilled at a local, state and national level. Our economies have grown and prospered. We have had the ability to produce very high-quality products for decades and decades. But now of course we have seen under this state government's watch Victoria bleeding manufacturing jobs. Car manufacturing jobs are going, and they will continue to disappear as a result of the three majors making their announcements in recent times.

The year 2013 will be seen and remembered as the year the federal coalition government and the state coalition government gave up on manufacturing, particular car manufacturing in this country; it will be remembered as the year government abandoned local communities that have for decades lived and breathed through secure employment provided by a vibrant automotive manufacturing industry; and it will be remembered as the year we had a very reckless and cavalier attitude to the car industry on the part of government, particularly on the part of the Prime Minister and the federal Treasurer, Joe Hockey. From the Victorian perspective 2013 will be remembered as a year when this government turned a blind eye or was not up to the

task, even though the state's economy is so dependent on manufacturing.

Over the past three years we have not seen all that much in terms of this government wanting a car manufacturing industry in this state, and I think that will be the view people come to when they reflect on the performance of this government. Through its own actions or lack thereof this government has shown it has no idea about what to do when times get tough. We have seen that time and again. To be quite honest, I just do not know whether it is an issue of intellectual capacity or the lack thereof in terms of developing policy solutions to the challenges that have confronted the industry and its woes, or whether it really is just a matter of those opposite not having the ticker to get in there and stand up for our industries. Not long into the term of the Abbott administration it started becoming quite obvious that the federal government would not have ongoing support for car manufacturing in this state.

This state government has essentially stood by and watched thousands upon thousands of Victorian workers simply lose their jobs. It has simply not been a strong advocate for the automotive industry and for the Victorian economy. As I have said in this chamber in the past, it is almost as if this state government has given the driver's seat to the federal government when it comes to the automotive industry.

Mr Ondarchie — Let's talk about you and the carbon tax then, shall we?

Ms TIERNEY — We could talk about you and carbon tax. Why don't you look at the front page of the *Age* today and see what Alcoa said — —

The ACTING PRESIDENT (Mr Finn) — Order! I say to Mr Ondarchie that I will accept a degree of interjection. The member might be surprised to learn that I am not opposed to interjection. I would appreciate it, however, if we did not have a shouting match between himself and Ms Tierney across the chamber. That is most disorderly. I would ask Ms Tierney to direct her comments through the Chair.

Ms TIERNEY — I will, Acting President. It is very difficult when you get those sorts of interjections. I simply refer the member to the front page of the *Age* today and Alcoa's comments in relation to the carbon tax.

Getting back to this motion, I will say that this year will be remembered by those in the community and particularly by those in the auto manufacturing sector as the year this state government walked away from them.

Their pain will be not just for now but for the weeks and months after they leave their current jobs — for the period they are not employed — as a result of this government not putting anything in place to deal with the economic restructure it is undertaking without any consultation.

I move to the position of the federal government. It is no secret that the federal government could not give two hoots about the Victorian car industry and does not care about Victorian jobs. Otherwise Prime Minister Abbott would have called for an economic report on the state of Victoria the very day he took office. But, no, he did not do that. Did he call for a report on the state of the economy when Holden made its decision? No, he did not. Did he call for a report on the state of the Victorian economy when Toyota made its decision? No, he did not.

It is only after today's headlines in all of the Victorian newspapers, headlines saying we are experiencing a huge crisis, that this morning the light went on, and he is now asking for a full report on the Victorian economy which he expects to have in 10 days. Hallelujah! It has taken a long time, and many jobs have been lost in that time, but it will be very interesting to see what he finally comes up with in terms of at least trying to demonstrate that he might somehow be interested in the Victorian economy, in manufacturing and in those who will be left on the dole queues as a result of the decisions of his government, decisions he has arrived at without having taken policies to the election.

Honourable members interjecting.

Ms TIERNEY — No, he did not go into the election saying he was going to let the car industry leave this country.

An honourable member interjected.

Ms TIERNEY — No, he did not do that, because during the election campaign he was too busy having Cheshire-grin photos of himself taken in factories while saying he was the workers' friend. Far from it! Everything he has done so far as Prime Minister has been to take the knife and the axe to workers and particularly to car workers. There are thousands of them, and they are going to remember exactly what the governments in Canberra and here in Spring Street have done. These governments have not been the friends of workers at all, and all I can say is, 'Bring on November — —

Honourable members interjecting.

The ACTING PRESIDENT (Mr Finn) — Order! We are not at the front bar of any particular hotel. I ask members to restrain themselves and show some degree of decorum in here. We are in the Parliament of Victoria.

Ms TIERNEY — There is nothing like having those opposite urge you on. Unlike the Napthine government, which has played its role in the demise of manufacturing by burying its head in the sand, the federal government has played a very active role in seeing the end of the automotive manufacturing industry in this country. Toyota's latest announcement signalled the death of automotive manufacturing in this state. The Abbott government has been content to blame the enterprise bargaining agreements and the workers for the demise of the industry. The Prime Minister and the Treasurer have repeatedly sought to shift responsibility for the departure of both Ford and Holden from Australia back onto employees. Clearly they think that bashing workers is a vote winner, because they have extended that very same strategy to SPC Ardmona in Shepparton. It is clear that the Prime Minister and the Treasurer are no friends of workers.

What is extraordinary about the Abbott government's pernicious approach to policy-making is that there is seemingly no regard for the facts let alone for the industries that very much require their help. It is not strange that Holden, for example, in its submissions to the Productivity Commission, which was set up by the Abbott government, praised its workforce and the unions for the flexibility and assistance they provided to the company in its continued existence in Australia. Surely if the Prime Minister and the federal Treasurer were correct, somebody would have raised wages and conditions or untenable industrial relations issues in their submissions to the Productivity Commission — —

Mr Ondarchie interjected.

Ms TIERNEY — No-one did, Mr Ondarchie. Yet that was one of the key points Mr Ondarchie made in his contribution — that Labor costs were a major contributing factor in terms of the walkout of the car industry from this country. After question time I will be more than happy to take Mr Ondarchie through the productivity costs and labour costs in the car industry and how his side of politics have used them as a furphy and an excuse to run car manufacturing out of this country.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Portsea beach property

Mr TEE (Eastern Metropolitan) — My question is to the Minister for Planning. It relates to the decision to extend Mr Lindsay Fox’s Portsea property some 45 metres onto the beach. I note reports in which the minister is quoted as saying that he only found out about the decision a few weeks ago, and I ask: was the minister or his office advised that a decision was being made on this matter, or being considered, prior to that decision being made?

Hon. M. J. GUY (Minister for Planning) — Mr Tee is quite right: I was only advised of this a few weeks ago because the decision was only made a few weeks ago. The Minister for Environment and Climate Change, Ryan Smith, and I have ensured that our departments have sat down and met. We will do everything we can for the state of Victoria to ensure that this instance of a title being extended to the old high water mark is clarified. If it needs legislation to clarify it, we will consider it; if it needs to be clarified by other methods, we will have a look at it.

My office and the department are kept up to date by the land titles office of issues coming to it. However, being advised of any specific land title decision is not something that I have been involved with in the past and neither has any other minister. The processes in place that advise us of title decisions are exactly the same as those that occurred under the previous government.

Supplementary question

Mr TEE (Eastern Metropolitan) — I thank the minister for his answer. In the minister’s answer he indicated that from time to time he and his office are advised or briefed by the land titles office. Was the minister or his office briefed in relation to this matter prior to the decision being made?

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

Latrobe Valley fires

Mr RONALDS (Eastern Victoria) — My question is for the Minister for Health, the Honourable David Davis. Can the minister update the house on the response to the Morwell coal fires and in particular how the government is supporting the community?

Hon. D. M. DAVIS (Minister for Health) — I thank the member for his interest. I know that he and other local members of Parliament have been actively

supporting the community by talking to the government and relevant agencies, and they have been putting relevant information in front of a whole range of government agencies. I thank Mr Ronalds and Mr Northe, the member for Morwell in the other place, for the assistance they have provided on a number of these matters. The community will very much understand that this is an important issue. There is a significant fire in the mine, which is ongoing. As I said in my contribution yesterday, the management of that fire is a matter for the fire services commissioner and the relevant agencies.

Notwithstanding, there are significant plumes of smoke that change from day to day depending on the wind direction, the wind strength and the circumstances of the atmosphere. That smoke is a matter of public health, and I know the chief health officer has been deeply engaged in sending messages to support the community. In particular I note there are advertisements in local papers today, and there have been radio advertisements over the last two days to ensure that clear statements are available. Public meetings have also been held over the last two days. I know the Country Fire Authority has had a number of officers moving around, and Ambulance Victoria has been very active in working at the incident control centre and supporting the community more broadly by providing information and on some occasions transporting people.

The government is very aware of the situation. The Environment Protection Authority (EPA) is monitoring it and providing information to the chief health officer, who has passed on some information to me. I have with me some of the EPA material provided by the chief health officer. It contains the forecast for the next 24 hours, which was made late yesterday. It states:

Morwell: possible smoke impacts tonight and tomorrow in parts of Morwell close to the fire. Significant impacts very unlikely.

Morwell East: unlikely to experience any significant smoke.

Moe: likely to experience minor smoke impacts until 11.00 p.m. tonight. Unlikely to be affected by smoke tomorrow.

Traralgon: unlikely to experience any significant smoke.

This matter changes from hour to hour, and these forecasts and estimates are made in light of the information that is available. I know the EPA is redoubling its monitoring and there will be more information available as that monitoring is stepped up. I welcome that and support its steps in that regard.

Respite centres will be created in Traralgon to provide additional support. Local government has been heavily engaged, as I think the community will understand. The Latrobe City Council has had a number of contacts with the chief health officer, the fire services commissioner and the Chief Commissioner of Police.

There is a very clear need to work with the GPs in the community. The chief health officer has had a number of contacts with those GPs and I understand will have further contact to provide information and support to GPs. It is important that people work with their local GPs. After all, they are the practitioners who understand the background of people's medical history, conditions and arrangements.

Portsea beach property

Mr TEE (Eastern Metropolitan) — My question is to the Minister for Planning. I refer to media reports in which the minister is reported as saying that the government will introduce retrospective laws reversing the decision to extend Mr Fox's Portsea property by 45 metres onto the beach. I note that in the minister's previous answer he was equivocal as to whether or not there would be legislation. I know the Premier has said he would be seeking further legal advice on this issue. There is some confusion. Can the minister confirm categorically that legislation will be introduced to retrospectively reverse the decision to extend Mr Fox's Portsea property onto the beach?

Hon. M. J. GUY (Minister for Planning) — I would be very interested if Mr Tee could, in the preamble to his supplementary question, outline what the Labor Party's position on this might be. If he has a chat with Bill Kelty, I would be very interested to know what that might be. I have said — —

Mr Lenders — On a point of order, President, Mr Tee asked the minister a question on government administration, which the minister has been speaking about in the media, announcing there would be an action of government. Mr Tee has asked him about that. The minister is now debating the question by hypothesising what another party might do in response to the legislation that he has announced the government will introduce. He is debating it.

The PRESIDENT — Order! I thank Mr Lenders for the point of order. I had some concern with the question in that it referred to the minister announcing legislation. From every report I have read, I understand the minister has said he was investigating whether legislation was possible in this case rather than saying it was going to happen as such. The positioning of this

was a little difficult, but obviously the minister was in a position to clarify that and to answer.

In terms of the direct point of order, to bring in the names of people who are outside this Parliament and clearly have nothing to do with this particular matter — albeit they may well be acquaintances of one of the people associated with this question — is a matter of debate and provocation rather than a matter that the house needs to actually be informed about. To some extent the minister's initial comments on this question to the effect that he would be interested in the opposition's position are somewhat fair in the sense that he is exploring legislation rather than emphatically saying there would be legislation. His throwback, therefore, to the opposition in saying, 'How am I going to do this; am I going to have your support?', is a fair statement to make. Introducing Mr Kelty is clearly not a fair statement to make and is debating. I would offer that guide to the minister in terms of the rest of his answer.

Mr Tee — On a point of order, President, the issue you identified at the start of your adjudication was on what statements the minister has made, and I suppose I am just relying on the news report that I have read where the decision attributed to the minister is that the government is set to rush through retrospective laws to stop Victoria's coastline falling into private hands, reversing a decision to extend Mr Fox's Portsea property by 45 metres. What I have asked the minister is — —

Hon. M. J. GUY — Where's the quote? Not the story; where's the quote?

Mr Tee — All I am asking is whether the minister can confirm that that is the case in the context of the Premier saying something else. I am giving him the opportunity to clarify those reports.

The PRESIDENT — Order! I think Mr Tee is quite right, news reports have said that the minister was looking at legislation, and that was fairly emphatic in terms of addressing very old legislation and opportunities for some people. The revocation of the existing decision was not substantiated necessarily by the media itself as an emphatic decision. I think the minister was actually investigating that. It is clearly not for me to answer that question. The minister has that opportunity, and I appreciate Mr Tee's clarification of where he was going with that.

Hon. M. J. GUY — I think I have said fairly clearly that the government will investigate a number of options: legislation, regulation or planning overlays. I

have made that very clear. Whether it is through a design and development overlay or whether it needs to be through legislation, we will look at all of those options. That is what the people of Victoria would expect me to do. The people of Victoria would expect that I would come back with a clear and sensible answer to what is a problem not just in one instance of one family but in a number of titles across the state that probably predate the birth of many people in this chamber. The people of Victoria would expect me to go away now and get good advice, as the Minister for Environment and Climate Change, Ryan Smith, and I asked for from the environment and planning departments two weeks ago.

It is not an issue that I had any ability to veto. It is a decision that has been made off legal advice provided to the land titles office; therefore it is left to me to either bring in legislation, as I have said, or introduce regulations to ensure that Victorians get clarity around public open space on their beaches. I have said I will do that, and I will do that. Importantly, I hope the Labor Party, in asking these questions today, is not outlining a position such that it in fact opposes the government going forward and seeks to secure public land as public land from here on in.

Supplementary question

Mr TEE (Eastern Metropolitan) — I thank the minister for his answer, in which he has indicated he will be having a look at a number of options which may or may not include legislation.

Ms Crozier — He just said that.

Mr TEE — I appreciate that answer, Ms Crozier. My question to the minister is: will the outcome be the retrospective reversal of the decision to extend Mr Fox's Portsea property onto the beach — that is, whether by legislation or by regulation, is that the outcome he will be seeking to achieve?

The PRESIDENT — Order! I ask Mr Tee to repeat his question.

Mr TEE — My question to the minister is this: whether by regulation or by legislation, will he be seeking to retrospectively reverse the decision to extend Mr Fox's Portsea property onto the beach?

Hon. M. J. GUY (Minister for Planning) — I am a bit perplexed as to why Mr Tee has now asked me the same question again, so I will repeat the same answer for him in case he did not hear it.

Mr Tee interjected.

Hon. M. J. GUY — I do not know how much more unequivocal I could have been in every media interview I have given on this issue — that is, that this government views public land as public land, particularly on beaches, and it is beach land in this instance and in these titles. If we can make sure that we get that land back, we will. We will examine every option available to us to do that. If we can do it, Mr Tee will see it done by legislation, and I welcome his support. If on legal advice I cannot do it, I will find another mechanism. That is why I have talked about regulation. That is why I have talked about a design and development overlay.

Mr Tee may not be fully appraised of the strength of some of these planning mechanisms. I am happy to give him a brief on them. If Mr Tee wants to support this, we would be happy to have his support.

Growth areas infrastructure

Ms CROZIER (Southern Metropolitan) — My question is also to the Minister for Planning, Mr Guy, and I ask: can the minister advise the house what action the government has taken to facilitate new infrastructure in growth areas faster?

Hon. M. J. GUY (Minister for Planning) — For too long our growth areas have been ignored in terms of the ability to get new infrastructure within them at a time that suits those people who are moving in. Members, particularly those representing Western Metropolitan Region — Mr Finn, Mr Elsbury, Mr Ondarchie and me — know this all too well from new suburbs in Melbourne's west and north that have been built and allowed to be built without any serious infrastructure being attached.

Members in this chamber would be well aware that when the coalition left office in 1999, Point Cook was a mere general store with half a dozen homes. When we took government again and were sworn in in December 2010, Point Cook was a suburb of some 15 000 people, as big as Colac. It had one road in and one road out. That was the infrastructure dilemma that this government inherited from the previous government in December 2010. We have gone away to find every mechanism we can to avail those areas with infrastructure within an earlier time frame to assist those who live in Melbourne's growth area suburbs. The Liberal-Nationals coalition will not turn its back on Melbourne's growth areas. We are going to make sure that everything we can do we will do.

It is with much pride that I announce to this chamber that the government has brought forward the growth

areas infrastructure contribution work-in-kind guidelines to allow developers to contribute to state infrastructure in exactly the same way that councils seek developers to contribute to local infrastructure. These are Labor councillors — they are Mr Lenders's mates in Melton, his mates in Whittlesea, his mates in Wyndham when they were there, his mates in Hume and his mates all through the growth areas of the city who worked for him in government. All those councillors availed themselves of work in kind, and we have now brought forward at a state level the same mechanism that all those Labor councillors sought to avail themselves of to achieve infrastructure for councils in growth areas. We have now achieved this at a state level.

This is significant. It means that the development industry no longer has to simply hand over a cheque. It can actually achieve serious state infrastructure outcomes for people who live in growth areas. Labor members opposed this, whingeing on one hand about the lack of infrastructure and then coming into this chamber to oppose a good measure to bring forward new infrastructure for growth areas. The new guidelines for works in kind could look at arterial roads, freeways, footpaths, walking and cycling tracks, health, education facilities, libraries, community facilities such as open space and recreational centres, stormwater management, IT infrastructure and railway stations.

Mr Barber interjected.

Hon. M. J. GUY — Railway stations for Mr Barber's benefit. State infrastructure costs a lot of money. This government now has guidelines whereby the development industry can assist in delivering that infrastructure much earlier than would have been the case under the Labor government and much earlier than would be the case even under the Greens. These guidelines will see new infrastructure advance in a much faster way than would have been the case had Labor been in office or if Labor were in office into the future. This is evidence of how this government is managing population growth sensibly and sustainably into the future and of how this government is building a better Victoria.

Transport Accident Commission employment

Mr MELHEM (Western Metropolitan) — My question is to the Assistant Treasurer, Mr Rich-Phillips. Can the minister confirm that 70 state government jobs are confirmed to be going from the Transport Accident Commission in Geelong?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I thank Mr Melhem for his question and his interest in the Transport Accident Commission (TAC). The TAC is a great success story for Geelong. The relocation of the TAC to Geelong in the late part of the last decade was a very successful relocation for the city of Geelong and is one this government is very supportive of.

As the house would appreciate, late last year the Premier announced that the Victorian WorkCover Authority would also be relocated to Geelong if this government is re-elected at the end of this year. We see a great opportunity to create in Geelong a centre of excellence around statutory insurance. We see the national disability insurance scheme (NDIS) headquarters being established in Geelong, with around 300 jobs being created. We see the Victorian WorkCover Authority — —

Mr Lenders — On a point of order, President, Mr Melhem asked a particularly tight question of the minister, without any preamble, about his responsibility for the TAC. The minister is now extending the context to a number of other government instrumentalities beyond the one that is the subject of a specific, tight question on the TAC. I ask you to bring him back to the question, which was very specific and not an opportunity for him to talk generally.

Mr Drum — On the point of order, President, I am hoping this will be superfluous to your understanding. The minister is less than 1 minute into his answer. To not enable a minister to put the question in context before delivering his answer to the so-called question that was put is a quite ridiculous point of order from the Leader of the Opposition.

Mr Jennings interjected.

Mr Drum — Mr Jennings now interjects. He is likely to ask a question that goes for a full minute and give the minister four or five different aspects on which to respond. The opposition cannot have it both ways. The minister has in effect been on his feet for less than 1 minute, and he should be given an opportunity to put the context around the question before he gives his answer.

The PRESIDENT — Order! The minister has 4 minutes in which to answer the question. At this stage he has only been going for 53 seconds. As members would be aware, I am not in a position to direct a minister on how they should answer a question, but I use my best endeavours to have ministers provide responses that are apposite and responsive to the

questions that are asked. In this situation I was interested to hear the context that the minister was providing in terms of Geelong's role going forward. He has certainly referred to TAC as one of the entities in Geelong as part of those introductory remarks. I do not think at this point the minister has in any way overstretched the mark by broadening the question. He is providing context, and I note that this minister is always responsive to the questions that are put. I appreciate his directness in answering questions, and I am sure he will respond to the specific aspect that Mr Melhem raised in his question.

Hon. G. K. RICH-PHILLIPS — Thank you, President. To continue on from the point I was making before, this government is committed to establishing in Geelong — around the TAC, around the NDIS headquarters and around the proposed relocation of the Victorian WorkCover Authority to Geelong — a centre of excellence based on statutory insurance.

Mr Melhem specifically asked about TAC staffing levels. What I can say to Mr Melhem is that, as he would appreciate, an entity the size of TAC undertakes fixed-term project work from time to time. Essentially, as it implements its 2015 strategy and undertakes projects and development of project elements of its strategy, it engages fixed-term contractors to undertake fixed-term projects. As those projects reach their conclusion, those contracts reach their conclusion. That is an appropriate way to undertake project management. If you have a fixed-term project, you do not employ people on an ongoing basis. That is the basis on which the TAC runs its project management, and that is the basis on which you see fluctuations in staffing levels at the TAC. But the establishment of a centre of excellence in statutory insurance, with the NDIS, TAC and the Victorian WorkCover Authority, will be overwhelmingly positive for the Geelong community.

Supplementary question

Mr MELHEM (Western Metropolitan) — I thank the minister for his answer. Can the minister guarantee there will be no more staff cuts, redundancies or non-renewal of contracts at the Transport Accident Commission in Geelong over the next 12 months against the background he has just provided in his answer?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I reiterate what I said to Mr Melhem in my substantive answer. The TAC and other government entities, where they are undertaking fixed-term project work, use a fixed-term labour force. If you have a fixed-term project that runs for

12 months, you do not employ people for three years. In the interests of Victorian taxpayers you have to match the needs of a project with the labour resource that you put to it. I say to Mr Melhem that the staffing and resourcing levels for TAC, as for other government entities, will match the needs of the business at the time.

As I said, we see the establishment of a centre of excellence in statutory insurance, with the NDIS, TAC and the Victorian WorkCover Authority's proposed move to Geelong, as an overwhelmingly positive outcome for Geelong in the insurance business. But of course workforce levels will fluctuate as project and demand fluctuates.

Technology sector

Mrs COOTE (Southern Metropolitan) — My question this afternoon is also to the Honourable Gordon Rich-Phillips in his capacity as the Minister for Technology. Can the minister update the house on continued investment in the technology sector in Victoria?

Hon. G. K. RICH-PHILLIPS (Minister for Technology) — I thank Mrs Coote for her ongoing interest in the technology sector in Victoria. A part of this government's commitment to building a better Victoria is working with the technology sector to develop job opportunities and to develop investment opportunities in Victoria. Over the last three years we have seen more than 4000 high-tech jobs created in Victoria across ICT, across biotechnology and across nanotechnology and more than \$800 million worth of capital investment in this state over that period. That has continued into this year.

I was delighted in the space of the last month to participate in two significant ICT job announcements for Victoria. The second of those announcements on 14 February was that Tintri, the US-based ICT company, would establish its Australian headquarters in Melbourne with the creation of 30 high-value-added jobs. This underscores the reputation that Victoria has as a centre for ICT investment in Australia and more generally in the Asia Pacific. At the time of the announcement Mr Peter Molloy, the vice-president of Tintri, indicated the reason for Tintri's decision to invest here in Victoria:

Melbourne has always been a city where strong innovation and adoption of new technologies has thrived and is home to many large organisations that could benefit from disruptive technology ...

Mr Molloy also indicated that there is a very strong sentiment supporting investment in ICT in Victoria, and that is recognised throughout the United States and elsewhere in the world.

In late January I was delighted to join Samuel Lee, the president for Equinix in the Asia Pacific region, for the announcement of Equinix's first high-value-add data centre in Victoria. Equinix is one of the global leaders in the provision of data centres around the world. Its centres in the Silicon Valley are state of the art. It has clients such as Amazon Web Services, very large, online service providers, which are dependent on reliable data centre provision. Equinix is recognised as one of the key providers in that marketplace. As I said, I was delighted to join Equinix's representatives for the announcement that it would establish, over the course of the 2014 calendar year, a \$60 million data centre at Port Melbourne which will lead to the creation of around 20 new jobs. This announcement again underscores the reputation Victoria has as a centre for ICT investment and a centre for ICT job creation.

We see an overwhelmingly positive picture for technology in Victoria — 4000 jobs over the last three years and more than \$800 million in investment flowing into the state, which underscores how this government is getting on with building a better Victoria.

Maternal and child health services

Ms MIKAKOS (Northern Metropolitan) — My question is for the Minister for Children and Early Childhood Development. Will the minister rule out any changes to the existing qualification requirements for staff working at maternal and child health services so that there will be a substitution of maternal and child health nurses and midwives with less-qualified professionals?

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — I thank the member for her question. We are currently undertaking a review of maternal and child health with a view to improving our system in Victoria. Our maternal and child health system is a very good system. It is a system that is envied worldwide and indeed around the nation. In fact Queensland modelled its policy on our maternal and child health system and took it to the last election, and Premier Campbell Newman hailed it as the single most important policy of that election.

Our maternal and child health system is very important to us, and we are looking at improvements to it. At the moment we are trialling right@home, which takes

maternal and child health into the antenatal space, working with mothers before they have children to try to avoid some of the problems for some children born in modern society. As part of that review a summary of discussions was put out. I know the nurses union had a problem with something in that paper. I believe there have been further discussions between the department and the nurses union and it is now satisfied there will be no reduction in maternal and child health qualifications.

Supplementary question

Ms MIKAKOS (Northern Metropolitan) — That might be news to the Australian Nursing and Midwifery Federation, which has sought meetings with the department and consistently been refused such meetings. I note that in the minister's response she did not actually rule out any changes to the existing qualification requirements. I note that the HDG Consulting Group report dated 24 July 2013, which the minister referred to though not by name, recommended introducing funding models that support a so-called diversified workforce. What changes will the minister make to how maternal and child health services are funded?

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — That report is still under consideration. The maternal and child health review is still under consideration and it would be premature to speculate on any changes to the system.

School leadership programs

Mrs MILLAR (Northern Victoria) — My question is to the Minister responsible for the Teaching Profession, Mr Hall. Can the minister update the house on the implementation status of programs to support school leadership?

Hon. P. R. HALL (Minister responsible for the Teaching Profession) — I thank Mrs Millar for her question and ongoing interest in areas of school leadership and teaching. The coalition government acknowledges the important role played by school leaders and teachers as being the prime determinant of good learning outcomes in our schools. We are prepared to invest and support those who adopt leadership and teaching positions in schools. We demonstrated acknowledgement of its importance in June 2012 with the publication of a discussion paper entitled *New Directions for School Leadership and the Teaching Profession*. That discussion paper has been out for just over 12 months and feedback was sought about how we might assist people in terms of both teacher training and training in school leadership.

The response to that discussion paper, *From New Directions to Action — World Class Teaching and School Leadership*, was published in October 2013. That document has a lot of recommendations outlining things that we were prepared to put into action, ranging from a selection of those who might enter teacher training courses right through to supporting existing teachers and school leaders. Section 4 focuses on school leadership and teaching, and I am pleased to report that we are well on the way in our government response towards implementing some of the recommendations of that section and other sections — for example, one of the recommendations is to design a talent identification and management system and a new program to develop the capabilities of up to 400 emerging leaders in our schools.

I am pleased to say that even prior to the publication of the government response, we got on with the job and started implementing the program. On 2 May 2013, 100 participants started that program at the Bastow Institute of Educational Learning, and they finished it on 28 November last year. The next intake started on 4 February this year. It is part of the talent identification and support for 400 emerging leaders in our schools. Another example has been to provide sustained support for up to 260 new principals in an 18-month course. I am pleased to say that newly appointed principals in 2013 are already well and truly into their 18-month course and will graduate shortly. The 2014 course for new principals will start on 3 March this year.

The last example is where we are providing 100 high-potential leaders the opportunity to complete a principal preparation program. By way of its name that program is designed for first-up principals who need support and guidance, and it commences on 15 April this year. We are out there actively following up on the importance of programs that we said we would implement to assist school leaders and indeed teachers, but I am today citing school leadership. We should all recognise that our school leaders play a very important role; they do a great job. They need support with the complex tasks they undertake, and they are getting that support through various programs that we are now well and truly on the road to implementing in full.

Latrobe Valley fires

Mr BARBER (Northern Metropolitan) — My question is for the Minister for Health, and it is in relation to the ongoing health crisis associated with the fire at the Hazelwood coalmine. Has there been any time during this fire when those responsible for managing the incident determined to issue an alert for a voluntary evacuation of Morwell due to concerns

arising from monitored levels of air quality or carbon monoxide, and if so, why was it not issued?

Hon. D. M. DAVIS (Minister for Health) — As I understand it, based on the advice that has come to me, there has been no decision to evacuate the town and no advice to that effect. In fact the advice has been the opposite. Obviously this is a complex matter. As I have outlined to the house today and as I outlined yesterday, this is obviously a major fire in the mine that is sending significant but intermittent smoke and associated matter across the town and the district. The advice that has come from the chief health officer is that there are at-risk groups and we need to communicate clear messages to those groups.

The Department of Health is also working on this matter. Ambulance Victoria has increased its support and numbers in the town and within the vicinity of the town. There is an Ambulance Victoria health commander down there, and he is obviously closely working with the department. The links to the GPs, to Medicare Local and to other health providers in the town are significant.

I can indicate, as I have outlined in the chamber before, that the vulnerable groups include some older people and younger people, pregnant women and those with respiratory conditions, particularly asthma. There have been clear advisories both on radio and in print. Obviously there is information in terms of the Environment Protection Authority statements, and that agency's monitoring has been increased, so we are getting more information. As I understand it, steps have been taken by the chief health officer to communicate with the Department of Education and Early Childhood Development, and there has been a decision to relocate a school that was near the mine site, but that has been made by the department in discussion with and on the advice of the chief health officer.

As I understand it, there has also been close communication with a number of the aged-care centres in the area. Information has been provided to them, and health authorities, Ambulance Victoria staff and other authorities have had discussions with them. The decision in those cases is obviously a matter for the aged-care centres, but information has been provided to them.

We have worked very carefully across government to get the best outcome in what is a very difficult and challenging circumstance. The government has worked with the community. As I said, information has been provided by local members and other local people. As I understand it, the chief health officer is in the town

today meeting with GPs and others to discuss many of these matters and to work with them.

Supplementary question

Mr BARBER (Northern Metropolitan) — The minister has talked a lot about what a range of other agencies are doing, but he has responsibilities and powers under the Public Health and Wellbeing Act 2008. By way of a supplementary question, I ask: can the minister make inquiries as to the monitored level of air pollutants throughout the course of this fire to determine whether at any point there were serious and immediate risks to human health? Those people do not need advertisements in the paper to tell them that they are choking on smoke. Will the minister report back to the Parliament as to the monitored levels of these air pollutants that have been collected by agencies throughout the course of this fire?

Hon. D. M. DAVIS (Minister for Health) — The member will understand that this is a serious matter, and the government has approached it quite steadily and thoughtfully in its response. However, as the member would understand, ministers act on advice, and the advice that has come to me from the department and the chief health officer has looked at information that has been available. We have encouraged the Environment Protection Authority to increase its monitoring, and certainly Ambulance Victoria and other agencies are doing some monitoring in and around the site.

I will take the member's question on notice, and if there is something valuable I can add, I will come back to him, but the advice that has come to me is that what the member said in his earlier question is the wrong way to approach this. The correct way to approach it is to focus on the vulnerable groups, focus on specific information that we have in terms of at-risk groups and work with the GPs. It is important to keep that link with that GPs, who are obviously the people who have the most understanding of individuals' specific conditions. We are in close contact with all the health services in and around that area, including Medicare Local and the Latrobe Regional Hospital, which has reported that there has been no significant increase in presentations, for example, at that hospital.

Public housing waiting list

Mrs PEULICH (South Eastern Metropolitan) — My question without notice is directed to the Minister for Housing. Can the minister inform the house of the current public housing waiting list and whether there

has been a reduction in the number of people waiting for public housing?

Hon. W. A. LOVELL (Minister for Housing) — I thank the member for her question and her ongoing interest in those less fortunate than ourselves who require subsidised housing in Victoria. The coalition government has achieved substantially better management of the public housing waiting list and a significant reduction in it. We have just published the December 2013 quarter waiting list, which shows a reduction of the list by 492 applicants in that quarter. However, more importantly, in 10 out of 13 of the quarters that the coalition has been in government, we have seen a reduction in the waiting list. That means that there are now 7296 fewer people on the public housing waiting list under the coalition government than there were under the Labor government, when the waiting list reached 41 212 applicants.

What does that mean for people around the state? In Mrs Peulich's electorate there are now 659 fewer people, or 30.2 per cent fewer people, waiting for public housing in the Cheltenham region. In Frankston there are 369 fewer people, or 17.3 per cent. In Dandenong there are 992 fewer applicants, or 20.6 per cent. In Broadmeadows we have seen a massive reduction of the list by 988 applicants, or 32 per cent. In Box Hill there are 391 fewer applicants, and in Ringwood there are 363. In Footscray there are 439 fewer applicants, which is a 29 per cent reduction. In Geelong there are 674 fewer applicants on the list, which is a 27.3 per cent reduction. In Ballarat there are 261 fewer applicants, which is a 25 per cent reduction. In Portland there are 63 fewer applicants, which is a massive 59.4 per cent reduction, so there are now fewer than half the number of people who were waiting for public housing under Labor. In Warrnambool there are 256 fewer people on the waiting list, or 38.3 per cent.

We know there is more to be done. There are still applicants on the waiting lists. In fact there are 33 916 people on the waiting list. As I said, there are 7296 fewer people than there were under Labor. We know there is more to be done, and we are going to do the hard work, unlike Labor, which was prepared to allow vulnerable Victorians to languish on the waiting list. Unlike Labor, we are working harder and smarter to get results for people in Victoria who are vulnerable.

QUESTIONS ON NOTICE

Answers

Ms MIKAKOS (Northern Metropolitan) — I wish to raise some overdue questions on notice. On 18 December I wrote to the Leader of the Government

in his capacity as Minister for Ageing with respect to questions on notice 9947 to 10 027 inclusive and also 9532. The outstanding question on notice is 9947. The letter included a range of questions on notice, but the one that is outstanding is 9947.

Also on 18 December I wrote to the Minister for Housing, Ms Lovell, with regard to a number of outstanding questions on notice. The ones that are overdue are questions on notice 8476 to 8484 inclusive, 9285 and 9286, 9525, and 9551 to 9558 inclusive. I seek an explanation from the two ministers as to why these matters are outstanding.

Hon. D. M. DAVIS (Minister for Health) — I am not familiar with the exact questions, number by number, but we will certainly endeavour to respond to those, as I think we have to so many of the questions that have been asked.

AUTOMOTIVE INDUSTRY

Debate resumed.

Ms TIERNEY (Western Victoria) — Prior to question time I was making the point that it is unfortunate — in fact, it is quite outrageous — that the Prime Minister and the federal Treasurer have blamed workers for the demise of the automotive manufacturing industry in saying that their wages are too high and their conditions of work are too generous. If that was the fact, Holden would have at least mentioned it to the Productivity Commission, and that certainly was not the case. In fact Holden praised its workforce and praised their unions.

In terms of productivity submissions, the Federation of Automotive Products Manufacturers, which is the organisation that represents the auto parts industry, did not think it rated a single comment. Neither did the Federal Chamber of Automotive Industries, which represents the car manufacturers. Not once did they point to those issues with respect to the ongoing nature of the car manufacturing industry. It is only those opposite who are living in fantasy land when it comes to the workers in the auto manufacturing industry. It is only those opposite who believe in the fantasy that it is the workers themselves who are to blame for their job losses. It is a very sad indictment of the political process when ideology substitutes for policy, when the decisions that are made by those opposite and their colleagues in Canberra pay no regard to the human costs.

I also mention the absolutely poor behaviour of federal coalition politicians in Canberra and what they did and

what they said when Holden announced its decision and when Toyota announced its decision. On the very day that Holden made its decision to close its doors and stop making cars in this country, it was the federal Minister for Education, Christopher Pyne, who stood up, rubbed his knuckles under his eyes and went ‘Boohoo’ and mimicked what it is like to cry. In all my life I have never seen such an appalling act by a politician in public. He not only had no empathy for what was happening to the many thousands of workers in the automotive industry, he made fun of the fact that people were losing their jobs. On the very day that Holden announced its closure, in the federal Parliament the Treasurer, Joe Hockey, supported and praised the fact that Holden was leaving the country, and that was not surprising given that he actually goaded the company into exiting our shores.

It was the federal member for Corangamite, who was sitting behind the federal Treasurer, who that day went on to attack the Toyota workplace agreement and Toyota workers. The member for Corangamite sat there nodding as if she understood what the Treasurer was saying when trying to unpick the various workplace agreement clauses — something that we were soon to see repeated when it came to SPC Ardmona. When in doubt, attack the contract between workers and their employer. I remind the member for Corangamite that there are Toyota workers who live in her electorate and that their extended families and friends also live in Corangamite.

In terms of the Prime Minister, it is unbelievable that a Prime Minister of this country, regardless of what political party they represent, could possibly say, when hearing of the Toyota and Holden job losses, that car workers were ‘liberated’. It has been quoted time and again. It is not hearsay or something overheard; he actually said it. Is there any person on that side of this house who can still stand or sit there and say that they support not only the auto industry but also the car workers and that they believe that secure, important manufacturing jobs are something this country needs? Clearly not.

I am very concerned about what this government is going to do with what is left with manufacturing in this state and this country. As I said at the beginning of my contribution, if a strategic intervention in terms of the auto components industry is not taken now, given that it is no longer going to have the critical mass in terms of making a solid business proposition for its own companies, what is the government going to do to make sure that they survive? It is the case that a number of companies are on the brink; I said that before Christmas. What assistance is the government going to

provide? If it does not provide assistance, it will mean those jobs that are earmarked to go will be going much earlier than what has been indicated by those companies.

Mr Ondarchie should not sit there and nod; that is just a sheer fact. It will mean that Ford will close earlier, that Holden will potentially close earlier, and hopefully Toyota will stay until 2017. If the government does not provide auto component companies with a favourable environment, it cannot expect them to remain. They cannot be expected to sit there when it is very difficult to make money and when they have not been provided with an investment environment.

It is extraordinary that while all this is happening, the state government is acting as if everything is fine and dandy. That is, of course, until the next company or industry has to get up and make an announcement that they will also have to close and more workers will be heading towards the unemployment queues. This government has treated Victorians like fools. I was very disappointed with the Premier when he said, 'I will be certainly expressing my concern about the suddenness of the decision' to Toyota. Saying that he is going to express his concern is as effective as being slapped with a wet lettuce leaf. How is it possible that he could be caught unawares of the Toyota and Holden closures, with that being played out in the media for many months prior to their final announcements?

To not see the Ford and Holden closures as a sign that the industry's very existence is being threatened and as warranting direct intervention is a shameful neglect of his responsibilities to the Victorian public. One would have thought that as soon as the Holden announcement came, he would have made a direct beeline to Toyota. He did not. It just did not happen. The tragedy for all Victorians, and Australians for that matter, of the Holden, Toyota and Ford exits, is that they were entirely preventable. They would have been prevented if there had been a will. A lot of us grew up with the belief that 'where there is a will there is a way', and I put to you, President, that there was never the will — by this government or the federal coalition government — to keep the car manufacturing industry in this country. It was never there.

Knowing that in a few years time we will not have a car manufacturing industry in this country, the government has still not provided a way forward or a vision as to what will happen to those facilities and to those workers. It is not happening. One could be very generous and say that those opposite and those in the federal government in Canberra have been left a bit flat-footed, but that would be incredibly generous. I

think this was a deliberate policy decision taken by the Liberal Party to get rid of the car manufacturing industry in this country, but it forgot to tell the Australian public before they queued up to vote in the federal election last year.

The performance of the Minister for Manufacturing also needs to be highlighted. I do not understand how it is that the minister only mentioned vehicle manufacturing, I think, three times in this Parliament prior to the Holden announcement. On the day of the Ford announcement he did not mention it at all. He had not met with the key players in the industry. He had met with quite a few people and organisations within the auto component sector, but he was not interested in meeting with the major vehicle manufacturers.

That trend was demonstrated time and time again by the coalition government in that it did not understand the connection between the major manufacturers and the auto supply industry. Now we have what is left of the auto components industry, and it is going to be interesting to see how it gets on without the car manufacturers, given its heavy reliance on the innovation and highly skilled personnel who provide the skills, direction and indeed the networks that are needed not just within the local auto industry but also internationally.

The Minister for Manufacturing forgot his responsibilities, and I believe that Victorians deserve much more in respect of the manufacturing industry. I came across a quote from Edmund Burke.

Sitting suspended 1.00 p.m. until 2.02 p.m.

Ms TIERNEY — Before the luncheon break I was about to provide a quote from Edmund Burke, but upon reflection during the break I have decided to save that quote for the conclusion of my contribution, because it will provide a crystal ball that reflects what is happening here in Victoria with respect to this coalition government.

I also said before the break that I believe the tragedy of the closure of Ford, Holden and Toyota and their exits from this country was entirely preventable. If a government were to hold the view that it was time to wind up the industry, one would have thought that as an act of proper responsibility of government some thought would have gone into creating alternative long-term secure permanent employment to replace what the government has destroyed as a result of the auto industry closures. Instead we have seen panic on the part of the Prime Minister and the federal Treasurer

and a continuation of the Sergeant Schultz approach on the part of the Victorian Premier.

These events beg the question: is this government out of touch with and divorced from the harsh realities of industrial life? I believe that essentially that is the answer: members of this government are completely out of touch. If they were even slightly in touch and even slightly interested in facts in relation to the automotive industry, members of the Abbott government would have known that in terms of productivity gains there have been impressive productivity gains in the auto industry. In fact those gains have almost doubled since 1989, with Holden demonstrating a 37 per cent improvement in the hours it takes to build a car, placing that company at a very high world standard.

Food manufacturing has also been in trouble in recent times, and again the government is blaming the woes of SPC Ardmona on its workers. Despite the fact that SPC management has unequivocally denied any link between wages and conditions of its workforce and the situation the company is facing, the federal government has continued to blame the workers. This has been reinforced by the federal member for Murray, Sharman Stone, who accused Prime Minister Tony Abbott and senior ministers of blackening the character of SPC Ardmona workers with their lies. She also said:

It's really deeply disappointing to me when I see more and more of these furbies rolled out to try and blacken the character of the workers themselves and the business.

Dr Stone also suggested that government denial of an assistance package to the struggling food manufacturer was more about an attack on unions than concern for the industry. She correctly identified what this is about when she said:

This is a witch-hunt. And sorry, I don't like witch-hunts, which are ... unfair and in this case could lead to us losing an industry.

If Sharman Stone, MP, is correct, that raises interesting questions about how far this government will go with its strategy and how many jobs will be lost as part of this process. Even worse than doing nothing, the Napthine government — just like its federal counterpart — has resorted to blaming car industry workers for the demise of the local industry. In a number of radio interviews in recent times I have heard the Premier saying that the cost of labour has been a major contributing factor to car plants moving their operations offshore. The fact is that wages, as a proportion of investment, have remained around the 13 per cent mark for an extraordinarily long time. Indeed in the context of productivity car manufacturers

are on the record as saying the biggest reforms have already been made and that any further change would be incremental. For both the coalition Premier of this state and the federal Treasurer, Joe Hockey, to imply that it is the fault of workers is an extraordinary public deception — and nothing short of a deception — that they have been peddling in the media and elsewhere.

I also find it extraordinary that any government would want to attack the most vulnerable by striking out at those families who will be most affected by the closures. I also believe it is an act of political cowardice and should be seen as such. For the federal Treasurer to assert that blood donors leave at Toyota is causing that company to rethink its operations — which is what he said in Parliament on the day that Holden announced its closure — is absolutely laughable. It demonstrates the lengths that these governments — federal and state — will go to try to shift blame and avoid and divert any close scrutiny on their part to the demise of a once great industry. They need to take heed of economic realities, not shift blame. They need to provide leadership and to show us where the new jobs are and where they will be created, because without that we will not have any forward thinking.

I believe that it is time — in fact it was time months ago, but certainly it is time now — for this government to stand up and protect jobs and indicate exactly where those jobs will be. This state was the machine that created so many jobs, but essentially the petrol has run out of that machine and it seems to have run out of the government as well.

Today those opposite — whether in this debate, in members statements or in any other contributions — and I think yesterday as well, have been hammering on about unemployment levels in this state, particularly in regional Victoria. The reality is that the most recent Australian Bureau of Statistics figures demonstrate that we have a record level of unemployment. The last time it was at this level was in February 2002. Those opposite do not mention that when they make their contributions on unemployment levels. We have a situation in Geelong where, as is reported in today's *Age*:

Even before factoring in Alcoa, and probable job losses at Shell and elsewhere, Geelong is in trouble.

Unemployment jumped from 6.7 per cent to 7.3 per cent in the year to September 2013.

That does not include the Ford figures, because they have not yet come on-stream. It continues:

In the area known as Corio Inner, it's 9.9 per cent, compared with 9.4 per cent a year earlier.

In other words, the prognosis is not good.

All I can say is that the decisions of the major car companies to close, and the lack of assistance demonstrated by the federal and state governments, mean that the government is culpable of adding to the systemic, intergenerational disadvantage in a whole range of suburbs in Geelong and the northern suburbs of Melbourne, as well as what will soon be the case in the south-east of Melbourne.

If those opposite do not want to listen to me and do not believe me, and if they do not believe the ABS statistics or anything that is written in the *Age* or the *Herald Sun*, I draw their attention to the latest Australian Industry Group (AIG) report, which is based on a national survey of CEOs and was published this month. It says that only 29 per cent of businesses are anticipating lifting employment numbers in 2014, while almost one-third, or 32 per cent, plan to reduce employment, with the remaining 39 per cent saying that things have flattened out, and they do not see much change.

Any glimmer of hope held out to the thousands of soon-to-be-redundant manufacturing workers by this government that they will be absorbed into the new economy or indeed into new industries that seem to be a figment of this government's imagination is false. Those industries are simply a figment of this government's imagination, because the jobs for these people are simply not there. What really concerns me is that there does not seem to be any indication from those opposite that they are working hard to find ways to match up the skills held by those manufacturing workers with other jobs or to retrain people to work in other industries. They talk about it, but there is very little happening on the ground — very little at all.

In terms of industry and employment generally, the manufacturing industry is doing it tough; the employment sector generally is doing it tough. The AIG report talks about the enormous pressure on companies to change gear and to move into a new structure of economic growth. This has also been brought on by the fact that the mining industry is starting to slow down and that — surprise, surprise — other sectors in the economy need to get up and running, and manufacturing needs to be there. Of course, we have seen what has happened: the government has itself contributed to pulling the plug in respect of that.

The reality is that this government, along with its federal counterpart, has never really been committed to the car manufacturing industry. These governments have laid the demise of the industry at the feet of the

workers. With this as a backdrop how can workers made redundant in the sector — and their families — have confidence that this government will do the right thing when it comes to managing their transition into the wider economy? I pose these questions to government members: are they serious when they say that car workers will take a leap of faith and believe that the government will do the right thing? Do they think that ordinary voters — voters who were not told by the coalition parties that they were about to decimate the car industry — will have any faith in the promises that have been made to retrain other members of the community into new jobs that the government says will be created through infrastructure? Until the government was hit by the announcement of all these closures it did not have any projects on the drawing board. I believe it is still standing bewildered with a crayon in its hand that has now calcified through inaction.

The reality is that we have been doing it tough for some time, but the really tough times are about to emerge. The sheer numbers of car workers who will be hitting the jobs market at the same time will be unprecedented. The majority — thousands of them — do not have a trade. Probably 85 per cent of them are non-trade, and they are the people who will have great difficulty in securing good, solid and secure employment. They simply do not have the skill set that is an automatic fit for the industries and the companies that are now being flagged as potential employers of the car workers. Car workers do not see themselves being pushed into a corner at the back of a supermarket somewhere. They are simply not going to accept that as proper alternative employment.

Last night on ABC's *7.30 Report* a Geelong employment agency manager was interviewed. He said that his office has been so inundated with people knocking on his door wanting jobs that he has contemplated shutting the door to stop the traffic of people because they do not have enough resources to deal with the situation that is being faced in Geelong at the moment.

Having said that, I refer to the comments I made at the beginning. Labor is not about talking down Geelong. What we want is a proper, serious, honest evaluation of where we sit at the moment. We absolutely support the establishment of the national disability insurance scheme head office in Geelong. We absolutely support all the work that is going on in the innovative industry program. Of course we support Carbon Revolution — that is fantastic. A lot of these initiatives were actually federal Labor initiatives or initiatives of the Labor state government.

We also support the LAND 400 project, which is a fantastic project and a great entree into the defence sector. Let us not, however, get hoodwinked. The fact is that this project would employ 400 people if Geelong were successful in getting the project; and we have to be successful in getting it. But the vast majority of those jobs will be trades work; they will not absorb the large number of car workers who do not have a trade. That project will not come online for several years, which means that the jobs will not be there for the Ford workers at that time either; the timing will be out. Having said that, it is still a fantastic and much-needed project for the Geelong community. Labor very strongly supports it and wants to secure that defence contract.

Government has a real role to play in terms of industry policy. It is not about picking winners or losers; it is about making sure there is some understanding about outcomes, and it is about creating an environment that fosters investment. Unfortunately this government is absolutely wedded — has an absolute commitment — to pure market forces, and it is not interested in safety nets. The government just wants 1000 flowers to bloom. I think we can do much better than that and government definitely has a role to play. I believe voters, our constituents, want us to play a more determined and interventionist role in providing guidance and leadership — along with industry and employers — to ensure there is a greater sense of where we are going and so we can make a greater contribution to the prosperity and wealth of our communities.

I do not think that our current state and federal coalition governments are up to that task. In pondering this, I came across an interesting quote from Edmund Burke, as I mentioned before. He must have had a crystal ball. He said, 'All that is necessary for the triumph of evil is that good men do nothing'. Clearly he was thinking of the Napthine government, because unfortunately doing nothing has become the trademark of this government. The cost is going to be absolutely unbearable for the thousands of people who have been caught up in what I consider to be really bad industry policy and really bad public policy. The state of Victoria deserves better, and Geelong absolutely needs better than what is currently being dished out by this government and by the federal government.

Mr RAMSAY (Western Victoria) — I will not say I am pleased to respond to Mr Somyurek's motion; I am disappointed that I have to respond to a 57-minute contribution in which he said nothing. It was just a rant and a rave in which he blamed the Napthine and Abbott governments for circumstances that were totally out of their control. Ms Tierney followed almost verbatim —

along the same line. Before I start — and this is going to take a bit of time — I would like to correct the record. Ms Tierney is quite right: she was not a shop steward in a division of the Automotive Metals and Engineering Union; in fact she was the state secretary. I say to Ms Tierney that I am happy to correct that record. The premise on which I raise that, however, is the same. I was concerned that she was speaking on behalf of the union she represented in a former life rather than as a representative of the people of Western Victoria Region, which she is supposed to represent. I think she confused the two roles.

I would like to raise the level of debate. As I said, for 57 minutes Mr Somyurek cast blame on just about everyone apart from himself, the party he represents and even the global conditions that impacted on these companies and forced them to make some of their decisions. I say from the outset, as I did in my members statement, that I feel very deeply for the Alcoa workers particularly, given the recent announcement. I also feel for any workers who lose their jobs as a result of some of the impacts of the global marketplace.

Let us get real about this. Ms Tierney spoke for nearly the same length of time as Mr Somyurek with the same sort of result. Global forces have been the most significant factor in relation to decisions, whether they be decisions made by Ford, Holden, Alcoa or other manufacturing industries that are struggling with the impacts of the high Australian dollar and our inflexible workplace negotiation system.

In Alcoa's case I note that the high dollar, the oversupply of aluminium and the age of the plant itself had a significant impact on its decision. I might add that in each case — and Ms Tierney did not bother mentioning this — the companies said that it did not matter how much money the government poured into them, at the end of the day it was not going to change their viability or their decision to move offshore. That is sad, but the reality is that their decisions were made not because of the lack of government assistance; the significant global factors that I have mentioned made the decision for them.

In her letter to the editor of the *Geelong Advertiser* this week — unfortunately I do not have a copy of it with me, but I felt inclined to respond to it during my members statement — Ms Tierney criticised the Napthine government for job losses in Victoria. She said it was all the government's fault. Ms Tierney then tacked on that it was the Abbott government's fault as well. The Abbott government has only been in power for four months, but suddenly the decisions made by all these manufacturing companies are the fault of the

Abbott and Napthine governments. The fact is that all those decisions were made under Labor, by the Gillard, Brumby and Bracks governments. Mr Bracks thought he could throw \$80 million into Kodak to save it, to which it said, 'Thanks very much', and walked out the door.

I will quote from an article in the *Australian* of 23 May 2013, which states:

Acting industry minister Craig Emerson said he had spoken to the heads of Holden and Toyota this morning, and both had recommitted to retaining their Australian operations.

I also note that the then Prime Minister, Ms Gillard, said that the industry was facing significant challenges but was not at risk of moving offshore. They were really reading the tea leaves. What was the Gillard government's response? It put on a carbon tax. Here we have all these companies only last year making commitments to the then Labor government by saying they were in it for the long haul. 'Just give us a bit of money and we'll stick around'. But as history will show, they were never going to stick around. It was not about pouring money into the businesses; it was the global conditions which ultimately contributed to the decisions of Holden, Ford and Alcoa.

My parliamentary colleague Craig Ondarchie provided some statistics on car sales, and I will briefly refer back to Ford and Holden because I think they are important. Neither Ms Tierney nor Mr Somyurek wanted to delve into the reason the car industry in Australia is under significant pressure. Even though I do not always agree with Mark Latham, I agreed with some comments he made the other day, and Jeff Kennett agreed with me. He made the point that 90 per cent of Australians are driving non-Australian cars. When the Australian community does not even support the local car industry and prefers to drive European, Japanese or Korean cars, something is wrong. The sales indicate that.

We are currently ranked 30 in the world for car manufacturing, producing 209 730 cars in 2012. China is no. 1, producing over 19 million cars. That is what we are dealing with — 209 000 cars per year against China's 19 271 808 cars. China is followed by the European Union, which produced 16 240 476 cars. The US produced 10 328 884 cars. We are an absolute minnow in the car manufacturing global market. In 2005 we manufactured 394 713 cars; in 2011 we manufactured 224 000 cars. As members can see, it has gone down quite significantly over that period. In 2012 sales of locally made Holdens fell 7.2 per cent and locally made Fords fell 12.7 per cent. Surely that tells members something. Imported brands Mazda and Hyundai are now selling more vehicles than Ford.

Toyota was the highest selling brand in 2012, with 218 000 in sales, ahead of Holden and Mazda.

Some more interesting figures that Mr Somyurek and Mr Tee might like to hear and hopefully understand, and which make somewhat of a mockery of their contributions, are that more than 1 100 000 motor vehicles were sold in Australia in 2012. The annual turnover in the industry was over \$160 billion. The industry is on a slippery slope. I do not understand it myself, because I have been a passionate Holden driver for many years and believe Australian cars are the best cars for this climate, but for whatever reason the Australian community prefers cars manufactured outside this country.

I will briefly refer to the impact of the carbon tax on some Australian companies. In 2013 due to the carbon tax a number of Australian-owned companies were forced to close or make significant redundancies. Ms Tierney and Mr Somyurek failed to mention the impact of the carbon tax on the manufacturing industry. We have figures that do not lie. The last wholly Australian owned cannery, Cowra's Windsor Farm Foods factory, was placed into voluntary administration, with 70 jobs lost. CSR's Viridian put off 150 jobs. The iconic soup manufacturer, Rosella, shut down, with the loss of 70 jobs. Amcor announced that over 300 jobs would be lost. Penrice Soda announced that it will cease soda ash production and cited the carbon tax as having a big bearing on its decision. Boral announced that 790 jobs would be lost, as did BlueScope Steel, which has cut 170 jobs, all due to the imposition of the carbon tax.

The manufacturing industries of Geelong, including Alcoa — which has just announced it will cease its operations — Ford, Shell, Avalon Airport, and the processing and agricultural industries and others, have incurred significant costs to their businesses as a result of the carbon tax. In its first full year of operation, manufacturing companies paid \$1.1 billion in carbon tax.

The carbon tax also cost Victorian public hospitals a staggering \$13.5 million in additional energy costs in 2013. Energy is expensive enough without having an additional tax imposed on our hospital operating costs. In my own backyard, Ballarat hospital incurred costs of over \$500 000 due to the carbon tax, Colac hospital, \$60 000, Beaufort and Skipton Health Service, \$8000, Stawell health services, \$6000, and Barwon Health, \$500 000 — —

Mr Leane — On a point of order, Acting President, on relevance, I know there was a debate on health

during general business last sitting week, but I am not too sure how hospital bills are relevant to the auto manufacturing industry.

Mr Ondarchie — On the point of order, Acting President, it is relevant because Mr Ramsay was talking about the impost of the carbon tax on manufacturers. It spreads across a number of sectors in this country, right through to the consumer, and that is because of Labor's failure to support the reduction of the carbon tax.

The ACTING PRESIDENT (Mr Melhem) — Order! Talking about hospitals is probably not relevant to the motion, but on the other hand I do not see why the point of order should be upheld. I do not uphold the point of order, but it would be good if Mr Ramsay could return to speaking on manufacturing.

Mr RAMSAY — Mr Leane has got to be kidding. Mr Somyurek talked about absolutely nothing of any substance for 57 minutes. I am quoting statistics that clearly show why Ford, Holden, Toyota and Alcoa are not able to continue manufacturing in Australia.

Mr Leane — Because of the carbon tax on the hospitals?

Mr RAMSAY — Through you, Acting President, I did mention the carbon tax because it plays a significant role on the decisions made in relation to manufacturing in Australia, but it is not solely about the carbon tax.

Mr Leane interjected.

The ACTING PRESIDENT (Mr Melhem) — Order! Mr Leane! I remind all members that when members of the government interrupted Mr Somyurek and other speakers earlier in the debate, they were asked to respect the other party. I say the same thing to Mr Leane. Let us have a bit of order and calm down.

Mr RAMSAY — I am not going to dwell on the carbon tax, but I thought it was important to show, and I showed very clearly, the impact of that tax on many manufacturing businesses here in Victoria. I just wanted to put into context some of the reasons why Australian manufacturing companies, including those in Victoria, are facing significant challenges. The easy thing to do is to blame government, and we have seen those on the opposition benches do so. It is a cop-out. It is a political blame game, and it is not helping anyone.

I read the *Geelong Advertiser* today, and as one would expect, four pages of it are dedicated to the impact of the closure of Alcoa on the Geelong region. In the pages of that paper not one person, not one worker, not even a trade union, blamed the government. Only two

people blamed the Napthine or Abbott government because of job losses associated with the closure of companies — and guess who they were. They were the Leader of the Opposition, Daniel Andrews, and Ms Tierney. They were the only two people.

I have great respect for the people who heard the news about Alcoa only yesterday, even though it had been foreshadowed. When they were interviewed by the paper, the easiest thing for them to do would have been to blame the government. But they did not; they understood that there were a whole lot of external factors at play here in relation to the decisions made by Alcoa, by Holden, by Ford, by Qantas in relation to maintenance at Avalon and even by Shell. We are still not sure what is going to happen with Shell. The people affected understood that there were things out of their control and out of the government's control that made these companies come to the decisions they had made. I have great respect for that.

I want to move away from the sort of negativity that Ms Tierney and Mr Somyurek have suffused this chamber with over the last 4 hours and talk about some of the good things that are happening in relation to jobs and potential job growth. I am not going to talk only about Geelong, even though that is the focus this week, given recent announcements. The coalition government has been focusing on a strong economy. That is the first principle. To have a strong vibrant economy is to have a strong fiscal economy. We have achieved that through prudent expenditure, increasing revenue and strong infrastructure. We have been doing that through job creation, increasing exports and the building of communities and infrastructure.

I will talk about some of the smaller projects. In Victoria manufacturing employs over 270 000 people. I am mindful of the fact that Mr Ondarchie went through some of these facts this morning, so I am not going to go over a lot of them again. It is important, however, to provide a foundation for talking about new opportunities in Victoria in relation to jobs and business growth. Manufacturing is operating under economic challenges, as I have talked about, including the high Australian dollar, high energy costs and inflexible workplace reforms under federal Labor's Fair Work Act 2009. That is indisputable. The coalition government took leadership and acted immediately after Ford announced it would cease manufacturing in Australia in 2016. The state government provided \$9 million for the structural adjustment package to assist the community to create new employment opportunities in Geelong and Melbourne's north.

The Victorian government also provided \$12 million to the Automotive New Markets program. This fund was originally \$10 million, but the government provided an extra \$2 million after the Ford announcement. It also sponsored a jobs summit in Geelong, which I was part of, bringing together key stakeholders from the region to debate issues and challenges while identifying opportunities to diversify our industries. Not one of the key stakeholders in that jobs summit blamed governments. They talked about new opportunities for governments to assist or coinvest. They did not just rant and rave that it was all Abbott, Gillard, Napthine or Brumby's fault. They talked about the possibilities, opportunities and strengths of the region and how they could capitalise on them.

Ms Tierney made reference to the federal member for Corangamite, and I will not speak on that member's behalf, because she can do that very adequately. I will say, however, that the Abbott government has been consistently supportive of investment in the Geelong region. Today in my members statement I called for potential infrastructure projects to be fast-tracked into the Geelong region to try to negate some of the impacts and consequences of the closures of these companies. It was pleasing to hear recent announcements regarding the Great Ocean Road, the duplication of the Princes Highway, the infectious diseases centre, the Carbon Revolution centre and the national disability insurance scheme. They have all been made possible by the co-contribution of the federal and state governments and local councils.

I talked about the Greater Geelong Industry Fund, and it is important to note some of the work that derived from that \$4 million fund. IXL Metal Castings was given \$180 000 for a \$560 000 project, which created 12 new jobs. Express Promotions was given \$220 000 for a \$755 000 project, which created 16 new jobs. Carbon Revolution was given \$250 000 for an \$883 000 project, which created 20 new jobs. Associated Kiln Driers was given \$250 000 for a \$947 000 project, which created 15 new jobs. Farms Foods was given \$215 000 out of that fund for a \$650 000 project, which created 26 jobs.

The \$11 million Geelong Advancement Fund is providing support for the St Mary's site redevelopment, with \$3 million going towards a \$7.36 million package for the \$65 million project, with over 100 construction jobs and 50 ongoing jobs. And then there is the Karingal Kommercial expansion, which received \$650 000 towards a \$4.6 million project, creating 60 new jobs.

In relation to the motion, we have got somewhat sidetracked by Labor's attempts to dig the boot into the Napthine government and the Abbott government. The reality is that we need to take a bipartisan approach in relation to how to deal with what is now being seen as an unfortunate trend in uncompetitiveness in this country, certainly in relation to some of our older manufacturing industries. Unfortunately Ms Tierney did not take the opportunity to talk about some of the areas in which we can actually make a difference in relation to making our industries competitive, particularly in manufacturing.

SPC Ardmona was bandied around, and I see Ms Lovell in the chamber, who as a member for Northern Victoria Region was a champion of a very good outcome for that company, its workers and its growers in the Goulburn Valley region through a coinvestment into SPC, which is tied to jobs and to a term of jobs. Unfortunately this was not the case with the Gillard government's investment of \$40 million into Ford or former Premier Steve Bracks's \$80 million into Kodak. The SPC deal is actually tied to jobs, so it cannot walk away, and if it does, it has to return the money to the taxpayer.

But in addition, the federal government is looking at reducing some of the barriers to being competitive for that company. I am pleased to see that it is starting to look at the anti-dumping laws in relation to product being dumped from other countries into our local domestic market and some free trade agreements with South Korea that will certainly provide that company with more opportunities to sell its produce into the export market.

The context of this contribution is that it is not all about blaming government. It is about looking at ways in which we can work together to try to make our industries, whatever they might be, competitive in the marketplace. It is about understanding that there will be a requirement for coinvestments, of which this government has made a considerable number. It is about looking at ways in which we can facilitate new opportunities for the region and certainly giving support to those workers who have been made redundant to be retrained and reskilled and to move into a new workplace with new opportunities.

I would like to take this opportunity to say that I am very disappointed in Alcoa that it has not given its workers the opportunity to be able to prepare for the final closure of its Point Henry plant. Three to five months is not long enough for a workforce of over 520-odd to transition into new industries without the appropriate training. I am disappointed that when Alcoa

made its decision yesterday it did not allow the time for those workers to be retrained and reskilled so they can have ongoing employment. That shows a small sign of disrespect, given that we were very accommodating in relation to extending the Crown land lease for its power station and supporting its endeavours to continue operating the smelter plant.

As we know in relation to Alcoa, the reality is that there is an oversupply of aluminium. We have a newer and more efficient plant in Portland and the plant at Point Henry is old. The Australian dollar, energy costs, the carbon tax and the like are a significant challenge to profitability and viability. Alcoa foreshadowed that many years ago under the previous Labor government, so it is not a surprise. It is disappointing, but it is not a surprise.

I am not moving an amendment, but I am advising that if I had an opportunity to move an amendment, it would read something like this:

That the words after 'That' be omitted, with the view of inserting the words 'this house notes that —

- (1) during its 11 years in government the Labor Party failed to support the automotive industry;
- (2) the former Prime Minister, Julia Gillard, failed the automotive industry and imposed a carbon tax which placed an impost on every Australian car in the order of \$400; and
- (3) the Napthine government's timely and targeted support for key manufacturing, including the recent SPC Ardmona package, saved the jobs of thousands of workers across the Goulburn Valley'.

On that note, I am sorry to see that Mr Somyurek has seen fit to waste the chamber's time in relation to his motion, and I am strongly opposed to its carriage.

The ACTING PRESIDENT (Mr Melhem) — Order! I thank Mr Ramsay, and I take it that the amendment forms part of his speech but is not a formal amendment.

Mr SCHEFFER (Eastern Victoria) — The fact is that successive governments at both state and federal levels have had to work very hard to keep the Australian automotive manufacturing industry operating. Ms Tierney mentioned and I think Mr Somyurek mentioned in his contribution that the Howard government would not have made the decisions that the government of Mr Abbott and Mr Hockey has made. Therefore over successive governments there has been effort put into supporting the Australian automotive manufacturing industry.

Everyone has been aware for a long time that unless governments work at it, the industry will collapse.

There are commentators and economists who now, in the wake of the sudden turnaround of the past few months, are saying that this collapse was inevitable, that everyone saw it coming, that it is time to move on and basically that there is not a lot to see. But this is disingenuous, and what is surprising is that we have now a Liberal government in Canberra that has abdicated its core commitment to the pragmatic support and growth of business and its commitment to govern from the centre.

The motion condemns both the Abbott and Napthine governments, but of course our attention has to be on the actions of the Abbott government, because it is clear that federal Treasurer Joe Hockey is driving what he hopes is a new take on the national economy, whereas the Napthine government is flailing about, clutching at votes and good news stories, with no discernible policy on anything, much less manufacturing. In his contribution Mr Somyurek spelt out some of the detail of the government's failure to properly invest in and manage the manufacturing industry from a policy end.

There is no evidence of any pathway or approach that the Napthine government is taking. The fact is that it is just not very interesting or important anymore, because this government is simply a watcher on the balcony, a commentator. State governments can and have seized the advantage, and they can make a difference. But this Napthine coalition is not and never has been that kind of government, so it is not now a player. It has very little influence over the state's economy and it certainly is not a national leader. The bitterness we have seen played out between the Premier and his federal counterparts over Mr Hockey's refusal to help bail out SPC Ardmona is intense. But the Premier has no choice other than to beg Mr Abbott and Mr Hockey for cash, for assistance packages, as an avalanche of job losses hit the state.

Mr Somyurek and Ms Tierney have described the impact of the decisions taken by Ford, Holden and Toyota over these last months and of the unproductive and entirely unimaginative role that the Abbott and Napthine governments have played. We are now looking at the potential loss of some 50 000 jobs and a crisis in the manufacturing capacity of the state and the nation. Our thoughts are with each and every one of those workers who, every night since their employers announced that jobs would go, have lost sleep as they ponder their futures. How will they pay their mortgages, and how will they feed, clothe and shelter their children? Only those who have been without a job

and on a low income or on benefits will really understand how anxiety, the looming sense of time running out, the powerlessness and the futility eats away at you hour by hour.

Members may have read the piece from Dennis Glover in the *Age* a few weeks ago in which he, as a child of auto and cannery workers, describes in poignant detail the personal impact that Joe Hockey's sweeping statements about the end of entitlement and the need for self-reliance has on working-class people, as though they know nothing about self-reliance. After describing the neighbourhood where he grew up in Doveton and his father's working life, Glover wrote:

Two years ago, when dad died, I stood outside my old house and wept, but not just for him. No more fours and sixes to hit here, the fences are long gone, and the nature strips and front yards are buried under concrete and rusting cars. Number 28 has an old caravan out front, just visible behind a collection of abandoned vehicles. The thing that made me shudder, though, was my own former home, where I lived until I went to university to study history and law just after my 18th birthday in 1982. Today its collection of towing trucks, decaying vehicles and stacks of metal panelling are suggestive of a car wrecking business.

From craftsmen to scavengers in one generation: here was the economic progress we were told would make us all wealthier. I hope that little home scrap business is thriving, but I challenge anyone to look at a sight like my old street without wondering what has gone wrong.

When people say, as the Premier did so casually when he was reeling from Mr Abbott's refusal to invest \$25 million in SPC Ardmona, that while a cannery might close here, a supermarket opens there, Victorians, people like Dennis Glover and his class, know that it is arrant nonsense. A 45-year-old manufacturing worker with a mortgage and two kids in a suburb of Melbourne or in a country town just cannot move from manufacturing to retailing. They just cannot leave their home and family and all the community supports behind them.

What would have prevented this dislocation is an auto plan to assist the industry to transition so that job risks could be minimised and skills and viable component manufacturers supported through any necessary restructuring. That has been the history of Labor government involvement in manufacturing and the automotive industry. But the federal Treasurer thinks — and frankly, if it were not an election year, Dr Napthine would think it — that government should get out of the way of the avalanche and wait for the invisible hand of the free market to grow new shoots.

To put public taxes to strategic use that would benefit the economy, workers and the community is labelled by

this lot as a sense of entitlement. After decades of work and commitment to Ford, Holden, Toyota or Alcoa, workers who think they have a stake, an expectation of support above subsistence level, are condemned for feeling entitled. To attack working men and women for having a sense of entitlement, in the way that Mr Hockey means it, is offensive and profoundly ignorant. But if you were to ask me whether working class people are entitled to a living wage, even a good wage, and state-run, high-quality services, I would say that they are absolutely entitled to them; there is no doubt about it. It is not about entitlement, it is about equality and a fair distribution and control of the fruits of our collective labour.

Over the last 30 years the richest 10 per cent of Australians gained nearly 50 per cent of income growth, and this trend of the rich sucking up the income earned by working people is a worldwide trend. The Organisation for Economic Cooperation and Development estimates that in Australia between 1980 and 2008, 22 per cent of income growth went to the richest 1 per cent. The fact is that this astonishing move of assets towards a rich minority is unsustainable and there is nothing that the Treasurer is doing that even attempts to correct the situation. Rather, he is asking the folk who are doing less well to even further subsidise the already rich corporate interests and to further underwrite their business inefficiencies. Australian working people are not an ATM for the richest 10 per cent or the richest 1 per cent.

Global and national wealth is increasing. Over the last century in particular, output growth has been dramatic and capital accumulation has been the key to that growth. The Credit Suisse Research Institute says that despite all the setbacks, global wealth has more than doubled since 2000, reaching a global total of US\$241 trillion, with average personal wealth increasing by 4.9 per cent. *Credit Suisse Research Institute — Global Wealth Report 2013* indicates that North America, Western Europe, Scandinavia, Australia and New Zealand are the standouts, with the per adult average level of wealth in Australia at US\$403 000 — that is an average net worth that masks considerable variation, as I have already indicated. You have to ask yourself: is it possible for growth rates and wealth accumulation of this order to continue indefinitely? How can it be that individual working Australians, very few of whom have personal — not household — wealth of \$440 000, can be asked to reduce taxes to the mining sector, for example?

Yesterday BHP Billiton announced that its profit in the first half of the 2014 financial year doubled to \$9 billion, 31 per cent better than last year and 12 per

cent better than expected, while the Australian people are being told that the mining tax is excessive and has to be given back. I note from looking at the ABC website just a couple of hours ago that the headline is 'ABS figures show annual wages growth slowest on record' — the slowest on record since 1997. We ask the question: why should working Australian people have to give back money that the commonwealth and state desperately need to pay for public services — to pay for schools, to pay for hospitals — to underwrite corporate interests? The fact is that compound growth forever is impossible and unsustainable. I do not understand how it is possible to have, say, 3 per cent compound growth into infinity.

The time has come for us to once again think about how we might organise our society and economy so that this vast wealth is more equitably distributed and more of our citizens can be productively and actively engaged in adding real value to their lives and to the fabric of their communities.

What is Joe Hockey thinking? What is the federal Minister for Industry, Ian Macfarlane, thinking? What are all their economic advisers in the government and their corporate collaborators thinking? For some time now Joe Hockey has been putting the case that it is too hard to do business in Australia because working Australians like Dennis Glover's family are taking too much of the share and reducing the profitability of corporate interests. Mr Hockey has been putting the position that Australian corporate interests are not skilled or innovative enough to survive without the state giving them a leg up. Mr Hockey is putting the case that Australian people have to lower their income, which they are already doing, surrender working conditions and accept funding cuts to the many necessary services that working people collectively own — schools, hospitals, aged care, children's services, disability benefits — so that the profit margins of corporate interests can be maintained or raised to the obscene levels I have already instanced.

Mr Hockey has been arguing the case that working Australians need to stump up because if they do not, they will not have a job at all when businesses pack up and leave the country. Of course Mr Hockey does not put it that way. He says businesspeople around the country tell him how tough it has become to do business in Australia because input costs are high, labour costs are high, regulation is high, the Australian dollar is high, international competition is fierce and — wait for it — profits are low, as BHP's Andrew McKenzie can testify. Mr Hockey says the cost of doing business in some other countries is lower and that this suggests significant changes are necessary for

Australia to remain competitive. He cites energy costs, carbon pricing — he calls it taxing — wages, hours of work, the cost of capital and regulation. This is why he has made an example of the automotive industry. It is a 'that'll show 'em, no handouts and manufacturing jobs can go to blazes' approach.

Everyone accepts the fact that business has to be viable and profitable and that budgets have to balance. There is no question that workers need to retrain and that flexibility in the work place is critical to the health of the economy. The federal Treasurer is absolutely correct when he says worker output has to be globally competitive, but the productive output of business managers and boards also needs to be globally competitive. The criticism levelled at the Treasurer and the Prime Minister is that there is no evidence of their government having done anything much to avert the withdrawal of the auto manufacturers and that the Treasurer goaded Holden and mislead the media and the community over what Toyota had said in private meetings about worker wages and conditions. What was really behind the goading? No matter how you try to think through this behaviour, it is impossible to find a coherent and rational reason. It probably is what it is: crazy and ill considered.

What should the federal and state coalition governments have done besides not launching an ideological attack on car manufacturers or Coca-Cola Amatil, or broadcasting to Australian industry, the unions and working Australians that from now on it was not going to work pragmatically on a case-by-case basis to grow business? There used to be a consensus at the political, economic and social centre of the Australian community that the role of government should be to help create an environment that would grow business and keep people in jobs, not the 'scorched earth and wait for the new shoots' approach.

The Hawke and Keating governments delivered the greatest period of relatively harmonious economic reform in the history of this country, and it was done by setting up a process where everyone — governments, unions, business and industry, the non-government sector — had a buy-in. There was a collective commitment to the reforms because the stakeholders themselves had helped to shape them and they knew there was something in it for them.

By way of ideas, last week I was interested to read a piece in *The New Daily* by Andrew MacLeod about the work done by the Committee for Melbourne in looking at the potential for Victoria, for instance, to expand its high-end component manufacturing rather than building entire cars. MacLeod's piece cites Switzerland

as an economy with a currency stronger than that of Australia whose high-end and high-margin manufacturing industry continues to thrive and where manufacturing is now more important than banking. The argument McLeod makes is that the component industry should not be allowed to die and that with vision, support and energy, high-end and high-cost products could be marketed in new areas.

When McLeod worked for the Committee for Melbourne, Mike Deveraux took the idea of developing Fishermans Bend into a high-level design hub. I am not saying this is now a viable approach, but frankly, while the coalition blathers on about small government and no industry support other than pork-barrelling, lowering taxes and regulations to get the economy moving so the jobs will follow, there is no hope of fostering creative solutions in the foreseeable future. Both the state and federal coalition governments stand condemned for the recklessness that in a few short months has wrecked one of Australia's key manufacturing industries and tragically consigned thousands to unemployment and untold personal hardship.

Mrs KRONBERG (Eastern Metropolitan) — When Mr Somyurek put this motion before us today I was struck by the irony that it is a motion of the 11s. We all dealt with what a number of people called a 'perfect storm' in the Victorian and Australian economies, but one of the points Mr Somyurek relied on was that all these problems appeared within 11 months. I would have thought the Labor Party would have steered right away from mentioning anything in multiples of 11s after the blight of its 11 years as the government of this state. We had so many examples of malfeasance, poor administration, a government asleep on the watch and the left hand not knowing what the right hand was doing. I say to those opposite that if I were them, I would steer away from the number 11.

Before I get into the body of my response, I want to address a problem the Labor Party has in pronouncing words adopted into the English language that have, I think, a Greek origin. The first example of that is former Prime Minister Julia Gillard's pronunciation of 'hyperbole'. The second is that today Mr Somyurek mispronounced the word 'Antipodes', which has both Greek and Latin origins. If you were to draw a line from the UK through to New Zealand, that is the Antipodes. In pronouncing the word you stress the 'e'.

Another problem I had with Mr Somyurek's contribution was that he talked about the euthanasia of the motor vehicle industry in this country. That is a terrible thing to say about our motor vehicle industry. I can remember what General Motors Holden meant to

this country in the 1950s, when I was growing up. It was the same with Ford later on, and then Nissan, when we had it here — —

Hon. P. R. Hall — I remember the Holden Kingswood.

Mrs KRONBERG — There was the Holden Kingswood. I remember the FJs and the FXs. We all know that the motor vehicle industry in this country added significantly to the bounty that we all shared — it helped to provide a great standard of living for Australians.

I want to express my chagrin at the closure of the motor vehicle industry in this country. I knew the managing director of Mitsubishi, Ian Webber, who was brought in to oversee the change from Chrysler to Mitsubishi in South Australia. That was my first taste of some of the agonies the motor vehicle industry was going through. That was 35 years ago, so the problems of today are really not new. We have had to make adjustments to price pressures, the cost of raw materials, the cost of labour, tariff barriers and so on and so forth.

It is a very complex problem, and I want to place on the record that all of the workers of the very profound industrial base in this state including the workers at Ford, General Motors Holden, Toyota and those at Alcoa in Geelong face an awful set of circumstances. I am upset for them and on their behalf. It may have been a surprise for many of them — the brutal reality of the date their plants will close and that decision arriving upon them. People live in hope. It is a natural human trait to live in hope and to avoid some of the tough things that happen to one in life. I feel for them. Collectively we will all be faced with the impact these closures will have on our economy. However, we have to remain sanguine and balanced in our assessment of the causes of the closures.

A lot has been said about the high Australian dollar. We know that the carbon tax is a crushing burden on industry, and that has to be rectified. I call on the federal Leader of the Opposition, Bill Shorten, to act. I hope he understands that his constituency, the blue-collar workers, the skilled, semi-skilled and unskilled workers, are directly affected by his inability to see the carbon tax repealed. He has to wake up to himself. Even his innate constituency, the natural supporters of the Labor Party, are voting against him. We are hopeful that he will wake up to himself and work assiduously with the Abbott government to bring about the repeal of the carbon tax.

We have a global dynamic here with the amalgamations of various car plants, with the brands coming together and with the mergers and takeovers that have been going on on a steady basis for something like 25 years. The decision-makers for the giant manufacturing plants will camp and decamp according to what is for them the best site for production and the most efficient production methods, and one of the elements they will take into consideration will be the cost of labour. It is very difficult for Australia to compete on that basis on a global scale.

People have done some numbers, which indicate that the people in the motor vehicle plants in Australia — just on the raw salary, without the benefits, conditions, leave entitlements, training days and all of the other things that are very costly for an employer to provide — have a salary range between \$60 000 and \$80 000 a year, while an equivalent worker on an assembly line in North America would be paid, in Australian dollars, somewhere between \$37 000 and \$42 000 a year. In Australia a supervisor on an assembly line will typically earn \$100 000 a year without other benefits and entitlements — and I am not talking about the full cost of employment; I am just talking about the base salary. Such a supervisor is responsible for oversight and supervises teams of six people.

In an equivalent plant in other settings, such as Asia, Europe, Canada and the southern states of the United States, where things are going along very well for manufacturers of motor vehicles, supervisors are responsible for 25 people and earn the same salary of \$100 000 a year. Here in Australia we are paying for four times the number of supervisors we need for our plant operations.

In the United States the giant motor vehicle manufacturer Volkswagen has arrived at a watershed decision. My parliamentary colleagues from the Labor side would be fully apprised of the situation with motor vehicle unions in the United States. Everybody knows that motor vehicle plants in the United States have moved out of Michigan to the southern states — to Louisiana and Tennessee — for a very good reason. The reason is that the plants in the southern states are not so highly unionised. Volkswagen has set up a plant in Tennessee, and last week the workers there made a decision to save themselves. They voted to make Volkswagen a shop that was not going to be unionised. The workers all voted with great enthusiasm to support the management and the company in Tennessee, and they voted against having trade unions in their plant.

This is the problem in Victoria — in Melbourne and in Geelong. People have woken up to themselves. They have joined the dots and said, 'I get it'. In spite of all the empirical evidence rolled out before them, finally the realisation has dawned, and they can see it for themselves.

What I would like to do is say — and I hear the interjections from — —

Mr Scheffer — Mr Scheffer.

Mrs KRONBERG — Mr Scheffer. I like it when he is not in high dudgeon with his extreme leftist agenda.

Honourable members interjecting.

Mrs KRONBERG — We had a very agreeable working relationship on the former Law Reform Committee, for the record. However, Mr Scheffer has had a rush of blood to his head today. He has said things such as, 'Don't leave it to the invisible hand of the market'. The invisible hand of the market is actually the way people behave individually and collectively, cerebrally. It is humanity thinking and making decisions.

Mr Scheffer interjected.

Mrs KRONBERG — That is the market, my friend. It is human behaviour, analysis, deliberation and decision making. The market is not an ephemeral thing; it is people thinking.

Mr O'Brien — Better the invisible hand than the visible hand of the factions!

Mrs KRONBERG — That is not the invisible hand; that is the visible hand — the clenched fist. Perhaps it is the odd baseball bat too and a few drive-by shootings! Here we are with their notion of, 'What is going to save the car industry is that we tax the rich and as soon as possible we redistribute wealth'. That is terrific. So we completely remove the notion of helping people who are prepared and have the stomach for taking risks — those who wake up at 3 in the morning with a dry mouth thinking, 'I've got to face my bank manager at 9 o'clock. How am I going to do it? What's really important to me? Have I actually got the cash flow to keep my employees coming in through my door next week?'.

How many people in the Labor Party have had to deal with a decision like that? It is alien to them. This is not a question of organising society; this is a question of looking after the people who are prepared to take a risk,

who are prepared to invest and who actually make the tough decisions. It is adult thinking. It is grown-up behaviour. It is not about being on the government teat.

It is really important to place on the record the fact that the coalition government is focused on a strong economy through investment attraction, its record of job creation and the exponential increase of exports and infrastructure to support that activity. The coalition government has taken leadership and acted immediately after the Ford announcement that it would cease manufacturing in 2016. I hope Ford stays committed to that date to give plenty of people opportunity for the transition, especially in relation to the automotive supply chain.

When talking about the automotive supply chain it is really important to make this point. Our support — the Victorian government's, the coalition government's, the Napthine government's support — for the Australian motor vehicle manufacturers is in stark contrast to that of the Leader of the Opposition, Daniel Andrews, who has called for a boycott on government purchases of Australian-made Holden and Ford vehicles. That is a really smart gesture. It will compress the time that those plants will be in Australia employing people. It is regarded as a reckless policy, and I agree, and that will certainly have a devastating effect on the automotive supply chain.

Another thing the Victorian government has done is provide \$12 million to the Automotive New Markets program. The funding was originally \$10 million, but the Victorian government provided another \$2 million on top of what was previously announced, after Ford's announcement, to provide additional support for the automotive supply chain. I understand that there are good prospects for component manufacturers in this country to export and participate in the assembly lines when they are located overseas.

The coalition government also sponsored a job summit in Geelong. At that time it brought together key stakeholders from the region to debate issues and challenges while identifying opportunities to diversify industries and generate new employment options. Victoria also made a clear case to the Productivity Commission that the automotive sector was a significant part of the Victorian economy. It emphasised the importance of the automotive supply chain, two-thirds of which is in Victoria.

Mr Somyurek at one stage in his contribution talked about the opposition's car plan and said that the government might want to plagiarise it. That caused me great amusement. I cannot imagine that at any time,

even in the wildest dreams of the coalition government, that would ever be contemplated or be seen to have any worth.

Victoria presented a strong case at the time of the federal government's review of the Victorian economy, following the decision by Holden. In December 2012 — it is important to note this and to get these numbers down on the record — Toyota launched its \$330 million global engine line for Altona, with \$20 million support from the Victorian government. There is money being ploughed into this motor vehicle industry at a responsible rate. It is unsustainable to keep going. In August 2013 Toyota announced plans to invest \$108 million for its Camry facelift, with the support of the Victorian government. That was less than six months ago. Also it is well known that the Victorian government is seeking additional assistance from the commonwealth due to Toyota's announcement. That has been well publicised. The other important initiative the government has taken is that it has led both automotive and defence trade missions to Japan and the United States. We know — and it is measurable — that many automotive companies, including those in the supply chain, in componentry and so forth, have benefited from the Victorian government's trade mission program.

To recap, the automotive industry is based on global platforms, and our trade missions are a key part of the automotive supply chain having the capacity to enter the global supply chain marketplace. Another commendable gesture on the part of the Premier, Denis Napthine, is that so far two automotive industry round tables have been held — one just last week — to assist workers in the automotive sector and provide discussion and ideas on the viability of the automotive supply chain.

I also understand that the announcement by the Assistant Treasurer, Mr Rich-Phillips, has strongly affirmed the Victorian government's commitment to and support of the Australian motor vehicle industry, with its most recent changes to the standard motor vehicle policy on fleet management. As we know, the Victorian government already supports the Australian vehicle manufacturing industry with its commitment to purchase Australian-made passenger vehicles and Australian-made light commercial vehicles where a fit-for-purpose Australian-made vehicle is available.

As recently as 6 February, less than two weeks ago, Minister Rich-Phillips also approved the new policy changes to boost the Victorian government's support for our local vehicle manufacturers. Clearly these are the means by which the government is building a better

Victoria and responding to the needs of our industrial base. It goes without saying that nobody on this side of the chamber could possibly support a motion such as this, and I understand that this must be causing members of the Labor Party a lot of agony as so much of the problem is of their own making. They did not listen in the past, and they are still not listening.

Earlier today I heard Mr Lenders talking about the Labor Party, which goes back to 1891 — although I am prepared to stand corrected on the date. All I can say is I hope that as the Labor Party and the organised Labour movement around the world adjust to the challenges of the fast-paced global marketplace and global manufacturing entities they review their own philosophical base. Something that seemed all right in the last decade of the 19th century has very little relevance in the 21st century, and if you do not adapt, you will die. These are the challenges for our industrial base in Victoria. We must be flexible, adroit and highly skilled. We must recognise that we do not know everything and we must make a commitment to learn. We have to find clever ways to attract investment and to make sure that that investment gets a return. These are the truths. It is like the rising and setting of the sun.

When common sense is hijacked by philosophy it sometimes inflicts a frankly cruel and unusual punishment on the hardworking people of this state. I ask the Labor Party to wake up to itself before it has no constituency left at all.

Mr MELHEM (Western Metropolitan) — What a terrible few months it has been in Victoria, particularly for the manufacturing sector. On the back of the announcements by Ford, Holden and Toyota in the last few weeks, life has been made worse by Alcoa's announcement yesterday of its decision to shut its operations in Geelong.

Victoria used to be the engine room of manufacturing in this country, but unfortunately that status will probably be lost. We might not be the manufacturing hub if we do not do something about it. Basically we need to be a state that makes things. Only by ensuring that the Victorian economy is a diverse one will we continue to experience job growth in the state. Without manufacturing Victoria will struggle; there is no question about that. The resource industry is, typically, highly capital intensive and therefore offers fewer jobs. Victoria does not enjoy an abundance of natural resources, and higher commodity prices cannot offset those losses in the manufacturing sector.

Looking at figures from the Australian Bureau of Statistics, it can be seen that manufacturing is one of the

top three of income-generating sectors in the state. Health and social assistance rank highest, generating 11.6 per cent of our gross domestic product, followed by retail at 10.8 per cent and then manufacturing at 10.7 per cent. It illustrates the importance of manufacturing in this state. We can play politics and blame the current federal government, the former federal government, the current state government or the former state government. Everyone can come up with a legitimate argument as to why one party or another has not done what it was supposed to do. But the worst thing is when a government is not doing much at all. I will come back to that later.

The point I want to make is that manufacturing needs to be the cornerstone of the Victorian economy, because without it this state will not prosper and the living standard will suffer. We do not have much tourism. We have some, but we do not have the climate of Queensland or other states.

Mr Finn — We have got more going for us than Queensland.

Mr MELHEM — You never know. With climate change we might end up like Queensland and maybe tourism will be a good thing, but we are not there yet. The reality in most developed economies around the world is that governments must often coinvest with companies in the manufacturing sector in order for the sector to remain profitable. The federal Abbott government has perpetrated the biggest lie in equating coinvestment with so-called corporate welfare. What a crock! This has and will have irreversibly disastrous consequences for the Victorian economy. The Napthine government must reject the federal government's approach and coinvest in Victorian manufacturing.

I acknowledge the Napthine government for coinvesting money into SPC Ardmona. We should do more of that. It followed the announcement by Labor to coinvest \$30 million into SPC Ardmona if elected, and I am very happy to acknowledge what the Napthine government has done. How are we going to face a federal government that does not believe in manufacturing in this country? I will come back to that, because I am not wanting to only be negative; I am going to put a proposition about what we should do about this.

The manufacturing industry has many flow-on effects outside the sector. It builds a capability to supply local and national infrastructure as well as the burgeoning clean economy sector. Manufacturing ensures that the demands of current and future sectors in our state and national economy are met by Victorian local supply

rather than by imports. It is not just the few hundred jobs at Alcoa and the few hundred — or thousand — jobs at Toyota. We are talking about the flow-on effect and about tens of thousands of jobs.

For the past several years the Australian exchange rate, which has been fuelled predominantly by the post-global financial crisis, has been very high. The global financial system used the Australian dollar as a relative safe haven in which to invest, which also underpinned the ability of Victorian and Australian manufacturers to generate export returns as well as compete against cheaper imports. Obviously competitiveness and profitability in the industry have therefore been dragged down. Commodity prices have flatlined compared to what they traditionally have been, so the two-speed economy is easing to a halt.

As Ross Garnaut has said, Australia has failed to invest the proceeds from the commodity boom, so we now face a reality where hard political choices have to be made for the future of our economy. I was going to go through some figures, but I will focus on some cases which have been the subject of a lot of discussions in recent months.

I will go backwards, starting with the Alcoa decision. There is no question that we knew two years ago that Alcoa had a lifespan of only two years. I remember that very clearly because I was part of the process. I travelled to the United States of America with Alcoa employees, and I know about the hard work of the former federal Labor government. Nevertheless, we all knew that a \$40 million investment was going to give Alcoa a shelf life of only two years.

I met with the executive of Alcoa in the US, and I was told that Alcoa's decision to invest was based on two things — that hopefully aluminium prices would pick up and that the demand for aluminium would pick up. Unfortunately neither has occurred. Some people are saying that the carbon tax drove Alcoa out of the market, but I deny that. That is not the case, and Alcoa confirmed as much.

I was heavily involved in lobbying the federal Labor government at that time to ensure that the aluminium industry received fair compensation, which it did receive. The company was given a 96 per cent credit on its carbon footprint — a negligible impost upon Alcoa. Let us call a spade a spade and not make things up. That is the point. Alcoa pulled out for the two reasons I outlined earlier.

Unfortunately a lot of good workers in Alcoa are going to be without their well-paid jobs, and let me say that

Alcoa workers are some of the most productive workers in the world. They were at the forefront of award restructures in the early 1990s. There used to be one person for each job, and then people started undertaking multiple tasks and multiple jobs. Alcoa workers were the first workers to pioneer 12-hour shifts. They were also the first ones to move to an annualised salary, by which a worker can work whatever hours it takes to do a job and receive the same rate of pay. Alcoa workers are some of the most productive and flexible workers in the aluminium industry and the manufacturing industry generally. I will come back to Toyota workers and Alcoa workers later on. This is a sad day for Alcoa.

Now I want to talk about the Holden and Toyota decisions. To be frank, we all knew that Ford was a basket case. I think the company missed the boat years ago, but I had hoped both of the other companies would have a chance at survival, because they produce decent cars, including the new model Holden and the range of models Toyota has on the market, as well as having a 70 per cent export rate. We all thought there was some hope that these two companies could survive, because they have an excellent workforce. For the last 20 years Toyota workers were at the forefront of award restructuring. They were the ones who led the way in workplace flexibility. Toyota's strength was based upon the just-in-time production system which many people might be familiar with. That system came from the automotive industry and was driven by the vehicle builders unions which represented those workers.

The lean manufacturing concept also came from the automotive industry, which led the way in terms of flexibility. When there was a downturn in the automotive industry workers used to be stood down on half pay, so the company would pay them for half a day's work — 4 hours — and the workers contributed another 4 hours for that day. No-one talks about that these days. When things happen outside the control of the car companies and these workers are stood down — not because of their own fault — the same thing happens: they reach an agreement with their company and say, 'We will share the pain with you; we will go onto half pay'. These sorts of things were happening in the automotive industry day in, day out, but guess what? The vehicle builders, who were members of the Australian Manufacturing Workers Union, were fully supportive of those measures. They were actually driving the change. We do not hear about that. Instead we hear Joe Hockey blaming the workers. If Joe Hockey is telling the truth, obviously everyone else is telling lies. We heard the chairman of Toyota saying that he does not blame the union for his decision, but the federal government claims otherwise.

I think we need to stop playing games. Let us talk about reality — what is real. Let us not play politics. We are talking about people's livelihoods and jobs. Let us remember what the CEO of Holden said in August last year, before the federal election, when the company announced its review. Prior to that, both Toyota and Holden had made a commitment that their next generation cars would be built in Australia. They both committed to that. The CEO of Holden made a statement saying that a lot would depend on the outcome of the federal election. We should all read between the lines.

The question really was, 'Are we going to get any further assistance and coinvestment? If Labor gets back in power and things are looking okay, then our decision might be positive and we might go ahead and build our next generation car in this country, and obviously Toyota will follow suit'. Obviously Holden must have had some information that the federal coalition might have had a different plan, and sure enough, that was correct. The federal coalition got elected, and the first thing its members said was that there would be no assistance for and no coinvestment in the car industry, full stop.

They forgot one thing, and I think these numbers are correct. In Australia we invest or subsidise — whatever word you want to use — \$19 per car, whereas Germany invests about \$90 and the US invests about \$100-plus per car. When we compare ourselves with others — comparing apples with apples, not apples with oranges — we cannot compare ourselves with Thailand, which produces the Ford Ranger, which is imported to Australia with a 5 per cent tariff. If we want to export a Ford Territory, made by the same company, from Broadmeadows to Thailand, then we would not have to pay a 5 per cent tariff; we would be paying a huge amount. I have not got the exact figure, but we would be paying a huge amount — something around the 50 per cent mark. How are we going to compete against that? Yet we have a free trade agreement with Thailand. Both major political parties probably need to have a look at that.

Seriously, we need to start looking at comparing apples with apples. If another country wants to impose tariffs on our products, we should do the same thing to their products. We cannot keep copping that, which is what we have been doing. Maybe there is a role for the state government, and both political parties, to say, 'Enough is enough. Let us do something instead of playing politics — or cheap politics'.

It is very clear in my mind that the Abbott federal government has a lot of responsibility and a lot of blood

on its hands, because they have simply walked away from the manufacturing sector. You cannot tell a sector, 'We're suddenly going to drop you, and you're on your own'. When the former Hawke and Keating government decided to open up the economy and start reducing tariffs, at least it had a plan. It went to industry and said it had a 20-year plan in which either the tariff would gradually go down or it would provide assistance so that industry could compete and improve efficiency and productivity. The process then took its course and reduced the impact on working people, and we actually still had a decent manufacturing sector.

This federal government has whacked the industry by suddenly leaving it on its own and saying that if it cannot swim, it will drown. And that is exactly what happened. It is like throwing someone off the boat without a life vest and telling them they have to swim all the way to shore. More than likely they will drown. That is exactly what this federal government has done.

The Napthine government has talked a lot and said a lot of positive things. It has said it wants to do things, but apart from the SPC model, we have not seen much delivered. We need to see more action. What is the way forward? There are a few necessary components. First of all, we need to stop playing politics and start taking a bipartisan approach. Governments, unions and industry need to get together and talk about what we can do to move forward so that we can retain a manufacturing sector in this state and in this country.

Another area we can look at is our procurement policy. I urge the government to adopt a similar approach to that of the Labor Party. We need to start buying Australian-made, particularly Victorian-made, products. We need to make sure, for example, that all trains and trams to be used on our system in this state are built in this country. We should make sure that we never buy imported trains or trams. We do not want to waste taxpayers money. We have the capability to do that in this state. There are two companies that are capable of building trains and trams in this state. We can say to those companies that they need to deliver on two fronts: they have to make sure they deliver good-quality product, and it must be at a very competitive price. We can benchmark that against other providers around the world. It is a very simple exercise where we give some preference to local manufacturers. A recent study was conducted that found that for every dollar you spend locally on locally made product, you save about \$20 if you add all the on-costs and count all the benefits.

Another thing the Napthine government can do is continue the process started by the Brumby government

in lobbying the Council of Australian Governments to make sure that the other states are on board and that we are able to locally source all our train and tram needs for the whole country. We will support the government in its endeavours to achieve that aim.

The government's favourite major project is the east-west link. Has the government mandated that all the raw material to be used in the project, like steel and cement, is to be made in Victoria or at least Australia? The Premier could come out tomorrow and say he has mandated that locally made product is to be sourced for the project and for any other construction or major projects in the state. The government will have my support on that, and I am sure my party will support the government on it too.

The SPC case was about ensuring that product was not being dumped in our country. It was a classic anti-dumping matter. SPC took up the case, and the former Labor government did a great job on it. I clearly remember Mr Abbott, when he was the leader of the federal opposition, supporting it. I was at the national conference of the Australian Workers Union when it was announced, and he was the first one to come out and support it. There was a bipartisan anti-dumping approach. What we need to do now is strengthen the anti-dumping laws and make sure that we have a good process of enforcement. We need to resource agencies so that they are able to enforce those laws, and then we can have success like we did with SPC. The anti-dumping commission found in favour of SPC, and these companies now have to pay an extra 26 per cent tariff, while others pay a 5 per cent tariff.

We also need to look at coinvestment, which is very important. That is the term used by Premier Napthine, and it is a good term. We do not want to call it a handout or an entitlement. I think we need to start looking more and more into coinvestment with industries and companies to make sure that we retain manufacturing in this state.

Last but not least, we should be focusing on investment in skills and training. There has been a lot of talk about high-end manufacturing. People have been saying that we are not going to worry too much about assembly lines and low-end products and so forth, asserting that we cannot compete with the Asian market and that we should focus on the high end. This high end requires a lot of investment — in training, TAFE, schooling, skills and development. There are going to be thousands and thousands of workers exiting Toyota, Alcoa and car component manufacturing companies, and we need to invest a lot of money in training these people and skilling them up. Then we will be able to focus on new

technology and high-end products, and thereby able to compete and export.

I will finish my contribution by saying that unless as a collective — of politicians, unions, governments and communities — we start doing something immediately and change the mind of the federal government with its hands-off mentality, we are in trouble. We need the federal government to start working with the various states and stakeholders to make sure that we save the car industry — perhaps not the car industry, because it is already gone, but manufacturing more generally. Then in 10 or 20 years we can tell our children and grandchildren that they still have an opportunity to work in the manufacturing sector. The alternative is that we will not have one, and the only jobs we will have will be in the service, health and retail industries, and our living standards will go down the gurgler. If that happens, our children and grandchildren will look back and blame us.

Mr FINN (Western Metropolitan) — I rise on this motion today with a heavy heart. Anybody who represents an area such as the one that I represent, and indeed Mr Melhem represents, would indeed have a heavy heart. We have had a rough few years — there are no two ways about that — in the northern part of the Western Metropolitan Region. We have been hit hard by the closure of Ford. A good many people at Ford live, for example, in Westmeadows or in Craigieburn — areas Mr Ondarchie will know very well very soon. In the southern part of the electorate there are many people who work at Toyota. My heart really goes out to those people at this very sad time. I feel for them and for their families. I can feel the uncertainty they must be experiencing just at this moment. I can assure them that they have in Denis Napthine, the Premier, and his government a group of men and women who have their interests at heart, who have the interests of Victoria at heart and who are doing everything they possibly can to make their lives a little bit better and to provide a new avenue for them to travel on when the jobs at Ford and Toyota are gone in a few years time.

Just a few minutes ago we heard Mr Melhem make a plea for bipartisanship. Indeed he was calling for tripartisanship, I think, at one stage. He might even have taken it a little further if he had known what comes after 'tri'. He made this call shortly after making what was quite an outrageous attack on both the Abbott and the Napthine governments. I would say to Mr Melhem that he cannot have it both ways. Either he wants us to work together or he wants to play politics. Clearly he was playing politics then. If he wants us to work together, I note that I too would like us to work

together — very much. I would like us to have a unity ticket, if I could call it that, on these very important issues. But as I say, Mr Melhem cannot have it both ways. I have to say that listening to Mr Melhem gives rise to the old story of the Labor Party — the old story of the trade union bosses who do not really care where the money comes from as long as they can use it for whatever they want to use it for. We have seen a bit of that of recent times.

Our view on this side of the chamber is very clear: the money we are given a sacred duty to allocate is not our money but the money of the taxpayers of Victoria. We do not have a printing press downstairs where Michael O'Brien, the Treasurer, nicks down, puts on his printing cap and whips up another couple of hundred million.

Mr Ondarchie interjected.

Mr FINN — John Lenders did think that was the way it operated, but it does not. We know the money we spend on or allocate to various matters is the money of the people of Victoria; we are acutely aware of that. I just hope that one day the members of the Labor Party will learn to accept that as well — that there is not some sort of magic pot into which you stick your hand to pull out great wads of notes. It does not work that way. This is money of taxpayers — the people who have worked for the money and who have paid their taxes. To me, that is something that has to be in the forefront of everything we do; we have to always bear that in mind.

I heard Mr Somyurek speak on this motion after moving it. I was a little bit concerned — a little bit confused — because whilst this is a very serious motion, and while the motion before the Chair refers to a series of very serious issues, Mr Somyurek seemed to be making light of it. Indeed he seemed to be having a bit of fun. I know Mr Somyurek, and I like Mr Somyurek — that will probably finish any career prospects he has left — but I just suggest to him that these matters are far too important to be treated in the way he treated them. This is the shadow minister for manufacturing and services — the man who at the end of this year will put up his hand to be the minister. He will put up his hand to be a minister in what could be the Daniel Andrews government — and what an appalling prospect that is. Nonetheless, he is the shadow minister, the opposition spokesman on this issue, so for him to say that the Prime Minister and the Treasurer of this country deliberately set out to destroy an industry is outrageous, disgraceful, despicable and grossly dishonest.

In fact I call on Mr Somyurek to come back into this chamber to withdraw those comments and to apologise

to Mr Abbott and to Mr Hockey, because nothing could be further from the truth. I know both of those gentlemen personally and neither feels the way Mr Somyurek has suggested. Neither would go out of their way to destroy jobs in the way Mr Somyurek suggested they had. Neither would go out of their way to destroy an industry in the way Mr Somyurek has said they did. It is quite an extraordinary thing to say. It also goes to the very heart of Labor's credibility. If you have the shadow minister — I think he is the shadow manufacturing minister, is he not?

Mr Ondarchie — He's not a shadow of the minister.

Mr FINN — He is not a shadow of the minister, but I think he is the shadow manufacturing minister. When you have Mr Somyurek saying things such as that in the chamber, how can anybody take him seriously? How can anybody take him seriously, take his leader seriously or take the Labor Party seriously in this state? How can you take them seriously? You cannot.

We know there were many problems facing the car industry over a long period of time, and clearly costs were an important part of that. We had a situation where Toyota wanted to sit down with the unions to see what it could do. It wanted to sit down in the sort of manner that Mr Melhem is now advocating to try to come to some sort of arrangement whereby the manufacturing of cars at Toyota could continue. Would the union be in that? No, it would not; it would not touch it. My view is that it was at that moment that Toyota said, 'It's probably just a bit too hard. If we can't talk to the union in a manner that is going to benefit both sides — in a manner that is going to benefit the company and in a manner that is going to benefit the employees — then why should we even bother?'. That is my view on when that happened. I think the union should have a good hard look at itself. It has a great deal to answer for in this regard, and it is very sad that the union would do that to its members.

I look forward to the day when union bosses put their members before themselves. It is not the union bosses who will be out of work. They will still get their big pay packets, they will still get their cars and no doubt they will still get their credit cards, whatever they may do with them. It is the union members who are going to be out of work and struggling to pay their mortgages, send their kids to school or even put food on the table. These are the people who are the victims of bloody-mindedness on the part of union bosses. I do not say all union bosses are like that. Undoubtedly there are some union bosses somewhere who care about their members — —

Mr Leane — Dean Mighell.

Mr FINN — Dean Mighell was a classic example when he was secretary of the Electrical Trade Union. He put his members before himself, and he got the Tijuana as a result. He stood up and said, ‘I am going to put the interests of my members ahead of my own’. He was sacked; he was shown the door — —

Honourable members interjecting.

Mr FINN — He did. That is a major problem in itself. That is the way a union boss is treated in this country if they do the right thing by their members — they are turfed out onto the street. On many levels that is instructive of the attitudes of the union movement in this country.

If members really want to go to the killer, if they really want to know what caused the car industry to collapse in this country, they need go no further than the Labor-Greens carbon tax. Over the last day or so I have been flipping through some newspaper articles in my office — and I wish I had brought them into the chamber — from the western suburbs and also some from the northern suburbs; I am not sure how that happened but it did. In those articles, I have been quoted as saying that the carbon tax would cause the greatest recession this country has seen since the 1930s. I said it would see industry leaving this country, and I said it would see mass unemployment. We are now seeing the full effects of the carbon tax.

What is the attitude of the ALP and the Greens to those who say, ‘We have to remove the carbon tax’? They say, ‘No way known’. Bill Shorten, the federal Leader of the Opposition, and another union boss, is putting himself ahead of the working people of this country. Do not let anybody ever tell you that Labor cares about the workers; Labor does not give a stuff about the workers. That is the simple fact of the matter. They show it time and again, and they are doing it again.

Here we have a tax that is causing industries to go broke. Here we have a tax that is causing industries to leave our shores. Here we have a tax that is hurting families, causing unemployment, and causing families to lose their homes. Here we have a tax that is breaking up families and causing much pain, and yet the Labor Party sits back with its coalition Greens mates and says, ‘No, we’re going to keep it there’. It cannot admit when it is wrong, even after the people of Australia spoke last September and said quite emphatically, ‘We do not want this carbon tax’.

There has been some discussion as to whether the Prime Minister has a mandate to remove the carbon tax.

I say to members that if this Prime Minister does not have a mandate to remove the carbon tax, no Prime Minister has ever had a mandate to do anything. We have a Prime Minister who made it very clear. He said, ‘If we are elected, we will scrap the carbon tax’. He said, ‘We will stop the boats’, and he has done that, and I congratulate the federal government on having stopped the boats. But on the carbon tax — —

Mr Barber interjected.

Mr FINN — And getting the economy in order, which the federal government is on the way to doing, Mr Barber. I know Mr Barber is a member of a party which is economically illiterate, to say the very least. He need only listen to his federal leader, Senator Milne, to understand that the Greens have absolutely no understanding of economics at all — —

Mr Ondarchie interjected.

Mr FINN — Sarah wants to be leader. Sarah Hanson-Young is at home watching Seaspray or something — —

Mr Ramsay — *Sea Patrol*.

Mr FINN — *Sea Patrol*. As I speak she is writing her next policy speech while watching *A Country Practice*, and Dr Elliot will be the Minister for Health in a Hanson-Young government. That is something to look forward to. The carbon tax is hurting people, but the people in the Labor Party and the Greens will not accept that they have harmed Australia and Australians — —

Mr Ondarchie — And older Australians.

Mr FINN — Older Australians as well. Every Australian. This tax is probably the most — I am loath to use the word ‘evil’ but I have to — evil tax we have ever seen in this country because it hits every Australian — —

Mr Ondarchie — Anti-investment.

Mr FINN — It is anti-investment, it is anti-production, it is anti-employment — —

Mr Ramsay — It is anti-Australian.

Mr FINN — Indeed, Mr Ramsay, it is anti-Australian. We have seen a tax put on electricity right across the board. Over the last couple of days we have heard a great deal about the decision made by Alcoa to close its plant at Point Henry. We have heard from the other side that it had nothing to do with the carbon tax. Is anybody with any credibility seriously

suggesting that the carbon tax did not affect an industry that chews up electricity like nothing else and did not impact Alcoa's decision to close Point Henry?

Mr Barber — Yes.

Mr FINN — I am talking about people who have credibility — —

Mr Barber — Alcoa.

Mr FINN — Yes, but it is not going to upset the applecart, Mr Barber; we know that. Let us get fair dinkum here; let us be realistic. This is a huge tax on electricity. If we are fair dinkum once again, we can see that not so long ago our friends in the Greens would be almost cheering that Alcoa was going. I remember the Greens not so long ago saying what a dreadful thing an aluminium smelter was because it was one of the great polluters. Is that not right, Mr Barber? Indeed it is right. The Greens have come in here today and they are trying to stand on all three legs at once. It is something that has to be seen to be believed.

The reality is that the Greens and their mates are pretty happy with the way things have turned out. Members of the Labor Party are perhaps not so happy, because they are just stupid. But the Greens set out to do this. It is basically what the Greens policy is about. The Greens policy is about destroying industry, destroying manufacturing and destroying jobs in this country. The Labor Party will go along with it if it means being in government for a few years, irrespective of how long it will stay in opposition as a result of that. To the Labor Party I say, 'For God's sake, get your heads out of the sand'. I remind the ALP that it has damaged this nation in a way that nobody else has for a very long time. This carbon tax is Whitlamesque in the damage that it has caused this nation. I would suggest to Mr Leane and Mr Tee that they get on the phone to their mates in Canberra and tell them that as long as this carbon tax stays, the Victorian economy and the Australian economy will suffer. Workers will suffer. Families will suffer. Victorians will suffer, and Australians will suffer.

I am not appealing to the Greens, because I know the Greens do not care. They are happy with the way things have turned out. I appeal, however, to members of the Labor Party, who apparently, given what I read on websites and things, care about people. It is a stretch, I have to say. I say to them that if they are fair dinkum and if they do care, they should get on the phone to Bill Shorten, the federal Leader of the Opposition, and ask him to do the right thing by Australians and to pass the bill that Prime Minister Abbott has put before

Parliament to remove the carbon tax. The removal of the carbon tax will see the removal of a killer of so many industries.

Mr Leane interjected.

Mr FINN — Mr Leane would not know about running his own business. Let me tell him that when things are going tough, sometimes it does not take much to push someone over the edge. In this case, if a company's electricity bill goes from \$2 million to \$8 million, that is going to hit that company where it hurts. A company will pull out and react very quickly. I urge members opposite to do the right thing and support the federal coalition and the state coalition governments in removing the monumental burden of the carbon tax on this country.

I support Mr Melhem's call for a bipartisan approach. I support his call for bipartisanship with regard to the future of this nation. I also support what Denis Naphthine is doing as Premier of Victoria. I am very proud to say that Denis Naphthine is the Premier of this state. I say to members opposite that their leader, an entirely owned subsidiary of the Construction, Forestry, Mining and Energy Union, is no shakes when it comes to getting Victoria going. That is just not going to happen.

I plead with members opposite one last time for common decency. Look at that: I mention common decency and Mr Tee has nearly wet himself! He just cannot cope with even the prospect of common decency. That unfortunately very much represents what the Labor Party is all about in this state and in this country. If you mention common decency, Labor members fall about laughing. I suppose, given that they belong to the same party as Craig Thomson and so many others, it is understandable that they would fall about laughing at the mention of common decency.

That is what we have in this state; that is the way it is. I hope members opposite will contact their federal colleagues and seek the removal of the carbon tax. They have to face facts. There is no global warming, so what the hell are we fighting? What exactly is the reason for the carbon tax? That is a debate for another day. I ask members opposite to join us in doing the right thing by Victorians and doing the right thing for Australia.

Debate adjourned on motion of Ms PENNICUIK (Southern Metropolitan).

Debate adjourned until next day.

NATIVE VEGETATION CONTROLS

Mr BARBER (Northern Metropolitan) — I move:

That pursuant to section 38 of the Planning and Environment Act 1987, amendment VC105 to the Victoria planning provisions be revoked.

Amendment VC105 is just another in the Napthine government's multipronged attack on the environment, in this case weakening our native vegetation controls, which so far have been failing to protect or ensure we protect native vegetation in Victoria. With this version brought forward by the Minister for Planning, Mr Guy, things will get worse. The reason I call on all members of this chamber to support me on this motion is that the rules themselves are bad, the implementation has been botched, and in any case the government has shown no willingness to enforce native vegetation controls and it is about time that it did.

In brief, anybody who has taken the time to understand these rules, to read the documentation and to understand the administrative arrangements behind them knows the problem is that clearing native vegetation will now be easier and quicker, as opposed to the existing rules where vegetation clearance is treated as a last resort. It will largely remove the need for professional on-site flora and fauna assessments before clearing and replacing the assessments with computer models of what may or may not exist on that piece of land. Then they create a cash-for-clearing system, under which the bulk of the applications to clear, approximately 90 per cent by our estimates, will simply require a fee to be paid before clearing. Then the net gain requirement, which was introduced some years ago by a former environment minister, Sherryl Garbutt, will be replaced, and in fact net loss will be locked in.

Victoria is the most ecologically damaged state in Australia. Particularly in the western half but also in certain other parts of the state our native vegetation has been reduced to the greatest extent. We are the record breakers for mammal extinctions. We have got a great long list of species listed as threatened under the Flora and Fauna Guarantee Act 1988, and that list keeps getting longer. Even under the review just completed by this government, there are now more species being added to the list. Those on the list are given a higher classification when it comes to endangerment, and the fact is that many of these species have been waiting on the list for 25 years for any kind of government plan since our modern endangered species act came into existence. It is like someone sitting in the doctor's waiting room and dying of a disease while waiting for an appointment.

In the last 15 years there has been only one piece of published analysis on the speed with which native vegetation is going backwards. The government certainly holds this information, because it regularly does remote sensing. It also issues permits. It can keep up to speed with the extent and quality of habitat. The clear situation is that it is going backwards. It is going backwards on public land, but it is going backwards even more quickly on private land. That is under the existing controls, and there is absolutely no dispute that the new controls proposed by Mr Guy will be weaker.

As I said, the 'avoid principle' has been removed. This abandons the three-step approach of avoiding clearing where possible, minimising clearing and then, as a last resort, offsetting permitted clearing. Nature has lost its safety net. Computer models now take over from professional on-site assessment. In terms of the implementation of this scheme we know — and I do not think the government is even particularly trying to hide — that the government has botched this in terms of analysis and computer modelling. Many examples are now coming forward of areas that have not even got native vegetation on them but are shown on the computer as having it, and vice versa.

Mr Tee — It is a joke!

Mr BARBER — It is a joke, and it is a botched implementation. It is just administrative incompetence. Do not let us get the idea that the Liberal Party has some sort of natural ability to govern; it hates government so badly it barely pays attention to it. However, if it were anything other than the environment, it would be a scandal. Do Liberal Party members care if the Napthine government botches the implementation of an environmental program? Who on their own side is going to be embarrassed by that? I am scanning the chamber now. I do not think it would be anyone here. There could be a few members out there. Perhaps Clem Newton-Brown, the member for Prahran in the Assembly, is going to get a bit uncomfortable about this shortly; but for the most part they are all on board for the war on the environment and are proud of what they are doing. They will be out selling it to their constituencies.

The role of regional or local guidance for native vegetation protection is gone. It has been replaced by the assessment of a document that is already loaded up onto a computer. When it comes to scattered trees in areas where that is the only native vegetation left, the answer is: going, going, gone. New rules will make it easier to clear paddock trees, and that brings me back to the government's commitment to enforcement in this

area. There is little argument that these rules make it easier to chop down more trees. That was the intention.

Mr Drum interjected.

Mr BARBER — I hope we are not going to be in dispute over this, Mr Drum. You have weakened it. There will be no requirement for offsets, there will simply be a requirement to pay out.

Mr Drum interjected.

Mr BARBER — It would be nice to think, Mr Drum, that having bulldozed a bit of bushland and paid someone else to look after it — the offset — we could be assured that that would happen in perpetuity. The problem is that the planning rules have to be enforced in order to make it happen. As I am about to detail, the government is disinterested when it comes to the enforcement of native vegetation controls. There is a very easy example to hand, but it is critical because it relates to buloke woodlands, which is one of our most endangered ecosystems and federally listed as an ecosystem that is under significant threat but of national importance. It is the former habitat for a whole range of species, such as black cockatoos, and once upon a time it would have stretched across vast areas of Victoria and into other states, but it is now down to tiny remnants and in some cases just individual trees.

In January the federal Department of the Environment prosecuted a landowner in the West Wimmera region by the name of Bill Bouchier for a breach of the national environment law in removing approximately 343 buloke trees and 106 eucalypt trees from a property. A media release from the federal government says:

Buloke trees provide important foraging habitat for the cockatoo and eucalypt trees provide potential hollows for nesting ...

Although the company and its director deny they acted in breach of the law, or that their actions are likely to result in a significant impact ... they agreed to pay \$70 000 as part of an out-of-court settlement reached with the federal —

government. That is 2014, but this bloke had form. It would have come as no surprise to anybody in the region that he would go out and do illegal clearing, because he was in the game back in 2002. In that august publication, the *Wimmera Mail-Times*, of 12 November 2002, under the headline ‘Councillor slams tree “dozer gang”’, there is a report that says:

West Wimmera shire councillor Geoffrey Carracher believes the council’s lenient stand against a Mortat farmer who illegally cleared several hundred trees will send wrong messages to country and city people.

...

Councillors voted against launching court action against Goroke district farmer Bill Bouchier, who cleared several hundred trees without a permit.

Cr Carracher is quoted as having said:

There’s more votes in protecting native vegetation than destroying it ...

He also said three councillors who voted against court action would encourage tree clearing and slammed them as ‘the dozer gang’ when recording his vote against the decision as ‘an inappropriate penalty for breaking the law’.

That and other matters involving Mr Bouchier spent a considerable amount of time working their way through local council planning officers and through, I understand, the state government and its then Department of Sustainability and Environment, which to date has issued no fines, taken no enforcement action and required no mediation until the federal government — in a prosecution that I am pretty sure had nothing to do with the federal Minister for the Environment, Greg Hunt, because it was announced on 14 January after having been in court for some time already — actually stepped in and did what any council officer or any state minister, like the Minister for Environment and Climate Change, Ryan Smith, or the Minister for Planning, Matthew Guy, could have done, should have done and in fact had the responsibility of doing under the Planning and Environment Act 1987.

The fine itself — or the out-of-court settlement, as it was described — was puny, because the farmer had left the smoking gun lying there for anybody to see when he claimed that the cost of each tree in lost production to his farm was \$320. Fast forward to 2014. If we divide the number of trees he cleared by the fine he ended up paying, guess what? He got himself a bargain by doing that clearing. It just goes to show that there is always going to be every incentive to break the law and that there will be very little incentive to do the right thing or purchase the offsets or do any of the other things Mr Drum is about to get up and tell us about, because this government is not fair dinkum when it comes to enforcing native vegetation law.

There are some environmental crimes the government is prepared to turn a blind eye to, even though it is supposed to be the party of law and order. There is another environmental crime happening right now down in the Latrobe Valley, but I have said enough about that today. What is the government doing about that?

Mrs Peulich interjected.

Mr BARBER — I concur. It is praying for rain.

Ms Pennicuik — That's not much of an answer.

Mr BARBER — No, it is not much of an answer. It was due on Wednesday, and the government must just be hoping that it solves the problem.

Honourable members interjecting.

Mr BARBER — Wait for the adjournment. We are doing native vegetation right now. Clearing of native vegetation is itself a significant source of greenhouse gas emissions in Victoria. Some members do not believe that humans are causing climate change or perhaps even that CO₂ is causing global warming, but native vegetation clearing still accounts for a few per cent of Victoria's greenhouse gas emissions on our emissions inventory, and if we were to achieve a net gain — that is, if we were to expand the area of native vegetation instead of still reducing it — then you would see a significant turnaround from that number, from a negative to a positive, with the immediate benefit of reducing greenhouse gases.

At the same time, the benefits of native vegetation in a landscape are well known. There are many farmers out there working very hard and putting in their own resources to restore the landscape. But people like Mr Bouchier, who no-one has bothered to make play by the same rules as every other farmer in the West Wimmera district, undermine the entire system. You can write whatever planning rules you want, but if you do not enforce them, the rules are meaningless. I do not believe this government has any intention, based on past form, of enforcing the existing rules or the rules that it has put before the Parliament, which I am seeking to disallow. That is why I am calling on all members to support this disallowance.

I ask the government to go back to the drawing board and, one, get the right rules, the ones that most Victorians, including country Victorians, would like to see; two, get the implementation right and fix the online maps that have now been made the entire basis of the scheme; and three, show us that it is serious about enforcing those planning laws just as it would be if Mr Drum bunged up an illegal carport. He would have the council around saying, 'Where is your planning permit?', but not apparently if you are a clearing cowboy whose neighbours seem to have very little opinion of you. I am basing that on my own travels through the district. I ask members to support the Greens motion.

Mr DRUM (Northern Victoria) — It comes as no surprise that the government will not be supporting Mr Barber's motion in relation to amendment VC105.

Mr Barber — Which you have read.

Mr DRUM — Which I have not read. However, I know enough about this issue to offer a balanced view on what this regulatory change has the potential to bring to people throughout Victoria. The Victorian government is committed to implementing a range of reforms that will apply to the clearing of native vegetation across the state. This is wholly and solely aimed at clarifying the current situation, making it easier for people to understand what has to be done to make sure there are environmental gains in this area. At the moment it is a dog's breakfast, and there are many examples. Mr Barber raised one example of a landowner in the west of the state who took it upon himself to go ahead and clear a couple of hundred trees without a permit. Mr Barber based his disdain for the government and its supposed lack of care wholly on the fact that one chap in the west Wimmera shire was not prosecuted and fined.

Mr Barber — By your government.

Mr DRUM — It was not even agreed to by the local council. Mr Barber should listen to his contribution, because the fact is that the individual concerned was not even prosecuted by the local council. There are always going to be rednecks and cowboys who push the boundaries. There is always going to be someone who goes outside the law. That does not make it right, but we have in place a system that will make it simpler to create a better outcome for the 99.9 per cent of Victorians who need to clear a small amount of native vegetation. At the moment there is no clarity and it is very confusing. We need to make it as simple as we possibly can for the vast majority of people who only need to clear a small amount of native vegetation in order to go about their daily lives.

Regional and country members of Parliament know that our constituents have been hamstrung by this process for many years. It is getting harder for people to take out two, three or four trees so that they can put in place an irrigation system or put in crops in order to get some of the productivity gains that everybody in Victoria wants our agriculturalists to aspire to. We seem to want the best of both worlds. We have everybody asking our agriculturalists to aspire to better productivity; however, if we listen to the Greens, we will not make any concession on processes involved in small capacity native vegetation clearance.

As part of the reforms under amendment VC105, a new risk-based assessment pathway approach will be implemented. For the vast majority of applicants the amendment will reduce the costs associated with preparing an application. Again, this is something we are trying to mitigate. Roughly around 80 per cent of these applicants will be able to go online and find out what it is they need to do, and quite simply I am talking about their offsets. We must understand that Victorian farmers, and probably 90 per cent of applicants, are going to be from the agricultural sector.

Mr Barber interjected.

Mr DRUM — I imagine it would easily be in that vicinity; however, Mr Barber may have a different view. This debate should acknowledge that it is farmers who are the greatest custodians of our land. They are the ones whose practices are above and beyond what is needed. They plant many more offsets than the minimum number of offsets stated in the regulations. History is the greatest judge of past behaviour. When you go around the state and talk to farmers who need to clear a couple of native trees and some native grasses — —

Mr Barber — A couple of hundred.

Mr DRUM — If they have to clear a couple of hundred, Mr Barber, it is going to cost them an awful number of offsets to get through the system. These changes are not about farmers who need to clear a couple of hundred trees. They will always have to go through a much more complex process, akin to what we have had in place over the years. These amendments are based on situations where there is very minimal risk — absolutely minimal risk. People are getting caught up in red tape for what you would call no-risk operations. We need to make sure that these reforms will do away with that red tape and with the absolute confusion and complexity in this process.

The online assessment tool will make the process of applying for a permit to clear native vegetation much more straightforward. The biodiversity assessment guidelines will be included in the applicant's kit, and that is something that will make the process simpler and ensure that biodiversity and good environmental outcomes are at the forefront of what we are planning to achieve with these changes.

If members look at the consultation process the government has followed in the lead-up to this reform, they will see that the industry, the environmental stakeholder groups and local councils have been consulted at each and every step of the way. Now that

we have this on the table and we have finalised this process and these reforms, we can be very comfortable with the fact that we have reduced costs and reduced complexities and that we have given certainty to the land-holders, who are now better able to target the environmental outcomes they are always looking to preserve.

We are now using a better mapping system in relation to native vegetation clearances, and that science and data collection has led to the creation of the Victorian Biodiversity Atlas. These important improvements have assisted with the creation of new provisions that simplify the process. With this new mapping system, land-holders clearing small amounts of native vegetation will not be required to pay for costly site assessment reports. Members will find that there is universal support right across regional Victoria and country Victoria for these modest changes — and they are modest changes.

A risk-based approach has been taken with this issue. Mr Barber has based his argument around the illegal clearing of 200 trees, but everybody knows that if you illegally clear 200 trees on your own property, you are doing so at your own peril. In 2014 if you are caught clearing 200 trees without any approval or permit, you are going to be hauled before the courts, and you will be in a very difficult situation. It is a little bit disingenuous of Mr Barber to base his argument around one case that occurred in the far west of the state and say that it represents the modus operandi of this government right around the state.

The biodiversity assessment guidelines that have been developed by the Department of Environment and Primary Industries will be used to help with the establishment of this system. A whole raft of science and data collection will help us bring about this new system that will create a less complex, less costly and less time-consuming process than the one that has been dogging us in this area for many years.

For every story that Mr Barber can tell me about somebody who has been illegally lopping down trees I will tell him 10 stories of law-abiding Victorians who have been at their wits' end in trying to work through the existing system in simply trying to clear a small amount — —

Mr Barber — Where are your 10? Tell us your 10 stories.

Mr DRUM — I regularly have people coming into my office telling me about the complexities, the problems and the costs of this process and the time they

have taken in their efforts to try to work through the existing bureaucracy in relation to native vegetation clearance, knowing that they fully understand that there will have to be some offsets either on their property or on another property through payments into another fund. I am sure Mr Barber is aware that there is an industry out there that looks after these issues, where you can effectively pay someone in another area or another region — —

Mr Barber — That history has gone with your regulations.

Mr DRUM — Mr Barber is just scaremongering. These brokers for the bush have been doing reasonably well in creating offsets in the commercial sector. Mr Guy, the Minister for Planning, has put these regulations out there to try to help. They have come at the request of Mr Smith, the Minister for Environment and Climate Change, to effectively get to a situation we can work with. We need to make these minor reforms, and we need to make the process as simple and as cost effective as possible. We understand that the vast majority of Victorians do want to do the right thing. People have talked to me about how tough and complex the current process is. They have no issue whatsoever with the environmental offsets, and they are always keen to provide improved biodiversity and an improved environmental effect within their particular area.

I have no hesitation in stating that we do not support Mr Barber's assertion that these are anti-environmental reforms. In fact it is exactly the opposite. These reforms indicate clearly that our environmental credentials are stronger than ever, and we will be out there to ensure that in these smaller cases we are going to make the process simple and more cost effective. We are going to make sure that we end up with a better environmental outcome and not a worse one. There will be no net loss, and we have made sure that that is a significant part of the changes we have introduced. We will make sure that when Victorians are in this situation they will be able to work their way through the administrative process in a much simpler manner.

Mr TEE (Eastern Metropolitan) — I welcome the opportunity to make a few remarks on this motion. Once again we have another matter relating to the environment. As we have seen, this government has form when it comes to the environment. It has an approach that you can criticise on many levels, but you cannot criticise the government for having an inconsistent approach. We have seen a consistent whittling away of Victoria's natural environment. We see it whether it is about the solar tariff reduction, cattle grazing in the Alpine National Park, the gouging of the

green wedges or development in our national parks. Today we are seeing the attack guns on our native vegetation. It is the native vegetation that has now caught the eye of Mr Guy, the Minister for Planning, and our native vegetation legislation is going to become more fractured and more diminished, and there will be less for us to pass on to the next generation.

The concerns that have been identified in relation to this planning scheme are the issues around the offset. The requirement for net gain has become a requirement for no net loss, so with this scheme we are going to go backwards.

It was interesting to note Mr Drum's contribution, because he was saying that the proposed reforms will make the situation easier. I say to Mr Drum that it will not make it any easier. What this will do is make it more difficult. What we will see is the removal of the oversight of the state government and a handing over to local councils of the implementation of this proposal. What that means, I say to Mr Drum, is that the interpretation of the planning scheme will depend on where you live, it will depend on your council officer, it will depend on your local council — —

Mrs Peulich — So you do not trust local government?

Mr TEE — No, I am very much in favour of and trust local councils.

Mrs Peulich interjected.

Mr TEE — But what developers want is consistency. They want one rule to apply. What a young family, whether in the north or the south, wants is to be able to have the same process and the same implementation. They do not want to go from council to council or to be beholden to a particular interpretation of a particular council officer. What they want is a consistent approach all the way through, and that seems fair. What we do not want is this extra layer of bureaucracy and red tape, because that will not help anyone.

Mrs Peulich interjected.

Mr TEE — The greatest concern about this planning scheme is the fact that it has been completely and comprehensively botched. Let me give Mrs Peulich a couple of examples. If you look at the maps you will see that what happens is that under the scheme you do not go out onto the site; you rely on the maps that the government has produced. That is the start point and the end point of a determination of whether you have native vegetation.

Mrs Peulich — That is not true.

Mr TEE — If Mrs Peulich looks at the maps she will see areas of Melbourne Airport and that the Melbourne Airport car park has not just native vegetation but high-risk native vegetation. If you believe these maps, there are buildings at Melbourne Airport that contain important areas of native vegetation. If you go to the map of the Calder Park Raceway, you will see that although the infield parking area does not have a blade of grass, under these maps it is classified as being high risk. This car park is not low risk but high risk.

Mr Elsbury interjected.

Mr TEE — Yes, as Mr Elsbury says, in terms of inside of the racecourse as opposed to outside of the racecourse. Indeed I have the map here, and I can show you on the map how the car park on the inside of the racecourse has been classified as having not even low-risk native vegetation but high-risk vegetation. No-one can have any confidence in these maps.

If you go to the map of Somerton, you will find a factory building that has been classified as having a high site risk and biodiversity score — a factory building. If you go to the Point Cook map you will see that the Point Cook Senior Secondary College site, including the second road, has moderate-risk native vegetation and the Springside secondary college has high-risk native vegetation.

No-one can have any confidence in the outcome — not developers, not conservationists. No-one benefits from this completely botched process. It is a process where once again the government has shown it has no capacity to listen to industry voices on either side of the debate, no willingness to be flexible and refuses to allow common sense to be part of its decision-making process. Mr Drum said that this process is supported across the board in regional Victoria. Rubbish. No-one supports an outcome which is so unreliable and relies on maps which are so outdated. Mr Drum said he wants to move away from the previous system, which he said was a dog's breakfast. You could not see a clearer example of a dog's breakfast than car parks that do not have a blade of grass on them, factories, parts of airports and parts of the Calder Park Raceway being classified as having vegetation that needs to be protected. The outcome of this process lacks credibility, it lacks common sense, and it is a disaster.

Mr Elsbury interjected.

Mr TEE — What it comes down to is that it is a disaster for those young families who want to buy a

block of land and build their dream home because there is so much bureaucracy tied up in this process. There are maps that are so comprehensively flawed that they do not make any logical sense. This process and this planning scheme are a disaster. They are a disaster for the environment and a disaster for those who want to buy a block of land and build their own home. The proposal is stupid, it is bureaucratic, it is nonsensical and it should be opposed.

The government should go back to the drawing board and should engage with developers, with farmers, with environmentalists — with people across-the-board — so there can be an outcome that is logical, that makes sense and that works. There is no doubt that we can see improvements in the management of our native title legislation, but this is going backwards. It is a disaster on every front. The opposition cannot support something which is such an awful reality for those who want it made easier and who simply want to buy a block of land and build their dream home. The opposition will not be supporting Mr Barber's motion.

Mrs PEULICH (South Eastern Metropolitan) — I will speak briefly against Mr Barber's motion that amendment VC105 be revoked. Obviously a motion to revoke an amendment is an important part of the parliamentary process. It was intended in particular for cases where there were strong concerns and evidence that the process had somehow been perverted or manipulated or did not stand up to public scrutiny. The right was granted legitimately to this democratic institution, to this chamber, to move a revocation motion, debate it, and then form a position.

One would expect Mr Barber to move a motion of this nature, despite the extensive and considered process that has been adopted in the development of this amendment. Before going on to look at the process I would like to say that one of the biggest concerns for the state of Victoria is economic activity. It has been an issue for some time. Perhaps Victorians and the former government have not taken the issue of economic activity sufficiently seriously, and there are some real issues knocking on our door that all Victorians will now have to put at the front and centre of all decision making.

In recent times there has been parliamentary inquiry after parliamentary inquiry — and I have been involved in some of those — that has echoed the concerns of Victorians and Victorian businesses about the level of red tape and green tape that is unjustifiably and illegitimately stifling opportunities for economic activity in Victoria. Mr Barber alleges that Liberals do not care about the environment, but I care very deeply.

My record on the environment is recorded in *Hansard*, although perhaps it is not the way Mr Barber judges whether or not people care about the environment.

I was born on and grew up on a farm. It was the most idyllic setting. I grew up in the midst of the beauty of Mother Nature, but there was also a level of pragmatism which was sobering for people who had to live off the land, and I am blessed to have that sober attitude. I love Mother Nature, I love pristine areas of the environment and I believe a civilised society must make every effort to protect high-value environmental assets. To then say that anything that might commonly be labelled as open space or green wedge is all of the same environmental value is an absolute nonsense. Mr Barber knows this full well. Ms Pennicuik also knows this full well because we have taken a tour of some of the neglected wasteland — dust heaps that as they stand are of no value to the owners or to the community but which are being locked up because of sheer bloody-mindedness.

I agree that we must protect areas of high environmental value, and not only that, we must increase the amount that is accessible to the public for its own benefit and its own wellbeing. All the research indicates that open space that is not usable and accessible to the public has a limited positive impact on the health and wellbeing of our community.

Hansard shows that my track record on environmental issues ranges from spearheading a lot of the debate on the Brooklands Green debacle to calling for the clean-up of neglected waterways, inland waterways and beaches, to the management of tips and landfill across the south-east metropolitan region. To Mr Barber these might not be sensitive, trendy issues, but they are issues that matter to people in the community. He thumps his hand on his chest as showing that somehow he is one of only three people in this chamber who care about the environment. I say that is absolute nonsense. Just because we do not share the ideology of the Greens does not mean that we do not care about the environment. Indeed the Liberal history of environmental interests is a long and proud one.

I believe these reforms will also be understood as being a part of the evolution of policy that makes a lot of sense, that identifies and distinguishes between different categories of land of environmental value, that allows us to take proactive action to protect those areas that are of high value and that appropriately expedites the decisions that allow economic activity to occur through rational, clear and accountable processes.

The changes proposed by amendment VC105 were developed by the Department of Environment and Primary Industries (DEPI) in consultation with local government. There has been a comprehensive process and now Mr Barber is asking for that amendment to be revoked. The amendment has been through a very extensive process, which commenced with the publication of a paper called *Future Directions for Native Vegetation in Victoria* in September 2012. More than 200 submissions were received in response to this consultation paper from industry and environmental groups, local governments and the community, yet Mr Barber would have us shun it, cast it aside and kneel at the altar of Greens ideology. The process that was undertaken in order to come to this instrument is, we believe, an appropriate one. The issues raised in that period of consultation were outlined and addressed in the document *Reforms to Victoria's Native Vegetation Permitted Clearing Regulations — Amendments to the Victoria Planning Provisions*, a summary of consultation processes which was published in May 2013.

The draft clauses were subsequently released and this was followed up by further consultation, including sessions held around the state with councils and key groups, including the Municipal Association of Victoria, the Planning Institute of Australia, the Victorian Farmers Federation, the Victorian division of the Property Council of Australia, the Urban Development Institute of Australia, the Corangamite Catchment Management Authority, the Victorian division of the Minerals Council of Australia, the Victorian Planning and Environmental Association and the Victorian National Parks Association. Mr Barber believes this process should be cast aside and ignored and that we should fall to our knees and accept his — —

Mr Barber interjected.

Mrs PEULICH — Sorry? There is a running commentary from Mr Barber. I thought he had already had a go. Mr Barber thinks we should fall to our knees and basically reject all the work that has been undertaken.

Mr Barber — I am getting the feeling I am being told off.

Hon. R. A. Dalla-Riva interjected.

Mrs PEULICH — Yes, it is the teacher in me. Training has also been provided for DEPI and local government staff around the state. More than 300 staff

will have been trained in the new system by the time the new amendment commences.

The amendment does not introduce a new referral and notice requirement, but it does update the current referral requirements to the Department of Environment and Primary Industries. The proportion of permits required to go to DEPI is not expected to change substantially.

The amendment does not change the requirement for a permit to remove, destroy or lop native vegetation, and it is not expected to change the number of planning permit applications. However, the amendment is expected to significantly reduce the time, resources and expertise required from local government to apply biodiversity considerations when assessing applications to remove, destroy or lop native vegetation. This is delivered by introducing a risk-based pathway for permit applications. This is a trend in the development of public policy.

With the burgeoning of bureaucracy — both red tape and green tape — we will divide decisions into those that are routine and fairly straightforward and those that are more complex and which have greater implications, and this is what amendment VC105 to the Victoria planning provisions does. It introduces a risk-based pathway for permit applications. It updates referral applications to ensure that all applications which require assessment by assessors who have content-specific expertise are referred to the Department of Environment and Primary Industries and introduces a standardised biodiversity assessment report for all applications, which goes some way to contradicting the diatribe we heard from the shadow Minister for Planning, Mr Tee.

Turning to the reforms, I point out that they are outcomes focused, which is the policy direction that is happening not only across this portfolio but also across many others. This approach is not about activity but about outcomes. Some may remember that ‘net gain’ became a slogan under Labor, but these coalition reforms will get real results and will improve Victoria’s biodiversity.

The native vegetation reforms are based upon the concepts of risk and proportionality, which result in fairness for landowners and ease of assessment for responsible authorities, such as councils, the staff of which are being trained up and supported by very good tools provided by the department. These measures mean that the most significant issues will receive the strongest regulation while simpler issues will be able to be dealt with fairly sensibly. That is the difference: it is

not about putting everything in the one category, as Mr Barber would have us do, where no decisions are ever made and improvements are not often made either. Indeed it allows us to protect and improve biodiversity, but without causing economic activity to stagnate and without decisions needing to be taken to clear vegetation, which can be and will be offset in an appropriate manner.

As I said, a review of the native vegetation permitted clearing regulations was undertaken in response to stakeholder concern about a lack of clarity and, most importantly, about the high cost of compliance with the system. This issue was flushed out in a number of reports tabled by the former Economic Development and Infrastructure Committee, including for example a report on that committee’s inquiry into greenfields mineral exploration and project development in Victoria. Despite substantial opportunities in Victoria, a very small percentage — I think 1 in 1000 exploration permits — translate into a mining opportunity, often as a result of very complex rules and red and green tape, which not only do not protect areas of high value but also stifle economic activity. Independent reports, including that of the Victorian Competition and Efficiency Commission, had also identified high costs of compliance and a lack of consistency and transparency in the application of native vegetation permitted clearing regulations.

Issues had also been raised regarding whether the system was meeting its objectives of no net loss in native vegetation across Victoria. The reforms to Victoria’s native vegetation permitted clearing regulations, which were implemented in December 2013, are designed to not only reduce the cost and complexity but also enhance certainty for landowners and deliver better targeted environmental outcomes.

As I mentioned earlier, the public consultation paper *Future Directions for Native Vegetation in Victoria — Review of Victoria’s Native Vegetation Permitted Clearing Regulations* was released in September 2012, and following a very comprehensive consultation period, and training of stakeholders of course, we have arrived at where we are. The details of the reforms and the maps to be used in the regulations were publicly released in May 2013 to allow for a period of public exhibition before they took effect. Updated versions of key documents and maps were released in October 2013 in response to issues raised.

As I said, before the reforms were implemented a lot of groundwork was carried out, and those reforms were implemented on 20 December 2013 with the gazettal of the planning scheme amendment.

Mr Tee made some commentary about the maps being used. The maps used in the native vegetation permitted clearing regulations have been developed using the best available science and data sources, including the Victorian Biodiversity Atlas, an important improvement on maps previously used in the regulations.

The maps enable landowners in the community to easily understand the biodiversity values of their properties and reduce the costs of applying for a planning permit to clear native vegetation. The use of mapped information means that land-holders who clear small amounts of native vegetation will not be required to pay for costly site assessment reports. Information observed and collected at the site is used alongside the maps to assess a permit application. The Victorian government has committed to periodically updating the maps to incorporate known impacts, new data and improved analytical data.

Mr Barber — And mistakes. Fix the mistakes after you've done it.

Mrs PEULICH — It is not about fixing mistakes; it is about updating the data and the maps following work — —

Mr Barber — When the bulldozers have done their work.

Mrs PEULICH — Or an area has been revegetated with appropriate examples of plants of important biodiversity. I think Mr Barber is being clever — he is a very clever debater — but at the same time I think he has missed the boat. He has missed the boat, and the boat is that this is good, sensible public policy which balances the rights of land-holders and the need for economic activity and economic development, because ultimately if we have no economic activity then we do not have jobs, and if we do not have jobs we will have a society that is cancerous and degraded and probably less likely to be able to protect the environment in its best examples. This distinguishes between or tries to safeguard those areas of high environmental value, which I think as a civilised society we have an obligation to do for future generations — not just for today but for tomorrow.

Mr Barber knows that if we have a system that requires offsets and perhaps revegetation, those maps and those tools are going to have to be updated if they are to be meaningful. It is clever debating tactics to suggest that it is only because we have made mistakes that the provisions need to be corrected. Clearly that is not the case.

The proposed amendment changes the Victorian planning provisions, and it simply reflects the new net loss approach rather than the previous net gain approach, irrespective of the quality of the land or the environmental value. Amending clause 52.17, which concerns native vegetation, rationalises information requirements, implements the new risk-based assessment pathway, includes a simplified approach for applicants under a low risk-based pathway and streamlines the determination of offset requirements.

This is a necessary amendment, and it is required to implement the reforms that apply to the clearing of native vegetation following a fairly extensive process. It supports the important objectives of providing for the fair, orderly, economic and sustainable development of land, it provides for the protection of natural as well as man-made resources and the maintenance of ecological processes and genetic diversity and it facilitates the development in accordance with objectives to balance the present and future interests of all Victorians. It is a very good amendment. I certainly do not support its revocation. There are no grounds to revoke it following the extensive process and due to the fact that it is very defensible on public policy grounds.

Mr BARBER (Northern Metropolitan) — I would like to thank all members who participated in this debate. Just briefly, in reply, I will say that during the extensive process that Mrs Peulich referred to, we were told that a report is to be released that will update us on the status of native vegetation in Victoria — that is, its extent and its quality. The Labor government released only one report on this during its 11 years in government, and what we found was that both the extent, or amount, and the quality of native vegetation, particularly on private land, was going backwards.

One might have thought that that report card could have been presented before the government entered the track of telling us what is good for native vegetation. But it seems we will be waiting for some time — we could be waiting a very long time, now that the government has got its way — to find out that Mr Drum is dreaming: that land-holders do not, through mere goodwill, want to increase native vegetation on their land. Let us face it, there is always an incentive to clear native vegetation on your land and hope that your neighbour does not, so that you have a beautiful view of the trees and the rosellas still land on your veranda every morning. It is called free riding, and the solution to it is regulation.

Mrs Peulich said that many submissions were made during this long-running process. If she had read the submissions from environmental groups — or if she had read even one submission from an environmental

group — she would know that they are not supporting this set of measures.

Mrs Peulich — It is about striking a balance, isn't it?

Mr BARBER — That is the point. It is about striking a balance. After 200 years of native vegetation destruction, making Victoria the most ecologically damaged state in Australia, it is now time to strike a balance. Now there is almost nothing left of certain ecosystems in certain areas — mainly in the western part of Victoria, but there are some critical ecosystems in the east as well — and now that all of that has been pushed away, it is time to strike a balance between tree clearing and what Mrs Peulich calls 'jobs', although I am not quite sure which jobs she is referring to.

Mrs Peulich — Economic activity.

Mr BARBER — The economic activity of bulldozing and chainsawing trees. So there you have it.

I am glad to hear that the Labor Party is supporting this motion. In his presentation Mr Tee referred to high-risk native vegetation, as categorised in the set of rules that have been put in front of us. What he means by 'high risk', and what the rules mean by 'high risk' is high risk of extinction. I have not yet heard from any Labor or Liberal speaker today, including the pale-green Mrs Peulich, the 'e' word — extinction. I have not heard which species and ecosystems will be pushed further towards extinction as a result of these new rules. That is meant to be what environmental protection is all about.

In my introduction I referred to some of the endangered species listed under the Flora and Fauna Guarantee Act 1988 and to the critically endangered buloke vegetation. At least the federal government stepped in and belatedly mounted a prosecution to send a message to all other land-holders that the destruction of buloke vegetation is not on and anyone who does it will be heavily fined.

Just for once I would like to hear members say whether they are for or against the extinction of native vegetation. By the way, former federal Minister for the Environment, Heritage and the Arts, Peter Garrett, is for species becoming extinct. He let a bat become extinct.

Mrs Peulich — He is extinct!

Mr BARBER — He is also politically extinct. He let a bat become extinct, and he said the reason was because we did not have the money to stop it from

becoming extinct. The 'e' word did not get a mention in this debate. Extinction is forever, and today, for a number of species and ecosystems, extinction has come just a little closer.

House divided on motion:

Ayes, 17

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

Noes, 20

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

Pairs

Viney, Mr	Davis, Mr D.
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Motion negatived.

Business interrupted pursuant to sessional orders.

STATEMENTS ON REPORTS AND PAPERS

Department of Treasury and Finance: report 2012–13

Mr TARLAMIS (South Eastern Metropolitan) — I rise to speak on the Department of Treasury and Finance 2012–13 annual report and in particular appendix 5, which addresses the Community Support Fund, which was set up by a Labor government in 1991, with another Labor government ensuring its funding and securing its sustainability. The Community Support Fund provides essential funding and support for community building grants. As well as funding important problem gambling services, the fund also supports a wide range of community grants — and I want to take this opportunity to talk about one program that is made possible through the fund and that makes a practical difference to many Victorians.

The Premier's Spirit of Anzac prize is an annual competition that invites submissions from year 9 and year 10 students providing examples of the Anzac

spirit, using instances of Australia's participation in conflicts and war throughout our history as a nation. Students can choose to submit essays, short stories, poems, artwork, audiovisual presentations or websites to showcase the Anzac spirit in action. This year's topic asks students to reflect on not only the Anzac spirit but also on its relevance to us as a nation today. It asks students to contemplate what the Anzac spirit tells us about being Australian and, perhaps looking into the future, how the Anzac spirit could potentially inform our value system and who we want to be as a nation. The prize was established by the Bracks Labor government in 2005 and has long had bipartisan support.

I am glad that, as indicated in this report, the current government has continued to support this worthy program, especially with the centenary of Anzac commemorations coming next year. I note that the Premier recently announced this year's winners. One of the twelve students selected is Travis Reid, who resides in my electorate, and I congratulate him. One of the opportunities provided to Travis and other young Victorians who win the prize is to take part in a study tour on which they follow the Anzac trail through the UK, Belgium, France, Turkey, Greece and Crete.

The study tour allows students not only to immerse themselves in what it may have been like for our Australian soldiers and service people in the places on the Anzac trail but also to understand how the Anzac spirit is embedded into our psyche as a nation. It allows students to 'adopt a digger', researching the life and experience of a local man or woman who served Australia in the First World War, and to develop their sense of community spirit through this identification. In this way the prize fits well with the purpose of the Community Support Fund and is building community ties through an understanding of history so that the students, when adults, can contribute to the welfare and spirit of their community.

It is a welcome development that this year's tour will include a visit to the Anzac sites on the Greek island of Lemnos, and I commend the organisers of the tour for this. Students will be able to gain an appreciation of the major but little appreciated role of Lemnos in the Gallipoli campaign and Anzac story. Lemnos was the main base of the whole campaign, its large harbour providing safety for the allied fleet and for a supply base throughout the campaign. Australian troops assembled on the island and practised landing procedures there, and it was the location of the campaign's two main field hospitals, in which Australia's first overseas field contingent of 130 female nurses served. It was the location for the campaign's

supply, rest and recuperation camps as well as medical centres throughout the campaign.

The island also witnessed the first significant interaction between Australians and Greeks, as the Australians spread over the island to experience its food, hospitality, natural beauty and culture. The Lemnian community also supported the Australians throughout the campaign with their labour as well as providing supplies. A number of Greek Australians served in the Anzac campaign and in the wider battlefields of World War I, including two with connections to Lemnos itself. Greek volunteers also assisted in the fighting during the Gallipoli campaign, aiding the terrible assaults at the Nek in August 1915.

Every year the Lemnian community celebrates Anzac Day at the graves of our Anzacs at the east Mudros and Portianou military cemeteries, and local school students, led by their teachers, conduct presentations. The local municipality is working to enhance the Anzac trail on the island, including through the construction of new interpretive centres.

This year's Anzac prize winners will receive a warm welcome in Lemnos, with a welcome dinner hosted by the municipal government, an educational exchange at the east Mudros senior secondary school and a formal commemorative ceremony at the East Mudros Military Cemetery, which involves local students and government, church and military representatives. Our students will see that Lemnos has not forgotten the Anzacs, and this tour will enable the students and the wider community to remember the role of Lemnos.

The students will walk among the graves of the Anzacs who remain on Lemnos — the graves of Victorian Anzacs like Corporal George Knight, an electrician from Albert Park; Scotland-born Middle Brighton resident Colonel Richard Linton; Able Seaman Thomas Chitts from Sandringham; Private Williams Carstairs from Lakes Entrance; and the 5th Battalion's Private Roy Woolcock from Trentham, who had sailed from Australia aboard the HMAT *Orvieto*, which was the first troopship to depart from Victoria and will be a focus for Victoria's 2015 commemorations; and of course Private Wilmore Wyman of the 12th Battalion, who was from Mentone in my own electorate and is buried at east Mudros. By visiting Lemnos they will learn the story of the valiant nurses who also toiled and cared for the injured and sick Anzacs throughout the campaign. These 130 nurses, led by Matron Grace Wilson, worked in the two field hospitals on the western peninsula jutting into the huge Mudros Bay.

I congratulate the 2014 Premier's Spirit of Anzac prizewinners and look forward to reading about their experiences and research on their return.

Rural and Regional Committee: opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria

Mrs MILLAR (Northern Victoria) — I am very pleased to make a statement in relation to the Rural and Regional Committee's report on its inquiry into the opportunities for people to use telecommuting and e-business to work remotely in rural and regional Victoria.

The opportunities created by telecommuting or teleworking, being the ability to work remotely from home or any place away from the head office, offer enormous potential, particularly for rural and regional Victoria. This is a subject which has long been of interest to me. I addressed it in my inaugural speech last August, at which time I noted:

Technology and the rate of technological change will remain at the heart of both addressing challenges in all industries and fields and capitalising on our future. In my view, technology offers huge potential to rural and regional Victoria in particular, giving the opportunity to reduce the barriers of distance in an unprecedented way. Where you live is no longer a barrier to the type of education you receive, the specialist medical advice you access and the job you hold.

I therefore welcome the findings and recommendations of this parliamentary inquiry as a way of influencing government at all levels and employers in terms of embracing teleworking more extensively.

The benefits of telecommuting or teleworking for both individuals and society are extensive. They include productivity gains. This is based on evidence that employees work and focus more effectively when travelling time is eliminated and they are away from the office environment, which is more susceptible to the many distractions of a typical workplace. I cite here studies conducted by the Institute for a Broadband-Enabled Society at the University of Melbourne, which notes that teleworkers overwhelmingly self-report positive productivity gains but that quantifying those productivity gains is dependent on the types of industries and tasks undertaken.

Employers gain access to a larger pool of skilled workers who would be unable to physically attend the workplace on a full-time basis, including those restricted by distance, those with carer responsibilities and those with disabilities. In this context, many highly skilled professionals who leave the workforce for a

number of years due to carer responsibilities are enabled to undertake paid work in an environment which is open to teleworking combined with flexible working arrangements. Employee benefits include significantly higher levels of job satisfaction, improved wellbeing and work-life balance.

Significant cost savings are available to employers through a reduction of office rental space, utilities and consumables. Many employees are willing to make some contribution towards their working-from-home costs — for example, meeting the additional power bills associated with working from home — as a fair trade for reduced travelling costs, which include the petrol, parking and public transport costs already met by the employee.

Crisis proofing of organisations means that those which utilise significant levels of telecommuting are able to continue delivery of operations and services, even in the event of natural disasters. A relevant example of this was the flood in the Brisbane CBD, which otherwise brought that city to a standstill. Organisations with strong telework practices were able to maintain operations more effectively to reduce the productivity losses experienced by organisations without this capacity.

Finally, there are environmental gains through reduced emissions and reduced traffic congestion.

These benefits are well documented and understood by employers and employees alike. In the US, some 43 million employees already telework or hybrid telework, which is the term used for part-time teleworking in conjunction with some days based in the office. This is predicted to increase to a rate of 43 per cent by 2016. For a country which has a strong history of rapid uptake of new technologies, Australia is nevertheless lagging behind the rest of the developed world in terms of enabling teleworking. I cite Institute for a Broadband-Enabled Society's 2012 research report entitled *Telework, Productivity and Wellbeing*.

The ability to work from anywhere using modern collaboration and communication technologies has not yet been fully embraced by Australian organisations. Compared to other OECD countries around the world, Australia lags behind in terms of telework, with approximately 17 per cent of its workforce working away from the office at various times.

The Rural and Regional Committee report also considers barriers to teleworking and makes nine recommendations to enhance its take-up, with specific application to a regional context. I will not address each

recommendation in detail but they include the development of a telecommuting strategy and policy for the Victorian public sector, working with the federal government to create a connectivity map for rural and regional Victoria — a process already commencing with the federal government's current work on identifying and addressing mobile black spots — and investigating the feasibility of establishing regional coworking hubs. All these recommendations are worthy of further consideration as a way of supporting the extension of telecommuting or teleworking to more regional Victorians.

While we as a Parliament can act to bring attention to the important opportunities which telework represents and have the ability to directly impact state government employment policies, it is very much up to individual employers and employees to take action to negotiate these arrangements to the benefit of both parties. As shortages of skilled workers intensify, rational employers will act to maximise their position as employers of choice by turning to telework and other flexible work practices.

Auditor-General: *Implementation of School Infrastructure Programs*

Ms TIERNEY (Western Victoria) — I rise to make a contribution on the Auditor-General's report entitled *Implementation of School Infrastructure Programs*, which was tabled in February 2013. I begin by saying that under the state Labor government I had the pleasure of attending and representing the Minister for Education in my electorate in opening numerous school infrastructure projects. It was one of the highlights of my first four years as a member of Parliament to be out in those communities and seeing just how well accepted our projects were and how the community rallied around those infrastructure programs. This was because the state and federal Labor governments invested heavily in education. Labor governments know that a first-class education is the key to providing the best start to a child's life.

The report refers to international research findings that physical environments improve learning outcomes if, firstly, students are learning in new or upgraded facilities, secondly, there is natural light, thermal comfort and acoustics and, thirdly, the design supports effective teaching and delivery of the modern curriculum. The Auditor-General's report states in no uncertain terms that the Labor government's priority for a first-class education is not a priority shared by the Liberal-Nationals coalition government. The report states that under the current government, the Department of Education and Early Childhood

Development provided just 32 per cent of the recommended investment level.

In 2007 the Labor government announced the Victorian schools plan, which included a commitment to modernise public schools by 2017 and an initial investment of \$1.93 billion. Between 2007 and 2011, 553 schools underwent capital works. Since the change in government in 2011, the Victorian schools plan has fallen by the wayside.

The government's ignorance of the issues that schools are facing has forced schools, particularly in regional areas, to adopt a reactive approach to asset maintenance. Schools are receiving less than one-third of the funding required to maintain buildings to industry standards. The report states that this is likely to compound the effects, leading to a need for more costly maintenance in the future.

Due to the lack of current investment, schools are focused on making only urgent and essential repairs. Other works required to maintain buildings or bring buildings up to appropriate standards are being deferred. As a result, school buildings are deteriorating and will likely cost more to upgrade or replace in the future. The report states that 33 per cent of schools have buildings that are at the point of failure or have already failed.

This is the case for Timboon P-12 School, which is in my electorate. Just a few months ago the school was forced to evacuate its students and staff due to the potential for asbestos exposure in one of its buildings. The principal and school council representatives have been pleading with the government to pay attention to the plight of the school; however, their pleas continue to fall on deaf ears. On this occasion, because of the asbestos, the entire school population missed a week of school.

This is not the only issue facing Timboon P-12 School. The Department of Education and Early Childhood Development has classed 34 per cent of the school's buildings as being in poor condition. The school has a total of 31 areas, 22 of which are below the threshold; however, no ongoing maintenance money is being granted to the school. The member for Polwarth in the other place has said that the situation is an anomaly, but this is just paying lip-service to a community which is rightly fed up with being ignored by him and his government.

A number of other schools in Geelong are facing issues. They include North Geelong Secondary College, Oberon High School and the Whittington, Oberon

South, Oberon, Montpellier, Highton and Clifton Springs primary schools. The Portarlington Primary School is also in desperate need of maintenance and new buildings. All of these schools are fantastic — —

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

Auditor-General: Implementation of School Infrastructure Programs

Mr FINN (Western Metropolitan) — I am pleased also to speak on the Auditor-General's report on the implementation of school infrastructure programs. It is interesting that Ms Tierney chose this particular report to speak on. I have a feeling she probably chose it for a very different reason to mine. A good number of the instances recorded in this report are the result of actions by Labor government. If members look at this report, they will find that after 11 years in government the Labor Party left the coalition government with a \$420 million black hole in school maintenance. I suppose, however, we should be grateful to a degree, because back in 1992, after 10 years of Labor government, we inherited a black hole of \$600 million.

As the newly elected member for the then lower house seat of Tullamarine I well remember visiting some of the local schools and seeing the state of many of those schools after 10 years of Labor government. It was extraordinary, to say the least, that the Labor Party, that claims to care about schools and claims to care about teachers and kids, had allowed the physical environment of the schools to deteriorate to the extent they had. I had no problem putting my foot through the floorboards or my hands through the walls of any number of the schools. This is what Labor did back in the 1980s and the early 1990s, and good heavens above — would you believe it? — the Labor government did it again when it had the chance prior to the 2010 election.

I am very pleased that the coalition government put in an initial \$51.5 million to address the critical maintenance needs of some 250 schools across Victoria. Of course there are any number of areas where schools need major upgrades or which need new schools altogether. Members only have to look at the western suburbs — and the Wyndham area in particular — which, as we know, is one of the fastest growing areas in the country. We have built or are in the process of building a number of new schools. We have put \$10 million into the Tarneit P-9 College and also into Alamanda P-9 College in Point Cook. To the Melton North West Primary School we have contributed \$11.5 million. To the Truganina P-9

college we have contributed \$10 million, and that is just for stage 1. To the Wyndham Vale South primary school we have contributed \$11.25 million. To the new Western Autism School in Laverton we have contributed some \$12 million, and that is in the process being built as we speak.

It is also of some interest that we have contributed significant capital investment to the Wyndham Central Secondary College, formerly the Galvin Park Secondary College, of \$14 million, and to the Rosamond Special School of \$9.5 million. I will never forget going to the Rosamond Special School not long after the election of this government with then Premier Baillieu and the Minister for Education, Mr Dixon, to announce that we were providing money for the new school. The emotion was extraordinary because, quite frankly, the people who run the school — the parents and teachers — had given up on ever getting the sort of money they needed for a proper school and a proper environment in which to teach the kids. It makes you feel good inside to know that you are part of a government that provides services for the people who need them.

Later this year I am looking forward to going to the opening of the new Western Autism School. I hope at some stage to get some money for Sunshine College, which is a disgrace. I do not know how Labor neglected that school for as long as it did. It needs to be bulldozed and rebuilt, and I hope that will happen very soon. It is in the worst condition I have ever seen any school in, anywhere, and I hope that very soon we might be able to get the money to get it into the condition it should be in.

**Department of the Legislative Council:
report 2012-13**

Mr LENDERS (Southern Metropolitan) — The contribution I make today is formally on the report of the Legislative Council. As part of my contribution I pay tribute to a former member of this place, Dr Ralph Howard, who was a member here from 1976 to 1982. He was born on 17 May 1931 and died on 19 December last year. He was the only son of William and Hazel Howard of Balwyn. He attended Balwyn State School and then won a scholarship to Scotch College for his secondary schooling. He was a good student and was vice-captain of the school in 1949. Poor eyesight meant he had little aptitude for sports, but he was very interested in drama and music and contributed to the school magazine. He studied medicine at Melbourne University and graduated in 1956.

Dr Howard worked at the Royal Melbourne Hospital, and at the Western General Hospital in Footscray. He then moved to Prince Henry's Hospital in St Kilda Road where he worked for the next three years as a surgical registrar. In that time he met his future wife, Judith Vertigan, a nurse at the hospital, and they were married in 1961. Subsequently he worked in a specialist skin practice in Parliament Place but decided that was not for him, so in 1964 he went to Sydney for a year as assistant general secretary of the Australian Medical Association.

An enticing offer from a pharmaceutical company, E. R. Squibb and Sons, made him medical director of Australia for the next two years, and from then he became its regional medical director based in Tokyo for the next three years. By then he was a father of two boys, Adam and Simon, and he wanted to be back in Melbourne so they could be educated here. He came back to Melbourne as medical director and later marketing director of Glaxo, the pharmaceutical company.

Like all members of this place, he got the political bug and sought and won Liberal Party preselection for Templestowe Province. He was elected to this house in 1976. He enjoyed his six years in Parliament under premiers Hamer and Thompson but was defeated when John Cain's Labor sweep of 1982 ended 27 years of Liberal government. After Parliament Ralph practised medicine in East Melbourne for many years and more recently from his home in Deepdene.

I first met Ralph in 1985 in his post-parliamentary days. He was a relative by marriage. He was a thoroughly decent man with whom I found great empathy. It is one of those interesting things that occurs across the political spectrum. We had many things in common even though we contested ideas. He was a great mentor and a very thoughtful and considered man.

For many years he had suffered very poor health, but it did not stop him continuing his medical and other pursuits. On 29 November last year, at 82 years of age, he saw his last patients. He collapsed the following day and was hospitalised as a result. He died peacefully on 19 December. He has been very kindly remembered by his family, patients and many friends, and I pay tribute to him today as a greatly valued citizen who among his many other contributions served in this Parliament for six years.

Education and Training Committee: extent, benefits and potential of music education in Victorian schools

Mrs KRONBERG (Eastern Metropolitan) — I am very pleased to make a contribution today on the Education and Training Committee's November 2013 report on the inquiry into the extent, benefits and potential of music education in Victorian schools and the findings and recommendations of the committee. It is really important to stress the notion of the role of music in the curriculum within schools, and a point of emphasis that was made is how important it is not to discount the value of music to help students of all abilities.

Music is represented within the Victorian curriculum as one of six subjects in the arts domain. The other five subjects are art, dance, drama, media and visual communication. Currently schools are required to deliver experiences in music as part of the arts foundation to year 4. However, AusVELS does not mandate the amount of time that schools should allocate to music and there is no requirement for schools to deliver experiences in music after year 4. That was of concern to the committee after having seen so much evidence of the value of music education for students of all learning abilities.

The grouping of music in the arts has been a contentious issue within music education circles for some years. In 2005 the national review of school music education highlighted that this grouping had contributed to a drift away from music education. Stakeholders felt this grouping has left the school devoting less time to music in the curriculum. As a consequence of grouping music within the arts domain, teachers are required to provide a rating for students in the arts in school reports rather than in each subject area. Many stakeholders felt the subject areas that make up the arts, particularly the visual and performing arts, were too different to be combined for the purposes of reporting. Putting my professional hat on and having been trained in both the visual and performing arts as a secondary teacher, I have to say I agree with that. The School Music Action Group submitted:

A strong concern has been expressed about reporting within the arts —

a key learning area —

when student performances in individual subjects are invalidly combined into a single arts result without any other differentiation.

I would like to move on to the next point that was made in the report under the heading 'Music as a stand-alone curriculum area'. Many stakeholders felt that music should be a separate curriculum area in its own right. We received a number of submissions on this especially from instrumental music teachers — for example, one teacher said that music should not be 'muddled up with vastly different arts subjects'. The School Music Action Group took the opportunity to make this point in its submission:

... in the absence of making music a stand-alone curriculum area, there should at least be priority given to the visual arts and music within the arts domain.

Some stakeholders expressed the view that all the arts are important and should not be competing with each other for priority within the curriculum. In terms of making time for music in a crowded curriculum, there was a feeling amongst many stakeholders that music education is being sidelined in schools due to the increasingly crowded school curriculum. I think everybody here would appreciate that. Mr Carl Williams, the then instrumental music coordinator for the Department of Education and Early Childhood Development eastern metropolitan region, submitted:

Because of the pressures of the general curriculum, many schools have cut classroom music time to the point where students in some schools are asked to consider VCE music with as little as two years of classroom music studies.

The committee's view on this topic is:

The evidence to the inquiry clearly indicates that stakeholders believe that music needs a more prominent place in the Victorian curriculum. Three related proposals were made to achieve this, including having music as a stand-alone curriculum area, mandating its delivery and increasing the time allocated to it within the curriculum.

The committee is mindful that this inquiry is taking place at the time that Victoria is implementing the new national curriculum. The *Australian Curriculum — the Arts*, which sets out the expectations for delivering the arts domain of the Australian curriculum — —

The ACTING PRESIDENT (Mr Ondarchie) — Order! Mrs Kronberg, I appreciate your contribution today.

Auditor-General: *Tourism Strategies*

Mr ELASMAR (Northern Metropolitan) — I rise to speak on the Victorian Auditor-General's report on tourism strategies, December 2013. Let me start by saying I love Victoria so much, and I am sure we all do. My family and I take our holidays in country Victoria every year and we have done so for as long as I can remember. I do not need to go to exotic faraway places

to enjoy beauty and tranquillity. We have all that and more in our very own state. I am not alone in this view, and that is why I read this report with so much interest. I am fully aware that the tourism industry is an essential plank in the economy of Victoria.

Our geographically close Asian neighbours are frequent travellers to Victoria, and why would they not be? Victoria continues to attract visitors from as far away as Europe, America and the United Kingdom. In 1950 the number of people travelling from across the world was 25 million. In 2012 there will be more than 1 billion international arrivals from across the world, and by 2030 that figure is expected to reach an estimated 1.8 billion people.

Tourism in Victoria also includes major events and business conferences. It is not enough to simply provide fantastic destinations and beautiful hotel accommodation. We must strive to institute a culture of high-quality service in the tourism and leisure industries. Our competitors know how to duce their tourist visitors, and we need to do the same. It is critical to the economic viability and future growth of our tourism industry that a number of important initiatives are established to promote the long-term viability of Victoria as a tourism destination. Our natural beauty spots must be enhanced by world-class service standards.

To achieve this outcome will require a coordinated effort across government and the tourism industry to maintain our present visitors and attract new visitors through branding and marketing. This, in my view, will mean adequate allocations of funding to institute proper hospitality training, thereby ensuring that world-class standards are met and sufficient money is spent on advertising. We have all the right ingredients to promote and further develop an unending source of revenue for our state. The report contains recommendations that are aimed at promoting and realising our potential within the international arena.

We are a beautiful state with something for everyone. Whether that be a mountain view with skiing or snowboarding or a clean sandy beach with surfing or sunbathing, we simply need to financially realise this splendid opportunity by enticing more interstate and international visitors to Victoria. We must improve our standard of service delivery so that our competitors will be hard pressed to match even our minimum standard of excellence. Some of the recommendations in the report are focused on developing a whole-of-government implementation strategy and the completion of a thorough review of the achievements and challenges of the 10-year tourism and events

industry strategy launched in 2006. The Auditor-General is quite right when he says that ‘standing still is not an option’, and I agree.

Auditor-General: *Allocation of Electronic Gaming Machine Entitlements*

Mr O’BRIEN (Western Victoria) — I rise to make a statement on the report of the Victorian Auditor-General on the allocation of electronic gaming machine entitlements dated June 2011. This is an important report, and probably a report that does not always attract the attention it deserves in the minds of the public or the media when the project management skills or lack thereof of the Labor government are evaluated. One can see from the conclusion at page viii of the report that this was a debacle for the state of Victoria and the state’s finances.

In challenging circumstances, particularly when government resources are scarce, the failure to deliver \$3 billion — it can be said quickly, but it is a significant sum — into the Victorian budget is a sad loss to the state. I remind the house of some of the findings contained in the conclusion to the Auditor-General’s report. They are:

The allocation of the EGM entitlements was achieved within very tight time lines. However, the project failed to achieve a satisfactory financial outcome and there were serious shortcomings in the project management.

The revenue obtained from the sale of the entitlements was around \$3 billion less than the assessed fair market value of these assets. As a result of this very significant difference, the allocation largely failed to meet its intended financial outcome of capturing a greater share of the industry’s supernormal profits. This was due to the lack of demand at auction, combined with a low reserve, inadequate information and training for venue operators, and poor decisions made during the auction. Large venue operators, rather than the community, are the beneficiaries of this windfall gain.

...

A series of project management weaknesses contributed to these unsatisfactory outcomes.

It is an important skill of government and an important part of governance that the state’s entrusted finances are well managed. As has been said time and again in the house, this is where Labor’s inability to manage is brought out in this state in particular, but all across the country. We have no more recent reminder of Labor’s project management skills than its recent series of announcements about transport policies. In a media release of 16 February the Treasurer, Michael O’Brien, determined that Labor’s promises were unfunded by up to \$19 billion. That is six times the amount that was lost in the pokies sale. And if it came to pass that the Labor

Party was allowed to re-enter the Treasury benches in this state, we would be forced to pay out for another debacle.

Taxpayers are familiar with many of Labor’s other debacles, principally myki, but also those that flow from the desalination plant and north–south pipeline white elephants in the form of Melbourne Water rates. However, the unfunded promise of up to \$19 billion would be another black hole that Labor would then have to seek to fund by increasing taxes, fees and charges, as has been set out by the Treasurer in his media release. This is something that the taxpayers of Victoria and companies seeking to find their way in the state need to be continually reminded of. The importance of Victoria’s stable AAA rating from both ratings agencies is something that we cannot afford to jeopardise.

When we think of other recent announcements, such as the \$22 million from government programs which will go to SPC Ardmora, the mind boggles at the thought of the other things that the \$3 billion Labor wasted on its failed electronic gaming machine auction could have funded. I ask members to protect the state from another Labor government.

Country Fire Authority: report 2012–13

Mr EIDEH (Western Metropolitan) — I am delighted to rise to speak on the Country Fire Authority (CFA) annual report 2012–13, especially when we consider the sweltering heat our state experienced a couple of weeks ago and the bushfires that ravaged the state as a result. While we were safe and cool taking refuge from the blistering heat, CFA volunteers across the state fought tirelessly to control over 40 raging bushfires and keep Victorians safe. In particular, the bushfires in the Grampians burnt through 52 000 hectares, and unfortunately a Victorian woman tragically lost her life. I thank all the volunteers who worked relentlessly to ensure that the bushfires were brought under control.

The CFA is a volunteer and community-based fire and emergency service organisation which was established in the 1860s from volunteer brigades. It was officially founded in 1945 to protect lives and property across our state. The CFA has over 59 000 members, made up of 1800 career firefighters, community educators and support personnel, meaning 97 per cent of its members are volunteers. They work across 1200 brigades in 20 districts and 8 regions across Victoria. Its members work selflessly each day, protecting over 50 per cent of Victoria’s population during over 43 000 incidents each

year, including bushfires and structural fires, road accidents, chemical spills and natural disasters.

None of these efforts was as significant as those that occurred on the day that changed Victoria's history forever — Black Saturday, which recently marked its five-year anniversary. Over 19 000 CFA members were involved in front-line fire fighting, offering the community support and updates on information and logistics. Tragically, 173 people lost their lives and thousands of properties and 400 000 hectares of land were burnt or destroyed. Despite the sense of loss and despair that Victorians felt during that horrendous time, the camaraderie between volunteers — everyday Victorians coming together to not only fight the fires but also support those going through their tremendous loss — is something that we as Victorians will always be thankful for and will never be forgotten. These acts make us proud to be Victorians.

Five years since the tragedy struck, it is pleasing to see how families have put their lives back together. A number of fires were deliberately lit on Black Saturday and, as happened a couple of weeks ago, fires are often deliberately lit during extreme conditions. This is extremely disappointing and frustrating, no more so than for CFA members who in the past financial year lost four members fighting fires: Gisborne Second Lieutenant Peter Harry, firefighter Peter Cramer from the Tyers brigade and Steven Kadar and Katie Peters, who died in the Harrietville-Alpine fire. Their lives and selfless service to our state will never be forgotten. The actions of arsonists who selfishly and deliberately light dangerous bushfires are despicable and inexcusable. For members of our community who are affected by these reckless individuals, we in this Parliament are sorry. It is our responsibility in this house to ensure that those responsible face justice for endangering innocent people and their property.

This is why we must continue to support the CFA, whose volunteers face unpredictable battles each day, especially during the bushfire season — and I know we on this side of the house do. Whilst paying tribute to and thanking the CFA volunteers, I would like to congratulate the CFA board members. They are led by acting chair Claire Higgins, who succeeded Kerry Murphy, and chief executive officer Mick Bourke. I wish all CFA volunteers the very best for the rest of our tough bushfire season, and once again I thank CFA members for their hard work. I commend this report to the house.

Auditor-General: *Facilitating Renewable Energy Development*

Mr RAMSAY (Western Victoria) — I want to take this opportunity to revisit the Auditor-General's report entitled *Facilitating Renewable Energy Development*, which was tabled in April 2011. I note the conclusion of the report states:

... while total renewable energy generation has increased, efforts to increase the proportion of electricity generated from renewable sources have proven not to be effective.

It goes on to say:

... achievement of targets has been undermined by poor planning.

That is mainly in reference to solar energy. There is no doubt the Victorian community has embraced solar as a renewable energy source to provide power for its own needs and to sell excess energy through the feed-in tariff. There has been a tremendous expansion of this industry since this report was tabled. I also note that the Napthine government has been a very strong supporter in facilitating the growth of this industry.

However, it is the wind industry that I want to put under the microscope for a number of reasons. The first reason is the most important, and that is because it is the most divisive industry I have seen in regional Victoria. It is costly to produce energy this way. At page 3 the report states that it costs \$100 per kilowatt to generate compared to fossil fuels, which cost \$35 per kilowatt to generate, and gas, which costs \$65. My introduction to this Parliament was to be placed under scrutiny for being a land-holder near an active wind farm permit site that was eight years old with no sign of construction. Even now the Mount Gellibrand wind farm has not started construction and the owner of the permit, Acciona Australia, has only met the conditions of the extension by placing a portable fence on the site while it haggles with landowners over the terms of payment.

That aside, there is something just not right about the wind industry. Permits lay idle. Those wind farms that are built and operating are only operating at 16 per cent efficiency. Wholesalers are reluctant to purchase power. Renewable energy targets are not being met. Renewable energy certificates are being heavily funded by the Australian taxpayer. At page 9 of the report under the heading 'Background', it states:

... the government does not have a direct role in energy generation. Rather, its role is to facilitate the private sector's development of energy.

On the same page, under the heading 'Conclusion', it states that the renewable energy targets have not been effective. The wind energy targets set in 2002 have not been met by their original target date of 2010. In fact in seven years renewable energy consumption only increased by 0.3 per cent to around 3.9 per cent of total generation. All this aside, the Abbott federal government is reviewing the renewable energy targets. What troubles me is the high expectation that was placed on wind energy to provide supportive energy generation to our electricity grids at a price and efficiency of supply that would be self-supporting. There is no doubt that the social dislocation that wind generation has caused in my region of Western Victoria is disturbing.

The fact that this government is contributing \$100 000 to a national study of the health impacts of wind turbines on people adds legitimacy to the argument of those who believe subsonic noise from wind turbines is affecting their sleep patterns. The fact that the first wind farm in Victoria at Waubra has still not received a notice of compliance indicates that independent noise testing standards are not robust enough. This comes on top of a reported investigation of missing native animal data as part of the application process, which has been referred to Victoria Police. It raises more questions on the validity of this taxpayer-funded renewable energy industry than it answers.

In summary, the Auditor-General's report spends much of its time on the solar industry and its conclusions and recommendations are specifically directed to that renewable source. What it does not do is put the wind industry under the spotlight, given that targets set after 2006 have never been met and the industry has never been able to demonstrate it will ever have the capacity to generate any of the supporting energy that was envisaged. That was clearly illustrated on the recent 40-degree days that drained our supplies of fossil fuel-generated energy when our renewable technologies were unable to replace or even support those supplies.

The audit summary looked at whether the development of renewable energy has been facilitated effectively. I would conclude that the wind energy sector has never reached expectations and targets despite having had a large amount of financial support. I look forward to a more detailed report on the renewable energy industry and further consideration of its ability to produce a price-competitive kilowatt of energy that does not have the social and health consequences that have been reported since this report was tabled.

Department of Health: report 2012–13

Mr LEANE (Eastern Metropolitan) — This week I would like to again speak on the Department of Health's annual report 2012–13. If this annual report had a subtitle, I am sure it would be 'The hand hygiene compliance report'. We all remember our unfortunate Minister for Health being quizzed to name the one key performance indicator he was proud of in this annual report, and he nominated hand hygiene compliance.

Do not get me wrong — hand hygiene compliance within our health system is very important. I agree with the minister 100 per cent. However, recently the Australian Medical Association (AMA) released its own report entitled *Public Hospital Report Card 2014*, which did not mention hand hygiene compliance. The AMA report refers to a number of measures of hospital performance that I would have thought were important. I will go through them now.

The first measure the AMA report refers to is emergency department waiting times. If the Victorian health system was appearing on the television game show *Family Feud*, its result against this first measure would be 'Bah-bow!'; there would be a cross against that one. But we will always have hand hygiene compliance. When it came to meeting the national emergency access target, unfortunately Victoria received another cross. But we will always have hand hygiene compliance. I would have thought that improvements to elective surgery waiting lists would be a pretty important goal, but unfortunately for Victoria against this measure it was 'Bah-bow!' again. We received a cross against that one too. But we will always have hand hygiene compliance. When it came to meeting the national elective surgery target, which I would have thought would be a pretty important target to reach, again the result for Victoria was 'Bah-bow!' — another cross.

Honourable members interjecting.

Mr LEANE — To make it clear for Hansard, when I say, 'Bah-bow!', I am making the *Family Feud* noise, which signifies failure.

The fifth important measure relates to funding equal to or greater than the standard that is set nationally, and again the result for Victoria was 'Bah-bow!'.

Mrs Peulich — On a point of order, Acting President, the comments of the member have been very entertaining, but I suspect that nothing he has raised is contained in the annual report that he has nominated as the inspiration for his contribution today. Could the member perhaps indicate which pages of the annual

report he was quoting from? If he is not quoting from the report, I suggest that you bring him back to it.

The ACTING PRESIDENT (Mr Ondarchie) — Order! I thank Mrs Peulich. I am going to ask Mr Leane to continue, and should he not come back to speaking on the report, we will buzz him out.

Mr LEANE — I am more than happy to return to the report. It is important when we speak on reports that we actually compare them to reports that have been released by other organisations. It is important that we also take into account that kind of information. However, I take on board the member's point of order and the Acting President's ruling.

I return to the Department of Health's annual report 2012–13. The Minister for Health is responsible for this report and this department. I am sure that he has looked at the report and digested it. However, when he was asked to nominate one key performance indicator that he was proud of, all he could come up with was hand hygiene compliance. Do not get me wrong. I know that in the health system it is important that medical practitioners keep their hands clean. Everybody should be behind that. However, I would have thought that if this minister had delivered the 800 new hospital beds he promised, if this minister had delivered the promise that he would slash waiting lists, if this minister had actually done any of the things he had committed to —

Mrs Peulich — On a point of order, Acting President, I do not believe the member is actually commenting on the contents of the report. He is simply using it as a platform to launch into an attack on the minister. I suggest that you bring him back to the report.

The ACTING PRESIDENT (Mr Ondarchie) — Order! I ask Mr Leane to continue for his remaining 20 seconds.

Mr LEANE — I am trying to concentrate on the report, and I am trying to find some highlights. I am trying to help the minister, and I am trying to find some highlights other than the one relating to clean hands. We all witnessed the Minister for Health being asked to nominate one highlight from the annual report and saying that it was all about hand hygiene compliance.

FENCES AMENDMENT BILL 2014

Introduction and first reading

Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation) introduced a bill for an act to amend the Fences Act 1968 to provide a procedure for the sharing of costs between neighbours for

dividing fences and a mechanism for the resolution of disputes about dividing fences, to make amendments about other matters in relation to dividing fences, and to amend other acts and for other purposes.

Read first time; by leave, ordered to be read second time forthwith.

Statement of compatibility

Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation) tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (the 'charter act'), I make this statement of compatibility with respect to the Fences Amendment Bill 2014.

In my opinion, the Fences Amendment Bill 2014, as introduced to the Legislative Council, is compatible with human rights as set out in the charter act. I base my opinion on the reasons outlined in this statement.

Human rights issues

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

Privacy (section 13)

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

If an owner does not know the whereabouts of an adjoining owner for the purposes of giving a fencing notice under the bill, they must make reasonable inquiries to locate the adjoining owner, including asking the municipal council about the whereabouts of the adjoining owner. Section 9(1)(b) of the existing Fences Act contemplates that a person wishing to construct a fence will obtain the adjoining occupier's address details from council records in order to serve a fencing notice but does not expressly confer a power on councils to disclose such information. The amendments introduced by the bill provide that municipal councils may disclose to an owner the name and address of an adjoining owner, if satisfied that the owner will use the name and address for the purposes of giving the adjoining owner a fencing notice.

The information to be disclosed is limited to that which is necessary for the purpose of giving a fencing notice under the bill, namely the adjoining owner's name and address. Municipal councils are only permitted to make disclosure of this information where satisfied that the information will be used for the purposes of giving a fencing notice. For these reasons, such disclosures serve a legitimate and necessary purpose, are not arbitrary and are authorised by law. As a result, the bill does not limit the right set out in section 13(a) of the charter act.

Property rights (section 20)

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

The bill provides that owners may agree to locate a dividing fence off the common boundary if a waterway or other obstruction is on, or forms, the common boundary, which may result in an owner losing occupation of a small area of their land. These arrangements require the agreement of both parties and the bill also provides that these fencing arrangements do not affect title to or possession of land.

Any deprivation of property is in accordance with law in clearly defined circumstances. For these reasons, the bill does not limit the right set out in section 20 of the charter act.

Fair hearing (section 24)

Section 24 of the charter act provides that a party to a civil proceeding has the right to have a proceeding decided by a competent, independent and impartial court or tribunal after a fair and public hearing.

The bill provides that an owner of land who is unable to locate the adjoining owner after making reasonable inquiries may seek to recover a contribution from the adjoining owner by filing a complaint in the Magistrates Court in the absence of the adjoining owner (an ex parte application).

The bill includes a safeguard which allows an adjoining owner who has had an ex parte order made against them (requiring contribution to fencing works or any subsidiary works) and considers the order to be inequitable to seek a further order from the Magistrates Court.

It is doubtful that empowering the court to make ex parte orders only after the applicant has discharged a duty to make reasonable inquiries to locate the respondent is a limitation on the fair hearing right. Even if it is, such limitation is demonstrably justifiable and reasonable under section 7(2), noting that the absent respondent can seek a further order. These powers will enable the timely and efficient disposition of fencing disputes and will also ensure that landowners will not have to bear the entire cost of fencing works and any subsidiary works in circumstances where an adjoining owner cannot be located but the adjoining owner obtains a benefit from the fencing works undertaken.

Edward O'Donohue, MLC
Minister for Liquor and Gaming Regulation
Minister for Corrections
Minister for Crime Prevention

*Second reading***Ordered that second-reading speech be incorporated into *Hansard* on motion of Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation).**

Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

The Fences Amendment Bill 2014 contains a range of measures to facilitate fairer dealings between neighbours over shared dividing fences and to encourage resolution of fencing disputes.

The bill builds upon the work of the parliamentary Law Reform Committee, which in 1998 reviewed the Fences Act 1968. The committee's report made a number of recommendations to make fencing processes more comprehensive and transparent, and to give parties clearer guidance about their obligations. Informed by the committee's work, the government undertook a further review of the Fences Act in 2011 and conducted public consultation on a discussion paper in late 2012.

The Fences Act contains little guidance about how to initiate and seek contributions for fencing works, the type of fence to be built, the placement of fences and the resolution of fencing disputes. In addition, it has been more than 40 years since the Fences Act came into operation and aspects of it require modernising. It also contains separate processes for the construction and for the repair of dividing fences, resulting in unnecessary complexity and confusion.

Although the monetary amounts in dispute may be relatively small, fencing disagreements can create tension between neighbours. In 2012–13, fencing disputes represented the greatest number of calls to the Dispute Settlement Centre of Victoria, with 6611 inquiries made. The amount in dispute in a fencing matter is also likely to be significantly less than the cost of consulting legal representatives, pursuing court proceedings and enforcing small judgement debts. For these reasons, clear and streamlined processes that assist neighbours to undertake fencing works and resolve disputes are essential. The bill makes a number of amendments to provide for this.

While the bill provides guidance about fencing works for those who wish to use it, it retains flexibility for parties to enter agreements about fencing works outside of the act without being required to give notice or follow the time limits and processes set out in the act.

Contributing to a sufficient dividing fence

The bill shifts liability to contribute to dividing fences from occupiers of land to owners of land, in recognition that in most circumstances it is the owner of the land who benefits the most from the improvement to the land made by a dividing fence.

The bill provides guidance about what constitutes a 'sufficient dividing fence' and establishes the general principle that adjoining owners must contribute in equal proportions to a sufficient dividing fence for their adjoining lands. What constitutes a sufficient dividing fence is determined by reference to a range of factors, including the type of fence that was previously in existence (if any), types of fences used in the area and the purposes for which the adjoining lands are used.

Where a sufficient dividing fence would be different for adjoining owners, the lesser standard of fence is taken to be the sufficient dividing fence. If an owner wants or requires a fence that is of a standard greater than that of a sufficient dividing fence, that owner bears the cost of the fence so far as

it exceeds the cost of a sufficient dividing fence. This principle applies where agricultural land adjoins residential land. For example, the dividing fence that would be sufficient for the agricultural land is taken to be the sufficient dividing fence and if the owner of residential land wants a fence that exceeds what the owner of agricultural land requires, the owner of residential land will bear the additional cost for this.

In certain limited circumstances, where a tenant has an unexpired lease term of more than 5 years or more than 10 years, the tenant may be liable to contribute to fencing works.

Initiating fencing works

The current Fences Act does not contain any guidance on the process for commencing fencing works. The bill addresses this gap by providing that an owner who proposes to undertake fencing works in respect of a dividing fence must generally either reach agreement with or give notice to an adjoining owner, even if no contribution towards the fencing works is being sought. Such notice must be in writing and contain particular information about the proposed fencing works.

However, the bill allows fencing works to proceed if an owner cannot be located for the purposes of giving notice, or if fencing works need to be undertaken urgently. Fencing works may also be undertaken without the agreement of an adjoining owner if they are given notice but do not respond within 30 days. If fencing works are undertaken in circumstances where an adjoining owner could not be located or did not respond to the fencing notice, the owner who undertook the fencing works may recover contributions from the adjoining owner who could not be located or did not respond by filing a complaint and seeking an order in the Magistrates Court.

These processes strike an appropriate balance between notifying interested parties of proposed fencing works and permitting them to negotiate about the works, and ensuring that fencing works are not unduly delayed where they need to be undertaken urgently or where a party is unresponsive or cannot be located.

Facilitating agreement between the parties

The recipient of a fencing notice may either agree to the proposal in the fencing notice or object to any aspect of the proposed works. If 30 days have passed and the owners still do not agree about any aspect of the proposed fencing works, either owner may commence proceedings in the Magistrates Court seeking orders about the fencing works. The 30-day period gives neighbours the opportunity to resolve any disagreement before commencing court proceedings. In some circumstances, a tenant who is liable to contribute to the fencing works is also involved in the negotiation and court process.

The bill provides for a process to resolve disputes over the common boundary when it relates to a fencing matter. It gives owners an opportunity to state their view about the location of the common boundary, negotiate about this and, if they do not agree, engage a licensed surveyor to define the common boundary. The time after which either owner may seek orders in the Magistrates Court is suspended until the boundary dispute process is complete.

Clarifying the powers of the Magistrates Court to hear and determine fencing disputes

If neighbours are unable to agree about any aspect of their fencing works, the bill clarifies the power of the Magistrates Court to hear and determine the dispute and make orders. The court may make a range of orders in respect of fencing works, including in relation to: the line on which fencing works are to be carried out; whether or not a dividing fence is required; the nature of the fencing works to be carried out; contributions; and that any party cease an activity or conduct that is unreasonably damaging a dividing fence.

The bill also clarifies the jurisdiction of the Magistrates Court to hear and determine claims in adverse possession that may arise in the context of a fencing dispute. This removes uncertainty and ensures that, if an adverse possession claim arises as the result of proposed fencing works, the matter can be determined by the Magistrates Court, saving the parties from costs associated with additional court proceedings. If the common boundary changes as a result of an agreement or order under the bill, parties may apply to the registrar of titles to amend the register.

Repeal of outdated provisions

The bill repeals part III of the Fences Act, which deals with vermin-proof fencing. This part contains historical provisions that are no longer used and there are now other enactments that provide for the management of pest animals in rural areas.

The amendments made by this bill provide much-needed clarity for neighbours to undertake and contribute to fencing works. The bill establishes clear, streamlined processes for circumstances in which agreement about fencing works is not possible. Most importantly, it provides a basis for neighbours to negotiate and agree about fencing works and aims to reduce the likelihood of neighbourhood disputes arising.

I commend the bill to the house.

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

Debate adjourned until Wednesday, 5 March.

PARLIAMENTARY COMMITTEES

Membership

The ACTING PRESIDENT (Mr Ondarchie) — I have four letters. The first is from Georgie Crozier, MP, a member for Southern Metropolitan Region, and it is addressed to the President. It states:

I am writing to inform you of my decision to resign as chair and member of the Family and Community Development Committee forthwith.

It has been a privilege to have been chair of three very important inquiries during this term of the Parliament.

I would like to thank the secretariat and all members of the committee for their contribution and commitment to the tasks we were given.

The second letter is from Frank McGuire, MP, the member for Broadmeadows in the Legislative Assembly, and it is addressed to the President. It states:

The Family and Community Development Committee has today completed all its work concerning the inquiry into the handling of child abuse by religious and other non-government organisations.

I am therefore resigning from the Family and Community Development Committee effective today, 19 February 2014.

The third letter is from Nick Wakeling, MP, the member for Ferntree Gully in the Legislative Assembly. It is addressed to both the Speaker of the Legislative Assembly and the President of this place. It states:

I hereby formally advise that I am terminating my membership of the Family and Community Development Committee. This resignation is effective forthwith.

The final letter, addressed to the President, is from Jill Hennessy, MP, state member for the Altona district in the other place. It states:

I write to formally tender my resignation as a member of the Public Accounts and Estimates Committee.

ADJOURNMENT

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

That the house do now adjourn.

Children's Protection Society Child and Family Centre, West Heidelberg

Ms MIKAKOS (Northern Metropolitan) — My matter this evening is directed to the Minister for Community Services. The matter I wish to raise relates to the future viability of the Children's Protection Society's Child and Family Centre in West Heidelberg. The centre provides at-risk children with access to a unique early childhood project, bringing together quality early childhood education and care, with intensive family support such as health, counselling and parenting support services.

The Children's Protection Society's Child and Family Centre was set up to target vulnerable at-risk children aged 0–5 years. Children who participate in this service receive five days per week of high-quality early childhood education and care, totalling at least 25 hours per week. I have visited this centre a couple of times, as has Anthony Carbines, the member for Ivanhoe in the Assembly, who has been very supportive of this centre. There is no other centre like this in Australia that specifically targets children at risk and works in such a collaborative and intensive manner with families.

In 2010 the former federal Labor government invested \$1.8 million in the centre. The Victorian government's funding ends on 30 June this year. Without state government funding the future viability of the centre is at risk. It is therefore disappointing that the minister will not even meet with representatives of the Children's Protection Society directly but has delegated a meeting to her chief of staff.

The centre is reliant on federal funding through the special child care benefit. Unfortunately, it has to reapply every 13 weeks, which impacts on its revenue flow. I am seeking that the minister do some advocacy with her federal counterpart, Assistant Minister for Education Sussan Ley, around seeking its exemption from this requirement. I specifically call on Minister Wooldridge to meet with the Children's Protection Society to discuss its funding concerns and future viability.

Sunbury security cameras

Mrs MILLAR (Northern Victoria) — My adjournment matter tonight is for the Minister for Crime Prevention, the Honourable Edward O'Donohue, and relates to the issue of the installation of CCTV in the town of Sunbury.

Crime prevention and personal safety and security is a significant issue in the Sunbury community, and I am aware that local traders and residents alike have been very keen to see CCTV installed in Sunbury's central business area as a means of reducing crime rates and ensuring the safety of residents as they attend the town's main shopping and business precinct. During my time in this role I have been made aware of crime incidents which have occurred even in very centrally located shops in Sunbury.

This precinct is also home to many restaurants and hotels, which means that many residents are out and about in the town after hours and many commuters coming off evening trains will also walk to the nearby shops and restaurants after disembarking from homeward-bound trains. Ensuring low rates of crime in this area is fundamentally important to supporting local businesses to prosper and flourish. I have experienced parking the car in a darkened car park and walking down Evans Street, Sunbury, to restaurants in the area and have not always felt 100 per cent safe and secure in doing so.

The coalition government has undertaken a number of initiatives which have already been effective in increasing safety for local residents, and one of these has been the welcome introduction of protective

services officers (PSOs) to Sunbury station and in the immediate vicinity of the station. Together with the Minister for Housing, Minister Wendy Lovell, I was present last year at the induction and deployment of the new PSOs. As in other parts of Victoria, PSOs have been highly effective in lowering crime rates and instilling a sense of confidence in the community.

Likewise, the installation of CCTV — which was an election commitment made by this government in 2010 — will both reduce crime incidence rates and increase public confidence in its safety. I therefore request the minister to provide the house with an update on this important election commitment which would have a significant flow of benefits to both traders and locals and would significantly improve safety in this popular Sunbury area.

Latrobe Valley fires

Ms HARTLAND (Western Metropolitan) — My adjournment matter is for the Minister for Health and it concerns the current health crisis in the Latrobe Valley caused by the fire at the Hazelwood open-cut coalmine. According to general alerts from the Department of Health, residents of Morwell, Hazelwood, Driffield, Maryvale, Yallourn, Churchill, Hernes Oak, Newborough and Moe in the Latrobe Valley and, according to some reports, as far as Traralgon, are being exposed to thick smoke from the fire. Houses, schools, playgrounds, workplaces and streets are covered in fly-ash, which is a highly carcinogenic material. People are suffering acute health effects now, and in many cases this may lead to chronic health problems. Many people in the Latrobe Valley already suffer health problems as a result of emissions from the mines and power plants.

I was born in Morwell and lived on Robert Street for 17 years. My father worked for the State Electricity Commission, so I know the area well. I have family and friends still living there who I have been in touch with and who tell me about the lack of action to assist them. They believe their health has been put at risk and that because they live in the Latrobe Valley they have been forgotten.

In answering a question from Mr Barber regarding what actions the minister has taken to assist the residents of the Latrobe Valley, the minister did not seem to have checked the latest Environment Protection Authority (EPA) figures on air quality and instead relied on information from the previous day.

The action I seek from the minister is that he publicly release readings from air pollution monitoring

conducted by emergency services and the EPA in and around the towns mentioned and elsewhere in the affected area since the fire started on 9 February, and data from the Latrobe regional, West Gippsland and Maryvale private hospitals regarding admissions for this period and whether there has been an increase.

Heatwaves

Mr MELHEM (Western Metropolitan) — My adjournment matter is directed to the Premier, or the appropriate minister because it cuts across a number of portfolios. I rise to speak on an issue of which each member of this house is no doubt well aware of given the many sweltering days and sometimes uncomfortable nights we have experienced during this Victorian summer. Heatwaves are obviously familiar to us all.

Extreme weather events are common in Victoria's, and indeed Australia's, history. Our state is no stranger to drought and flooding rains. What is less known is that heatwaves are emergencies like any other extreme weather event. The heatwaves of the summer of 2009 are estimated to have led to the deaths of around 374 Victorians. More frequent and extreme heatwaves are likely as a result of climate change. The Victorian Department of Sustainability and Environment, in its report entitled *Climate Change in Victoria — 2008 Summary*, concluded that the number of days with temperatures over 35 degrees in Melbourne are set to more than double by 2070.

Successive Liberal governments have driven a stake in any action on climate change. We have the toughest wind farm laws in the world. No doubt Mr Finn will take offence at any suggestion that climate change exists. However, considering he is at odds with some 99 per cent of the scientific community, I think we would do best to favour their opinion on this matter.

The Brumby government, in the wake of the 2009 Victorian heatwave, developed a statewide heatwave plan. The recent report by the Victorian Council of Social Service (VCOSS) entitled *Feeling the Heat — Heatwaves and Social Vulnerability in Victoria* paints a clear picture of what action has been taken since the Brumby government's plan — that is, that there has been no action by either the Baillieu or Napthine governments.

I urge the Premier or the appropriate minister, first and foremost, to amend Victoria's emergency management provisions to include heatwaves. Further, I ask the Premier or the appropriate minister to consider the recommendations made in the VCOSS report, found on

page 29. The mentality that heatwaves are not emergencies simply because they are quiet and protracted needs to be challenged in government and society.

Graffiti

Mrs PEULICH (South Eastern Metropolitan) — The matter I wish to raise for the attention of the Minister for Crime Prevention, Mr O’Donohue, is a matter that I think is close to the hearts of many people — that is, the problem of graffiti. As everyone knows, graffiti is the marking of property without the consent of the owner, and it is illegal in Victoria. Despite that, it is a problem that requires a multipronged response, including prevention and removal, and the enforcement of graffiti laws. It affects the visual appearance of our communities and influences perceptions of public safety, especially amongst women and the elderly, and it is costly to communities in its removal and prevention.

I commend the coalition government on its program to address the problem of graffiti. That is its Anti-Graffiti Plan, under which it has committed \$10 million over four years to support communities in tackling graffiti. One of the elements of that is an annual \$300 000 or thereabouts grants program to support councils to partner with their local communities to deliver local graffiti prevention and removal solutions.

One example of that involves Hemmings Park in Dandenong. On 23 October 2013 the minister visited the city of Greater Dandenong to announce a small grant of \$13 226 under the third round of the coalition grants. As a result of that grant the state government, Victoria Police, the local council and the local Neighbourhood Watch are coming together to clean up Hemmings Park. It is going to be a fun day, combining the opportunity to learn about graffiti prevention and community safety with having fun. The day will involve attractions for families, including a free sausage sizzle, a jumping castle, a mobile animal farm and a Country Fire Authority truck on display and the opportunity to take part in the clean-up activities.

Hemmings Park is a great recreational space in Dandenong with a range of facilities for families and young people, including a skate park, a barbecue area and a playground. In recent years it has become a little worse for wear and has been defaced by graffiti tags on fences, buildings, footpaths and play equipment. I would like the minister to visit Dandenong to see how this modest grant will lift the appearance of the park and make it more friendly for the community. This is an important recreational facility for the local community

which combines fun and attractions for families and children, especially in an area where money is perhaps not in abundance. I invite the minister to visit at some opportune time to see the results of what, I believe, is a very good program.

Immunisation

Mr LEANE (Eastern Metropolitan) — My adjournment matter is directed to the Minister for Health, and it concerns immunisation of young children in the Maroondah area. Following the release of the opposition’s policy around this area, Mr Davis said he would be providing extra resources for education on this issue. There is a concern in Maroondah, which was highlighted in the local paper recently, that the immunisation rate for five-year-olds in this area is only 90 per cent. A medical expert who was recently quoted in the paper used the unfortunate term ‘herd immunisation’. He said herd immunisation needed to be at around 93 per cent for it to be successful. It is unfortunate to use the term ‘herd’ when talking about young kids, but he has a real concern about the immunisation rate in Maroondah. The action I seek from the minister is that the extra resources and research he committed to be urgently targeted in the area of Maroondah, given the concerns that medical experts have conveyed in recent days.

Live music round table

Mr O’BRIEN (Western Victoria) — My adjournment matter is for the Minister for Liquor and Gaming Regulation, Edward O’Donohue. The action I seek from the minister is that he provide the house with an update on the measures currently being considered by the live music round table. By way of background, the minister has brought a number of reforms to the house, for which he has been commended by the industry, but there are other matters of longstanding duration that remain.

As has been said by various speakers and in particular by myself, live music is a vital part of the social fabric of Melbourne and many regional areas in Victoria. Venues that host live music employ many thousands of people, and it is estimated to be a \$1 billion industry. Live music provides support for young musicians as they develop their careers. A recent parliamentary inquiry, which was chaired by Mrs Kronberg, found that the role of music education is particularly important and that the part-time role that many people play in the Victorian music industry — not just the professionals but the noisy amateurs as well — is an important part of a vibrant cultural scene.

Matters that have been advocated by representatives of the live music industry, including Music Victoria, remain under threat, including important matters concerning the responsibility to make changes to venues or adjoining residences or occupancies that move into areas in the proximity of venues — the so-called agent of change principle — which I know the Minister for Planning, Matthew Guy, who is in the chamber, has spoken about. Another particular concern is around noise controls that are regulated under state environment protection policy N2, which effectively provides much of the teeth for prosecutions against live music venues.

By way of further background, the coalition government promised prior to the last election to establish the live music round table upon coming to office. The live music round table has various participants, including members from Music Victoria and other industry players.

Various announcements that have been made by Minister O'Donohue, including legislation to reduce red tape, have been celebrated by the music industry. Nevertheless, other concerns remain and are being considered by the government and the live music round table, and I request the minister to provide the house with an update on the other measures being considered as a matter of importance to the state.

Responses

Hon. M. J. GUY (Minister for Planning) — Ms Mikakos raised a matter for the Minister for Community Services, Mary Wooldridge, around the Children Protection Society's Child and Family Centre in West Heidelberg. I will have a written reply prepared for her.

Mrs Millar raised a matter for the Minister for Crime Prevention, Edward O'Donohue, relating to CCTV systems in Sunbury, a very important issue for which I will prepare a response for her.

Ms Hartland raised a matter for the Minister for Health, David Davis, in relation to the Latrobe Valley and the health issues relating to the fire at Morwell. Like Ms Hartland, most of my family are from the Latrobe Valley and still live in Newborough, so the matter is of importance to many people in this chamber. I will have a response prepared for her.

Mr Melhem raised a matter for the Premier around emergency management regulations and heatwaves. I will refer that to the Premier and seek a proper response for him in respect of which minister deals with this

issue. The matter will be sent to the Premier for his office's response and to be forwarded on.

Mrs Peulich raised a matter for the Minister for Crime Prevention, Edward O'Donohue, in relation to graffiti — again, that is a timely one — and I will have a written response prepared for her.

Mr Leane raised a matter for the Minister for Health, David Davis, in relation to immunisation in the city of Maroondah — another important issue. I will have a response prepared for him.

Mr O'Brien raised a matter for the minister of the night, Edward O'Donohue, in his capacity as the Minister for Liquor and Gaming Regulation, in relation to the live music round table. He raised very important matters about which Mr O'Donohue and I are seeking to provide some clarity in the near future. Again I will have a written response prepared for Mr O'Brien, who I understand is quite a good bass guitar player. I will give him a plug while I am on my feet. The amount of musical talent in The Nationals is amazing. I believe the Minister for Local Government is a very good singer too.

I have a written response to an adjournment matter raised by Ms Broad on 10 December 2013.

The PRESIDENT — Order! The house now stands adjourned.

House adjourned 6.45 p.m.

