

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-SEVENTH PARLIAMENT

FIRST SESSION

Wednesday, 25 June 2014

(Extract from book 9)

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By authority of the Victorian Government Printer

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The Honourable ALEX CHERNOV, AC, QC

The Lieutenant-Governor

The Honourable Justice MARILYN WARREN, AC

The ministry

(from 17 March 2014)

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Deputy Premier, Minister for State Development, and Minister for Regional and Rural Development	The Hon. P. J. Ryan, MP
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Minister for Housing, and Minister for Children and Early Childhood Development	The Hon. W. A. Lovell, MLC
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Minister for Higher Education and Skills	The Hon. N. Wakeling, MP
Minister for Agriculture and Food Security, and Minister for Water.	The Hon. P. L. Walsh, MP
Minister for Police and Emergency Services, and Minister for Bushfire Response	The Hon. K. A. Wells, MP
Minister for Mental Health, Minister for Community Services, and Minister for Disability Services and Reform	The Hon. M. L. N. Wooldridge, MP
Cabinet Secretary	Mrs I. Peulich, MLC

Legislative Council committees

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

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

Legislative Council standing committees

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

Economy and Infrastructure References Committee — Mr Barber, Mrs Coote, #Ms Crozier, Mr Finn, #Mr Leane, Mr Lenders, Mr Melhem, Mr D. D O'Brien, #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 Lewis, Mrs Millar, Mr D. R. J. 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 Lewis, Mrs Millar, Mr D. R. J. O'Brien, #Mrs Peulich, #Mr Ramsay and Mr Viney.

Participating member

Joint committees

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

Dispute Resolution Committee — (*Council*): Mr D. Davis, Mr Drum, 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 Millar and Mr Ronalds. (*Assembly*): Mr Burgess and Mr McGuire.

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 Delahunty.

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

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

House Committee — (*Council*): The President (*ex officio*) Mr Eideh, Mr Finn, Ms Hartland, Mr D. R. J. O'Brien 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 Kanis, Mr Kotsiras, Mr McIntosh 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 D. R. J. 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 D. R. J. O'Brien. (*Assembly*): Mr Howard, Mr Katos, Mr Trezise and Mr Weller.

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

Heads of parliamentary departments

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

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

Parliamentary Services — Secretary: Mr P. Lochert

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

President: The Hon. B. N. ATKINSON

Deputy President: Mr M. VINEY

Acting Presidents: Ms Crozier, Mr Eideh, Mr Elasmr, Mr Finn, Mr Melhem, Mr D. R. J. O'Brien, Mr Ondarchie, Ms Pennicuik,
Mr Ramsay, Mr Tarlamis

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The Hon. D. M. DAVIS

Deputy Leader of the Government:

The Hon. W. A. LOVELL

Leader of the Opposition:

Mr J. LENDERS

Deputy Leader of the Opposition:

Mr G. JENNINGS

Leader of The Nationals:

The Hon. D. K. DRUM (from 17 March 2013)

The Hon. P. R. HALL (to 17 March 2013)

Deputy Leader of The Nationals:

Mr D. R. J. O'BRIEN (from 17 March 2013)

Mr D. K. DRUM (to 17 March 2013)

Member	Region	Party	Member	Region	Party
Atkinson, Hon. Bruce Norman	Eastern Metropolitan	LP	Lovell, Hon. Wendy Ann	Northern Victoria	LP
Barber, Mr Gregory John	Northern Metropolitan	Greens	Melhem, Mr Cesar ²	Western Metropolitan	LP
Broad, Ms Candy Celeste ⁹	Northern Victoria	ALP	Mikakos, Ms Jenny	Northern Metropolitan	ALP
Coote, Mrs Andrea	Southern Metropolitan	LP	Millar, Mrs Amanda Louise ⁴	Northern Victoria	LP
Crozier, Ms Georgina Mary	Southern Metropolitan	LP	O'Brien, Mr Daniel David ⁸	Eastern Victoria	Nats
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 ⁵	Eastern Victoria	LP	Pakula, Hon. Martin Philip ¹	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 ³	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 ⁷	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
Leanders, Mr John	Southern Metropolitan	ALP	Viney, Mr Matthew Shaw	Eastern Victoria	ALP
Lewis, Ms Margaret ¹⁰	Northern Victoria	ALP			

¹ Resigned 26 March 2013

² Appointed 8 May 2013

³ Resigned 1 July 2013

⁴ Appointed 21 August 2013

⁵ Resigned 3 February 2014

⁶ Appointed 5 February 2014

⁷ Resigned 17 March 2014

⁸ Appointed 26 March 2014

⁹ Resigned 9 May 2014

¹⁰ Appointed 11 June 2014

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Wednesday, 25 June 2014

The PRESIDENT (Hon. B. N. Atkinson) took the chair at 9.36 a.m. and read the prayer.

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

PETITIONS

Following petition presented to house:

Kindergarten funding

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the attention of the Legislative Council of Victoria that the Napthine and Abbott governments are cutting funding of kindergarten for four-year-olds from 15 hours per week to 10 hours per week.

Children will miss out on vital educational opportunities, jobs will be lost and many parents will have to make up the time with additional child care or cutting back their working hours. Kindergartens in Victoria are already struggling to meet the demands of an increasing population and these cuts will make things much harder.

The petitioners therefore request that:

1. the Napthine government do not withdraw national partnership agreement funding from Victorian kindergarten children.
2. the Napthine government intensely lobby the Abbott federal government to reinstate funding to enable Victorian children to attend kindergarten for 15 hours per week beyond 2015.

By Mr LEANE (Eastern Metropolitan)
(62 signatures).

Laid on table.

WORKING WITH CHILDREN AMENDMENT (MINISTERS OF RELIGION AND OTHER MATTERS) BILL 2014

Introduction and first reading

Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation), by leave, introduced a bill for an act to amend the Working with Children Act 2005 and the Victorian Civil and Administrative Tribunal Act 1998 and for other purposes.

Read first time.

PAPERS

Laid on table by Clerk:

Auditor-General's reports on —

Administration and Effectiveness of the Environmental Contribution Levy, June 2014.

Recreational Maritime Safety, June 2014.

Parliamentary Committees Act 2003 — Government Response to the Economic Development and Infrastructure Committee's Inquiry into Local Economic Development Initiatives.

Statutory Rules under the following Acts of Parliament:

Building Act 1993 — no. 60.

Dangerous Goods Act 1985 — no. 56.

Drugs, Poisons and Controlled Substances Act 1981 — no. 59.

Equipment (Public Safety) Act 1994 — no. 55.

Liquor Control Reform Act 1998 — no. 58.

Magistrates' Court Act 1989 — no. 70.

Occupational Health and Safety Act 2004 — no. 54.

Road Safety Act — nos. 67 and 68.

Sentencing Act 1991 — no. 57.

Subordinate Legislation Act 1994 — no. 61.

Transport (Compliance and Miscellaneous) Act 1983 — nos. 62, 63, 64, 65 and 66.

Water Act 1989 — no. 69.

Wildlife Act 1975 — no. 53.

Subordinate Legislation Act 1994 — Documents under section 15 in respect of Statutory Rule no. 69.

MEMBERS STATEMENTS

Grampians BreastScreen

Ms PULFORD (Western Victoria) — On account of a recent 40th birthday, I ventured into Grampians BreastScreen. BreastScreen facilitates breast cancer screening across Victoria and Australia and provides a one-stop multidisciplinary place for diagnosis. Grampians BreastScreen is accessed by women from across the northern part of my electorate, with many people in more remote locations availing themselves of the visiting mobile service. I learnt that the successful establishment of a fully integrated service in Ballarat was quite the fight some 20 years ago. Apparently the Melbourne people thought women needing a call-back

should travel to Melbourne for their recall. I am pleased to say the local health service won that particular fight.

I also learnt that the model pioneered by BreastScreen has now been adapted for many kinds of cancer diagnosis and care. Thankfully I was given the all clear but not until after a few visits. Women attending Grampians BreastScreen encounter extraordinary care and compassion, often while experiencing uncertainty or even fear about their health. This care has to be experienced to be truly understood. I thank the extraordinary team of professionals whom I encountered, including Kim, Ngoc, Simone, Gaye, Vivienne, Deb, Alicia and Stephen, and volunteers Ann and Nola. I hope to not see any of them again for a while, but I wish them well in their care of women across the Grampians region, until we meet again.

Committee for Greater Shepparton

Hon. W. A. LOVELL (Minister for Housing) — As a member for Northern Victoria Region I was thrilled to attend the launch last week of the Committee for Greater Shepparton, alongside my colleagues the Honourable Terry Mulder, Minister for Public Transport, who launched the committee; a member for Northern Victoria Region, Amanda Millar; the member for Shepparton in the other place, Jeanette Powell; and The Nationals candidate for Shepparton, Greg Barr. The committee was established to support long-term renewal and innovation and seeks to identify and build on the strengths of the Goulburn Valley, while addressing its challenges. ‘Committees for’ in other areas have achieved great results, and with the support of almost 70 members of the business community I am sure the Committee for Greater Shepparton will be just as effective.

Aboriginal early years support

Hon. W. A. LOVELL — I was also pleased to launch last week the Aboriginal early years events calendar and cultural learning kit. It is a practical resource to assist children in developing an understanding of Aboriginal ways and respect for one another by acknowledging dates of cultural significance and teaching children about Aboriginal culture. Initiatives such as the kit support the Victorian coalition government’s commitment to closing the gap between Aboriginal and non-Aboriginal people in the areas of health, education and employment.

Frontyard Youth Services

Hon. W. A. LOVELL — It was also a pleasure to launch recently the refurbished Frontyard Youth

Services for Melbourne Citymission at its King Street service. Frontyard is at the forefront of delivering services to young people who are homeless or at risk of homelessness by providing access to 13 co-located services. Assisting more than 5000 vulnerable young people per annum, the new open-plan space allows staff and young people to interact in a more open way while being able to hold twice as many young people. The Victorian coalition government is a proud supporter of Melbourne Citymission, funding over \$9 million for homelessness services last year.

Duck season

Mr BARBER (Northern Metropolitan) — The 2014 duck shooting season ended on 9 June with cruelty and carnage — as per usual — but most notably with a low number of duck shooters. Despite last year’s Box Flat massacre, when over 2000 native birds were shot, including some 200 protected and threatened freckled ducks, we discovered that these waterbirds are still being slaughtered. In the first week of this year’s shooting season, rescuers recovered approximately 300 dead or wounded birds which had been shot and illegally left by shooters on just two wetlands, and this included 100 threatened freckled ducks.

I compliment the minister for having closed a certain number of wetlands where freckled ducks were present, but this season yet again highlights that the government is not capable of regulating this activity. It has banned, under the threat of huge fines, those duck rescuers and protestors who would seek to do the government’s job for it, which highlights that this activity is occurring outside the law and out of step with the views of mainstream Victorians. I hope that this duck season is the last.

Vocational education and training

Ms TIERNEY (Western Victoria) — This morning I rise to comment on my concerns about this government’s lack of commitment to the agricultural sector. Today’s *Weekly Times* reports that vocational education and training courses in agricultural-based training will be cut by up to 30 per cent. Those cuts will apply not just to courses in the horticultural area but also to agricultural machinery and a range of other related courses that are absolutely integral to the ongoing prosperity of our agricultural industry. This is in addition to other actions of this government including its cuts to the National Centre for Farmer Health. The recent federal Liberal government budget has increased university tuition fees. This fact was featured on the front page of the *Weekly Times* recently in an article which declared that it is going to be

cheaper for farming and other families to send their children to New Zealand to undertake agricultural studies.

We now have a frightful mess in the country. We have state and federal Liberal governments that are just not interested in the agricultural sector, and they are making it very hard for those who are interested to progress in that sector and undertake significant training and higher education courses. Under the Napthine and Abbott governments, if you are from rural and regional Victoria, you are on your own.

Winter & Taylor Motor Group

Mr KOCH (Western Victoria) — Last week on behalf of the Napthine coalition government I had the opportunity to thank the Winter & Taylor Motor Group's managing director, James Morphy, for donating two vehicles to the learner driver mentor program in Geelong. The vehicles will be used to provide young people under 21 years of age who do not have access to a vehicle or a supervising driver with the opportunity to gain valuable on-road experience.

The L2P program has been operating in Geelong since 2009 and is part of a statewide program being run in more than 60 locations. This is a community-based volunteer program aimed at providing access to driving practice for learner drivers aged 16 to 21 who are facing significant barriers of vehicle availability and mentoring assistance in getting their probationary licence. The program, primarily funded by the Transport Accident Commission and supported by the City of Greater Geelong, was developed as part of Victoria's graduated licensing system to assist young people in achieving at least 120 hours of supervised driving before they sit for their probationary licence test. In the Geelong region 269 young people have participated with 64 gaining their probationary licence through the program.

The Winter & Taylor Motor Group has recognised the importance of the L2P program and its donation will enable even more young people to participate in the program. My congratulations to James Morphy and Winter & Taylor on making it possible for more learner drivers to gain on-road driving experience through the L2P program.

Thompsons Road duplication

Mr TARLAMIS (South Eastern Metropolitan) — It is with great pleasure that I welcome the announcement that a Labor government will duplicate Thompsons Road between the Frankston-Dandenong Road and the

South Gippsland Highway, and the Narre Warren-Cranbourne Road to Clyde Road, including the removal of the Thompsons Road level crossing which has already been announced as part of Labor's 'Project 10 000'. This commitment, which will see the two remaining sections of Thompsons Road duplicated, continues the work done by the previous Labor government. According to VicRoads more than 24 000 vehicles use this section of road each day, well in excess of the traffic volumes that would normally trigger duplication. In addition there has been a worsening safety record on this section of road.

The city of Casey is one of Victoria's largest and fastest growing municipalities with around 120 people moving to the area each week. With its population having more than doubled in the last 20 years, it is easy to understand why Thompsons Road is a critical link for the thousands of residents who live in the south-eastern suburbs.

The previous Labor government understood the importance of Thompsons Road and invested \$22 million in the upgrade between South Gippsland Highway and Narre Warren-Cranbourne Road. It also invested a further \$31 million to upgrade Thompsons Road between the Frankston Freeway and the Frankston-Dandenong Road. Despite the area's population growth and the importance of Thompsons Road, large sections of the road are single carriage and soft shouldered, making the road unsafe and adding to congestion and lengthy travel times. However, that has not bothered the Napthine government which has not invested one cent to upgrade this road.

Denis Napthine and his government are not interested in fixing our local roads. They are too busy focusing on their multibillion-dollar tunnel in the inner city, which will do nothing to alleviate congestion and improve safety and travel times for residents in the south-east. Only a Labor government will complete the duplication of Thompsons Road.

Food production sector

Mr RAMSAY (Western Victoria) — Today I speak on behalf of the farmers of Victoria who form part of my constituency. While weather patterns have returned to normal despite the ramblings and rhetoric of the Greens and the tax of \$550 per household they wish to impose on the community in the guise of a carbon tax, it is the ongoing price pressures that are putting our food producers at risk. The lack of appetite for anti-dumping legislation, the corruption of country-of-origin labelling by supermarkets and government policies of managed investment schemes

that have tax product rulings that create artificial land use have caused misery to the food production sector.

The lack of clarity of the federal government's direct action plan and the withdrawal of funds from the highly successful Landcare program are sending out all sorts of mixed messages. But it is in the tax reform area that food producers are experiencing hardship.

Reforms in the funding of the fire services through the reformed fire services property levy have been warmly welcomed by producers. I congratulate Treasurer Michael O'Brien on providing more savings from 1 July. The reduction in payroll tax in this budget, though small, is an important step. The biggest reform that is still to be made though is in increasing the GST base to help offset state taxes. While Victoria is disadvantaged with the distribution of GST revenue, it is the local government rates and taxes that are punishing farmers. The rating methodology is outdated and inequitable for food producers despite the best efforts of our local government ministers to broaden the differential guidelines. Local government is suffering from a bloated, overpaid bureaucracy; corruption, self-interest and inefficiencies are rife, and it works off a capital-improved value that discriminates against food producers.

VICSEG New Futures Training

Mr EIDEH (Western Metropolitan) — I rise today to congratulate the 21 Sudanese students from Melton who were recently presented with scholarships through the VICSEG New Futures Training program. These scholarships of \$1000 each have been awarded to Sudanese high school students from years 9 to 11 who were successful in putting together a 12-month plan for themselves with goals they wish to reach each term. VICSEG, or the Victorian Cooperative on Children's Services for Ethnic Groups, provides services and programs for recently settled migrant and refugee families, focusing on developmental opportunities for their children. VICSEG, through the New Futures Training program, currently delivers vocational training to over 3000 students each year and has become active in addressing the challenges that refugee families face as they attempt to integrate into newly created estates where there may not yet be adequate support services or community infrastructure.

The Sudanese community in the western suburbs, and in particular in Melton, is fast growing, and the VICSEG New Futures Training program is helping to encourage the integration of young Sudanese students so they stay in school and develop the confidence and general life skills they will need in the future. I

commend VICSEG and participating schools on taking the initiative to encourage and support students to stay in school and reach their future career goals through this program. I congratulate the recipients of these scholarships and wish them all the best in their future endeavours.

Athol Guy

Mrs MILLAR (Northern Victoria) — I rise to pay tribute to a very special Victorian who was recognised in this year's Queen's Birthday Order of Australia awards. Athol Guy is a person of great standing and respect, and he is well loved in the Mount Macedon community. Athol and his lifetime achievements need little introduction. As a member of the Seekers — and I note that the other members of the Seekers, Judith Durham, Keith Potger and Bruce Woodley were likewise recognised in the Queen's Birthday honours — Athol's achievements have played a huge role in promoting Australia and Australian music globally. The continuing popularity of the Seekers pays tribute to their music and its appeal.

Athol was the member for Gisborne in the other place for three terms from 1971 to 1979 and remains well remembered and respected for his parliamentary service over that time. A true Liberal, Athol represents the very best of Liberal values: a belief in private endeavour and enterprise; a belief in the individual, with a philosophy of hard work and optimism even through times of great personal trial; and a belief in community. Above all, Athol has a commitment to service to the community which few can match. Time does not allow me to record all the many organisations which Athol has chaired, supported, fundraised for and assisted over his lifetime, but I will mention his great contribution to Kids Under Cover, about which I know he is passionate. This award, so very truly deserved, recognises the achievements and contributions of an inspirational person, Mr Athol Guy.

Sandhurst Centre, Bendigo

Ms MIKAKOS (Northern Metropolitan) — Last Friday in Bendigo I was proud to announce that under an Andrews Labor government Sandhurst residents will have the choice of receiving continuity of care at five newly built Department of Human Services residential care homes when the centre closes in June 2016. Labor will ensure that these new residential homes are run by the department, providing much-needed certainty to residents, families, carers and the dedicated staff at Sandhurst. I was joined at this announcement by local members Jacinta Allan and Maree Edwards, the members for Bendigo East and Bendigo West in the

Assembly respectively, who have responded to the concerns of their communities and lobbied for this announcement.

Unlike the Napthine government, Labor believes government has a role to play in the provision of quality disability services. Premier Napthine, a former Minister for Youth and Community Services in the Kennett government, which was renowned for its privatisation agenda, now wants to force Sandhurst residents into privately run facilities while pretending to talk about choice. It has been more than a year since the Napthine government announced the Sandhurst closure, and for all this time the residents and staff at the centre have had no certainty about what will happen to them in the future. The government did not even have the courtesy to inform residents and staff of the closure, preferring to make an announcement in Melbourne via media release. Department of Human Services is an important employer in Bendigo, with 80 employees currently at Sandhurst. Labor will ensure that local companies will also have priority to work on building the five new Department of Human Services homes, creating further job opportunities in the Bendigo region.

Emergency services

Mr ONDARCHIE (Northern Metropolitan) — Yesterday Victoria was hit by wild storms, and unfortunately there are more to come. State Emergency Service (SES) volunteers worked overnight on properties that were damaged by the intense gusts of wind and heavy rainfall. Trees were down, trucks were flipped and play equipment was sent flying through homes as Victoria was battered by wind gusts of up to 138 kilometres per hour. Thousands of homes are still without power after overhead powerlines were damaged. I was told this morning that over 7000 customers in Victoria are still without power. At one stage the SES had 3030 calls for assistance, with the bulk of destruction having happened in Melbourne's south-east and the greater metropolitan area.

I take this opportunity to thank the SES volunteers, the Country Fire Authority volunteers, the Metropolitan Fire Brigade and the neighbours who came out to help those around them. This is a great example of Victorians getting together to help each other, and we give our thanks to all those who volunteered.

Italian Chamber of Commerce and Industry in Australia

Mr ONDARCHIE — Last Saturday night I was pleased to represent the Premier and join the Minister

for Multicultural Affairs and Citizenship and the Minister for Ports, who is also Minister for Major Projects and Minister for Manufacturing, at the Italian Chamber of Commerce and Industry in Australia 2014 gala dinner. It was a great celebration of the 77 000 people who have migrated here from Italy and the 380 000 who claim connections through heritage to Italian culture. I take the opportunity to thank the president of the chamber, Mr Tony De Domenico, for his leadership in celebrating Italian culture here in Victoria. Viva Italia!

Queen's Birthday honours

Mrs PEULICH (South Eastern Metropolitan) — I congratulate all those across the south-east who received Queen's Birthday honours. I extend to them the congratulations of a grateful nation, and I particularly congratulate those from South Eastern Metropolitan Region. I would like to mention who they are.

Colonel John Hamilton Lee from Mordialloc, which is in the city of Kingston, received the Medal of the Order of Australia for service to veterans and to the community of Mentone.

Professor Edward Byrne, AO, from Clayton, which is in the city of Monash, was awarded Companion in the General Division of the Order of Australia for service to tertiary education.

Dr Pratish Chandra Bandopadhyay of Glen Waverley was awarded an OAM for service to the Bengali and Nepalese community.

Mr Ian Henry Bock from Mount Waverley was awarded an OAM for service to the arts through a range of photographic associations and to the community.

Senior Sergeant Gregory John Davies of Mount Waverley was awarded an Australian Police Medal.

Mr Joseph D'Onofrio of Oakleigh — which is technically not in the south-east, but I congratulate him anyway — received the Medal of the Order of Australia.

Sergeant David John Dimsey of Mulgrave received an Australian Police Medal.

Mr John Nimon Mooney of Mulgrave received a Public Service Medal for outstanding public service in the area of education.

Ms Ellie Victoria Cole of Frankston received an OAM for service to sport as a gold medallist at the 2012 London Paralympic Games.

Mrs Jillian Isobel Dwyer of Frankston received an OAM for service to the arts as a voluntary guide and administrator.

Mr Peter Murray Murton of Frankston received an OAM for service to information technology and to the community.

Mr William Ross Pulling of Frankston South received an OAM for service to veterans and their families.

Leading Seaman Lauren Elizabeth King of Frankston received a Conspicuous Service Medal for meritorious achievement as a recruit school instructor at HMAS Cerberus.

VICTORIAN INDUSTRY PARTICIPATION POLICY

Mr SOMYUREK (South Eastern Metropolitan) —
I move:

That this house —

(1) condemns —

- (a) the Napthine government for failing to implement the Victorian Industry Participation Policy (VIPP) for the \$1.6 billion Webb Dock expansion despite local content requirements covering strategic projects being applicable to state-owned companies as a ‘state contracting party’; and
- (b) the minister for ports, major projects and manufacturing, the Honourable David Hodgett, MP, for ignoring Port of Melbourne Corporation’s (PMC) procurement choice which denied an innovative Portland-based steel manufacturer, Keppel Prince, from participating despite its ability to meet specifications using steel sourced from BlueScope Steel;

(2) demands the Napthine government recognises the strategic value of the local steel industry supplying major infrastructure projects in Victoria; and

(3) requires the Economy and Infrastructure References Committee to inquire into, consider and report by 4 September 2014 on the —

- (a) reason the PMC chose a consortium, which included the Philippines-based International Container Terminal Services Inc., which sources Korean-made steel, to meet the Webb Dock project’s 50 000-tonne steel requirement despite the VIPP; and
- (b) benefits and contributions to the Victorian economy by the local steel industry in Victorian

infrastructure projects, informed by the position paper by the Australian Workers Union, the *State of Steel*.

Before I speak to the specifics of the motion I take this opportunity to briefly talk about the importance of the local steel industry for Victoria and for Australia. The rapid decline in recent years of the strategically important steel industry should be a warning sign to governments of various persuasions, both federal and state, that they must do more to prevent the collapse of the domestic steel industry.

If this important industry perishes, we will have lost with it valuable capabilities, such as a highly skilled workforce and the well-equipped steel supply chain which has evolved over many decades. Despite the decline of our steel industry, it should be noted that the Australian steel industry has significant competitive advantages, such as quality, cost containment, supply chain surety and reliability. These are all very important factors when value-for-money considerations are being taken into account.

The steel industry is of strategic importance to every economy in the world, because the steel industry is the building block or the foundation of economic activity, both in advanced economies and in developing economies. The importance of the steel industry to national economies is demonstrated by the fact that every advanced economy has a steel industry of note, and some countries go to extraordinary lengths to protect their steel industries, unlike Australia. For example, governments in the US and Canada either mandate the procurement of local steel or give price preference favouring local steel companies. Other countries, such as China, provide significant subsidies for their steel industries.

The steel industry makes a significant contribution to the Victorian and Australian economies. According to the Australian Bureau of Statistics, the entire Australian steel supply chain from iron and steel production through to downstream users, such as fabricators, employs over 106 000 Australians and generates over \$20 billion of economic activity. In Victoria the steel industry supports 25 000 full-time jobs, and it is estimated that the multiplier effect on employment of the steel sector is 7 full-time equivalent jobs for every \$1 million spent on the local supply chain.

At present Australia competes in a global marketplace that has significant capacity and widespread market access issues and, according to the World Steel Association, Australia is ranked 22nd of the world’s top 80 steel producers. China, Japan and the US are the top producers of steel in the world. These days China’s

steel production accounts for 50 per cent of global production, having grown by a massive 60 per cent over the last five years. China is now producing well beyond demand in its domestic economy, and declining demand in the domestic economy is partly contributing to the oversupply of steel in the global marketplace. This is a concern, because we are seeing increasing instances of steel being dumped in places like Australia.

The market segment for steel in Australia is as follows: construction industry, 55 per cent; vehicle and machinery industry, 15 per cent; mining and rail infrastructure, 15 per cent; exports, 9 per cent; and rural and other industries, 6 per cent. Obviously the vehicle industry is a key part of this market, therefore the death of the Australian automotive manufacturing industry will have a significant impact on the Australian steel industry.

For our steel industry to survive we must ensure that there is growth in demand in the domestic market for Australian steel. One area with the potential to improve demand is the resources sector, as it is estimated that \$400 billion will be invested in this sector over the next 10 years. However, at the moment the Australian steel supply chain is not getting its fair share of work from the resources sector; it is only getting about 10 to 12 per cent of the work. Clearly we need to do better — and when I say ‘we’ I mean we as a nation — in this regard.

There is also potential for growth through utilising state and federal government procurement policy to expand growth in demand in the domestic market for Australian steel. Since we in this Parliament are only able to influence matters that fall within the state jurisdiction, it is important to stress that state governments can influence demand for steel by implementing procurement policies that give weighting to local content in such diverse areas as manufacturing, construction, infrastructure projects and rolling stock. However, if the Napthine government’s recent track record is anything to go by, the Victorian steel industry and the thousands of Victorians working in that industry are unlikely to get any joy from the coalition government going forward.

The reason I say this is that we have just witnessed the debacle which was the procurement process for supplying the \$1.6 billion Webb Dock expansion. In the *Age* of 21 April 2014 journalist Ben Schneiders blew the whistle on this project in an article entitled ‘Jobs blow for steel firms at loss of Webb Dock work’. The fallout from this procurement process, which was overseen by the Port of Melbourne Corporation and the Minister for Ports, Minister for Major Projects and Minister for Manufacturing, Mr David Hodgett, has

resulted in a local, innovative and regionally based steel supplier, Keppel Prince, missing out on this contract, which would have supported up to 100 Victorian jobs — 100 regionally based Victorian jobs, I might add.

Keppel Prince missed out on this contract despite its ability to supply the project’s 25 000-tonne steel requirements using milled steel sourced from BlueScope Steel Australia. Keppel Prince was effectively shut out of supplying steel components, including pylons, for this project because no Victorian Industry Participation Policy process was implemented. Keppel Prince was denied even the opportunity to demonstrate its value-for-money credentials. Instead, the winning bidder, which includes the Philippines-based International Container Terminal Services Inc., is reported to be sourcing the project’s steel needs from Korea instead of Portland or Port Kembla. The procurement process appears to have been botched from the start. The whole point of the VIPP is to ensure that where local suppliers such as Keppel Prince have the ability to supply the contestable items, they have every opportunity to do so on terms which represent value for money and which are full, fair and reasonable. Clearly this did not occur, and the Napthine government should be condemned for allowing the minister to proceed with such a flawed tendering process and procurement arrangement.

Specifically, the Port of Melbourne Corporation, as a state-owned and state-contracted party, was obliged to apply VIPP guidelines on this project, but clearly it failed to do so. Further, as the project was valued in excess of \$100 million in capital expenditure, the redevelopment tender should have been treated as a VIPP strategic project, therefore triggering additional local content requirements under the local industry development plan in consultation with Industry Capability Network Victoria, including a minimum local content target nominating steel, among other inputs, as a key strategic item and applying a weighting in the assessment of competing bids for local content.

The government should have at least ensured a competitive arrangement within which local suppliers could tender for this valuable work. This approach was employed by the Labor government when it secured the successful trams tender in 2010, and that has led to Bombardier Australia’s Dandenong facility manufacturing 50 trams to date. For the first time in a decade we have had trams built in Victoria, and that process has generated jobs not only for Dandenong but also for the whole supply chain.

The government is happy to take credit for Labor's Melbourne trams initiative. The government's slogan is 'Made in Melbourne for Melbourne', which you can see printed on the side of trams. I have also heard this initiative advertised on the radio. That is fine; the opposition is happy for that to be a bipartisan project. Unfortunately the Webb Dock expansion shows that bipartisanship does not extend beyond the trams bid.

The Premier reportedly made representations on behalf of Keppel Prince, but obviously those representations were ignored. The government failed to ensure that its own VIPP guidelines were implemented, which has resulted in inputs, including steel, being provided by foreign suppliers. That has sent jobs offshore when they could clearly have been retained in Victoria, particularly in regional Victoria. The Napthine government needs to recognise the importance of infrastructure projects like Webb Dock for local steel manufacturers such as Keppel Prince, which are losing local supply opportunities. Those opportunities include wind farm endeavours. The government is opposed to wind energy, and we have seen some ominous signs from the Abbott federal government with respect to this industry.

The state can ill afford another repetition of the Webb Dock expansion debacle, but that risk is very real, including on the much-touted east-west link stage 1 project, which the government is so keen to trumpet. Steel has a vital role to play as a basic building block in many manufacturing projects. It is estimated that stage 1 of the east-west link project alone will consume over 200 000 tonnes of steel. Previously the Treasurer has boasted of a minimum local content target of 80 per cent applying to this project, but he has given no assurances whatsoever that local steel will constitute even 1 tonne of its requirements. The Treasurer simply assumes that locally built steel will be a major component of the east-west link project, but the Webb Dock expansion project illustrates that the Treasurer needs to actually put his mind to this and ensure that local steel is utilised rather than allowing a situation to occur where steel jobs are exported overseas. He needs to take certain steps to ensure that that does not happen.

The whole point of applying the industry participation policy is to ensure that the 20 per cent to 30 per cent of a project's contestable elements, such as steel, in relation to other manufacturing inputs — and those may include aluminium, glass and plastic — are open to local suppliers to compete for on value-for-money terms. That clearly did not happen on the Webb Dock project. Local producers were shut out, and going forward we would hope the government will not shut out local suppliers but will allow them the opportunity

to bid for these projects on genuine value-for-money terms.

It is hard to meet local content targets when the bulk of the 80 per cent of local procurement of goods and services would take place in Australia anyway. The Treasurer's figure of 80 per cent is misleading and meaningless. It is the 20 to 30 per cent of contestable items where you need a high local content target, because that is where the high added value, particularly to local manufacturing, occurs. Local bidders ought to be given the opportunity to bid based on value-for-money criteria which include price, fit-for-purpose tests, local jobs and training and skills development opportunities. These are some of the things value for money should be based on, not just the lowest cost option.

VIPP can make it worthwhile for bidders to include local suppliers when they are being assessed with genuine local content weighting. Neither the Treasurer nor the Linking Melbourne Authority have indicated what weighting, if any, will be assigned to local content in the assessment of the competing bids, nor would steel appear to have been identified as a strategic item despite its importance to this project. This poses a potential fit-for-purpose risk. There is a very real possibility that consortia will source inferior but cheaper steel products offshore unless steps are actively taken to prevent that from happening. The local steel industry will suffer without those steps. In fact there are not going to be many manufacturing jobs. There will be construction jobs from all the infrastructure spending that the government has announced, but unless concrete steps are taken, the manufacturing jobs are not going to flow.

Rather than pulling the wool over people's eyes in relation to how the state government manages procurement, Victorian Labor asks the Napthine government to simply apply the VIPP guidelines. The guidelines are there, and we ask that they be applied consistently and completely in order to maximise returns to this state, in particular in strategic projects where additional local content requirements apply. The local steel sector has the capacity to supply much of the steel needs of future major infrastructure projects, including roads, ports, tunnels and bridges. It can also make a major contribution to the nation's future defence requirements.

Based on modelling data published by the Industry Capability Network — and this data is very important — the value of this contribution is estimated at roughly seven additional full-time equivalent jobs generated from the expenditure of an additional

\$1 million on locally sourced and fabricated steel, in addition to other metals, with roughly the same amount in additional economic activity and half again in avoided welfare expenditure and additional tax revenue.

One such project is the east–west link stage 1, which is valued at \$8 billion. If it goes ahead, it is expected to include 200 000 tonnes of steel valued at \$1000 a tonne.

Mr D. R. J. O'Brien — Why don't you support it then?

Mr SOMYUREK — There is no use supporting it when the way it is going at the moment, if this project goes ahead, the local steel industry is not going to benefit. That is the problem.

This equates to approximately 1400 additional jobs. That is 2.5 per cent of the cost of the project made up of steel. In this context it seems derelict of the Treasurer not to support and encourage the use of local steel in such a project. The benefits are obvious, but the costs of missing out are simply too great. It seems the Napthine government could not care less about generating local manufacturing jobs; it still fails to acknowledge that manufacturing jobs are going backwards at an alarming rate. According to ABS data for the May quarter, released this month, the number of full-time manufacturing jobs fell by 15 800 compared to the May quarter of 2013. That is a 6.4 per cent hit on the full-time manufacturing workforce of Victoria in the space of one year, and those figures do not factor in the jobs that are expected to be lost through the demise of the auto manufacturing sector in Australia.

In this type of jobs environment surely the government should be promoting local content opportunities ad nauseam. Instead what we see is a government in a state of panic, committed to rushing procurement and aiming to be seen to be busy before the election rather than doing the procurement process properly on major projects which have a medium to long-term horizon. The government should be focused on delivering value for money from the expenditure of taxpayer funds in Victoria, and again I say that value for money is not the lowest cost alternative.

The Australian Workers Union in its *State of Steel* report and its Don't Cut Aussie Steel campaign, along with the Australian Steel Institute among others, has highlighted the potential benefits afforded by sourcing local steel for major projects. Labor also understands the importance of a steel sector to the Victorian economy and the benefits it clearly brings. Labor has moved to ensure that a minimum local content

weighting of 10 per cent will apply to VIPP projects in addition to minimum local content targets in strategic projects. Steel can be nominated as a strategic item for these purposes in all relevant projects where steel intensity is high, and therefore the multiplier benefits of additional jobs and economic contribution to the state are also great. Yes, that means the east–west link project, but we are yet to hear anything from the government in respect of this issue. This is why the local steel industry is concerned that it will be missing out at the expense of other jurisdictions and countries overseas.

As I said, the government confuses the cheapest price with value for money, when value for money is not simply about price but also about quality and fit-for-purpose needs, in addition to jobs training and skills benefits which flow from local procurement. It is pointless importing cheap off-the-shelf steel of poor quality which may not conform to Australian standards and may require remediation in order to ultimately make it fit for purpose. That is false economy. When you do not think about the consequences of the product being imported due to its inferior quality and of it not being fit for purpose, that leads to additional costs down the track.

In fact the Australian Industry Group (AIG) reports that non-conforming products — NCPs, they call them — in the building and construction sector also affect the steel sector in Australia. In a recent survey the AIG noted that respondents said that 64 per cent, which is a very high figure, of steel sector businesses have been negatively affected by non-conforming products. Again — and the government should take notice of this — in an AIG survey respondents said that 64 per cent of steel sector businesses said that they had been negatively affected by non-conforming products. Forty per cent of all businesses in the steel sector are losing money, losing revenue, losing margin and losing employment numbers due to NCPs. Other businesses say that they are downgrading their product quality and services in order to remain viable. This is all because of non-conforming products.

Victorian Labor understands the importance of local steel to the Victorian economy. That is why we will encourage the sector to compete for future infrastructure and defence-related work on value-for-money terms where local capabilities can match imported, often inferior, substitutes. These substitutes are often heavily subsidised by their countries of origin, as we have seen with China, and they can afford to dump product into countries like Australia at below cost. There is no way the Australian

steel industry can compete with that. It is simply not a level playing field from the start.

Local content should no longer be ignored by this government. 'Local content' is not a dirty term. It has a vital role to play in local procurement. There was an ominous sign with the release of the budget papers when all the government's proposed infrastructure spending was announced: the budget papers are 1500 pages in length and the term 'local content' does not feature once. I am really concerned that this government has a problem with local content. Clearly local content has a critical role to play in infrastructure projects and procurement all around.

The VIPP complies with our international trade obligations too, by the way. I have heard it criticised for not complying with our international trade obligations, but it certainly does comply with them. It neither mandates the use of locally produced steel, as does the United States, nor provides a price preference for the use of locally produced steel, as does Canada. It is a flexible instrument which can be tailored to promote local capabilities where opportunities exist for local suppliers on competitive and value-for-money terms.

The Minister for Manufacturing must ensure that the VIPP requirements are being implemented in full and stop sleeping at the procurement wheel. However, the poor track record of this government in supporting the local manufacturing industry, including the loss of the car industry and the Point Henry aluminium smelter under its watch, shows that it simply does not understand the value of the manufacturing industry in providing decent employment opportunities in this state. If it did, it would do more to support it, in particular in areas such as government procurement, over which it has ultimate say. The problem with this government is that it has refused to even acknowledge that it has levers at its disposal to influence the driving of the local economy and the local manufacturing sector. At least the infrastructure spending announced in the budget suggests it is finally starting to understand that it does have some levers at its disposal to drive growth, the economy and the manufacturing sector, thereby creating jobs.

Only Labor offers a brighter future for manufacturing by ensuring that procurement policies give full, fair and reasonable opportunities for local manufacturers to compete based on value-for-money terms. Labor's approach will ensure that procurement arrangements are not bypassed and ignored at the whim of a minister or a contracting government agency. Victorian taxpayers, the local manufacturing industry — I think there are 25 000 Victorian manufacturing businesses —

and the increasingly declining Victorian manufacturing workforce deserve better. With that, I conclude my contribution.

Hon. R. A. DALLA-RIVA (Eastern Metropolitan) — I am pleased to make a contribution to the debate on the motion put forward by Mr Somyurek. I do not propose to go through everything in detail, because my learned colleague next to me will cover other parts of the motion. It is always interesting when motions raised in the chamber are looked upon from a very boxed view, so to speak, just as Mr Somyurek talked about the importing of Chinese steel and the need to ensure that procurement is maintained through various arrangements.

I thought I would go back to *Hansard* of 2008, when I raised a range of issues around the EastLink project. It is important to put on the record why I was then, as a shadow minister, raising concerns about the EastLink guardrails. EastLink was of course a public-private partnership (PPP), and I will not get into the details of the confusion around the whole process, but road surfaces and materials that were needed for the construction process of the EastLink project were procured locally. However, the steel industry had concerns — and Mr Melhem may remember this because the union was very much involved as well — that the steel that was utilised for the guardrails along the entire EastLink project had been imported from China. The particular concerns raised by the steel industry were whether the guardrails complied with the relevant sections of the VicRoads specifications, whether they fit within the acceptable thickness for guardrail posts along vehicle roadways, whether they had a minimum base material thickness, whether they could withstand a road collision et cetera.

The important thing in regard to the motion we are debating today — and it is important to put this on the record — is that it was Labor that was in power then. Labor developed the project. As I said, I will not get into the details of how it got there, as that is pretty much on the public record. The motion today is about Mr Somyurek's concern that this government lacks commitment to local procurement, and most of the conversation has been about the use of steel in the development of the Webb Dock project, but I will get to the development of this project later. It is important to recognise that the Labor government, under the PPP that was arranged for EastLink, had a private organisation import all of the steel from China. For the record, all the steel for the Labor-supported project was from China.

Mr Somyurek rightly pointed out the merits or otherwise of dumping the project, but the reality is that Mr Somyurek should reflect upon his motion and his 30-minute speech during which he spoke about the lack of commitment by this government to ensuring local procurement, because the former government had a major project in EastLink for which the entire guardrail system was built with Chinese steel, which was questionable at the time. It has since been verified by the minister, according to the *Hansard*, that the steel did comply with the various specifications. The reality is that the issue was about the steel being totally imported from China. Not one piece of that steel was locally manufactured or produced.

For the sake of clarity of the record — and I said this yesterday — whilst members opposite cry crocodile tears, the reality is that that is what they did when they were in government, as the former secretary of the Australian Workers Union (AWU), Mr Melhem, would be aware. He could stand up and say, ‘As a former union leader, I apologise that I allowed the Bracks and Brumby governments to allow the importation of Chinese steel for the EastLink project’. I bet you he will not say it, because that would be against what he has already said. He has said one thing and done another.

It is like with the east–west link. I think I remember Mr Melhem saying, ‘I did support it, but now I don’t. Mr Lenders is leaving, and I might be the alternative leader, so I have to keep the factions happy against the unions’. We know how it works. When you have been here long enough, after a while you see the process repeat itself. You observe individuals coming in and you observe them going out, and during that process you see them being roosters one day and feather dusters the next. It is interesting that Mr Melhem is clearly looking to be the next leader, so he is going to toe the line, and that is fair enough.

Mr D. R. J. O’Brien — For now.

Hon. R. A. DALLA-RIVA — For now. Hopefully when Mr Melhem is the leader, if he does become the leader, he will stand up and say, ‘I will support the east–west link, and I apologise for the former government bringing in Chinese steel along the EastLink project’. I thought I would put that on the record, because for 30 minutes we listened to Mr Somyurek saying, ‘How dare you import steel’. He should go for a drive along EastLink, because every bit of that steel is from China — and EastLink was built under Labor’s watch. Again the hypocrisy of Labor is evident.

Honourable members interjecting.

Hon. R. A. DALLA-RIVA — Members opposite yell, and Mr Somyurek, whose motion this is, says we should have learnt from that. Okay, we should have learnt from the former government’s mistakes. There are some things we will not do, and that includes delivering projects that are not needed — for example, the desalination plant. What a classic! I drove in today trying to avoid the puddles. As I saw the flowthrough of creeks and water flowing everywhere, I wondered why we are we spending \$1.8 million a day on the desalination project. We will not forget that, because for the next 26 and a half years Victorians will be paying that every day.

Meanwhile we have the nutty Greens saying the world is going to fall apart. Remember what they said 10 years ago about climate change — we are going to dry up and we will all be like prunes. We are now like the rotting lemons that we were told about yesterday, the rotting lemons lying on the ground being soaked by water because there is so much of it.

When you consider why competitiveness is difficult, it is evident that the carbon tax is clearly a big issue for industry when it tries to compete. For those who say it is not, I say to them that it is. The reality is that when you look at the pricing of the carbon tax in Australia compared to other places around the world, you can see we are absolutely pricing ourselves out of existence.

Mr Barber — Are you sure about that?

Hon. R. A. DALLA-RIVA — Again, as I said yesterday, the Greens will be here for a few more years and then the pink kitten party will replace them. I am sure it is not the pink kitten party — —

Mr D. R. J. O’Brien — The sex party.

Hon. R. A. DALLA-RIVA — It might be, but I hope not. The reality is that the Greens are about as relevant as the Australian Democrats are now. That is what I am getting at.

In terms of the motion, Mr Somyurek has put some arguments, but it is important to note that this is a positive motion in the sense that he is acknowledging that we are actually developing the Webb Dock expansion. As part of his motion he has included the fact that the government is spending \$1.6 billion. That is great. However, the Labor Party is condemning us for putting a \$1.6 billion Webb Dock expansion into Victoria. It is also criticising us for building an \$8 billion to \$10 billion east–west link project. It is criticising us for doing things, which is typical of Labor. It prefers to do things that are necessary, like building the desalination plant and the north–south

pipeline, things that Victorians really need. Those white elephants will sit there for decades doing nothing except costing the taxpayer a huge amount of money. On the projects the former government did deliver, it did not even use Australian steel. Again there is the hypocrisy of saying one thing and doing another. As I indicated, that is the important point to note.

The port capacity project is important. We know the former government did nothing for 11 years on port development and infrastructure, and we are getting on with the job of doing that. Materials will be procured locally, and steel procurement will be part of that process.

I refer to the issues around steel procurement which are set out in the motion, particularly where the motion refers to Keppel Prince. It is important to put on the record that the supply of specialist steel piles for the new wharf at Webb Dock is part of a private sector tender. That is important to understand. It is probably similar to what occurred with EastLink. That also involved a private sector tender. The Webb Dock development will be managed by maritime building contractor McConnell Dowell, and it will be responsible for building the new 920-metre wharf at Webb Dock. I do not recall Mr Somyurek congratulating us on building Webb Dock. He may have forgotten. He was talking about something else.

Mr D. R. J. O'Brien — He was talking about the benefits of the east–west link.

Hon. R. A. DALLA-RIVA — He probably was talking about the benefits of the east–west link, but the one thing that he did not acknowledge was the benefits of this dock, such as the benefits in terms of freight distribution and to the local — —

Mr Melhem — Are you going to use local steel or not?

Hon. R. A. DALLA-RIVA — I look forward to Mr Melhem's contribution, because he was a union leader within an important industry that would have been involved in the steel supply for the EastLink project. I am sure the union would have commented on that. I will check *Hansard* to see whether there is a record of his union commenting about the lack of local steel being used on the EastLink project. I am again drawing to the attention of members the hypocrisy of those who were then in government, who are now in opposition and who most likely will be in opposition for many years to come. We are going to continue to remind those opposite and those in the local community about the amount of money that we are spending every

day to maintain Labor's white elephant projects. We are getting on with the job of delivering projects that are necessary for the people of Victoria, and we are going to deliver those projects on time and on budget.

I do not propose to add anything further on the motion. All I can say is that I know Mr Somyurek referred to the Australian Workers Union's *State of Steel* report. It is important to put on the record that we have not ignored the union in respect of that report. I understand that staff from the offices of the Premier and the Minister for Manufacturing met in early June with Mr Ben Davis, the Victorian branch secretary of the AWU to discuss that report and to look at ways of maximising the use of local steel in projects such as the east–west link. The union is saying that it wants to support more steel input in terms of the east–west link project, and we have recognised that through engagement from both of those offices by meeting Mr Ben Davis to talk about the procurement process for the east–west link. It has been classed as a strategic project, and that will increase opportunities for local steel production in that area. So we are listening to the union where it is necessary.

The union understands the importance of these projects, but as I said it is disappointing that those who were in the union now sit in the lush chairs of this chamber preferring the luxurious soft velvet chairs as opposed to being out in the cut and thrust of looking after their members. That is what it is about: they prefer the lush soft chairs in here to working for their union members, and it will be interesting hearing those who were involved in the union industry as to whether they support the east–west link project and the port project. I think we know what the problem is: deep down in their own hearts they support the projects and know they are the right thing for us to be doing for their membership, but they are playing politics. Their politics centre on some of them wanting to be leaders of this chamber. They want the big white car — the Statesman or the Territory or whatever — and I look forward to Mr Melhem's contribution because it could be, dare I say it, very 'Statesman-like' or very 'Caprice-like'. It may even be a 'Titanium delivery'. It could even have been a 'Fairlane approach', but they are no longer here.

All jokes aside, the government does not take the motion seriously, because this is about recognising the important work we are doing as a government. We are delivering the right things for Victorians, and I am very proud that we are doing that. Whilst those opposite will play politics and say the world is about to fall apart, the reality is that we are getting on with the job of governing for all Victorians, and this motion is opposed.

Mr BARBER (Northern Metropolitan) — I am happy to support the opposition's motion because I would be very pleased to have an inquiry of this type where the sectors, industries and individual firms whose names have just been taken in vain by various speakers could appear before a parliamentary committee and give us their view on the state of play within the steel industry right now. It would be very interesting to hear which bits of the contributions that have just been made they would agree with and which other issues they might believe have been left out and should be brought into the debate. Unfortunately, because of the way Mr Somyurek has drafted his motion, he has also asked the government to condemn its own performance while voting for the establishment of his inquiry, and that makes it even less likely that the government will do so.

It should be obvious to anyone, as I am sure it is to those involved in the steel industry and using steel as an input to their industry, that amongst the many other issues that have been canvassed here today one of the single biggest factors influencing their industry is the lack of certainty over — —

Mr D. R. J. O'Brien — The carbon tax.

Mr BARBER — I will include that as well if you like, Mr O'Brien. I am sure we are going to hear a contribution from him in a moment that addresses this particular issue and demonstrates that Mr O'Brien has some kind of plan and vision for his electorate above and beyond kangaroo meat pies.

Mr D. R. J. O'Brien — Get rid of the Greens for a start.

Mr BARBER — I will be very interested to hear his contribution on this matter in a moment, and I will lay down a couple of challenges for him to address to see if his views or the views of his party, his coalition or his possible merged entity have any bearing on these issues and whether he has a particular personal contribution to make or whether his government has a particular vision for this industry for the next four years other than simply saying, 'The opposition stuffed up, and we're getting on with the job'. I am hearing a lot of that lately — 'We're getting on with the job'.

Mr D. R. J. O'Brien — We are.

Mr BARBER — I will invite Mr O'Brien to get on with the job of ensuring some kind of certainty in government policy-making that would allow the steel industry to plan for its future. For example — bearing in mind that Mr Somyurek invoked the word 'bipartisanship' — could we please have a clear plan

from Mr O'Brien's government for the future expansion and upgrade of our rail system here in Victoria? We have waited four years to find out that the government has a few nascent plans and a few artists' impressions for maybe building a couple of rail lines.

I am not assuming that Mr O'Brien has read them, but he could go to the various reports of the Grain Logistics Taskforce and pick up on some of the modest proposals it has put forward for the upgrade of the rail system. I would like to hear about which particular items from the Grain Logistics Taskforce plan Mr O'Brien has been pushing for in his role as a local member for western Victoria. We could see a serious amount of money put forward for just upgrading the existing rail system to allow higher vehicle loadings and higher speeds on the most important rail freight lines in Victoria.

I have heard something about \$200 million being thrown at the line to Mildura. What I see in the budget is \$11 million, an IOU for the rest and no particular plan, leaving many local communities along that line and, for that matter, freight operators along the line with more questions than answers. It sounds like a last-minute, throw-something-together election ploy with the Leader of The Nationals in one part of Victoria announcing it simultaneously with the Leader of the Liberal Party but getting their lines wrong on a number of important questions in relation to that project.

Then there are the orders for tram, train and bus rolling stock in Victoria. Mr Somyurek described this as a bipartisan policy. Yes, it is a bipartisan decision between him and the coalition that 10 trams a year is what we need when that will not even keep up with the growth we are experiencing in tram patronage, let alone start to make a difference to the extreme levels of overcrowding. The Greens have called for the doubling of that order under an option that can be exercised in the contract so that we get more trams sooner. Therefore, it is up to Mr Somyurek and the Labor Party as to whether they want to be bipartisan with the Greens and say we should order more trams or whether they want to be bipartisan with the coalition, which has delivered the trams a year late. So far we have seen five or six of them running around the rails, with an expectation of 10 per year from hereon in.

We are expecting the delivery by Christmas of one rail carriage from the order this government made, and it has now been in office for coming up on four years. No wonder people are fed up with the overcrowding and lack of frequency in services, particularly I notice on the way out on the Ballarat line. The best this government is able to show for its time in government

is the delivery of one rail carriage by the Christmas after its four-year term of office.

Then there is the wind industry, a significant consumer of steel in its construction of wind turbines, which requires a high degree of know-how, knowledge and precision in the way those wind towers are not only made but built and assembled on site. It is sobering to visit a place like Keppel Prince's manufacturing facility in Portland, which I did a little while ago, and see a factory full of capacity and skilled workers but with no orders and the constant shadow of having to lay off more workers. We have around 900 megawatts of wind generation here in Victoria, but we have 2500 megawatts approved, permitted and ready to go. In some cases we have site offices and road access set up on these wind farm sites but nothing happening. I visited one of those just two weeks ago in the Mount Gellibrand area.

I would like to hear from Mr David O'Brien as to what, above and beyond his plan for kangaroo burgers, he is going to do to encourage the development of the wind industry in western Victoria. If he wanted to and if he had some influence over his state and federal government colleagues, he could have a series of wind farm projects that would be rolling out for the next 10 years, starting from just west of Geelong at Mount Gellibrand and moving on to Mortlake, Yambuk, Ararat and so on and so forth. But everybody knows why those projects are sitting there.

Honourable members interjecting.

The ACTING PRESIDENT (Mr Tarlamis) — Order! Interjections are disorderly, and Mr Ramsay is not in his place.

Mr BARBER — There are two major barriers in the way. There is the constant threat of new planning rules or even the loss of planning permits for these wind farms, and then there is the cloud that has been established over the whole wind and renewable energy industry by the renewable energy target. I hope that Mr O'Brien has read the submission by Keppel Prince to the renewable energy target review, because there are significant steel industry participants in his electorate, and that he has read what Keppel Prince had to say about his federal colleagues' attack on the renewable energy target.

He should keep an eye on these sorts of things where they relate to his electorate. He should check in regularly with businesses and keep his ear open to what they are saying. I will be delighted to visit Portland on 24 June and talk to local industry about the Greens plan

for renewables and keeping that local economy strong. I really hope to see representatives from the coalition government and the Labor Party there as well.

If Mr David O'Brien was keeping up with his reading, he might have also read the submission from IXL Metal Castings Pty Ltd, a significant steel business based in Geelong, to the renewable energy target review. IXL has recently found itself a new market niche in making steel — —

Mr D. R. J. O'Brien — On a point of order, Acting President, Mr Barber has made some submissions about Keppel Prince, which is named in the motion, but he continues to refer to the renewable energy target, which I understand is a separate topic for debate on the notice paper today. He is anticipating debate, and I ask you to rule that he confine his comments to the motion and not anticipate debate on the renewable energy target motion to be moved later today.

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

Mr BARBER — Thank you for your protection, Acting President. In the context of the motion, I was just referring to the steel industry and in particular how we can increase Victorian content in that industry. IXL in Geelong has found itself a new niche, and that is in the steel fabrication of racks on which solar panels are installed. I have been to Geelong and visited its facility to see how these racks work, and they are a particularly hot item in the mining industry, which in remote areas likes to use solar as a backup or as an energy source to diesel generators to keep the mining camps running.

Mr D. R. J. O'Brien interjected.

Mr BARBER — There appears to be some sort of dissent within the coalition here.

IXL now makes these racks that can be set up very quickly and used to provide remote area power systems. IXL, as a significant job creator in the Geelong area, has also done a submission to the renewable energy target review in which it notes specifically the impact of this on its business.

In his motion Mr Somyurek referred to the port and a particular construction that is going on down there. What I want to know about this aspect of the motion — and I am sure if we can get this inquiry up and running the submitters to this inquiry would be keen to talk about this — is how well the Victorian Industry Participation Policy would operate if the Labor and Liberal parties were to get together and flog off the port. Another piece of bipartisanship that Mr Somyurek

referred to is the sale, or at least the long-term lease, of the port of Melbourne. I would like to see it stay in public hands. I would like to see the Victorian Industry Participation Policy continue to apply to it on that basis.

It was very interesting, Acting President, and with your background you will be very interested in this as well, to see the head of the Australian Competition and Consumer Commission giving a warning to governments that might be tempted to flog off public assets not paying proper attention to competition but simply providing near monopolies in order to maximise the sale price. So if we are going to talk about the port, if we are going to talk about development of the port, if we are going to talk about the Victorian Industry Participation Policy and if we are going to have an inquiry into it, as Mr Somyurek is urging us to do, then I certainly think we should be looking at that aspect of it.

In summary, what I am saying is that this is a good motion. It is a worthy subject of inquiry. But you would have to say that beyond the factors Mr Somyurek raised, such as Victorian content, Australian content, international competition, trading rules and all the rest of it, quite likely the most important thing that a Victorian government could do in order to ensure the prosperity of the steel industry would be to come up with a rational, consistent and predictable set of policies, such as those for the rail industry, those for the wind industry, those for the solar industry and those for the ownership of large state government assets, that would allow the steel industry to get on with planning its future, building its productivity and investing in its own workforce, its own technology and its own know-how, because it would be assured of plenty of work into the future. If we could achieve that, then we would have provided certainty to the industry.

Mr D. R. J. O'BRIEN (Western Victoria) — I rise to make a contribution on the motion. I note that there is another motion on the notice paper on the renewable energy target (RET). Respecting your ruling, Acting President, I will confine my comments to this motion, noting that there will be another opportunity to address specifically the matters that Mr Barber has raised in relation to the RET.

It is an interesting motion for Labor to have brought up, for the reasons put forward by Mr Dalla-Riva. It is not a concept that Labor embraced while in office, and there is a recognition implicit in Mr Somyurek's raising of the motion that this government has created job-generating opportunities for all our manufacturers, including our steel manufacturers.

Those job-generating opportunities are contained in a very well thought out policy platform — and to respond to the heart of Mr Barber's contribution, one that I would say stacks up against any thought bubble offered by the Greens — and that is the Victorian budget. As a result of the prudent work of this coalition government over the last three and a bit years in office, that budget has put this state in the best position of any state in Australia and in a much better position than the Greens, in government with the Labor Party federally, left the federal budget. Ours is a budget that delivers, amongst other things, a record \$27 billion worth of infrastructure projects.

I go now to the heart of Mr Somyurek's motion. Mr Somyurek almost said it a couple of times. We tried to get him to say it in relation to this particular project, the expansion of Webb Dock, that he puts at the heart of his motion, but also in relation to the east–west link, which he mentioned. He referred to comments made by the Australian Industry Group. What he did not refer to — and I called upon him to do so, but he did not — were the comments that the Australian Industry Group made in relation to the east–west link development. I take the opportunity to highlight those comments so that members can put in context what has been said. An Australian Industry Group media release of 29 April states:

'The state government's announcement —

that is, the Victorian state government's announcement —

regarding the western section of the new east–west link is an exciting project for Victorian industry', Australian Industry Group Victorian director Tim Piper said today. 'The completion of the link will be a game-changer for Melbourne transportation —

which includes ports, rail and road —

and provide significant economic benefits for the entire Victorian economy. The west is a vital business corridor and provides important commuter links. Completing the east–west link will fill a major gap in the road network and will have productivity benefits. Developing Victoria's road network is important for livability and for improving industry's access to greater markets', Mr Piper said.

Those comments are from the same body that Mr Somyurek was relying upon in relation to the projects and to one of the centrepieces of the Victorian budget. That job-creating, infrastructure-building \$1.3 billion surplus budget is the plan we have for the next four years. We will deliver it whilst we remain in government this term and if we are re-elected in the following terms. I am always happy to put that record

against any record or proposed idea that Mr Barber and his Greens colleagues come up with.

This is where it gets fun because Mr Barber talked about support for our steel industries. He mentioned IXL Metal Castings. I met with IXL, and I received a submission from the company in my capacity as chair of the Rural and Regional Committee of the Victorian Parliament. I serve on that committee which is a tripartisan committee; the Greens do not serve on this committee. The committee is conducting an inquiry into Victoria's exports. The terms of reference include reporting no later than 4 September 2014, which incidentally is the same date chosen in Mr Somyurek's motion. The inquiry is into the opportunities for increasing exports of goods and services from regional Victoria. The committee has been asked to do this through examination of:

- (a) the identification and volume of Victorian agricultural, resource, manufacturing and service industry exports to overseas markets originating in regional Victoria;
- (b) regional Victoria's competitive advantages in meeting the demands of world markets;
- (c) innovative approaches to exporting and lessons to be shared from successful exporters;
- (d) impediments and barriers creating difficulties for regional exporters; and
- (e) the current and future roles of government in supporting regional businesses in their export endeavours.

We have received evidence from IXL, and as a tripartisan committee — without the Greens but with members from The Nationals, the Liberal Party and the Labor Party — we have met with port operators and ports authorities and will continue to do so. I do not wish to say much more about the inquiry at this point, because it is still progressing. We will rate further deliberations and further receipts of evidence. I encourage further submissions if people wish to make them. However, as we are still deliberating, I simply say that the inquiry exists, that the opportunity exists and that evidence from IXL was received at a public hearing in Geelong.

If we look at what the Greens have done for steel manufacturing in this state and country and what Labor has done federally, we see the real hypocrisy of their more recent submissions and their feigned support for our manufacturers, when they continue to this very day and hour to oppose the removal of what is by far the greatest impediment to our steel manufacturers, and that is the carbon tax put in place by Canberra.

Mr D. D. O'Brien interjected.

Mr D. R. J. O'Brien — My colleague Mr Danny O'Brien, who has great experience in trade and other state and federal matters relating to economic sectors, would, along with Mr Barber and Mr Melhem, acknowledge that the carbon tax was designed to tax what used to be called our heavy polluters. What it really taxes, however, is Australian and Victorian manufacturers — so-called heavy polluters. The steel industry is a huge user of electricity, and steel is often made from Australian raw materials. We talk about value-adding and keeping these jobs in Australia. We talk about supporting our Australian steel producers — that is, our fabricators. The fabricators I have met with — some of whom wish to keep their light under a bushel because they are competitive industries that do not necessarily like to engage in the political process, and I will keep their identities to myself at this point — have said that the carbon tax acts as a reverse tariff.

If we look at the competitiveness both of international markets and Australian markets, we see that Australians believe in free markets. We have taken a very strong stance in liberalising what was once called our overprotected Australian economy. Part of Mr Somyurek's motion refers to purchasing policies, which I will turn to. However, the carbon tax imposed on Australian and Victorian businesses is the highest carbon tax in the world for a global problem. As defined, the problem of carbon emissions is a global problem, but the same taxation structure was not imposed on our overseas competitors, and that has resulted in a significant and continuing competitive disadvantage not just for our steel manufacturers but also for our fabricators, dairy producers, hospitals —

Mr D. D. O'Brien — Everyone.

Mr D. R. J. O'Brien — Every single one, as Danny O'Brien said and as was coined by Senator Barnaby Joyce, the federal Minister for Agriculture. Ultimately the removal of the carbon tax was accepted by the Victorian people as a significant election commitment, and ought to have been implemented by Labor and the Greens, both now in opposition.

Mr Melhem interjected.

Mr D. R. J. O'Brien — Mr Melhem is probably leaning forward to say that he would have voted to get rid of the carbon tax. What we have seen is a spitting-the-dummy approach; there has been a recalcitrant approach and a failure to support Victorian industries at their heart. Neither the Labor Party nor the Greens will respect the mandate the federal coalition government has to remove the carbon tax. I again call upon Mr Melhem, Mr Somyurek and others who are at

the right end of their party — members who are less likely to be cannibalised by the Greens — to call their federal colleagues right now, because the debates are continuing in Canberra as we speak, and ask them to look at removing this very significant reverse tariff.

In returning to Mr Somyurek's motion, I will outline what the Victorian government has done. Firstly, the budget is a critical component of our work, but I turn specifically to the Victorian Industry Participation Policy (VIPP). Improvements were made to that policy as a result of the introduction of reforms on 1 January 2013. Those reforms were made in line with the Victorian government's response to the Victorian Competition and Efficiency Commission's inquiry into a more competitive Victorian manufacturing industry.

I should take this opportunity to thank Mr Somyurek for putting a motion on this general topic on the notice paper. I do not support where his motion heads for the reasons I have given, and certainly for the reasons well espoused by my colleague Mr Dalla-Riva, a former manufacturing minister. Mr Dalla-Riva was a very good manufacturing minister and has a great understanding of these issues. He was able to quickly point out the hypocrisy in Labor's position, in that Labor did not put these sorts of policies into practice when in government, let alone deliver their projects on time. It is this government that has made some reforms to VIPP.

To provide some background, VIPP applies to projects worth over \$1 million in regional Victoria and \$3 million in Melbourne or statewide where there are significant contestable items, meaning only those procurement activities where local suppliers are competing with international suppliers. The government introduced a contestability assessment to government procurements under VIPP, the intent of which was to cut red tape and to target goods and services under import stress that can be competitively supplied by the local market.

Some goods and services are only available from the local market with no import competition, so there is no added benefit from acquiring VIPP plans that outline opportunities for local industry. Similarly, some items are only available from the international market because there are no local suppliers in the market or local suppliers are unable to meet the requirements of the project. VIPP encourages import replacement by raising awareness of competitive local suppliers and increasing investment in local industry development and employment opportunities. Engaging local suppliers has broad benefits for the Victorian economy in terms of investment, maintaining capabilities and

creating employment and apprenticeship opportunities. Value for money remains the primary criterion in selecting the preferred bidder on all VIPP projects, including strategic projects.

Labor and the Greens fail every time they get a chance to sit on the Treasury benches, and thankfully for the country and the state the Greens have only had one chance — hopefully they will never get another one. They fail to understand the importance of running government projects competitively and with prudence in mind. They also, as is set out in VIPP, do not understand the importance of being consistent, where possible, with trade policies and some of the practices of other countries by supporting local manufacturing and local jobs and giving local businesses, exporters and manufacturers the opportunity to tender and to receive consideration in the bidding process.

In many situations, using local suppliers can improve value for money and can be very good for supply chain management and quality assurance. There is great evidence — and Mr Rich-Phillips would be aware of it — that Victorian manufacturing and ICT industries can work in conjunction to utilise the latest technology. Victoria leads in many skilled and advanced manufacturing industries, so there can be great opportunities for Victorian firms to provide innovation not only in contracts and manufacturing techniques but also in important supply chain quality controls through compliance with what is sometimes called red tape. Good quality standards ensure sound production and good products so that no unforeseen problems will occur down the track. It can also be cost effective to use a local supplier in terms of maintenance, so local service opportunities can add to production. That is another area our IT sector can focus on. Ultimately, certainly in the private sector, the selection of suppliers remains a commercial decision, and the government is very mindful of ensuring that it obtains value for money for the taxpayer dollar.

In relation to the Port of Melbourne Corporation's port capacity project, it is my advice that the Victorian Industry Participation Policy does not cover the port capacity project, as a list of requests for proposals in relation to market offerings as part of the port capacity project predated the 2013 reforms to the VIPP. The policy does not cover this project, which was started before this government's reforms. This brings us back, as Mr Dalla-Riva said, to the legacy policies left over from the previous government. As Mr Dalla-Riva said quite adequately, using his experience and recall of what went through this Parliament when Labor was in power, the former government failed to seek

procurement of local steel in relation to the EastLink project.

Mr D. D. O'Brien interjected.

Mr D. R. J. O'BRIEN — We are, Mr O'Brien, and we trust that is appreciated, because it has taken three and a half years to get this state into a position where we can deliver a surplus of the kind that we would like, which is \$1.3 billion. We have delivered smaller surpluses, and most importantly — and this is something Labor was never able to do — we have delivered our budget expenditure in line with our forecasts. That is, we have made sure that we did not spend more than we budgeted. The federal Labor-Greens alliance was unable to do that, and it was unable to achieve a surplus. At the federal level we saw 500 promises of a surplus rolling out the back door.

Going back to the Port of Melbourne Corporation's port capacity project, as a result of this predating the VIPP, the VIPP was not applied to the project. Another important reason for that — and this is something the government is very happy to facilitate — is that the port capacity project is being delivered exclusive of taxpayer funding. It is one of the projects that the now Premier and former Minister for Ports was very pleased to facilitate early in this government's term of office. He was able to facilitate this significant \$1 billion expansion, with the private sector effectively coming in and delivering the project, allowing it to go ahead, and providing those important port capacity benefits for the state that Mr Somyurek in his motion implicitly acknowledged and which the industry group in relation to the east-west link, for the reasons set out in the letter, has also acknowledged.

What you see then, in relation to this project, is that the VIPP was not applied to the port capacity project, as I said, because it was delivered exclusive of taxpayer funding. This backbone infrastructure is fully funded by the corporation, while terminal superstructures and facilities are fully funded by the successful private sector proponents. The Port of Melbourne Corporation has facilitated introductions for appointment contractors and private sector operators to the government's Industry Capability Network Victoria (ICN) in much the same way as the VIPP would require. The corporation has encouraged ongoing engagement with Industry Capability Network representatives in order to maximise opportunities for Victorian businesses to participate in the project. It has actively engaged the ICN, facilitating introductions to the port's successful bidders and their primary contractors. I am advised that

organisations approaching the corporation seeking opportunities to participate in the project continue to be provided with contact details for the relevant contractor, operator and bidders. The timely provision of these responses is audited as part of the project's quarterly management data reporting.

We have a project here, as I have said, that predates the VIPP, but nevertheless the Port of Melbourne Corporation, as per the advice, is endeavouring to ensure that there is as much local provision as possible. Whilst contractually the corporation cannot mandate local content for private sector investment, project staff are, I am advised, actively encouraging contractors and operators to consider local suppliers. The result of this, on the advice I have received, is that the corporation estimates that procurements associated with the project's delivery involve approximately 70 per cent local content. The corporation also identified that the greater proportion of non-local procurement is attributable to specialist requirements where indigenous supply is either limited or unavailable, which is, again, effectively consistent with the way the VIPP has been applied to other projects.

The Port of Melbourne Corporation has taken actions to consider local steel and has met with the federal government's steel industry advocate and provided a briefing of the project, specifically the private sector involvement, including an overview of the steel specification prepared by the maritime contractor, McConnell Dowell, for supply of the specialised steel marine piles. It is my understanding that the commonwealth's advocate advised that the steel specified in the project was not manufactured in Australia. The corporation, as Mr Dalla-Riva said, has met with the Australian Workers Union and the Maritime Union of Australia to discuss this matter.

The government's support for this project has been clear. There has been a very coordinated application of our transport and procurement policies across the state, something we are very proud of. This government has dealt with the situation created under 11 years of Labor government, where there was a major crisis in Victoria's freight sector. With 11 years of delay and inaction, nothing was done to address the urgent need for additional capacity at our ports. In terms of our exports and imports, we have four major ports in Victoria, and they all have roles to play in exports in particular but also in our import sector. They are, from west to east, the port of Portland, the port of Geelong, the port of Melbourne and the port of Hastings.

Through my life I have had a fair bit of involvement in several of those ports. I appeared at the first

channel-deepening environment effects statement (EES) inquiry, where I represented my father's firm, which is a local ICT firm. Given the matters in relation to the Port of Melbourne Corporation, Bay West and Hastings, it is virtually impossible for me to make a contribution without firstly disclosing that. My father and his company, OMC International — of which my brother, Peter O'Brien, is now the general manager — have had extensive involvement consulting on maritime ICT for our ports. Mr Ramsay in his capacity as former president of the Victorian Farmers Federation well knows that it provides IT services. Its projects were eventually accepted under tender by the Port of Melbourne Corporation, and it implemented a world-leading program. It was the only engineering company to have a successful under-keel clearance program — called dynamic under-keel clearance, or DUKC — registered, which reflects trade secrets and significant technology.

That technology has allowed me to have an understanding of the potential of each of our four ports through my life. The technology has also allowed significant export boosts around the country. It has been rolled out at 28 ports in Australia and around the world, including the port of Melbourne. It has the potential to be utilised in relation to Hastings, Bay West — if it were to proceed under a Labor government — and even, to a lesser degree, Portland. For those reasons I put my knowledge of these matters on the record. I will leave it to others to advocate for the use or otherwise of this world-leading ICT technology.

However, it does allow me to make some comment on both the situation at the port of Melbourne in relation to capacity and the potential for Hastings as a deepwater port. There is no doubt in my mind that Hastings is the future of Melbourne's export markets and deepwater shipping. The situation at the port of Melbourne is that capacity will always be constrained to some degree by the situation at the Heads and by the depth of the channel. The extent of the constraint is a matter of technical expertise, in which OMC and others — but particularly OMC — are intimately involved, because they provide the software that guides ships safely into Port Phillip Bay and maximises capacity use of the channel. That is why we appeared at the first channel-deepening EES inquiry and demonstrated that, at the time, the case for the EES had not been validated. We were successful in convincing the independent panel that the project should not proceed because the channel had not been maximised.

Mr Barber — You found something to agree with the Greens on.

Mr D. R. J. O'Brien — I am always happy to agree with the Greens if the Greens agree with us. I am also happy to agree with Mr Somyurek when he talks about the importance of Australia's competitiveness. That is something that I think is equally shared. The difficulty I have with both the Greens and Labor is their policy solutions to some of these important questions, and that is where the Greens, with their fairies at the bottom of the garden, look at policies which are ill-conceived, like the carbon tax. Those policies play well to a narrow sector but do not have any business base, and they show no understanding of their effects on Australian and Victorian jobs, which is what is at the heart of this motion. I think Mr Somyurek in his heart of hearts — although perhaps not where he votes — would agree with many of the policies that this government has been proud to implement, in particular the east-west link.

The reason I place those comments in relation to my involvement with the relative merits of Bay West and Hastings on the record is that the clear position — and this is something I am sure the Greens would be upset about — is that if Bay West were to proceed, it would require a significant deepening of the channels within the bay, a potential widening of the Heads and, depending upon what sorts of ships were sought at what stages of the tide, potentially a deepening of the channel at the Heads. The major point of Victoria's ports policy is to support all our export ports in the different roles that they can play, depending on tides, shipping and proximity to our markets. This is where we are benefiting as a state from a competitive advantage.

We have the port of Portland, which is also a very strong deepwater port, in the west of the state. It has had some land challenge constraints, particularly under the Labor government, when planning policy in the Portland area was appallingly administered. We commend the Minister for Planning, Minister Guy, for the manner in which he has gradually sought to finally resolve, in conjunction with the Premier as the member South-West Coast in the Assembly, some of these longstanding conundrums in the Portland area, including some of the port planning, which has seen Portland remain a town way below its potential. What we see in relation to our port capacity —

Mr Melhem — On a point of order, Acting President, Mr O'Brien objected earlier when Mr Barber was speaking in relation to IXL and deviating from the motion. For the last 5 minutes Mr O'Brien has been talking about ports and other matters which do not relate to the motion. I ask you to bring him back to the motion.

Mr D. R. J. O'BRIEN — On the point of order, Acting President, I did object; Acting President Ramsay did not uphold my objection to Mr Barber, and I am specifically responding to some of the matters Mr Barber raised. The motion relates to our port capacity and the role of our ports.

The ACTING PRESIDENT (Ms Crozier) — Order! There is no point of order.

Mr D. R. J. O'BRIEN — The port of Portland is important, as are the ports of Geelong and Melbourne, but the port of Hastings without a doubt will be the future of Victoria's exports, because it is a deepwater port located very close to the growing south-eastern manufacturing, residential and commercial heart of Melbourne. That port policy has been carefully considered so that it supports all ports, but it particularly supports medium and short-term investment in the future of Melbourne's exports and the continued growth of the port of Melbourne. It also looks at long-term investment with the port of Hastings expansion.

In relation to the Bay West project, which is Labor's alternative proposition, there is no doubt that any development on the west side of Port Phillip Bay would require at least five years of planning to bring it to a similar stage of development as the port of Hastings. It would result in significantly more dredging, which could be technically difficult and prohibitively expensive. However, Labor is always prepared to put that forward rather than support existing projects and existing ports. It is prepared to weigh down our industry with projects that become white elephants, such as the desalination plant and the north-south pipeline, which Mr Dalla-Riva referred to in his contribution to this debate. Labor has failed to apologise for those projects, notwithstanding that it has not been necessary for a drop of water to pass up or down that pipeline.

In relation to this government's support for local manufacturing, for the reasons I have outlined, Keppel Prince is an important manufacturer in the electorate I serve, and it continues to provide manufacturing opportunities for steel in all its capacities. In his contribution to the debate Mr Barber touched on the wind debate, and that is referred to in a separate motion, but there is no doubt that under the previous government many wind turbines were imported from China. That is an issue Keppel Prince has complained about loudly.

The issue with the renewable energy target — Mr Barber raised it during the debate on this motion and the Acting President ruled that it was in order —

arises from government-subsidised schemes. Whether they are good, bad or indifferent, government-subsidised schemes distort the market, and we saw that in western Victoria with the rollout of the managed investment schemes on hardwood timber. Whether the RET is contained, modified or adjusted is a matter for a separate motion, but right now that is being considered by the federal government and the state government has made a submission on it. I will speak on that when that motion comes up for debate.

There is no way that the wind industry in its present form would exist in any commercial sense were it not for some form of government subsidy. That is very different to the steel industry in Victoria, and that is what the Greens fail to understand about competitive advantage. We have a competitive advantage in steel manufacturing compared with wind principally because of our cheap power, or the formerly cheap power we used to have in this state prior to the introduction of the carbon tax. What you have with the Greens and the Labor left — and right, when they get sucked into government with them — is a desire to tax our industries out of business and to decimate Victorian producers with high taxes. After the horse has bolted they attempt to adjust the situation with calls for subsidies and greater action. This government prefers to support industries with sensible procurement policies — and VIPP and the reforms the government has made, for the reasons I have outlined, are sensible procurement policies — and to ensure that industries are able to compete in a competitive environment with our overseas competitors, many of whom pursue more protectionist policies than we presently do.

The federal government is presently seeking to break down some of those barriers with market access agreements. I urge the Greens to get out of the way, to admit defeat to the federal government and to acknowledge the costs they have put on our businesses. Through the review conducted by the member for Brunswick in the Assembly the Labor Party has recently announced that it should probably listen to the Greens a bit less. The Nationals and the Liberal Party have for a long time preferenced the Greens last, not because we do not care about the environment but for precisely the opposite reason. We care about the environment, and we know that if you stay in production and in sustainable, competitive businesses, you then have the best chance of leading the world in terms of innovation, sustainability and technology, such as is being done by many of our producers.

It is important that we recognise the significance of our manufacturing sector. It is not something we should abandon, and it is something I will work very hard to

maintain. It is important that we acknowledge the opportunities that exist for our ICT sector in the future. Another initiative that is important for local procurement opportunities as a result of innovation is in relation to carbon fibre technology and the work being done by Carbon Revolution in Geelong. It is different to steel but, as has been said, whilst aluminium was an industry that in a sense replaced part of the steel industry in terms of procurement, carbon fibre has the potential to provide some manufacturing substitution for components.

It cannot substitute them all — certainly one would imagine that port structures for many years will be built with steel — but in terms of the manufacturing production line itself we commend the work of Deakin University and Professor Jane den Hollander and all those at Carbon Revolution, who have demonstrated with the carbon wheel and other projects that they are able to produce world-leading technology at an advanced manufacturing scale in Victoria.

Another sector we have been continuing to support is the mining industry, as it has been rolling out steel mines, or iron ore mines, in Western Australia. There are many producers and fabricators based in Geelong and Ballarat that make excellent products that are used in steel mining and production.

Mr Ramsay interjected.

Mr D. R. J. O'BRIEN — Yes, Alstom train sets, AME Systems, Action Steel Industries, Thornton Engineering and other companies that continue to facilitate the rollout of very good quality steel for our manufacturing industry.

I wish to go back to one of the challenges Mr Barber set me. He asked me to talk about what this government will do for rail, particularly in regional areas, and about the grain logistics project. I believe Dorothy Dixers sometimes come from the other side, and in this case I cannot think of a better Dorothy Dixier for me to respond to than Mr Barber's question about what this government is doing in relation to rail. This is a government with a track record of delivering what it promises — a government that carefully budgets for things and that will make the hard decisions, if necessary, to ensure that Victoria is viable. What we are delivering in relation to our plans for grain logistics is a project that was certainly talked about under Labor's reign but is now being delivered — primarily thanks to the hard work of the member for Mildura in the Assembly, Peter Crisp, but also the coalition as a whole and as a united team — that is, the transformational

Murray Basin rail project, which will include the Mildura to Geelong rail standardisation link.

Mr Barber interjected.

Mr D. R. J. O'BRIEN — Just for Mr Barber — and he can put this out to all his western Victorian Greens — we can talk about the opportunities to generally boost exports and jobs. This includes in kangaroo processing, which he seems to scoff at. He should take his comments to Roly Rivett in Camperdown. The Greens closed down another industry because they think we cannot eat our kangaroos or use them for pet food, even though we are killing them and leaving them on the ground. Mr Barber scoffs at me for trying to get rid of his red tape. I am happy for Mr Barber to do that at any time and any place, because it demonstrates yet again that he will take us to the loony land of Greenville.

In response to Mr Barber's challenge to explain what we will do about country freight, I can advise that we will invest up to \$220 million to deliver key country freight rail upgrades and build the transformational Mildura to Geelong rail standardisation link.

The Murray Basin rail link will serve one of Australia's leading food-producing regions, which exports in excess of \$3 billion worth of food products and mineral resources per year.

Mr Barber — You got that from the Australian Bureau of Statistics. What's your plan?

Mr D. R. J. O'BRIEN — The plan is to deliver our budget, unlike the Greens plan, which is to spend money they do not have, to tax our industries to death, to prevent industries from opening up because of red tape or green tape and to continually block federal government measures. Yesterday we saw the Greens, who are supposedly concerned about climate change, blocking at a federal level an indexation of the fuel excise. Certainly there are many people on my side who are concerned to ensure that we keep fuel excise on track, particularly for primary producers and also for job-generating industries. We saw Christine Milne lead the Greens into the valley of death again by seeking to block — after they said they would not — an indexation increase in the fuel excise so that they can get their faces in the newspaper. They marched in a little line towards the cameras, saying, 'The Greens are here to wreck the economy a bit more. We don't want to try to save some of the budget measures. We don't want to pay back the debt. We want to decimate the country'. That is what they do.

Mr Barber interjected.

Mr D. R. J. O'BRIEN — To respond to Mr Barber's earlier challenge, we have a plan to deliver — in this particular instance, but not in isolation — freight and logistics improvements, with an initial \$41 million to upgrade the Hopetoun and Mildura lines, that will enable the eventual rail gauge standardisation after a business case, which is something I do not think the Greens would have even slept on.

Mr Barber interjected.

Mr D. R. J. O'BRIEN — Mr Barber would never do a business case, because he does not know about business. He could do a business-destroying case.

Honourable members interjecting.

The ACTING PRESIDENT (Ms Crozier) — Order! There is far too much background chatter. I ask members to keep their conversations to a minimum.

Mr D. R. J. O'BRIEN — The Greens have asked, 'What is the business case?', but they would not know what business is, let alone what a business case is. They would not know what a feasibility study is, but they do know how to destroy our businesses and tax them to death. What they should instead do is get out of the way. The Labor Party now wants them out of the way. Labor is stuck with them, because it helped them grow a bit. We have seen the spectacle of the Greens trying to cannibalise the Labor Party's left.

Instead what we will do in Victoria is deliver our promises and deliver transformational rail projects such as the Murray Basin rail project. We will also deliver associated improvements to both western Victorian roads in terms of the Western Highway upgrades and bypass planning and the Princess Highway upgrades we have committed to rolling out. What we are doing will enable our grain exporters to use the port of Melbourne, the port of Geelong or the port of Portland. Competition between our ports will assist those exporters, be they steel, grain or live meat exporters.

Again I ask Mr Barber whether he will support live meat exports. Mr Barber has gone silent. Live meat — sheep, cows? No? Mr Barber has gone silent — the voices have stopped — because this is another issue where the Greens have hit a roadblock. Perhaps Mr Barber, with his New Zealand heritage and knowledge of the sheep industry to some extent, and Christine Milne are trying to cuddle up to their rural constituents whilst they oppose live meat exports and in part the consumption of meat, which is why they will not permit kangaroos to be consumed in this state.

That is the problem with the Greens. They try to cuddle up, but they get quite scary when you see them up close because of what their policies would actually do — or what they would fail to do — in terms of job creation. This is a government that will continue to implement its promises, that will budget and plan for this state and that will ensure, to the best of its ability, that local firms receive genuine consideration in the tender process. The government can do this by budgeting \$27 billion to allow these projects to exist and, more importantly, by setting the financial conditions that allow local firms to tender for projects.

This contrasts with what the Labor government would do. Certainly we know what it did previously when it built those white elephant projects: it had the Construction, Forestry, Mining and Energy Union put in place higher priced contracts resulting in the white elephant desalination plant that is much bigger than the state needs and is projected to cost Victorian water users approximately \$1.8 million per day. What the Labor Party does in relation to local procurement is spend money in ways this state does not need. We saw the federal Labor government do the same by sending out cheques for \$1000, which were spent on imported plasma televisions. If you cannot manage the money, cannot manage the state and cannot manage the finances, then there are no local industries, there are no local jobs and there is no local economy.

Returning to the comments of the Australian Industry Group, which Mr Somyurek was happy to cite, we call on Mr Leane, who is someone who worked in construction, we call on Mr Melhem and we call on Mr Somyurek, who implicitly supported it in his contribution, to support the east-west link. We call on them to not only support part of our plan but, to use Mr Barber's words, support our entire plan for our freight and logistics networks. We call on them to support our port construction projects, the expansion of Hastings, Webb Dock east, the east-west link, western Victorian road projects and western Victorian mining projects. What is Mr Barber's view on the Big Hill expansion at Stawell?

Mr Barber — I am against it.

Mr D. R. J. O'BRIEN — He is against it. There we go, the Greens are against jobs in Stawell. I love that one. I thank Mr Barber very much for that.

Mr Barber — So you are for it?

Mr D. R. J. O'BRIEN — I am for its consideration under the process, which is an independent environment effects statement (EES). If the process

proves that the project will not have the adverse environmental effects as the previous EES from 1999 suggested it would not have, then the project should receive approval. This government will support appropriate projects and will ensure that all projects go through a thorough consultation process. I will not pre-empt the outcome of that process for this project. Picking up this mining project in the electorate will create significant job opportunities not only for my western Victorian constituents but for steel fabricators and the other people that Mr Somyurek has included in the motion as well.

We heard the Greens, prior to this project going through its full assessment, opposing it; opposing jobs and opposing the development of Stawell. Previously we saw the Labor government do that. It led to more job losses because, despite the previous panel's report recommending that the project go ahead, former Minister for the Environment John Thwaites cuddled up to the Greens and the nimbys to knock back that particular project and send those jobs in Stawell packing as an election commitment.

Mr Barber — So you are an agnostic on this project.

Mr D. R. J. O'BRIEN — No, I am not an agnostic. I support proper process. If the process indicates that the project should go ahead, then the project should go ahead. I will not get in the way of projects that are good for this state, and I will not get in the way of jobs that are good for Stawell and western Victoria. I will support our steel manufacturers, our Carbon Revolution projects and our innovative industries all over western Victoria. The government will continue to support jobs in this state, deliver on its promises and engage in long-term planning that can provide certainty for these projects, such as those outlined in its plans for our ports. These projects include not only the Webb Dock project but also the great potential for Victorian construction and export jobs at the port of Hastings and the potential creation of further jobs in other ports, including the port of Portland and the port of Geelong.

What we will not do is what we just heard from the Greens, who did not say they will take time to even consider it. I asked Mr Barber if he supported the Big Hill project in Stawell, and his answer was no. He said no because it is mining, so it must be bad. Mr Tee and the Socialist Left are no better. I am sure he would have said the same thing if I had happened to ask him. I am happy for Mr Tee to outline whether he supports the Big Hill project in Stawell by way of interjection.

Mr Tee — That is a good question!

Mr D. R. J. O'BRIEN — It is a good question, is it? Do you support it?

Mr Tee — I support jobs.

Mr D. R. J. O'BRIEN — Mr Tee says he supports jobs, so he supports the project. Maybe not; I think he moves in whichever direction he thinks the wind blows and will support any particular argument of the day. That is in contrast to this government, which is consistent with its policies and stands by its convictions, most importantly those in relation to jobs and infrastructure for the state. We will deliver our budget and deliver on our promises, and we will ensure that there are jobs, ports and export growth for the next 5, 10, 20 and 30 years to come. I oppose this motion, and I encourage those on the other side, like Mr Melhem, Mr Leane and Mr Somyurek, to finally get on board with some of this government's job-creating projects.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Supported residential services

Ms MIKAKOS (Northern Metropolitan) — My question today is to the Minister for Ageing. I refer the minister to the 2012–13 community visitors report and its finding that his government's sustainable government initiative resulted in:

... a massive loss of staff and corporate knowledge from the department, particularly in the eastern and southern regions, which have the majority of SRS —

that is, supported residential services. I ask the minister: how many audits of SRSs were undertaken by authorised officers of his department in the 2012–13 financial year?

Hon. D. M. DAVIS (Minister for Ageing) — I thank the member for her question. The government believes its sustainable government initiative has been an effective initiative that has preserved front-line services and ensured that there is a high quality of services provided, particularly in my department but in other departments as well, so I do not accept that point. The second point I make is that I will find the number for the member. I do not have that number to hand, but we can certainly find the number of visits that were made.

Supplementary question

Ms MIKAKOS (Northern Metropolitan) — I point out that the commentary I gave the minister came from the Office of Public Advocate's report, which he is disputing. I appreciate the offer, and I would appreciate receiving the information in a timely way, but I ask the minister by way of supplementary if he could also advise how many audits of SRSs were undertaken in Southern Metropolitan Region by authorised officers of his department during the 2012–13 financial year.

Hon. D. M. DAVIS (Minister for Ageing) — Yes, I can.

Health workforce safety

Mrs MILLAR (Northern Victoria) — My question without notice is to the Minister for Health, the Honourable David Davis. Can the minister inform the house of new coalition government legislation protecting our health-care emergency workers?

Hon. D. M. DAVIS (Minister for Health) — I can inform the house, with some pride, I might add, that the government has made announcements about tougher penalties for attacks on emergency workers. Particularly in the context of my portfolio, that applies to those in emergency departments: doctors, nurses, allied health staff, ambulance officers and others who support these emergency support staff. There will be stronger penalties for those who intentionally inflict serious injuries on emergency workers. They can expect at least three years behind bars, and those who recklessly inflict serious injuries can look to spend at least two years in jail. If there is gross violence involved, attackers will face a minimum of five years in jail.

This is important and sends a very clear signal that our first responders will be protected, and in the case of my portfolio area they are those who are involved in terms of Ambulance Victoria and also in our emergency departments. It is clear that our health workers are a very particular group of people in our community. They are highly respected, particularly those who undertake —

Mr Lenders interjected.

Hon. D. M. DAVIS — Mr Lenders was a part of a government that would not make this move and would not put in place proper penalties. He was part of a government that was too weak to do that. I am in possession of a letter from November 2007 from the then Attorney-General to the Australian Medical

Association (AMA) indicating very clearly that the former government would not move with higher penalties for emergency workers and would not take the steps that were required. The Minister for Health at the time is now the Leader of the Opposition and member for Mulgrave in the Assembly, Daniel Andrews. The former government would not take the steps to put in place proper penalties for those on the front line who were put at risk or who were unreasonably attacked by those who they were seeking to provide treatment to.

This violence against health professionals is an important matter. The government takes it very seriously. There are a range of measures under way across my portfolio to deal with these issues. We understand the importance of better duress buttons, better lines of site, CCTV and ensuring that there are proper protections in place in country centres in particular. This new step that the Attorney-General and the Premier have announced today is that those who are first responders — in the case of my portfolio, Ambulance Victoria and emergency department personnel — will have additional protections through this process. Those who —

Mr Jennings — When?

Hon. D. M. DAVIS — When the legislation is passed, and that will occur very soon, I can assure Mr Jennings, unless his party is determined to oppose it, like it did when it was in government. Daniel Andrews was not strong enough to stand up to the then Attorney-General, Rob Hulls, who was weak on these things, weak on crime, prepared to allow emergency workers to be exposed and not prepared to put in place tough enough penalties. That is the fact. It is a disgraceful letter that I have here from Rob Hulls to the AMA, indicating that he would not make these tougher penalties, would not protect emergency workers and ambulance officers and would not take the steps that were required. That is the record that Daniel Andrews has to answer for — weakness and failure to stand up in this way.

Mr Jennings — On a point of order, President, the minister knows that he is debating the issue, and you know he is debating the issue. He is drawing attention to a letter from 2007, not the contemporary promise made by the Labor Party in 2010 or the promise that he made in 2010, for that matter. He has chosen to debate the issue rather than stick to the substance.

Hon. D. M. DAVIS — On the point of order, President, I am simply referring to the facts, the record and the history in this area. That is the history —

Mr Jennings interjected.

Hon. D. M. DAVIS — It is the facts. That is the letter; it is a very inconvenient letter from 2007.

The PRESIDENT — Order! Flourishing the letter is debating. Maybe the minister was being provoked, but perhaps he could have been a bit more circumspect. I concur with the point of order; the minister has been debating. He has made the point probably three times within his answer, and three times errs in the direction of debating the answer. The minister should continue without referring to past history.

Hon. D. M. DAVIS — I will conclude by saying that when police and emergency workers put themselves on the line to help others, when hospital emergency department workers and ambulance officers put themselves on the line they deserve protection and support. An attack on an emergency worker is an attack on the whole community.

Supported residential services

Ms MIKAKOS (Northern Metropolitan) — My question is to the Minister for Ageing. I again refer the minister to the 2012–13 community visitors report, which singled out the southern metropolitan region as being:

... without the support of a department manager as well as a reduction in the number of permanent authorised officers because of resignations and government policy.

The SRS previously known as Mentone Gardens and operated by Parklane Assets Pty Ltd, now in liquidation, was one such SRS located in the southern metropolitan region. How many audits and inspections were conducted by authorised officers of his department at Mentone Gardens during the term of his government?

Hon. D. M. DAVIS (Minister for Ageing) — I will take the number on notice, but what I do say is that departmental staff in the southern region have worked very hard and do a very good job. I have a high degree of respect for and understanding of their capabilities, so I do not think reflecting negatively on the work undertaken in the southern metropolitan region in this way assists. I certainly reject the assertions that the member is making.

Supplementary question

Ms MIKAKOS (Northern Metropolitan) — Minister, they are direct quotes from the Office of the Public Advocate report, and I am not making any insinuations about the departmental staff — rather, it is

a case of lack of resources. By way of a supplementary question I ask: was an audit of Mentone Gardens finances conducted by the minister's department prior to a receiver being appointed, and on what date did this occur?

Hon. D. M. DAVIS (Minister for Ageing) — I will also take that on notice and come back if there is a relevant point to add.

Mr Lenders — On a point of order, President, the Leader of the Government has twice now, in response to this question and once to an earlier question, said he will take it on notice. The point of order I raise is that the minister has, for two years now, been saying that he will take these on notice. I seek clarification via a point of order as to when these answers to questions will be given to Ms Mikakos. Will they be via the standard questions on notice requirement with a 30-day rule, or will they be left in the ether? It is a serious point of order seeking clarification, because on this side of the house we have moved substantive motions on this very issue where the minister says in the house he will take a question on notice but the answer never comes. The point of order is: when?

Hon. D. M. DAVIS — There is actually no point of order — flat. There is just no point of order. But more broadly in response to the member's point is that where there is something relevant to add, I certainly will come back to the house.

The PRESIDENT — Order! I beg to differ. There is a point of order. Points of order are about process. Mr Lenders has rightly questioned the process for a minister saying, 'I will take it on notice and get back to you'. That is part of a process, so in that sense this is one of the better points of order, I would suggest. Mr Lenders did not seek to debate the matter; he sought to raise an issue of process. In terms of these answers, I accept that the minister would not have to hand, or to his recall, the specific answers in terms of dates or numbers of inspections that Ms Mikakos sought in her question, and I think that, reasonably, most members would not expect a minister to have that information to hand to deliver to the Parliament today. Therefore it is quite in order for the minister to say, 'I will get back to you on that information'. The minister has provided that assurance to Ms Mikakos by way of his statement to the house.

Mr Lenders then raised the time frame in which that information might come back to ensure that it is in a reasonable and timely fashion. He cited the 30-day period that applies to questions without notice, and I think that that would be a reasonable time frame and a

maximum time frame in which to provide this sort of information. I am sure that the minister will do his best to get back to Ms Mikakos with the relevant information to her question in, as he has assured the house, a timely fashion. I would certainly expect that it would be within that 30-day period. That would be my anticipation.

WorkCover premiums

Mr D. D. O'BRIEN (Eastern Victoria) — My question is to the Assistant Treasurer, Mr Gordon Rich-Phillips. Can the Assistant Treasurer outline to the house what the new average WorkCover premium is for the next financial year?

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I thank Mr Danny O'Brien for his question and his interest in the Victorian WorkCover scheme and workplace safety here in Victoria. Victorians can be very proud of the achievements in workplace safety in this state. For the six months to December 2013 Victorian workplaces recorded a claims performance of 7.3 claims per million hours worked. This is a record low level of WorkCover claims in Victoria, and it is the lowest level of WorkCover claims of any state in Australia. This continues the very strong performance by Victorian workplaces of low WorkCover claims.

The level of WorkCover claims are inextricably linked to the level of WorkCover premiums, and of course new legislation passed by the Parliament and brought forward by the government comes into effect on 1 July this year through the Workplace Injury Rehabilitation and Compensation Act 2013, which will update the WorkCover legislation. Under the Victorian WorkCover Authority scheme in Victoria we have a very robust framework of benefits and support for people who are injured in the workplace environment. In fact the regime is far more supportive than that available in many other jurisdictions in Australia. Not only do we have a record low level of claims for workplace safety in Victoria with a strong regime of workplace benefits and support for injured workers, we also have record low WorkCover premiums in Victoria.

Victoria has a stable WorkCover premium regime. It is not something that other states and territories can claim, where there is a lot of volatility in their WorkCover premiums. In Victoria our premium regime is stable, and it has been on a downward trend. I am therefore delighted to inform the house that for the 2014–15 financial year WorkCover premiums will be reduced by an average of 2 per cent. The average WorkCover premium in Victoria will fall to 1.272 per cent of

payroll, which represents a reduction in the average premium of 2 per cent, which will save Victorian businesses \$40 million a year. This is a major saving to Victorian businesses. It reflects the fact that Victorian workplaces are safer than ever and it allows us to reduce premiums to employers.

On top of the average reduction in WorkCover premiums I am also pleased to advise that we are extending the discount for early payment of WorkCover premiums. The 5 per cent discount available for early payment — that is, payment by 1 August for the 2014–15 financial year — will be extended to all employers. Previously that reduction was available to large employers, but it will now be available to all employers who pay their premiums by 1 August. We therefore have a double benefit through this reduction — a 2 per cent reduction, saving Victorian businesses \$40 million, as well as further benefits for early payment of premiums. This reflects the fact that Victoria has the safest workplaces in Australia, and that the coalition government is committed to delivering a competitive business environment for Victorian employers.

Health funding

Mr JENNINGS (South Eastern Metropolitan) — My question is for the Minister for Health. In the lead-up to the state and federal budgets the Premier acknowledged that over 300 subacute beds across Victoria were about to be lost as part of the federal Abbott government health cuts. The minister acknowledged it at the Public Accounts and Estimates Committee hearings and again during question time immediately after delivery of the federal budget. In light of the New South Wales government decision last week to allocate \$220 million in its budget specifically to cover the shortfall of its subacute beds in New South Wales, does the minister have any intention for Victoria to allocate an equivalent amount of money to cover subacute beds that have been lost in Victoria?

Hon. D. M. DAVIS (Minister for Health) — We have been down this track a number of times, and there are some challenged calculations on the other side of this chamber. I am going to go through this very carefully and methodically again for Mr Jennings. I will not tire of giving him the detail and helping him to understand.

In terms of the federal budget, we have made a number of criticisms. The period past 2017 is a very significant debate that will be had with the federal government as to how the indexations will apply. We have made known our views on the proposed introduction of

co-payments in the 2015 period. We have made it clear, for example, that we will not introduce co-payments in our emergency departments. I have had conversations with the New South Wales health minister about this too.

In terms of the approach of 1 July, it is clear that the federal government has committed to growth. It is also clear that the federal government will not fund the national partnership agreement on subacute beds. That was a four-year agreement signed by the previous Labor governments at a federal level and at a state level. It was a time-limited agreement, and it is clear that that runs out. When we put the budget together we had to recognise that fact, not knowing, as Mr Jennings will understand, what would be in the federal budget, because the state budget — and I will be quite clear about this — was actually brought down before the federal budget.

What I have made equally clear to the chamber is that the state government was very aware of the need to advocate and has been doing so to ensure that Victoria gets every cent it is entitled to, unlike what happened in 2012, when the then federal Minister for Health, Tanya Plibersek, cut \$107 million out of our hospitals. Labor members went quiet; they went doggo. They very much rolled over and let Tanya Plibersek tickle their tummies. They were not prepared to fight for the money like we were, and in the end the money came back. In this case Tanya Plibersek and the then Prime Minister, Julia Gillard, were forced to give the money back.

In this case we have been fighting very hard, and I can inform the house that there have been further discussions with the administrator and with the Independent Hospital Pricing Authority, and there have been a number of points put in place as part of the new system to ensure that there has been a proper calculation of what Victoria is entitled to. We are very heavily prosecuting — and I can even indicate that today we are heavily prosecuting — matters around the entitlement of Victoria to significant growth funding.

Although we do not yet have the final figures, it is probable that the growth will be greater than was pointed to in the federal budget. The calculations that were done on Labor's word processor in its office, which tried to argue that there were cuts, which tapped away — —

An honourable member interjected.

Hon. D. M. DAVIS — Mr Melhem let the cat out of the bag on the notional cuts. The problem is that health

services may be better off than Mr Jennings has calculated. He is just going to have to wait a little longer to know the final numbers. Everyone is just going to have to chill out a little bit, stay calm and work through things methodically to get the best financial outcome for Victoria. We are prepared to have that fight; we have been fighting that fight with the commonwealth government. But I have to say that at least we have a commonwealth minister who will listen and who will engage. At least we have a commonwealth minister who is prepared to have a discussion, unlike the last commonwealth minister.

Supplementary question

Mr JENNINGS (South Eastern Metropolitan) — The minister should be made aware, given he told me relevant information, that the New South Wales government used the same formula to allocate what was lost to it as Victorian Labor used, which is the same formula the minister used at the time when the Gillard government made the budget adjustment. We all use the same formula, except the minister today. Is the minister indicating that the New South Wales government was wrong to allocate \$220 million to make sure that it had subacute beds and that he is right by not allocating any Victorian dollars to protect subacute beds in Victoria?

Hon. D. M. DAVIS (Minister for Health) — What I can indicate very clearly is that what counts for health services is the aggregate funding. It is the aggregate funding that counts — how much money they get at the end of the day. What I am indicating is that they might get more than the federal budget numbers show directly. They were notional allocations because the calculations had not yet been completed, and the calculations have still not been finalised. The fact is that the calculations have been done in recent weeks post the federal budget, and the New South Wales budget was brought down at a point when the calculations were not completed.

Mr Jennings — No-one believes you.

Hon. D. M. DAVIS — They do believe us because they know it to be true. Every state minister understands that the calculations are continuing. What I am saying to Mr Jennings is that the opposition — —

The PRESIDENT — Order! Thank you, Minister. I indicate for future reference that I had some concerns about the supplementary question in the sense that it sought an opinion from the minister as to whether or not the New South Wales government had made an incorrect decision. I know it was in the context of

pointing out the contrast between Victoria's approach and the New South Wales government's approach, but it did seek an opinion from the minister, which I do not think was consistent with the way we approach our questions and supplementary questions. However, I know the minister is always happy to answer questions.

Women's football

Ms CROZIER (Southern Metropolitan) — My question is to the Minister for Sport and Recreation, Mr Drum. Could the minister inform the house how the Victorian coalition government is assisting more females to participate in grassroots sport?

Hon. D. K. DRUM (Minister for Sport and Recreation) — I appreciate the question from Ms Crozier, especially as it follows yesterday's question about the Melbourne Vixens and netball and in view of what is about to happen this weekend and what is being rolled out by the Western Bulldogs in relation to women's and girls' participation in the Auskick program. At Etihad Stadium on the weekend we are going to see an amazing game of Australian Rules football played between 50 of the state's most skilled and talented women's Australian Rules footballers.

Women's participation in Australian Rules Football currently numbers 169 000 across the nation, and a large proportion of those are Victorians. The number of youth competitions has increased to 18 across the state, and the number of dedicated female junior or youth teams has gone up by 350 per cent. The number of girls playing in dedicated football competitions has more than trebled, and this year there will be 188 dedicated female teams in Victoria across 26 competitions at junior, youth and senior level. We have seen an amazing increase in female participation in the sport. The Victorian government has contributed over \$90 000 to a range of programs to assist women in football, and I congratulate the Western Bulldogs on the work it is doing in this space as well.

Last week we were able to join Mitch Wallace and Emma Kearney, and I will talk further about Emma later in my response — she is one of our most talented female footballers — at a girls-only Auskick program run by Mitch Wallace and others from the Western Bulldogs. Many of the girls have identified that it can be intimidating to go along to an Auskick clinic or a junior football program where there are both boys and girls, because they feel as though they may not be good enough to join in. However, the Bulldogs have taken the initiative and produced a girls-only entrance program, which is a seven-week program. It will start off at the Whitten Oval and then progress to regional

arenas and around the western suburbs. Participation in this program has been fantastic, and they are doing amazing things.

Most of us would be aware of the boom being experienced in this sport in our own electorates, and no doubt constituents are making representations about needing more change rooms and other facilities for women, as the facilities continually need improvement. In effect we are starting from scratch in this area.

The game on Sunday will start at 10.10 a.m. at Etihad Stadium. I urge anyone who has the opportunity to go along to watch this game. The best 50 female players in the state will be playing. It will operate out of a draft, so players in last year's teams will stay with their teams, but the best up-and-coming young girls will be drafted into either of the teams.

Emma Kearney, who also plays cricket for the Victorian team, spends three days a week training for cricket, a couple of nights training for football, plays football on another day on the weekend and gives herself one day off. She understands that this is what it is going to take to maintain her level of professionalism in these burgeoning female sports. We are delighted to be able to partner up with those female sports.

Building industry

Mr TEE (Eastern Metropolitan) — My question is to the Minister for Planning. On 12 June the Master Builders Association of Victoria put out a statement in which it advised its members that 'the state government has agreed not to proceed with the Building Legislation Amendment Bill in its current form'. Can the minister advise the house on the changes that will be made to this bill?

Hon. M. J. GUY (Minister for Planning) — This bill is before the Legislative Assembly. It has been second read. It did have a start date of 1 July, which obviously will not be met. As a consequence, the government will look at some transition arrangements over the winter recess.

Supplementary question

Mr TEE (Eastern Metropolitan) — I thank the minister for his response. My question was about the changes that will be made and whether or not the minister could advise the house, and indeed the community, of what changes are being discussed with the master builders association and others. By way of a supplementary question, I ask: do these changes include a watering down of the provisions in relation to insurance?

Hon. M. J. GUY (Minister for Planning) — The insurance provisions contained in that bill sit with the Minister for Finance, not with me.

Planning permit process

Mr RONALDS (Eastern Victoria) — My question is to my friend the Honourable Matthew Guy, the Minister for Planning. Can the minister inform the house of what action the government has taken to speed up permit approvals in Victoria through reforming our planning permit approval process?

Hon. M. J. GUY (Minister for Planning) — I thank Mr Ronalds for a very sensible question about how we are going to make our planning system in Victoria far more efficient and sensible compared with what was inherited from the past government. I have much pleasure in announcing that the government has put in place the new VicSmart planning provision code assessment, which will come into operation in September. I will inform the chamber of how important VicSmart will be for Victoria's planning system. Around 8500 planning permits — that is, about one in six — will be able to be fast tracked every year through the VicSmart code assessment permit process. This process will slash waiting times from an average of 40 days to around 10 days, and the small-end permits will make Victoria the most efficient place in Australia to do planning business.

This is the way this government is not only cutting red tape but also focusing on making our economy the most productive and economically sensible in Australia. I have long said that the planning portfolio is no longer an academic portfolio. Many in academia like to dictate what the size of a gutter or curved channel should be or dictate to the world how they should live their lives. At the end of the day, this portfolio it is about regulating jobs and investment in our economy. That is how we have reformed this system over the last three and a half years.

Coming on top of that reform will be the introduction of VicSmart. VicSmart is an immensely important way of ensuring that those small-end permits, whether they are permits for realigning a common land boundary or minor subdivisions, constructing or extending front fences, certain sign displays, car space changes, minor building and works in heritage areas, and buildings and works up to \$50 000 in business and industrial areas, can be put through a VicSmart system, which simply means the council puts forward a level of codes that need to be adhered to. If the applicant can meet all those codes and it is straightforward, they can go through a 10-day permit turnaround system.

As I said, this is the most efficient system of planning permit applications in Australia by a long way. I inform the house of some commentary that has been made on the introduction of VicSmart. The Housing Industry Association on 19 June welcomed the introduction of VicSmart by saying:

The VicSmart proposal is a positive step for a more efficient planning system ...

One of the benefits of VicSmart is that simple and straightforward matters can be processed more quickly by councils.

The Urban Development Institute of Australia (Victoria) noted:

At the end of the day, time is money, and the high cost of these delays is obviously passed on to the consumer.

It welcomed the introduction of VicSmart as of course did the Victorian Employers Chamber of Commerce and Industry.

Mr Leane interjected.

Hon. M. J. GUY — Are you okay, Mr Leane, or would you like to go outside? You are behaving like a bit of goon in Parliament at the moment. It is indicative of some of those people on the other side who unfortunately get elected, is it not, President? They come into this place and behave like muppets.

The PRESIDENT — Order! Minister!

Hon. M. J. GUY — As I was saying on a very sensible and important matter to the Victorian economy, something that is probably too long a word for Mr Leane to understand, an economy where unnecessary delays in the planning approval process are a key concern to business. That is a long word for Mr Leane — business!

Mr Leane interjected.

The PRESIDENT — Order! The references to Mr Leane are unparliamentary in the circumstances. I was not far off pulling up Mr Leane, because I had constant chatter in my left ear. However, the minister intervened. Mr Leane understands that his contribution to this answer is not helpful. However, so too the minister's commentary on Mr Leane is not helpful. The minister has some good news. He should continue with the good news.

Hon. M. J. GUY — President, as you know, I am prone to interventions. I keep having that pointed out to me.

The Victorian Employers Chamber of Commerce and Industry said:

Unnecessary delays in the planning approval process are a key concern to business, and VicSmart provides a sensible and simple process to accommodate low-impact additions like fences, signs and small offices.

This is good news. It is good news for the Victorian economy, for homeowners, for councils and for sensible people who want to see economic reform to ensure that we are building a better Victoria.

Plan Melbourne

Mr TEE (Eastern Metropolitan) — My question is also to the Minister for Planning, and it relates to Plan Melbourne. The draft *Plan Melbourne — Metropolitan Planning Scheme* was released for consultation in October last year. Following that consultation process, the final *Plan Melbourne* was released, and there were a number of changes, including new initiatives looking for quarrying sites and new initiatives in relation to ensuring that there are phone towers in brownfield development sites. My question is: will the submissions that were made as part of the development of Plan Melbourne, including those that led to these initiatives, be made public?

Hon. M. J. GUY (Minister for Planning) — When Labor asks me questions about consultation on Plan Melbourne I find it difficult not to remind myself in informing the house of this answer about the consultation that occurred for Melbourne 2030 and the vast difference between the consultation this government put in place for Plan Melbourne and the ludicrous consultation that was undertaken for Melbourne 2030. While we are talking about consultation, people in this chamber might want to walk out the front of Parliament and look at the Windsor Hotel.

When it comes to extractive industries, overlays for extractive industries or anything of the like, these have been identified for a long time in the planning system, principally by the previous government. I think Mr Tee will find he was a part of it, much as his memory is only a short-term one for a whole range of reasons. I think Mr Tee will find that anything that is featured in Plan Melbourne or in state planning policy on extractive industries is simply a reaffirmation of what occurred under the previous government, which was to ensure that those areas were respected and acknowledged, and those measures have been put in place and recognised by Plan Melbourne and Melbourne 2030 with no differences.

Supplementary question

Mr TEE (Eastern Metropolitan) — The point is that those initiatives were not in the draft but made it to the final *Plan Melbourne*. The draft *Plan Melbourne* had a time line that said there would be a submissions report which would be released at the same time as the finalised *Plan Melbourne*. The final *Plan Melbourne* was released in May. When will the submissions report be released?

Hon. M. J. GUY (Minister for Planning) — Mr Tee, sometimes it is difficult to know where to start. I will restate the key point for Mr Tee's benefit. In and around consultation for Plan Melbourne — his preamble was long and, dare we say, generous — —

Honourable members interjecting.

Hon. M. J. GUY — Are members opposite okay? Are we talking about fruit shops and lemons again for the benefit of Mr Lenders? It was interesting having a Labor Treasurer called Lenders. Those opposite did quite a bit of that.

Honourable members interjecting.

The PRESIDENT — Order! The minister is to continue without assistance.

Hon. M. J. GUY — Mr Tee asked me again a similar question around the submissions report. I believe most of that material has actually been released.

Mr Tee — No, it hasn't.

Hon. M. J. GUY — Would you like another question, Mr Tee? If Mr Tee has any further conspiracy theories or commentary on the grassy knoll, he can write to me to get a proper response.

Early childhood facilities

Mrs PEULICH (South Eastern Metropolitan) — My question without notice is directed to Ms Lovell in her capacity as the Minister for Children and Early Childhood Development, and I ask: can the minister inform the house of any recent announcements or projects for the children's facilities capital program?

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — I have absolute pleasure in updating the house on the children's facilities capital program. I thank the member for her question and her ongoing interest in early childhood development and in all levels of education in Victoria. Over the last couple of weeks I have been absolutely delighted to make further announcements under the

children's capital program. There have been numerous announcements made by local members around our recent \$22 million grants program. Eight of those were made by me, and those eight announcements totalled \$8.1 million and provided 635 additional kindergarten places.

On Friday, 13 June, together with Mr Andrew Katos, the member for South Barwon in the Assembly, I announced \$1.6 million for a new integrated children's centre at Torquay North. This will provide 88 additional places. On the same day, along with the Liberal candidate for the Assembly seat of Bellarine, Ron Nelson, I announced a \$350 000 upgrade of Queenscliff Kindergarten that will provide an additional 52 places. On Tuesday, 7 June, I had the pleasure of attending the Mount Piper Kindergarten in Broadford together with my colleague Amanda Millar and The Nationals candidate for the Assembly seat of Euroa, Steph Ryan, to announce \$350 000 towards an upgrade of that kindergarten that will provide an additional 33 places.

On Thursday, 19 June, together with Craig Ondarchie, Mrs Millar and the Liberal candidate for the Assembly seat of Yan Yean, Sam Ozturk, who will be a great member for Yan Yean — much better than the local member there now — I joined Melbourne Citymission and members of the Whittlesea Shire Council to announce \$1.3 million for the Bassetts Road Integrated Children's Centre. This new integrated children's centre will provide 66 kindergarten places. We also announced \$1.6 million for the Farmhouse Child and Family Centre in Epping, which will provide 132 additional kindergarten places, and \$649 000 for the Redgum Child and Family Centre in South Morang, which will provide 132 additional kindergarten places.

On the same day, together with Craig Ondarchie and Bronwyn Halfpenny, the member for Thomastown in the Assembly, I attended the Fawkner Primary School to announce funding of \$650 000 to build a new kindergarten centre on the school site. This was a significant announcement, involving 66 kindergarten places, but on an older school site. In fact the principal noted to the children during the assembly that the \$650 000 coming from the state government was the most money that the school had ever received.

On Friday, 20 June, I announced funding for the Westall community learning hub in Clayton South, together with Mrs Peulich and the mayor of Kingston and some fellow councillors. It is a \$1.6 million investment that will provide 66 additional kindergarten places. These are fantastic announcements, and centres

that communities are really looking forward to being built.

Also over the last couple of weeks I had the pleasure of attending the Meruka Child Care Centre in Eltham. This \$175 000 upgrade provided an additional 15 places. I did that together with our candidate for the Assembly seat of Eltham, Steven Briffa. This is a fantastic centre set in the middle of Meruka Park, a beautiful and tranquil setting for an early childhood centre. I congratulate all the local governments that are involved in building these early childhood facilities. Particularly I would like to single out the City of Kingston for its three centres that I visited last week with the member for Mordialloc in the Assembly, Lorraine Wreford. We looked at the centres that are under construction down there. These are fantastic centres.

Supplementary question

Mrs PEULICH (South Eastern Metropolitan) — I ask the minister to provide additional information of her involvement in and funding of child-care facilities in the city of Kingston.

Hon. W. A. LOVELL (Minister for Children and Early Childhood Development) — As I was saying in my substantive answer, last week I had the pleasure of touring some of the new centres that are being built in the city of Kingston. These are fantastic centres. These are not only kindergarten centres but also long day care centres, integrated centres that will have maternal and child health and early childhood intervention services and will be real one-stop shops for families. Two of these are being built on school sites, which is a fantastic result for the community and for families so that they can have a one-stop shop.

Early childhood education is vital to a child's development. We know that 95 per cent of their brain development happens in the first five years of life, and that if we get it right in the early childhood space we provide a better opportunity for children to reach their full potential. That is why this government has been so committed to investing in early childhood facilities.

I note that Ms Mikakos interjected earlier and challenged Mr Ondarchie to stand up for the north. Mr Ondarchie is — —

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

Mr Tee — On a point of order, President, I raise a matter that follows on from the point of order Mr Lenders raised in relation to undertakings made to

this house to take matters on notice. I think your expectation is that those questions should be answered within 30 days.

On 7 May during question time I asked the Minister for Planning whether or not he or his department were doing a planning scheme amendment for Midfield Meat International's Mr Colin McKenna. The minister took that on notice on 7 May. I asked him about it again on 11 June, and he said he would be happy to follow that up. I am wondering if the minister can provide any assistance as to whether or not he or his department are preparing that planning scheme amendment?

Hon. M. J. Guy — On the point of order, President, Mr Tee asked me whether I was conducting a planning scheme amendment for Midfield Meat, and my answer was no.

Mr Tee — Further on the point of order, President, to be clear, without reading from previous editions of *Hansard*, the question was whether or not he or his department were preparing a rezoning to benefit Mr McKenna. I do not want to mislead the minister in terms of my question. It was not necessarily about him; the question was about him or the department, and probably it would have been the department.

The PRESIDENT — Order! I am not in a position to adjudicate on this one at this time because I have two conflicting positions in terms of the understanding of what might have been said on that day. I would need to review *Hansard* to see whether the minister did say that he would get back to Mr Tee. If that is the case, I would be expecting that the minister would have that in —

Hon. M. J. Guy — Or the department.

The PRESIDENT — Order! I understand that the minister would have in train an answer generated from his department. I will check *Hansard* and I will come back to this matter later this day.

Mr Tee — President, if it will assist, I have a copy of *Hansard*.

QUESTIONS ON NOTICE

Answers

Ms MIKAKOS (Northern Metropolitan) — President, I have a number of overdue questions on notice that I wish to raise with you. Firstly, I refer the Leader of the Government to recent correspondence — now my third letter — addressed to Mr Davis in respect of outstanding question on notice 9947. I wrote to the minister on 23 June in accordance with the standing

orders, and also previously on 24 April and 18 December 2013. I ask the minister to explain why that question on notice is outstanding. I am happy to provide a number of these to the Leader of the Government in one batch, if that assists you, President.

The PRESIDENT — Order! Did Ms Mikakos say 9947?

Ms MIKAKOS — Yes, question on notice 9947. I have further ones to the Leader of the Government.

Hon. D. M. Davis — Taking these one by one might be a bit more helpful.

Ms MIKAKOS — Yes.

The PRESIDENT — Order! Question on notice 9947 is not listed on the notice paper as being an unanswered question.

Hon. D. M. DAVIS (Minister for Health) — President, it was answered on Tuesday, 6 May. I have the details requested by the member. It is just flat wrong. I am looking at a list of questions answered on Tuesday, 6 May, where it mentions question 9947. I am happy to provide the member with a copy.

Ms MIKAKOS (Northern Metropolitan) — I am happy to look into that one further, but I have a number of them. I point out that on a number of occasions I have received responses to questions on notice from the Leader of the Government that have come through many weeks subsequent to the date on which they have been signed. I have received a number of responses many weeks after questions on notice have been signed, so it is possible that I have not received this previously. I appreciate the Leader of the Government providing me with a copy of that at the present time.

I also have further outstanding questions on notice. I wrote to the Leader of the Government on 23 June regarding outstanding questions on notice 9949 to 10 027 inclusive. I had previously written to the Leader of the Government about these same outstanding questions on notice, on 5 February, so I again ask him for a further explanation about these ones?

Hon. D. M. DAVIS (Minister for Health) — In order to assist Ms Mikakos, I also have these ones, which are in *Hansard*. The answers are dated 26 March.

Ms MIKAKOS (Northern Metropolitan) — I point out that I have not received these copies previously from the Leader of the Government. In fact I raised this issue with you, President, in February, and you ruled

for these questions on notice to be reinstated because at that time the Leader of the Government had not properly responded to them. They were duly reinstated on 18 February. If the Leader of the Government has responded to them subsequently, I was not provided with copies of those responses.

The PRESIDENT — Order! Those responses are in *Hansard*. They are not listed on the pinks as being outstanding and the dates correlate with when they were reinstated on the paper. Indeed answers were provided in a very timely fashion after the questions were reinstated on the notice paper. Unfortunately Ms Mikakos's request today seems to be an own goal. I do not know whether or not the papers office has been caught up with something else, but clearly the answers are in *Hansard*, so they have been delivered.

Ms MIKAKOS — Thank you, President. I appreciate the fact that I have been provided with copies of these responses to questions on notice now. I do have some further queries.

An honourable member interjected.

Ms MIKAKOS — The normal procedure of the house is that members who ask questions on notice receive a copy of responses, duly signed by the minister, and that has not occurred on this occasion.

I raise a further matter in relation to outstanding questions on notice 9001, 9002 and 9003. This matter is a little bit complex, President. When I asked you to reinstate these questions on notice on 13 November last year you did not make a clear-cut ruling at that time. You asked the minister to provide advice either that day or the next day as to how work was progressing with respect to those three questions. I have subsequently written to the Leader of the Government in respect of those three questions on notice. If the Leader of the Government has those responses now, I would be happy to receive them.

Hon. D. M. DAVIS (Minister for Health) — I want to be quite clear on this. These questions were partially answered. We responded in quite a timely way with partial responses because some material and data was not available. The questions were reinstated and I was trying to be helpful, and we provided additional information to the member via letter on 3 February 2014. The data has now been put up on the departmental website, and I will provide a copy of it to the member.

The PRESIDENT — Order! This really is not a very edifying process.

Ms MIKAKOS (Northern Metropolitan) — President, I appreciate the fact that the minister has responded. He has given me a link to a website as a response. I will take that as a response, and I appreciate that, but I do have a number of further matters that I wish to raise, if I may, through the Leader of the Government.

I have a number of responses to questions on notice outstanding from Ms Wooldridge, the Minister for Mental Health. They are numbers 10 065–66, 10 068–70, 10 075–76, 10 079–80, 10 084–85, 10 087–105, 10 107–8, 10 110–13, 10 122–26, 10 127–28 and 10 131–34. I would be happy to provide the Leader of the Government with a list of those numbers if that will assist him in terms of responding to those matters. I also have matters for the Minister for Housing.

Hon. D. M. DAVIS (Minister for Health) — I will take the numbers that have been provided, and I will certainly make contact with Minister Wooldridge. I note that at least one of those questions on notice, 10 087, is not on the notice paper anymore.

Mr Lenders — But a lot of them are.

Hon. D. M. DAVIS — It was a long and detailed list with individual items, and I will follow them through, but I make the point that at least one of the questions listed there appears to have been answered.

Ms MIKAKOS (Northern Metropolitan) — I look forward to receiving those responses in a timely fashion. On 23 April I wrote to Minister Wooldridge in respect of many of these questions.

My final matter relates to outstanding questions on notice that have not been answered by Ms Lovell, so I refer this matter to her. I have written to the minister in respect of a number of outstanding questions on notice raised on 23 June this year, 23 April this year and 18 December last year, and they are 8476–83 inclusive, 9285, 9286, 9525 and 9551–58 inclusive. I am happy to provide the minister with those numbers. I ask the minister to provide advice as to when they might be forthcoming.

The PRESIDENT — Order! According to the notice paper, some of those questions have also been answered. They are also published in *Hansard*. Even if Ms Mikakos believes she has not received signed copies, the answers have been provided. At any rate, I call the minister.

Hon. W. A. LOVELL (Minister for Housing) — I note that some of the numbers that were read out are no

longer on the notice paper, but I am happy to follow up the ones that may still be there.

The PRESIDENT — Order! In respect of Mr Tee's matter — he seeks a response from the Minister for Planning because he is of the belief that the minister provided him with an assurance that he would get back to him — I indicate that Mr Tee has provided an extract from *Hansard*, which I believe to be a true copy. On 7 May the minister is reported as saying:

As I said, I will have to get back to Mr Tee because I do not know the answer to that.

Further:

Let us put a few things in Mr Tee's question into a level of common sense. My department does not rezone land. It will come to me as a request from a council under section 20(4) of the Planning and Environment Act 1987, and there is nothing that I am aware of that has ever come to me to do that. If there were a conversation with my department and the City of Warrnambool, then I am certainly unaware of it. As I said, there is nothing that I am aware of that is even remotely similar to what Mr Tee asked about. If there were a conversation between a council and my department, it would have been initiated by the council, but I am unaware of that. As I said, I will have to get back to Mr Tee because I do not know the answer to that.

I also take the position of Mr Tee that he would be expecting a response. That response may well be about what the department rather than the minister's office had done, but nevertheless the minister indicated in that response on that day that he would get back to Mr Tee, and I hope that might be forthcoming in due course.

Sitting suspended 1.01 p.m. until 2.04 p.m.

VICTORIAN INDUSTRY PARTICIPATION POLICY

Debate resumed.

Mr MELHEM (Western Metropolitan) — I rise to speak in the debate on Mr Somyurek's motion. I support Mr Somyurek's contribution to the debate; however, I was amazed by the contributions from the two government speakers. The first speaker, Mr Dalla-Riva, waffled on for 20 minutes without once mentioning the Victorian Industry Participation Project (VIPP) or the motion. He talked about everything but the procurement policy of the government.

The second speaker, Mr David O'Brien, said that Mr Dalla-Riva was a very good manufacturing minister. There is probably some truth in that comment, but his colleagues obviously did not think that was the case, as he was sacked from the position of manufacturing minister when he was in India trying to

drum up support for businesses in Victoria. That is how much the government thinks of Australian manufacturing jobs and procurement for local products to support major projects.

Mr O'Brien said that the government has the Victorian Industry Participation Project and that it has consulted with people; he spent about 5 minutes on that, and then he spent over 60 minutes talking about anything but steel. When he came to talk about steel, he talked about the carbon tax. He forgot to mention that the steel industry, through my advocacy in my previous role and through the work of other people, got a 95 per cent credit to offset the cost of the carbon tax.

Representatives of the steel industry themselves have said that the carbon tax is not an issue for the industry. Nonetheless, that was Mr O'Brien's only contribution.

I do not want to play politics; I have made the comments I wanted to make. The motion is simply about what both major political parties should be doing. We are talking about how we can support the Victorian steel industry when we have major projects. It took a number of years to put in place a procurement policy, known today as VIPP. I was heavily involved in the development of that policy over the years. Along with other people, I argued internally within the Labor Party for a procurement policy to be put in place to encourage local content. To give the Bracks government some credit, it developed a policy which to a large extent is still the same under this government — although the government has made some changes to it, which I think are major changes. I will come to that in a minute.

The Brumby government finetuned that policy. The policy sets out a certain process that must be gone through for a major project if the value of the project is \$3 million or more in metropolitan Melbourne and \$1 million or more in regional Victoria. Most importantly, if any project is likely to be funded or is funded by the state government — by taxpayers — with costs of \$250 million or more, that project is deemed to be a strategic project. That was one of the main features negotiated with the government in 2008–09. That is why we were able to mandate, for example, that trams be made in Dandenong; there was a weighting given to the contract for local content. As far as the cost of the project, I think from memory that weighting was 10 per cent. That is why Bombardier is building our trams in Dandenong.

In relation to the project we are talking about here, which is Webb Dock, I heard some contributions about how it has really been built by a third party, but the last time I checked I found that the Port of Melbourne Corporation is owned by taxpayers. We still own the

thing. It might be a corporation operating in its own right, but we own it, and we are not a third party. The motion refers to consulting companies and giving them the ability to actually bid for these jobs. That is all we are asking for.

Talking about the VIPP, that project is clearly a strategic project — \$1.6 billion; simple. You go through the process, which is quite a lengthy process. It still actually exists in the current government policy. The only things that have been taken out are that local content does not get any weighting, which was 20 per cent, and local content has been taken out as a mandatory requirement. For example, if the cost of a particular part or product you wanted to buy was \$1.20 and you could import it for \$1, that 20 per cent would give you a bit of an advantage. That is why you get the 20 per cent weighting. That 20 per cent is offset against other things, like creating jobs in Victoria, apprentices, training et cetera. I will go through the actual criteria which were eliminated by this government and which are no longer requirements. The only requirement now is that they say, 'We'll just let you know that the project is happening and let the contractors know that you're there'. That is about it. That is what did not happen with Webb Dock. Keppel Prince was not given the opportunity. The Industry Capability Network and the government should have made sure that Keppel Prince was given an opportunity.

There was some discussion by Mr David O'Brien about Keppel Prince not having the capability to do the work. I have dealt with Keppel Prince for many years; and I know it very well. It employs a lot of workers in Portland, and it does have the capability. Steve Garner, the managing director of Keppel Prince, is one of the best businesspeople I have come across in my 23 years in the union movement. He cares about local employment. He cares about creating skills and jobs in this state. Keppel Prince can do the work. It has the capability to do marine work. It has the capability to fabricate steel for the offshore industry. The last few jobs it did in Bass Strait involved a lot of heavy-structure steel for the offshore industry and the energy sector, so it does have the capability. This nonsense about it not having the capability is not correct, so government members should get the facts right.

The other arguments I have heard from government members who have spoken so far on this motion are that Labor members are not supporting Webb Dock, that we are not supporting the east–west link and that some steel was imported for the EastLink project. Government members are right. I spoke against that then, and I will still criticise it now. Here is an

opportunity for them to do better. There was only a small percentage of imported steel used in EastLink, by the way, because about 90 per cent of steel in the EastLink project was Australian made. I can verify that because I was there. Here is an opportunity for the government to do better, even if it just matches the former Labor government and makes sure that 80 or 90 per cent of steel that forms part of these projects it is talking about is Australian made.

The issue here is not about opposing the east–west link. The government has determined to sign the contract by September. Good luck to it. Part of doing that should be to do the decent thing and mandate that the consortiums use Australian steel. We are down to two consortiums now. What worries me is that one of the two consortiums, which is backed by Samsung, is very well known worldwide to import most of its fabricated steel from its various steel mills around the world. It has done it on major projects in this country, and I see that it will do the same thing on the east–west link should it be successful.

It is time for government members now to go to these companies — the two consortiums — and say, 'Here's the bid process. There are all these steel companies in Victoria. Go talk to them, go through that process and apply the process properly'. I would go as far as challenging both parties to mandate that the consortiums must use Australian-made steel on these projects. I say that as a member of the Labor Party. I said that in my former position as the Australian Workers Union secretary, and I am saying it again here. I am not afraid of stating what I think. Here is a challenge for government members. I am happy to take up the argument within my own party in relation to that, but do government members have the guts to do the same thing and argue within the government to mandate that Australian steel is used on these projects?

Let me make the point that I am not saying that that should be done at any cost. Yes, it is fair enough that it has to be at a competitive price, but I know the steel industry in Victoria and in Australia because I have been dealing with it for a long period of time. It has restructured, it has downsized, and it has automated its processes. It is one of the most efficient steel industries in the world, and it can actually compete on the world stage as far as prices go. It might need a bit of assistance, and not necessarily financial assistance.

Taking into account that this is deemed to be a strategic project, if our steel industry is given the 20 per cent weighting and the other 10 per cent, I think it will just get over the line and deliver a quality product at a very competitive price. It just needs to be given a fair go, and

it is not too late to go to these consortiums that are bidding for the east–west link and Webb Dock and say to them, ‘We want you to rework your numbers and resubmit’. It is part of the VIPP process to actually give companies like Keppel Prince, BlueScope Steel and various other steel companies around Victoria or even Australia — I am hoping from Victoria, at least, if not from the rest of the country — a fair go so that we can keep some jobs.

As I said earlier, I am not advocating this at any cost, because we need to be efficient, we need to be productive and we need to be competitive. There is no issue about that, but what is missing here is that we have a process that really just does not say much. I will refer to the examples that were quoted by Mr Somyurek in relation to the US and Canada. The Americans are not apologetic about what they do. When the taxpayer is funding a particular project, they make no apology. They say, ‘You must use American steel’. Let us not even argue about whether that is in a federal jurisdiction or a state jurisdiction. In the US you have a federal policy, but then you have different state policies as well. Some of the states, like Indiana, for example, give a 25 per cent differentiation in price to advocate for American steel made in that state. In various other states they do different things. There is quite an opportunity here for the state of Victoria to develop a policy that gives preference to Australian-made steel being used in these projects.

I conclude by saying — and I am sincere about this — that this is an opportunity for the Liberal-Nationals coalition and the Labor Party, both the government and the opposition, to put the politics aside and find a way forward. Whether we agree or disagree on a particular project, the election will determine what goes ahead. If the coalition wins government in November, the east–west link will go ahead as it is planned; if it does not win government, there will be a different outcome. Let us put that aside. When a project goes ahead, whether it is under the leadership of the coalition or the Labor Party, we need to have a fair dinkum policy in place so that Australian-made products are given a fair go. That is basically what we are saying. Let us work together.

We started that process under the Bracks and Brumby governments. The coalition has continued with it in some respects, but it removed a very important ingredient — the weighting when it comes to a strategic project worth over \$250 million — which basically made it useless. There is an opportunity to make it right and make sure we continue to support Victorian jobs and in particular Victorian steelworker jobs.

Mr ELSBURY (Western Metropolitan) — Being beaten up by the opposition about a major project is like being beaten with a piece of limp lettuce. When they were in government those opposite could not manage a project if they tried. The fast rail network that was supposed to be delivered for the people of Victoria was a joke. It did not achieve the great outcomes Labor espoused it would, and it has not delivered value for money either, going into billions of dollars when it was supposed to cost only a few hundred million dollars. Having Labor members come in here and tell us that we have a problem with managing this project does not wash at all, because we are getting on with the job of delivering this project and increasing Victoria’s port capacity.

This is a project that could have been started under Labor. Thank God it was not, because Labor would have completely stuffed it up by now. We get to start this, but it should have been started a lot earlier. Under 11 years of Labor government there was no expansion of the port, and this restricted how much produce could be exported from the state. Labor members should be ashamed of that. Not only that but Labor’s contempt for the port industry has continued. I read with some interest an article in the *Herald Sun* of 28 April that says:

Labor’s ports spokeswoman Natalie Hutchins has come under fire over claims she has not visited the port of Melbourne since taking on the shadow portfolio more than a year ago.

She has tried to put up a smokescreen by saying, ‘This is all because the minister was stopping me from doing this’. I cannot fathom that. The article goes on to report that:

... ports minister David Hodgett denied the claim and said Ms Hutchins had been ‘missing in action’.

I tend to agree with him. The member for Keilor in the Assembly would not know about the history of Labor’s mismanagement of Victoria, because she had to fly in from Sydney to take her post in the Parliament. They had to import her from another state to take up the role of member for Keilor.

In any case, we also have the continuing baffling information coming from the opposition when it comes to delivering a port in any way, shape or form. In 2009 the then ports minister, Tim Pallas, the member for Tarneit in the Assembly, stated:

The port of Hastings is well positioned to serve as Melbourne’s second container port. No other port location offers the same overall advantages as Hastings and it holds major economic potential for the state of Victoria.

My how things change when you are in opposition! Suddenly Mr Pallas started saying we need to build the Bay West proposal because, as he told ABC radio:

You don't build a port for ships; you build a port for the economy and the economy needs it on the west of Melbourne.

That is interesting, because if that is the case, I am sure that Mrs Millar will be advocating for a port to be built in Bendigo. Using that same logic — that you do not build a port for ships, as Mr Pallas said — Bendigo should get one, and I reckon Ballarat would need one as well.

Mrs Millar interjected.

Mr ELSBURY — Mount Macedon can have a port as well! Mr Pallas's statement is ridiculous. We need to build port capacity to deliver outcomes for the state of Victoria for decades to come. We need to deliver a port that ships can get into. It does not make sense that you would not have the ships come into your port. The port of Hastings is a natural deepwater port. We can then deliver the ancillary and auxiliary infrastructure that is needed, like rail and roads, to move the produce away.

I want to know whether the Labor Party wants to clog up the western suburbs with even more trucks. It will not build the western section of the east-west link, so Labor members have already proven they do not care about the people of the inner west, and now they are proving that they do not care about the people of the outer west. They want to put more trucks into the western suburbs. What we are saying is we will provide for an overall logistical strategy here in Victoria. We want to build the east-west link — the whole road project — because it makes sense. It makes sense that people need to be able to move their produce from one side of the city to the other and that people want to be able to get to and from work efficiently, and the project will provide the ability to do those things. The port of Hastings will improve the efficiency by getting our produce out into the global market, and that is why we support the project.

The \$1.6 billion port capacity project at Webb Dock is yet another project that will improve our logistics efficiency in this state. We currently provide 37 per cent of our nation's port capacity, and that is something to be proud of as a state. We are way down here in the south — it is a very long way to come with a ship — but we are able to provide 37 per cent of the nation's port capacity. These are ships that are not stopping in Brisbane, in Sydney or in Perth, but they are stopping here because this is the logistical hub of Australia.

What is the alternative to building the port of Hastings? What would be the alternative to building Webb Dock? Labor has this idea of building the Bay West proposal. Labor can do that if it wins government, but please help the people of Victoria if it does. I note that members opposite are having their own conversations at the moment, but in any case if they are fortunate enough to win the next election under whoever their leader might be — whether it is Premier Andrews or Premier Pakula, who knows — and if the people of Victoria are unfortunate enough to be inflicted with that, Labor will build Bay West.

Before the project has even started I cannot begin to imagine the damage it would cause to the bay. The amount of dredging that will have to be done is beyond belief. An extra 2 metres of dredging does not sound like much, but that is just the tip of this iceberg; Labor will also have to blast the heads to get the largest ships — the ships that are currently under construction in shipyards across the globe — into the bay. To be able to get into the bay the draughts of the container ships that will in future be coming to Victoria, Labor will need to blast the heads; not only that, but Labor will have to dredge another channel.

Did Labor not learn after last time? The people of Williamstown were furious about the dredging that happened last time. We will have to go through that saga all over again. Where will the spoil go? Will it be dumped in the middle of the bay again, disrupting its ecology? I look at Mr Barber for some encouragement.

Mr Barber — You big greenie!

Mr ELSBURY — Mr Barber says I am a big greenie. I do actually support the environment, but not in the fanatical way that Mr Barber does. In any case, we have the problems of the additional blasting of the heads and dredging of the bay that would be required to facilitate the Bay West proposal; that is the first problem with the environment.

The second problem is that there is no land zoned to be able to do the work that Labor wants to do in the western part of the bay. It would take years of further studies before you could, in all honesty and with any sort of credibility, come out and say that this is a good proposal and that this land should be allocated for a new port facility. It would take an extra five years on top of the work that has already been done for the port of Hastings. Once again Victoria would be hamstrung by a project being run by Labor. A Labor government would again put us on the back foot, and we would again be looking at another project that takes far longer, costs far more and does not deliver the results needed

for the people of Victoria. That is why we need to avoid this proposal at every cost. That is why, come election day, 29 November, we need the people of Victoria to avoid this like the plague.

Mr Barber — Vote Greens.

Mr ELSBURY — I say to Mr Barber that they definitely need to avoid that. On 5 March Mr Daniel Andrews, the Leader of the Opposition in the Assembly, talked about the Bay West proposal on radio station MyMP:

We think Bay West is a much better option — better for Geelong, better for the west of Melbourne, makes more sense and indeed would be cheaper, significantly cheaper, than the Hastings option.

How did he work that out? We would have to go through the whole process of getting this project started again — siting it somewhere and going through the consultation that is required — unless Labor is going to do a another Windsor Hotel and have a sham consultation and say, ‘Don’t worry about it, guys; it’ll be all right’. I point out the traffic restrictions that would be placed on the people of the outer western suburbs yet again.

The Labor Party put out its *Victorian Labor’s Plan for Jobs and Growth* in November 2012. Page 48 of that plan says:

... a future Victorian Labor government will take the necessary steps to put in place required planning controls ... for future port development ... and to preserve transport corridors.

I do not think Labor has thought this one through, because it is not going to provide this port in the west of Melbourne with the most efficient flow-through of traffic with the support of the east–west link, a major project that would provide any port facility in the western suburbs of Melbourne with the road capacity it would need. The last time I checked there was still produce coming from Gippsland and to the north of Melbourne, so trucks would need to come over the bridge to the western suburbs to deliver that produce to the ships. To completely exclude Hastings from any future port capacity project is ridiculous, to say the least.

The port capacity project at Webb Dock will assist the western suburbs because we are expanding the container capacity of that particular dock. Containers will be able to be stored on site. This is important because it means the number of container yards that are dotted across the western suburbs will diminish. In the true sense of the word, those container yards should be

more than decimated. They should be reduced considerably by the fact that trucks will not have to come out of the port, drive over the bridge and then discard empty containers in the western suburbs. Instead those containers can be stored on site, ready to be filled up with whatever produce they can carry — whether they are refrigerated or not; whether it be dry goods, wet goods or whatever it is that is being sent into the international market. These containers are better placed at the port facility than they are in Laverton North, Altona or Tottenham.

From an environmental point of view — just for Mr Barber — reducing the number of truck movements and the amount of fuel that needs to be burnt makes sense, because it is more efficient. Not only is it more efficient on an environmental level, it is also cost efficient. I have become a greedy capitalist again. I have said we are talking about reducing the number of truck movements, which reduces costs.

New facilities are also being put in place for the car market so that imported vehicles can come into the state. Those opposite would be well aware of the possibility of importing cars, considering that back in 2004 — and I am happy to be corrected — the then Labor government decided it would purchase 100 Prius vehicles. Last time I checked not one Prius has rolled off the construction line at Altona — not one! Where would these Priuses have come from? Where would they have magically appeared from, because the former government did not just wish them into being? It instead had to go overseas and purchase those cars. They did not just materialise, they had to be purchased. They were built in Japan and brought over here for government departments to use. Apparently that procurement policy did not matter. Victorian jobs did not matter back then.

We have been able to establish that the opposition has no idea about ports, it has not been consistent in its views on procurement and it has not been consistent in looking out for the needs of Melbourne’s west. It has no vision for the people of Victoria, and it is more than willing to run roughshod over anyone who says anything about dredging the bay or blasting the heads.

This port capacity project is important for the state of Victoria because more ships will be able to be brought into the port of Melbourne than is possible now. We will be able to increase our port capacity in Victoria with a short-term investment of \$1.6 billion to bridge the gap between the needs of the port today and the needs that will exist when the port of Hastings comes on line.

The difference here is — and Mr Melhem pointed it out — the Port of Melbourne Corporation is building this project. It is using its own funds. It is using funds it has been able to get from the private sector to make this happen. It has been able to plan and to work with private companies to deliver this project. Taxpayer dollars are not being used for this project. Yes, state government funds are being used, but not taxpayer dollars. That is the differentiation we need to make. A corporation is undertaking the construction work. It is not in the truest sense of the word the state government that is doing it. We are using resources available to us but we are not using taxpayer dollars.

We will deliver this project for the benefit of all Victorians. We will deliver this project to allow for the distribution of goods into a global market. The government has been doing a lot of work in that sphere — in India and China, throughout South-East Asia and now in South Korea. We have been sending trade missions to the Middle East to try to build on the industrial capacity we have in Victoria.

In an ideal world it would be great to be able to use local products; it would be great to be able to use local steel. However, if it is not to the specifications needed or at a price that is competitive, we should not burden the people of Victoria or take away from the efficiency of this state to try to somehow control an economy and say that this material must be used at all costs because it is developed here in Victoria. During the Holden saga a few years ago the union movement attempted to force Holden to only use local parts in its vehicles. That is a bit iffy in any case.

There has been some advocacy. I received some mail from the Australian Workers Union (AWU). The 33-page *State of Steel* report was posted out to me — 33 pages of hard copy in total. The AWU, supporting its friends in the timber and paper industry, decided to provide me with a 34-page report, including the cover letter, via mail. There is another union being supported with a level of efficiency I would not have expected from the union movement; it actually supported many other workers in the chain, including the paper industry and our posties. Receiving that document was quite something. I do not know how efficient it was or whether it was a good use of union members funds — the AWU could have sent an email with a link to a website — but in any case there has been quite a lot of advocacy, and that advocacy in particular has been about trying to get work on the east–west link.

Once again I come back to the east–west link. I know it is a bit of a roundabout I like being on, but we are back here again on the topic of building the east–west link to

improve the efficiency of this state. This is a vital piece of infrastructure which is being provided for the people of Victoria. It is a project which we will deliver on budget and on time, unlike those opposite, who cannot manage projects at all. They have proven time and again that it cannot be done under Labor. They are happy to unveil the plaques after we have done the hard work to get the projects started, but when it comes down to it, they cannot manage projects. We can, and we are managing this project for the benefit of all Victorians and of steelworkers so that they can get their product into the global market. We will use the product and the ingenuity of Victorian steelworkers when it is practical to do so. With those few words, I cannot support this motion in any way, shape or form.

Ms TIERNEY (Western Victoria) — I rise to support Mr Somyurek's motion and, unlike the last two government speakers, speak to the motion. I will be dealing with the Victorian Industry Participation Policy (VIPP). I will talk about Keppel Prince — a fantastic company that operates within my electorate — and I will also talk about support for local employment, local manufacturing and local jobs, the renewable energy target, the *State of Steel* report and how this opposition sees local manufacturing being supported by government.

To date the establishment of the VIPP in 2001 has led to over \$1 billion of investment in import replacement, which means orders for local industry that would otherwise have gone overseas. Since its establishment it has been instrumental in stimulating the state's economy through job creation and local industry support. The VIPP strategic projects concept was introduced on 1 July 2009 by the Brumby government to support local content and local jobs. It was introduced because the Brumby Labor government understood the need to support local manufacturing and the local economy.

That is why, under the Brumby government, Victoria was known as the jobs capital of Australia. It was seen as the engine room for manufacturing and also as the engine room of a healthy economy. Under the Napthine government we now have one of the highest levels of unemployment in the country, and our major infrastructure projects have dried up. As I understand it, in terms of forward estimates for the next three years and government infrastructure spend, we are not only behind New South Wales but also behind Queensland, Western Australia and even South Australia. This is the first time I can recall that we have been in a situation like that. It means there is no plan, no vision, no jobs and very little future not only for those currently in the

workforce but also for young people hoping to enter the workforce.

When you have conversations with counterparts in other state jurisdictions, there is little surprise that we are considered a laughing stock compared to what other governments, regardless of their political colour, are doing in infrastructure spend. Whilst the evidence is clear, the Premier is trying to talk up local support for local jobs. But the government's actions speak much louder than its words.

This motion goes right to the heart of what the Premier thinks of supporting local jobs. In his electorate of South-West Coast he has demonstrated very clearly to each and every worker at Keppel Prince how much he supports local jobs, local manufacturing and local materials. He showed them by denying a Victorian-based local manufacturer the opportunity to stimulate the local economy as well as provide each employee with the confidence that there will be a job for them to support their families in Portland.

Earlier this month I had the pleasure and opportunity of visiting Keppel Prince on the outskirts of Portland and to meet with Steve Garner, the general manager of the company. For those who do not know Steve Garner, he is a major leader in the local manufacturing industry, but he is also a very significant leader in the renewable energy manufacturing sector. I say to those opposite who have tried to trash the credentials of Labor during the debate that if they do not want to listen to Labor, they should at least listen to the people who run the businesses in local electorates. People like Steve Garner are standing up and saying that, if things are not changed in a whole range of ways, there will be consequences for his company, his workers and the local economy of Portland.

Mr Ramsay interjected.

Ms TIERNEY — Mr Ramsay should listen to business on this issue, unlike on everything else.

Mr Ramsay interjected.

Ms TIERNEY — Mr Ramsay will get his chance to speak, Mr Ramsay. When it became public that Keppel Prince did not win the Webb Dock expansion project, it was recorded in the media. It was not just in the *Portland Observer* and the *Warrnambool Standard*; there was also major coverage in the *Age*. Headlines included 'Jobs blow on loss of Webb Dock work' and 'Steel jobs could go — Keppel Prince misses out'. One article states:

Mr Garner said there were 'sad times ahead' and was surprised the Victorian government's usual procurement rules for major projects did not apply in the dock expansion.

Mr Garner is quoted as going on to say:

It's a government project and yet they buy all these jobs overseas and for us it's certainly disappointing.

The journalist, Ben Schneiders, tried to get a comment from the Premier, who as I mentioned is the local member for South-West Coast. The article states:

A spokesman for Dr Napthine did not respond to a request for comment.

Does that not say a lot? The Premier, when a major company in his electorate is indicating that there are some sad times ahead, cannot even muster a comment in response to a journalist's request.

In addition to this, Keppel Prince is a company that is also very anxious about what it is hearing coming out of Canberra in relation to the renewable energy target (RET). It is a well-known fact in Portland and in the south-west that if the RET is not continued in its current form, Keppel Prince will also have a compounding problem in terms of its continued operations. However, if good policy is put in place, Keppel Prince could very well be in a position to employ a further 150 people. That is not speculation; that is direct comment, an outcome from the meeting I had in Portland on 3 June. Keppel Prince is one of the largest employers in Portland, the other being Alcoa. If there is a negative impact on that company, whether that be due to being knocked back as a local manufacturer on a government project or facing changes to the RET, there will also be significant impacts on the economy of Portland and the wider electorate.

Moving on to the *State of Steel* report, steel generates major macroeconomic benefits, including \$29 billion of economic activity nationally, and employs over 106 000 people along the entire steel industry supply chain. In Victoria over 25 000 full-time jobs are supported by the steel industry, and for every \$1 million expended along the local steel supply chain at least seven full-time jobs are supported. On the supply side these include jobs in iron smelting, steel manufacturing, casting and forging, steel pipe and tube manufacturing, structural steel fabrication, roll-forming and sheet metal fabrication, as well as spring and wire product manufacturing. It is a very diverse industry that feeds components to a variety of other industries.

The sector has the capability to supply the local steel needs of a range of industries and projects, including infrastructure, major transport projects and defence

activities, as well as the state's local steel needs. That is true also of Keppel Prince, which is a company that can produce a wide variety of product across a range of industries. We heard from the previous Labor speaker, Cesar Melhem, that it has also made huge platforms for oil and gas production offshore. I know for a fact that it is also undertaking the acquisition of massive equipment for the production of wave energy just off the port of Portland. This is amazing and almost a world first for Australia, as well as being a very innovative project. The company is also involved in wheat farming and a whole range of other activities, so at the very least we should be supporting those industries that have shown that they can do what is required and that they have the capacity and capability to tender for and win contracts under the specifications that are required. It is an absolute insult to a company that is so successful and flexible in the way it goes about its business to have its tender quashed and another organisation offshore deemed to be better.

It is a well-known fact that it is more expensive to produce steel in Australia than in China and Korea whilst the Australian dollar is high. At present the dollar is climbing into the mid-90 cents again against the US dollar, and therefore this is the most important time for governments to assist local manufacturers by employing them to do the work they are more than capable of doing. The Napthine government believes it has no real part to play in job creation and job retention. In fact Mr David O'Brien in his contribution today said that he does not support a government contribution to industry because that would distort the market. That assumes that the market starts with an even playing field. It does not. Mr O'Brien's comments also do not take into account that jobs, the social fabric and the local economy are affected by governments not supporting local industry, local manufacturing and the local economy.

The Victorian Industry Participation Policy is just one example of how government can play a significant role in creating and retaining jobs, but that only works if the government actually uses the policy, and it only works if the government is committed to local jobs for local people. I believe that we have a situation here where the Liberal Party, state and federal, does little for local manufacturing. You only have to look at the wind farm policies of this government. You only have to look at what happened with local procurement with the Webb Dock redevelopment. And we all know what is going to happen in terms of the outcome of the RET review. All these things amount to three very important black marks against local manufacturing and local jobs.

Victorians have seen time and again over the last three and a half years that this government is simply not interested in supporting local jobs. This afternoon I call on all members to support the parliamentary inquiry outlined in this motion by voting for Mr Somyurek's motion.

Mr RAMSAY (Western Victoria) — It gives me pleasure to speak on the motion moved by Mr Somyurek. At the outset I refute the contribution of Ms Tierney, particularly the references to the government not supporting local jobs, because I can cite any number of policies and investments this government has put in place that support local businesses, particularly manufacturing businesses. The first one that comes to mind is that wonderful company in Geelong, Carbon Revolution, that is revolutionising the carbon fibre industry as the Geelong manufacturing industry transitions from the historical, heavy manufacturing of automobiles to the new, innovative manufacturing we have seen with that company. Due to government support, the company is now employing over 135 people. It is a great success story.

In relation to Keppel Prince, which Ms Tierney referred to often in her contribution, it is true that it is a very important local manufacturing industry in Portland and has over time managed to become much more flexible in relation to its work in a range of steel manufacturing areas. It is disappointing that wind farm generators have seen fit to source their products from Korea rather than source an Australian product for their turbines, gearboxes and the like. To blame the renewable energy target (RET) is a big call because it is the generators who have been seeking cheaper steel and cheaper components for wind turbines in countries other than Australia. It does have an impact on companies like Keppel Prince, but it has nothing to do with the RET.

Ms Tierney interjected.

Mr RAMSAY — I say to Ms Tierney that I love talking about ports. If I may, with some discretion from the house, I will talk about a wonderful experience I had — Mr Barber will like this — when I was involved in the live sheep export trade and used to take 30 000 sheep by ship to Bahrain and Bandar Shahpur, which is in the Persian Gulf in the Middle East. The reason I am saying this is that I was at sea for six months at a time. One of the first pleasures I had on my return was watching the Norfolk pines that straddle the Portland foreshore as we came into port after being at sea for six months. What a wonderful port that is. It is the second largest deepwater port in Victoria and a wonderful asset for a range of industries, both mining and agricultural, for the export of their materials. In fact

it is my understanding that trade has increased significantly over the years, given its natural assets.

I also want to talk about the port of Melbourne. In 2011–12 there were some \$82 billion of imports and exports through the port of Melbourne and 2.58 million 20-foot equivalent units. It is a real success story. Some 7000 containers a day of cereal grains, dairy products, beverages, stockfeed and vegetables are shunted through the port of Melbourne. It is so successful that it is now being challenged by capacity and access. Countries such as China, New Zealand, Japan, the US, South Korea, Taiwan and Indonesia — over 300 of them — access the port of Melbourne, with 3300 ship visits a year. That is a real success story. Unfortunately it is so successful that despite the channel deepening — and I was very supportive of the channel deepening some years ago — to allow heavier ships to come through the port, it is now being challenged by capacity and the growth in trade, which freight-wise has doubled from 1 million containers in 1997 to 2 million in 2007 and is rising, as I said, to 2.58 million. The forecasts are that it will double over the next 10 to 12 years.

We have talked about Swanson Dock, which is a main container hub. Webb Dock has five berths, which serve the Tasmanian trade, and an automotive facility. The trend is to larger containers. This is severely challenging the port of Melbourne because of capacity, which is nearly full, and access due to the significant road movements around it.

Sir Henry Bolte, a past Premier of Victoria, was a wonderful visionary. He set aside 4000 hectares for the port of Hastings. He could see even 30 to 40 years ago that there would be a need for a deepwater port and that logistics would suggest that we needed to increase capacity. To his credit he set aside that land, and I am pleased to see that Premier Napthine has allocated \$110 million for planning to have that port ready by 2030.

There has been some chatter about Bay West. Labor was fully supportive of the port of Hastings being the next port to provide capacity for large containers. It has now done a backflip, as it has done on many other positions, like the east–west link, which we talked about yesterday, and is suggesting that Bay West is a better option. But it is only Labor that is saying Bay West is a preferred option. Shipping companies are saying it would be technically difficult and prohibitively expensive to even consider Bay West as an alternative to the port of Melbourne. It is sheer nonsense to say that it is a viable alternative and will provide the capacity necessary.

As I said, the Napthine government has provided \$110 million for planning for the expansion of the deepwater port at Hastings. Containerised trade in Victoria is set to quadruple by 2035, when we will be handling up to 9 million containers per year, so there is some urgency in our moving ahead to have the port of Hastings ready for the greater capacity that will be required.

Mr Somyurek raised a couple of other issues in his motion. We know that for 11 years Labor did nothing to address Victoria's long-term port capacity requirements. In fact it is only the coalition government that has a plan to address Victoria's short to medium term port needs by undertaking the \$1.6 billion port capacity project in addition to developing the port of Hastings as our second international container port. The port capacity project is a significant infrastructure project and is expected to deliver longstanding benefits to the economy through increased trade capacity, employment in the construction and operational stages, and business investment. There have been a number of work packages for this project that are local by their nature, being the earthworks and road construction. Additionally there are also a number of work packages that can be supplied by competitive local or international providers in the market. So there will be local business activity in relation to this project.

The Victorian Industry Participation Policy (VIPP) does not cover the port capacity project, as the release of the request for proposals in relation to the market offerings as part of the project predated the 2030 reforms to VIPP. VIPP was not applied to the project, as it is being delivered exclusive of taxpayer funding, with the backbone infrastructure being fully funded by the corporation. Terminal superstructures and facilities will be fully funded by the successful private sector components. The corporation has encouraged ongoing engagement with Industry Capability Network (ICN) representatives in order to maximise opportunities for Victorian businesses to participate in the project. I understand that has been taken up. The corporation has also actively engaged the ICN, facilitating introductions to the successful bidders for the project and their primary subcontractors.

Organisations approaching the corporation seeking opportunities to participate in the project continue to be provided with bidder contact details for the relevant contract. The timely provision of these responses is audited as part of the project's quality management plan reporting. While contractually the corporation cannot mandate local content for private sector investment, project staff are actively encouraging contractors and operators to consider local suppliers.

The supply of specialist steel piles to the new wharf at Webb Dock is part of the private sector tender — and this is where Labor does not quite understand the relationships and partnerships — managed by maritime building contractor McConnell Dowell which is responsible for building the new 920-metre wharf at Webb Dock. McConnell Dowell put the steel supply out to tender and received a number of responses, including some from local suppliers. McConnell Dowell has confirmed that Keppel Prince Engineering was one of the 17 respondents to the request for tender. The tender sought specialist steel piles to be used in building a wall substructure. The specification was extremely detailed and required specialist manufacture.

As the private sector builder responsible for meeting the design requirements and budget for the new wharf, McConnell Dowell has advised it assessed the tenders received and awarded the supply contract based on obtaining the required specification compliance, quality and value for money, which is in line with the objectives of VIPP.

Having said all that, I am wondering if Ms Tierney would suggest that there should be government intervention in a tender process that deals with a private company seeking tenders for a works plan and order that does not have the priority of specification compliance, quality or value for money.

Mr Barber interjected.

Mr RAMSAY — The Port of Melbourne Corporation was not involved in the private sector contractors procurement decisions, and that is what I am talking about, Mr Barber. The corporation has met with the federal government steel industry advocate and provided a briefing on the project, specifically the private sector involvement, including an overview of the steel specification prepared by maritime contractor McConnell Dowell for the supply of the specialised steel marine piles. I understand the commonwealth's advocate advised that the steel that was specified for the project was not manufactured in Australia. This might be of interest to the acting chair. The corporation also met with the Australian Workers Union, and the Maritime Union of Australia discussed this matter.

I could go on, but I will just make some closing remarks. I have responded to most parts of Mr Somyurek's motion and outlined the reasons the private contractor saw fit to have some steel components made overseas. That is not unusual in a competitive market that has quite detailed specifications. There has been strong encouragement to use local content where possible. There is the growing

need for capacity and access for planning for another port that will be able to provide capacity for the significant increase in containers — not just any containers but longer containers. Work was done and discussion and consultation was undertaken as a result of the position paper brought forward by the Australian Workers Union in the *State of Steel*.

However, there has been good intent in the port capacity project, by the contractors and also resulting from the VIPP reforms that will make sure local product can be and is encouraged to be used as a priority. I look forward to Keppel Prince, a local manufacturing firm in Portland, which is in my electorate of Western Victoria Region, taking the opportunities that are offered to it in relation to ongoing investments that this government is making — namely, the \$27 billion worth of investment in infrastructure across the state. I am quite sure that company will be successful in gaining steel manufacturing work from some of those investments. With the duplication of the Princes Highway, the duplication of the Western Highway and the upgrade of the Great Ocean Road, all roads lead to Portland. The increase in manufacturing at Alcoa in Portland will see Keppel Prince going from strength to strength.

Mr SCHEFFER (Eastern Victoria) —

Mr Somyurek's motion today goes to the heart of this government's will and ability to defend and grow Victorian manufacturing and to create jobs.

Mr Somyurek's motion is specifically about a Napthine government decision that denied a Victorian-based steel manufacturer an opportunity to participate in a major development, but it must be understood in the context of a government that has inflicted severe harm on Victoria's manufacturing industries.

Mr Somyurek's motion draws attention to the Victorian Industry Participation Policy (VIPP) that requires government departments and agencies to consider local suppliers, including small and medium size enterprises when awarding contracts valued at \$1 million or more in regional Victoria and \$3 million or more in Melbourne or across the state. The motion asserts that the Napthine coalition government failed to implement this requirement in the case of the \$1.6 billion Webb Dock expansion — a key element of Melbourne's port capacity project.

The Port of Melbourne Corporation's website states that the Victorian government and the corporation are jointly committed to ensuring that the project will deliver a positive future for local businesses and jobs and will contribute to the wellbeing of the environment and neighbouring communities. Let us be clear that this

is a major project, and it includes component projects such as the Webb Dock development. The objective is to ensure a positive future for business, jobs, the environment and neighbouring communities. That is the commitment. As was heard from Mr Somyurek, the Webb Dock project will reconfigure and redevelop Webb Dock so that it can continue to be an international container terminal handling over 1 million containers a year.

The massive export numbers of Victorian-manufactured motor vehicles from Holden, Ford and Toyota will very shortly pass into history, and the Napthine and Abbott governments will forever be associated with this body blow inflicted on the state's manufacturing industries. Mr Somyurek's motion condemns the Napthine coalition government for its failure to implement the Victorian Industry Participation Policy in relation to this latest Webb Dock expansion project.

As we heard previously the policy guidelines that have been in operation since January last year state that procurement activity should provide opportunities, as I said previously, for local businesses and that monitoring and reporting requirements will reveal the extent to which the local content objective is being met. It is entirely understandable that when it was revealed that local steel companies missed out on the \$1.6 billion project, the government was attacked and condemned by the steel industry, by all those businesses that could have derived a benefit from the investment and by unions on behalf of the workforce for again failing Victorian manufacturing and failing to create jobs.

In the wake of the thousands of manufacturing jobs that have been lost in recent months and years and the battering the coalition government has had over their loss, everyone was gobsmacked that the government would do it all over again. Mr Somyurek's motion mentions Keppel Prince, the Portland-based steel fabricator that employs around 300 people, and BlueScope Steel, that could have supplied the steel. The tragedy was summed up in the words of Steven Garner, Keppel Prince's general manager. He is reported in the *Age* as saying:

It's going offshore. They are going to import it.

He meant the steel. Tellingly, Mr Garner is also reported in the *Age* to have been surprised that the Victorian government's 'usual procurement rules' for major projects did not apply to the dock expansion. He said:

It's a government project and yet they buy all these jobs from overseas and for us it's certainly disappointing.

It is not as though people in the Victorian industry are not aware of the fact that Chinese steel is cheaper, but it is also true that there is a debate that some of these lower prices are below cost. It beggars belief that a case could not have been mounted that would have maximised the economic benefit to Victoria of this \$1.6 billion major ports project. Mr Somyurek's motion suggests that the Napthine government has failed to implement the VIPP and has failed to ensure that the project will deliver a positive future for local businesses, for jobs and for the wellbeing of the environment both here in Victoria and in neighbouring communities, rather than overseas. The coalition government has failed to assist Victorian industry to develop a winning case for the development of Webb Dock, and the Minister for Manufacturing, Mr Hodgett, has disappointed his constituency and failed to honour his obligation to grow Victorian manufacturing by ignoring the Port of Melbourne Corporation's procurement choice and denying Keppel Prince participation in the venture despite that company meeting the specifications.

Many voices have been raised over the nearly four years that the coalition has been in office about the inability of members of this government to understand how a complex modern economy operates, and the lack of leadership in the manufacturing portfolio is just one example. The stark fact is that the coalition cannot deny that manufacturing jobs have been declining. In a debate during the last sitting week Mr Elsbury queried some Australian Bureau of Statistics (ABS) figures raised by Ms Tierney, and I will cite them again. The recent ABS figures released on 19 June show that full-time jobs in manufacturing have fallen by 24 000 people — 24 000 jobs — or 9.7 per cent in the last 12 months.

Members of the coalition cannot hide behind national global trends, because we know that even Queensland and South Australia gained jobs over the same period. The basic reason for this disastrous position is that the Victorian coalition does not have a jobs plan. Because the government has not gone through the detailed process of devising such a plan, the fact is that its members are incapable of understanding what is happening or how to fix it. This explains why members of the coalition could take it into their heads to cut \$1.2 billion from the TAFE budget, to allow the vehicle manufacturing industry to collapse and to slash by hundreds of millions — billions — of dollars our hospitals and schools. Members of this government have failed to make timely and orderly investments in public transport. It is also the reason why the coalition government has put emerging renewable industries on notice.

The fact is that manufacturing is shutting down and that infrastructure is in decline, has stalled or has gone overseas, and we are seeing this with the Webb Dock development. Our training and education institutions are listing, and job losses are going through the roof by some 24 000 over the last 12 months. Mr Somyurek's motion calls on the house to require the Economy and Infrastructure References Committee to investigate the rationale — the underpinnings — that led the Port of Melbourne Corporation to select a consortium that would buy its steel from Korea rather than Victoria, or at least Australia. It is safe to say that no-one seems to know precisely why the decision was taken to award the contract for the redevelopment of Webb Dock to a consortium that would buy some 50 000 tonnes of steel from Korea. It was not the general manager of Keppel Prince, not BlueScope Steel, not the steel industry, not the commentators, not the Australian Workers Union that represents the workforce and not the Victorian public, which has the right to expect the coalition to strengthen, not weaken, manufacturing in this state.

Mr Somyurek's motion also requires that the Economy and Infrastructure References Committee report on how the local steel industry impacts positively on the Victorian economy through infrastructure project investment, as set out in the interesting paper put out by the AWU earlier this year and to which Mr Melhem referred, the *State of Steel*. Released in May, this document examines the future of the Victorian steel industry and the impact that government procurement can have and highlights the current capacity of the local steel sector to supply major infrastructure projects, as well as all the flow-on benefits to the economy.

The report states that the AWU endorses the Victorian Industry Participation Policy strategic projects that were introduced by the former government and which were continued by the current coalition government because of its support for local content policies. The report provides a detailed account of the benefits of the steel industry, and it also examines red tape — the administrative burdens that could usefully be removed to maximise competitiveness. The report contends that the local steel industry has not benefited from the mining boom to the extent that it could have, and in a fair and a balanced way it also discusses industry concerns that their bids for major projects are often beaten by overseas investors.

There also appears to be some confusion on the part of local industries over who the regulators are, what their powers are and to whom complaints should be made. According to an Australian Industry Group member survey, which is summarised in the *State of Steel*, some 64 per cent of steel sector businesses have been

negatively affected by what are called non-conforming projects — that is, those projects that do not conform to Australian standards or regulatory requirements. That erodes the potential benefits that a robust local steel industry could provide to the Victorian economy. Having the Economy and Infrastructure References Committee conduct an investigation into all of these matters, as Mr Somyurek's motion proposes, is a very good idea, and I support it wholeheartedly. I am under no illusion that the members of the government will not support such a reference, but I think it would benefit the entire state if they were to do so.

Mr KOCH (Western Victoria) — It is a pleasure to make a short contribution to the debate on Mr Somyurek's motion. In many ways this motion leaves many of us wondering. During its 11 years in government the ALP worked hard to make manufacturing, including steel production, too expensive and uncompetitive, and the redevelopment of Webb Dock offers a platform for the ALP to continue to push a failed mantra. Importantly, we saw the ALP working with a mandate back in 2008–09 and giving strategic projects above a capital cost of \$250 million a marvellous free kick, particularly in relation to the 20 per cent offset in the loadings in favour of local businesses. Mr Melhem today indicated that it was terribly important that those opportunities were made available for apprenticeships, training and jobs, and I do not think we are manufacturing concern. We all appreciate the importance of apprenticeships, ongoing training and jobs, but that cannot continue to come at the costs foisted on the economy of Victoria under the last government.

I was interested to hear Mr Scheffer indicate this afternoon that in the last 12 months there have been 20 000 job losses in Victoria alone. I think people have had ample opportunity to read the statistics. Mr Scheffer is a good reader; I do not know why he is interested in misleading the house. Since the coalition government came to office in 2010 we have seen a further 77 100 jobs created in the state of Victoria. This nonsense of a loss of 20 000 jobs in Victoria is absolutely wrong, and I have no doubt that people on the other side are very aware of that.

In principle I am sure that all of us would like to see every opportunity made available for those seeking apprenticeships, jobs training and jobs growth, but there has to be a rationale. Where the ALP is concerned, we saw 11 years of a government that never delivered on time or on budget — whether it was the \$90 million fast rail undertaking, which stretched out to nearly \$1 billion; whether it was myki, which went from a cost of under \$500 000 to \$1.4 billion; or whether it was the

desalination plant. I do not think any of us will ever be told the truth about what the desalination plant cost, and we continue to make a daily contribution towards it of \$1.6 million.

I am sure all of us would love to have an ongoing steel industry. Keppel Prince makes a great contribution to Western Victoria Region, but the cost of steel is not something that the company controls. As far as engineering companies go, few if any in this country would be better. However, its hands are tied in relation to trying to gain a product price that leaves it in the mix. If Keppel Prince had been fortunate enough to gain this tender, the outcome would have been very good. It is a most competitive company and has great engineers, but regrettably the price of the product on many occasions leaves them out of some industry redevelopment opportunities.

As Mr Somyurek said earlier today, it is important that we look at taking a bipartisan approach to this. The 11 years under Labor should have been a wake-up call that we have to build some of these offsets back in. When we learn of Labor's previous performance — for instance, when we learn that every ounce of steel involved in the construction of EastLink, a major project, was imported; not one bit of it came from Australia — that is a wake-up call.

Let us go back to 2006, when the Commonwealth Games came to Melbourne. What a marvellous feat for Victoria, but again procurement was a problem. Not even one stick of timber — not even a match — used in the great development for the Commonwealth Games, so successfully held here in Melbourne, came out of our own timber plantations or native forests. It was all imported from Third World countries. For ALP members to get up today, try to talk up their capacity and say where we should be going is an insult to this coalition government, which not only is putting large infrastructure projects in place at affordable prices but is finding many thousands of jobs, and it should rightfully be recognised for doing so.

As I said, Webb Dock is a great opportunity and a platform for the ALP to move motions like the one before us today. Bay West is another large port for container movement promoted by the ALP. I reflect on a report by Greg Dundas in the *Geelong Advertiser* of today, 25 June. The article, headed 'Port plan "makes sense"', says:

Labor says its plan to build the Bay West container port west of Werribee makes sense and will help offset some of the thousands of manufacturing jobs Geelong is about to lose.

With the government committed to Hastings as Victoria's second port, opposition employment spokesman Tim Pallas told Geelong business leaders this year's state election was their last chance to make Bay West happen.

'If we can't get this matter seriously on to the agenda at this election it might be an opportunity that's out of our reach in the future', he said.

Mr Pallas is reported as saying that Labor:

... if elected in November — would create Infrastructure Victoria, an independent body to consider all of Victoria's large public building projects.

Labor has now had 15 years to come up with a plan for Bay West. Today we have no plan, no business plan and no strategy; we just have this ghost floating around in the air, and it is obvious that business has not overly warmed to it in comparison with the opportunities being afforded at Hastings. This government makes no error in its assertion that Hastings is a far better place than Bay West could ever be, particularly in terms of the growth in container movements.

We all know that ships are not only going to have bigger draughts in the future in the movement of containers but they are also going to be wider. Regrettably, this must necessitate further blasting at the Heads. We know what the downside of that can be, and will be if further development is undertaken there — not only for Point Lonsdale on the western side but also for places along the Mornington Peninsula and its beautiful beaches. It would not be unreasonable to indicate that harm would be done.

Bay West is in shallow water; if infrastructure were to be developed there, it would not only demand great dredging to get it under way, but the maintenance at that port to ensure its ongoing success would be unbelievable. The other thing we do not want to forget is the ongoing congestion that it would bring on that side of the bay, whereas Hastings, when it is completed, along with an inland port further up on the east side of the metropolitan area, will give far better access to the port, particularly for container and heavy product movement. That would be a great advantage to this state.

Many people have come to see me in Geelong about the opportunities that they see Bay West affording them, but in the longer term there is absolutely no alternative but for the government to pursue the undertaking at Hastings — using, as I say, an inland port. There are corridors already there for logistical purposes that need only to be exercised and upgraded. Regrettably, in terms of the phantom of Bay West, the ALP has not done its work. It has not gone to the community and talked about the downsides. It keeps

talking up this ghost, but it has not done any planning — including business planning. I believe very strongly that it may well have misled far too many people in industry, who have already spoken to me.

I will finish by saying that Mr Somyurek's motion is just an opportunity for the ALP to run its mantra in relation to jobs creation and the cost of redevelopment within Victoria. It has had plenty of opportunities, not only over the 11 years that it was in government but also in the 3 years that the coalition has been in government, to put together some planning and start producing some outcomes that would be more than lip-service to industry in Victoria, both in the metropolitan area and certainly, from my point of view, in Western Victoria Region, where there is much agricultural freight being moved to the port for export. That would give Victoria opportunities that the coalition government is currently working very successfully to produce, affording better transport movement, better freight movement and increased jobs, as we have seen since the 2010 election.

Mr SOMYUREK (South Eastern Metropolitan) — First of all I should refute Mr Koch, who attempted to debunk Mr Scheffer's use of statistics. I clarify that these are the statistics I provided, so I take full responsibility for them if they are wrong — but I assure Mr Koch that that data is not wrong. Mr Koch was referring to total employment, while Mr Scheffer was referring to sectoral employment in regional terms, specifically relating to the manufacturing sector. He referred to the May 2013 employment figures, which were 247 100. In the May 2014 quarter the full-time manufacturing job figures had come down to 223 100. That is straight from the Australian Bureau of Statistics data. I stand to be corrected, but I am sure that we are right about that.

It was disappointing to hear that the government will be using its numbers in this place to prevent scrutiny by the Economy and Infrastructure References Committee of the debacle that was the \$1.6 billion Webb Dock expansion project, with respect to steel from the project being sourced from Korea. It is also disappointing that this decision by the government will prevent an inquiry into the benefits and contributions to the Victorian economy of the strategically important local steel industry.

Mr Dalla-Riva in his contribution made reference to steel being sourced from overseas for the EastLink project on the watch of the previous government. My understanding of that project is that the steel was overwhelmingly locally sourced. Nevertheless, Mr Dalla-Riva has a point. Clearly the steel pylons

which were sourced from overseas should not have been; we have the capacity and capability to produce those steel pylons locally, and if my recollection serves me correctly, there were subsequently some quality and fit-for-purpose issues with those imported pylons. This is exactly the point I was trying to make in my contribution earlier today; it is not about getting the lowest cost. Value for money does not mean the lowest cost alternative. Value for money means different things. The cost is one of those many things, but there are also fit-for-purpose needs, quality, durability, skills transfers, jobs creation and other economic benefits to the state. When we are talking about value for money we are talking about a basket of variables, not just the lowest cost, and we need to get out of that mentality.

If we had applied sufficient scrutiny to why the pylons were sourced from overseas, we may not have had this debacle and may not be in this situation. If we had provided enough scrutiny as to why those pylons were sourced from overseas in the first place, the Webb Dock debacle may not have happened, because presumably we would have learnt from our mistakes. The point is that we collectively need to learn from our past experiences. That is why we need to inquire into why the local steel industry was completely shut out of the Webb Dock bidding process. With the rapid decline of the manufacturing sector and the rapid decline of our strategic steel sector, the stakes are too high to simply ignore what happened with the Webb Dock project and move on. The government is saying there is nothing to see here. I can assure members that there is plenty to see here, and that is why we should be inquiring into the Webb Dock process.

To those government members who have accused us on this side of the house of being too protectionist on this matter or perhaps even overplaying the importance of the steel sector, I quote from a speech the Prime Minister gave to the Australian Steel Convention 2011, when he was the federal Leader of the Opposition:

... but nevertheless for our size we are quite a significant producer of steel and if we ever didn't produce steel we would be the only member of the G20 to be in that position. So, steel is critical to our way of life, steel is important in our economy and I've been making the point up hill and down dale ... that it's hard to imagine a First World economy without a domestic steel industry.

That was a point well made by Mr Abbott in 2011.

In concluding my comments, I ask government members to reconsider their opposition to referring these matters to the Economy and Infrastructure References Committee, as we need to give all stakeholders a chance to ventilate why things went so

wrong on the Webb Dock project and how the Victorian state government can implement policy settings going forward to buttress this critical industry, because, like the Prime Minister, I too cannot imagine a First World economy without a domestic steel industry.

House divided on motion:

Ayes, 16

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

Noes, 19

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

Pairs

Viney, Mr	Kronberg, Mrs
Pennicuik, Ms	Finn, Mr

Motion negatived.

GAMBLING REGULATION AND CASINO CONTROL AMENDMENT BILL 2014

Statement of compatibility

Ms HARTLAND (Western Metropolitan) 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 Gambling Regulation and Casino Control Amendment Bill 2014.

In my opinion, the Gambling Regulation and Casino Control 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.

Overview of the bill

The Gambling Regulation and Casino Control Amendment Bill 2014 amends the acts to include the current \$5 bet limit on gambling machines, and to set a new \$1 bet limit on gambling machines.

Human rights issues

As there are no charter act rights that are relevant to the bill, I consider it is compatible with the rights and responsibilities in the charter act.

Colleen Hartland, MLC

Second reading

Ms HARTLAND (Western Metropolitan) — I move:

That the bill be now read a second time.

The Greens are committed to limiting the harm of gambling through evidence-based solutions.

Problem gambling is taking an enormous toll on Victorian families and our health system.

The financial stress causes family breakdown, drives people to crime, and can result in job loss. Depression and suicide are some of the worst impacts.

Many people enjoy a punt, but that is all it should be — a game, a bit of entertainment.

When people can lose thousands of dollars an hour on pokies, something needs to be done to limit the losses and the harm pokies can cause.

Up to 80 per cent of problem gambling is caused by poker machines¹, which are designed by the gambling industry to be highly addictive and to maximise losses.

Gambling has become a huge industry whose sole purpose is to extract as much money from punters as quickly as possible.

Late last year, the Victorian Competition and Efficiency Commission released a landmark report that told us that the social and economic cost of problem gambling to Victorians is up to \$2.8 billion per year². This figure is based on the quantifiable costs of money lost gambling and costs associated with the impacts on health and wellbeing for problem gamblers and their families.

They estimated that problem gamblers make up 35 per cent of total spending on pokies³. I consider this to be far too high.

¹ P. Delfabbro & D. King (2012) 'Gambling in Australia: Experiences, Problems, Research and Policy', *Addiction*, vol. 107, p. 1560.

² Victorian Competition and Efficiency Commission, (2013), *Counting the Cost*.

³ Victorian Competition and Efficiency Commission, (2013)

We now know the problem is out of control, but it does not have to be that way.

Dollar bet limits are an evidence-based solution, recommended by the Productivity Commission in its 2010 gambling inquiry report⁴.

Dollar bet limits are the cheapest, most effective and most straightforward option for reducing the harm of pokies.

Given that 88 per cent of recreational gamblers do not bet more than \$1 per spin⁵, this reform will have negligible impact on recreational gamblers' experience, but will effectively target problem gamblers, limit their losses and thus make a huge difference in their lives and those of their families.

The Greens Gambling Regulation and Casino Control Amendment Bill 2014 will implement dollar bet limits through the following steps.

It inserts into the legislation the current bet limit of \$5, which has previously been set by ministerial direction, and it removes the power for the minister to provide direction as to the bet limit.

The \$5 bet limit will continue until the end of 2019.

From 2020, \$1 bet limits will come into force.

According to the Productivity Commission, the current average maximum loss on pokies machines is \$840 per hour⁶. A \$1 bet limit would limit these losses to \$120 per hour. This will limit the harm of pokies for those who cannot limit their own spending.

This bill provides nearly a six-year phase-in for dollar bets, as per the Productivity Commission recommendation, in order to allow the industry to plan and adjust to the change at minimal cost.

In order to facilitate the smooth and low-cost transition to \$1 bets, the bill stipulates that all new poker machines must have the capacity for \$1 bets installed from 2016. This provides the industry with some time to redesign the poker games, make any machine changes and get regulatory approval for new games.

There will be limited costs to venues of this changeover. With a regular poker machine replacement cycle, the latent capacity for \$1 bets on new machines from 2016 means that when \$1 bets come into effect in

2020, few machines will need to be replaced or upgraded, as they will already have the capacity installed.

Given the depreciable life of a gaming machine for taxation purposes is five years, if any machines do need to be replaced or upgraded in 2020, they will be machines close to retirement and thus will have a low depreciated value.

Thus the need to bring forward their replacement would not represent a significant cost to venues.

There is provision in the bill that venues with less than 10 machines can have a further two years to implement dollar bets.

This recognises that these small venues might have a lower replacement rate for gaming machines. This, again, is in accordance with the Productivity Commission's recommendations.

This bill provides that these new laws would also apply to the casino.

The only difference is that the \$5 bet limit is effective from 2016 in the casino, in recognition that they currently have some machines without a bet limit and that these would need to be replaced.

Then \$1 bets are effective from 2020 for the casino too.

The Greens recognise that this bill is designed to reduce the spending of problem gamblers on pokies.

This could result in a loss of profits to venues and a loss of revenue to the government. In reality, the more effective the \$1 bet limit harm reduction measure is, the more revenue would be reduced.

Introducing \$1 bets was estimated by the Tasmanian Treasury for a parliamentary inquiry in 2010 to lead to a 10 per cent reduction in revenue for clubs and 20 per cent reduction at major hotels⁷.

The 2020 implementation date of dollar bets will provide venues and the government with the opportunity to plan for and adjust to this change.

While the Greens, for constitutional reasons, cannot include progressive tax reform in this bill, we are open to discussing them with the government if it deems it necessary to ensure that this bill is tax revenue neutral.

⁴ Productivity Commission (2010), Gambling Inquiry Report, Report no. 50, Canberra

⁵ Productivity Commission (2010)

⁶ Productivity Commission (2010)

⁷ House of Assembly Select Committee on The Gaming Control Amendment Bill 2010 (\$1 Bet limit). Hobart, Tasmania 2010.

I refer the government to research by gambling expert Dr Charles Livingstone of Monash University for advice as to how this could be achieved⁸. We would suggest any such reform would provide the same tax rate for small venues, and increase the tax rate for the big venues with big profits.

Ultimately, if venues were to experience just a 10 per cent loss in their often multimillion-dollar revenue, this is a win as they can feel assured that the harm associated with their pokies machines has been reduced, while still maintaining a very profitable business.

Some venues may be concerned with any loss in profit, no matter how profitable they are.

To these businesses I would say that we simply cannot allow the significant social costs of problem gambling to go on.

We cannot allow current arrangements to continue just because some people benefit from them.

Safety standards have been implemented in other potentially harmful industries, including tobacco, coalmining, and asbestos.

I would like to take a second to read from page 29 of the Productivity Commission's inquiry into gambling:

However, it would be hard to justify allowing the large social costs from current arrangements to continue just because some people benefit from them. History is replete with instances in which industry interests have suffered from regulated increases in safety standards — tobacco, coalmining and asbestos, to name a few.

These are not my words, they are actually from the Productivity Commission.

Dollar bets are a common-sense change that will bring the cost of playing poker machines back in line with other forms of entertainment, and will do so over a time frame that is realistic and affordable to the industry.

Dollar bets is also an important safety measure for the pokies, which will cause a small reduction in revenue, but deliver significant benefits for the lives of problem gamblers and their families.

⁸ Charles Livingstone & Angela Rintoul (2013), Taxation and revenue implications of the introduction of a \$1 maximum bet for poker machine gambling in Victoria. Global Health and Society Unit School of Public Health and Preventive Medicine, Monash University, Melbourne, Australia.

For the reasons I have outlined, I commend this bill to the house.

Debate adjourned on motion of Mr ELSBURY (Western Metropolitan).

Debate adjourned until Wednesday, 9 July.

RENEWABLE ENERGY TARGET

Debate resumed from 11 June; motion of Mr BARBER (Northern Metropolitan):

That this house —

- (1) notes the submission by the state of Victoria to the review of the commonwealth renewable energy target, currently under way;
- (2) rejects the recommendations of the state's submission; and
- (3) calls on the state government to support the renewable energy target in its current form and to develop a renewable energy plan for Victoria.

Mr LEANE (Eastern Metropolitan) — It seems like a long time since debate on this motion was adjourned. My recollection of the government's opposition to this motion was that it was centred around a lot of hysteria and an argument that maintaining the renewable energy target (RET) would cost the industry and cost jobs. It is interesting that that should have been said because an article in today's *Age* reported that the federal government's own modelling around power prices on the RET will actually fall:

The federal government's case to scrap or weaken the renewable energy target (RET) has been dealt a blow, with modelling for a review of the scheme showing consumers will be better off if it is kept.

However, if the RET is disbanded:

... the firm hired by the government's hand-picked panel reviewing the target ... has presented preliminary figures showing household bills will be higher in the years to 2020.

Once again this shrill argument about the negative consequences of provisions to protect the environment has been debunked.

The last time the motion was debated in this house I wanted to speak about the inconsistency of the government when we listen to speeches in this house about reducing carbon emissions, protecting the environment in any form, the use of renewable energy or the application of renewable energy targets. The arguments are inconsistent with what the government took to the 2010 election. Copies of the how-to-vote cards that were handed out in 2010 by members of the

Liberal Party, who are now members of the government, list a number of dot points that suggest the government would be committed to protecting the environment, and one of those dot points was to reduce carbon emissions by 20 per cent by 2020. That was a commitment this government took to the election.

Unfortunately that commitment did not last too long. Mr Wells, who was then the Treasurer, was asked about it months after the government was formed, and he denied that a commitment had been made; he denied it existed. He did not even know what his own how-to-vote cards said, because there was a commitment to reduce carbon emissions by 20 per cent by 2020 on his how-to-vote cards. It is amazing that the then Treasurer denied it actually existed — I think journalists had to wave it under his face.

During the election campaign the coalition made a number of other commitments about renewable energy targets and supporting the solar and wind power industries. These commitments were made by the members of the government who we hear time and again saying that basically anything Labor does or supports in relation to reducing carbon emissions is a hoax and a waste of time and money. The inconsistency amazes me. The question has to be asked: what will the how-to-vote cards for the Liberal-Nationals coalition say in a couple of months?

Mr Barber — ‘It’s all a hoax. Don’t worry’.

Mr LEANE — I do not think they will say that. Will the government revisit the environmentally friendly commitments it made in 2010 to make itself more electable? I think it will. After we have had to endure speech after speech in this house saying, ‘What a waste of time’, ‘What a waste of money’ and ‘It’s all a hoax’, and coalition MPs cheering on their climate change spokesman, Mr Finn, let us wait and see what policies the Napthine government will take to the election with regard to protecting the environment. Will the government’s policies reflect what has been said in this house?

Mr Barber — Kangaroo burgers!

Mr LEANE — Maybe that is it. Will the government’s policy reflect what has been said in this house? Will it have a policy that says, ‘It’s all a hoax. It’s all a joke. It’s a waste of money. We are not going to do it. Burn everything down. Forget targets and renewable energy. Forget anything that is good for the environment. It’s a free for all’. No, it will not. The government will try and revisit its 2010 policy, which it forgot in a big hurry. It will pretend it has some

environmental credentials, purely to try to attract a number of votes. I doubt very much that people will be as gullible this time. Members of the government are on the public record in *Hansard* as to what they really think about any provisions to protect the environment. I am looking forward to seeing if the government is consistent in the policy it takes to the election.

Mr Barber — Come on down.

Mr RAMSAY (Western Victoria) — I am happy to talk about renewables, Mr Barber, as I have on many occasions in this chamber, and to talk about the support I have for those who can avail themselves of the opportunity to use renewables where they see fit. However, this motion is actually about the renewable energy targets. Firstly, I want to put some facts on the table, because I took some notes when Mr Tee was speaking in the last sitting in relation to this motion. There is nothing like renewables to get the juices flowing in Labor and Greens members, which is reflected in an emotive sort of language that comes from the mouths of babes. Mr Tee talked about the coalition’s hatred of the environment, the cutting of Landcare and the coalition’s lack of support for wind farms. He rambled on and on for a period of time.

Coming back to the crux of the motion, the renewable energy target (RET) scheme was first introduced in 2001. It was intended to achieve an additional 2 per cent of renewable energy in the electricity mix by 2010, which has been quite successful. In 2010 the scheme was expanded to ensure the equivalent of at least 20 per cent of Australia’s electricity comes from renewable sources by 2020. On 17 February the commonwealth government announced a review of the renewable energy target scheme by an expert panel, which was to report by mid-2014. Unless I have missed something, that panel has yet to report, so there is no change in policy at this time in relation to the targets that were set in 2001. We can conjecture all we like with regard to this motion, but the fact is that the commonwealth is yet to make a decision about changes that may be recommended by the expert panel that has been convened to conduct the review.

I want to take issue with some things that have been said in previous contributions. Ms Hartland refers in the motion to the state government’s submission. From the outset the coalition government supports the renewable energy target and ongoing investment in small and large-scale renewables. The coalition government is seeking to change the focus of RET onto industry jobs, reliability of supply and cost to consumers. Our submission reflects the interests of all Victorian stakeholders, including the clean energy industry, the

incumbent generation, large energy users, and households and businesses. This is also about the cost of living. We are calling for a broadening of the RET to include high-efficiency, low-emission energy sources such as gas generation that would help meet periods of peak demand and help ensure reliability of supply. Unfortunately the wind farm industry was not able to provide the increase in power that was required to meet household needs during the shutdown of conventional power, and it cannot be relied on. It is important that we have both renewables and conventional electricity to provide for times when there is peak power and a shortage of supply.

The government's approach will support jobs in the renewable energy industry and drive greater development of other energy suppliers that are reliable and contribute to the reduction of greenhouse gas emissions and low cost to consumers. What a great balance that would be — a reduction of greenhouse gas emissions and lower cost to consumers. At the moment we do not have that balance right. The government's submission also calls for the two-year period between reviews to be either extended or removed to provide greater certainty for the renewables industry. We want to diversify the mix of electricity generation by including energy sources other than fossil fuel and renewables. The Greens position, as has been demonstrated by Mr Barber time and time again, does not accept the reality of this situation.

Mr D. D. O'Brien — They don't accept reality, full stop.

Mr RAMSAY — That is true, Mr O'Brien. The goalposts have shifted with energy demand falling since the expansion of the renewal energy target to 20 per cent, so there is some validity in having a review at this stage — when you have electricity usage and consumption falling — and that is because there are good messages coming out about the benefits of having a mix of coal-fired electricity and renewable energy, and that can be seen even with the uptake of solar energy, which has been quite dramatic. I believe solar energy has very generous feed-in tariffs and gives opportunities for businesses and farmers that have large roofing space to collect solar power, and I strongly support that move.

The RET does need to take into account the demand for electricity, and it has been falling since 2008. According to the Australian Energy Market Operator (AEMO), Victoria is already oversupplied by around 1700 megawatts, and Australia is oversupplied by about 11 000 megawatts, so it makes no sense to ask

Victorians to pay more for their electricity, especially when there is a sufficient supply.

Unlike the Greens and Labor, who would clearly pursue the expansion of the renewable energy sector in Victoria at any cost, the coalition understands that maintaining a reliable supply of electricity from renewables will come at a massive cost to Victorian consumers. Typically the Greens gloss over the fact that the AEMO estimates that the RET has already added around 5 per cent to electricity prices, as of 2012–13 — and I have not even mentioned the carbon tax yet — and that without change the cost will increase to meet the 2020 target.

I refer to the heatwave back in January, which demonstrated that, while renewables play a part in meeting the increased demand for energy, we cannot solely rely on renewables when demand is high. In fact the power was so intermittent it was nearly useless. Wind generation was unavailable through the whole heatwave — funny about that! This is an example that investment in variable forms of electricity generation is misguided. When push comes to shove and there are challenges in critical peak demand, wind farms do not cut it.

Brown coal, gas and hydrogenations met the majority of Victoria's peak demand during that January heatwave. That is one reason the coalition government is calling for a broadening of the RET to include high-efficiency, low-emission energy sources that will help meet periods of peak demand and help ensure reliability of supply. Since the 1960s, gas resources from the off-shore Gippsland Basin under Bass Strait have provided a reliable supply of natural gas to Victorians, and I am sure Mr Danny O'Brien will have more to say about that. Natural gas accounts for 19 per cent of all energy use in Victoria; however, gas only makes up 4 per cent of Victoria's electricity generation. Gas is less damaging to the environment compared to coal, with approximately 50 per cent lower carbon emissions than existing brown coal-fired generators, and gas can help to bridge the gap between brown coal and renewables.

Renewable energy is mostly driven by the RET at the commonwealth level; however, the coalition government is directly supporting the development of renewable and low-emission technologies relevant to Victoria, as follows — —

Mr Barber interjected.

Mr RAMSAY — You ought to listen to this, Mr Barber. There is \$15 million of funding for solar

systems with the demonstration project in Mildura, \$5 million for the BioPower wave energy pilot project at Port Fairy and a \$1.6 million geothermal heating and cooling pilot project at the University of Melbourne. Only the other day I was at the Beaufort Hospital, where they are using woodchips to provide electricity generation to the hospital. It is a great project. In fact it is an extremely successful demonstration project that is so successful that municipalities all over Western Victoria Region are looking at it.

As Mr Barber knows, wind farms are a pet baby of both his and mine, and I can see opportunities for wind farming in Western Victoria Region. Victoria currently has 13 operating wind farms with the capacity to generate nearly 1000 megawatts through wind power, and there is potential for more than double this through the 13 approved wind farms under construction. At the last count I saw that the 937 turbines that were approved by the Labor government and are yet to be constructed will not be restricted or constrained by the new guidelines of the coalition government. It is not the fault of the coalition government's legislation or amendment to provide new guidelines in relation to the siting of wind turbines; it is the lack of appetite from generators themselves or from superannuation companies and financiers to invest in wind generation, because they know the return on investment is very small.

Unlike Labor, which is committed to increasing Victoria's share of renewable energy at any cost and accuses the coalition government of stalling investment in wind power, we recognise that any development of this nature must have community confidence, and that is where Labor let us down baldly. There was no consultation when the previous Minister for Planning, Justin Madden, the member for Essendon in the Assembly, flicked out those wind farm permits in the dying days of the Labor government, and now he has left a crisis, a mess and a great divide in regional communities right across Victoria that to this day have been tainted by the impact of that work of the previous minister. He had no idea of the impact that would have on regional communities.

Our approach guarantees residents of rural and regional Victoria certainty and fairness in wind farm planning decisions and ensures that communities are given a say in major planning applications. Victoria's wind energy industry is generating around 1650 jobs, yet you will not hear any commentary from the opposition benches, whether it be Greens or Labor, that jobs are being generated as some of these wind farm projects come online.

I will talk a little about the solar feed-in tariffs because solar power excites me as a potential renewable power source that has great opportunities for many of the constituents I represent in Western Victoria Region. The setting of the solar feed-in tariffs is yet another example of Labor mismanaging not only its own budget but the budgets of Victorian households. The total cost of the premium feed-in tariff is expected to be over \$1 billion, which will be a direct cost to households. The costs of the premium and transitional feed-in tariffs are paid for by all Victorian electricity consumers through the distribution network charges, which form part of the customer's electricity bill, but we have fixed that problem by spreading the costs in relation to the feed-in tariff. On 1 January 2013 the government introduced new solar feed-in tariff arrangements based on the recommendations of the Victorian Competition and Efficiency Commission (VCEC). That provided greater balance in relation to those using renewable energy through solar and also those using the conventional coal-fired energy.

In 2014 the minimum rate is set at 8 cents per kilowatt hour for electricity exported to the grid, and the rate is reset annually by the Essential Services Commission in line with wholesale prices. Solar installations in Victoria, despite that fact, continue to grow. In fact the number of additional installations ranged from about 8700 in 2009 to 32 000 in 2013, reflecting the introduction of the new feed-in tariff on 1 January 2013. The changes in the feed-in tariff had no impact — —

Mr Leane — You reduced it!

Mr RAMSAY — Yes, I said that, Mr Leane, but you were not listening. I have just been through all of that. I am not bragging about it; I am saying that there has been a huge increase in solar installations in Victoria despite the reduction in the cross-costing from conventional electricity users to solar, so they are not subsidising those using solar to the extent they were prior to 1 January 2013. That change has had no impact on what is a significant increase in solar installations in Victoria, which is great news. I know Mr Barber does not like great news, but it is great news that communities in Victoria are embracing solar power as a renewable energy source.

Labour did nothing in 11 budgets to extend electricity concessions to all year round, yet that was one of the first things the coalition delivered within months of coming into office. In 2009–10, Labor's last budget, it allocated \$68 million for electricity concessions. In the coalition's 2014–15 budget it has allocated \$195 million — a 186 per cent increase. Now,

910 000 households are receiving mains electricity concessions. Rather than focusing on a 'renewables only' plan, as suggested by the Greens — and that is what this motion is all about — the coalition government lives in the real world with the rest of the Victorian public.

I refer members to some attempts by the federal Labor government when in office at operating green schemes that came crashing down at a significant cost not only to the Australian taxpayer but also to people's lives. There was the insulation batts scheme, and I do not want to dwell on that — another failed green scheme from Labor encouraged by the Greens. There was the Clean Energy Finance Corporation — \$12 billion was thrust into that corporation. It was funded out of the Future Fund that was there to provide for the future of Australians and the \$2 billion communication fund that was to provide regional Australia with communications of a quality similar to that in metropolitan areas. It stripped all of those funds out and plonked them into a white elephant — a green energy fund. We had green schemes galore, but not one of them was a success.

Members may recall the cash for clunkers scheme — another disaster. I can remember that no-one could quite make up their mind to put a name to the emissions trading scheme, the carbon pollution reduction scheme. Then we had the carbon tax, which we know is still being debated in the Senate as we speak. We had carbon farms in the Northern Territory that went broke because no-one had put down any ground rules for carbon sequestration. We had electric cars — and they were a success! — all over the place. We had geothermal wave energy — yet another scheme with more money ploughed in but no success. We have had wind farms that were, as we know, totally inefficient and lucky to operate at 16 per cent efficiency. I could go on all day, but I am not going to. There has been no success story in any of these green schemes that the Greens are more than happy to support and plough Australian taxpayers money into for no benefit.

Our plan is to build a better Victoria for everyone. The coalition government is preparing an energy efficiency action plan for the second half of the year. That answers Mr Barber's question about what we are doing. We are going to provide an action plan for energy efficiency for Victorians in the second half of the year.

Mr Leane interjected.

Mr RAMSAY — We are going to work with industry — something that the Labor government did not do, Mr Leane — to grow new opportunities to

provide energy-efficient products that will reduce carbon emissions and reduce the cost of energy.

An honourable member interjected.

Mr RAMSAY — Mr O'Brien is a wonderful Treasurer. As we know, he has given us a \$1.3 billion surplus this year and forward estimates indicate surpluses for the next four years, leading up to \$3 billion in three years time. This action plan is going to provide wonderful opportunities for renewable energy use in Victoria. Mr Leane should remember that when he is driving over the West Gate Bridge and taking the opportunity to use the second crossing provided by the east-west link. As he is running from one job to another from the east to the west he will remember that.

Mr Leane interjected.

Mr RAMSAY — No, that is something I do not do. I do not go on and on. I am short, sharp, swift and to the point.

Mr Leane interjected.

Mr RAMSAY — I did not do that, as Mr Leane well knows. I totally oppose this motion, and I think it is scurrilous in nature. There is no fact; there is no science; it is just another dream of the Greens who want to pour more of the Victorian taxpayers money into schemes that will not provide any significant benefit through either a reduction in greenhouse gas emissions or an increase in efficiency of energy use. I think the coalition government has provided a good balance in protecting communities in Victoria against the impact of renewable energy schemes that have the potential to fail while at the same time encouraging the greater use of renewable energy.

I think we have provided a good balance in our submission to the expert panel that is doing the review. The panel will examine the operational costs and benefits of the RET scheme, including the economic, environmental and social impacts, the extent to which the objectives of the scheme are being met and the interaction of the RET with other commonwealth, state and territory policies. The panel will also provide advice on whether the objectives of the RET scheme are still appropriate and on the range of options available for reducing its impact on electricity prices.

I think it is appropriate that the commonwealth government is conducting a review of the RET. It is appropriate for the federal government to review some of the schemes that have not been successful so that it does not make those mistakes again. It is important that

Victoria as one of the states of the commonwealth puts in a submission that seeks significant benefits for Victorian communities, and it is appropriate that we await the outcome of that expert panel's review process and recommendations to the commonwealth.

In closing I would like to acknowledge that Victoria has been a leader in looking at and investing in opportunities for renewable energy. I certainly support that. When the discussions around the RET being conducted by the expert panel review have been completed and the panel's recommendations have been passed on to the commonwealth I hope that we can embrace renewable energy together with conventional energy at an appropriate balance for our environment and also for our cost of living.

Mr MELHEM (Western Metropolitan) — I am going to speak very briefly on this motion. I cannot understand where the coalition government is coming from. Obviously its members like to keep their heads in the sand and pretend that climate change is not real. I am not surprised; they are the climate change deniers.

I think it was yesterday that the Supreme Court in the US handed down a decision supporting the decision of the Obama administration to force the big emitters to reduce their greenhouse gas emissions by 30 per cent. They voted 7-2. The industry and conservative elements decided to challenge whether the US President had the authority to take action on climate change, but the Supreme Court decided in his favour. China, which is the second-largest economy in the world, is doing a lot about climate change — there is talk about a carbon tax, an emissions trading scheme, renewable energy targets et cetera — and most of our trading partners are doing the same. Yet the Victorian government for some reason has decided to go the other way.

I am not going to talk at length about it, as I said, but let us have a look at who is doing what. If we look at the rest of the country, we see that the federal government still supports the renewable target of 20 per cent by 2020; the government in New South Wales has just reaffirmed its support for the target; and the Melbourne City Council, which is led by a former Liberal Party leader, has just written a submission in support of maintaining the current target.

The Prime Minister of Australia, Tony Abbott, met with President Obama a couple of weeks ago and was asked about his view on climate change. He reassured the President that the federal coalition government is committed to achieving the target and believes that climate change is real. As a matter of fact he said that

one of the reasons the government is increasing the excise on fuel is that it is another carbon tax and is a measure to force emitters and the community to save on energy. That is the view of the Prime Minister of Australia, who is a colleague of those opposite. My message to this government — —

Mr Ondarchie interjected.

Mr MELHEM — That is what was said in the newspapers, and he has not denied it. My message to the government is this: do not live in the past. Unfortunately Mr Finn is not here today; I am sure he has a good excuse why he is not here.

Mr Ondarchie interjected.

Mr MELHEM — I wish him well if his back is crook. No doubt he would have been a colourful contributor on the issue, and that is what I was referring to. I wish him well and a quick recovery. I say this to the government, 'Wake up to yourself. Stop living in the past. Climate change is real'.

Mrs MILLAR (Northern Victoria) — I am pleased to make a contribution in relation to this motion on the renewable energy target (RET) scheme, a federal government scheme under which a target is set to ensure that 20 per cent of Australia's electricity comes from renewable sources by 2020. The RET scheme is designed to shift the electricity generation mix to cleaner and more diverse sources and also to support growth and employment in the renewable energy sector, which is very welcome.

I have a number of comments to make in relation to renewable energy, and I thank Mr Ramsay for his contribution this afternoon, which I thought was truly excellent. The state coalition government supports the renewable energy target, diversity of energy sources and ongoing investment in both small and large-scale renewables. This commitment was detailed both in a media release from the Minister for Energy and Resources, Russell Northe, and also in the Department of State Development, Business and Innovation submission to the 2014 review of the renewable energy target. This submission focuses on the creation of industry jobs, improving the reliability of supply for renewable energy forms — which is an important issue that I will speak on shortly — and the cost to consumers. These are all important considerations which need to be raised in the context of renewable energy, a subject too often governed by emotion rather than facts.

I will reflect for a moment on the rather misplaced remarks that Mr Barber made a week or so ago about

coalition members needing to think about it. I say to Mr Barber that is why we are here, because we can do the maths and are not ruled solely by emotion and misty woozicism.

In general I am not a supporter of targets, quotas and mandatory regulation, but am rather of the view that consumer choice should be driven by markets. Renewable energy is a classic example of a commodity which has a significantly higher price than the alternative energy products, and to make that choice and to pay the significantly higher cost requires a deliberate choice to commit to this form of energy. By way of comparison, I refer to a submission to the renewable energy target review panel made by Alan Moran of the Institute of Public Affairs just last month in which he quotes production costs in dollars per megawatt hour. He notes that the cost of solar energy is on average \$190 per megawatt hour and the cost of wind-generated energy is in the range \$80 to \$120 per megawatt hour, while both brown coal at \$35 per megawatt hour and black coal at \$36 per megawatt hour are, as generally known, significantly cheaper forms of energy.

This comparison highlights that the decision to shift to renewable energy targets is necessarily a significantly more costly option at present. Therefore any decision to make this shift comes with a question of who will pay for this and consideration of the extent to which the cost of this shift to renewable energy is a realistically sustainable one at this point in time. Some will actively choose more expensive energy options, and this is welcome in terms of consumer choice if they are able to sustainably fund it without recourse to significant government subsidy. We support diversity of energy sources and greater consumer choice, but the balance needs to be economically viable.

Technology is evolving rapidly, meaning that renewable energy sources will become more efficient. We are seeing new forms of low-emission technology. One of the great challenges for renewables remains the limitations on the storage of that power, which, as the department notes in its submission, is about the reliability of renewable energy sources. This remains a significant challenge for technology, which needs to be addressed.

There will also be advances in the way in which power choices are able to be made by consumers, and increasingly consumers are seeking and support the ability to choose more flexible power options. This ultimately means that each of us will have more flexibility in choosing the type of power source, but that choice will be tied to the cost of that form of power. I

support options for consumers to be given greater power to personally make these choices. To that effect this state government has committed \$4.7 million in this year's budget to upgrade the My Power Planner website to include gas and solar. This expands the amount of information available to Victorians to make energy choices.

In my electorate of Northern Victoria Region renewable energy operations are increasing their footing, and rightly so. During my time in this role I have visited the Solar Systems site at Carwarp, just outside Mildura, and it is an amazing place. This plant is in a trial phase and is generating 1.5 megawatts of capacity, but it could ultimately expand to 100 megawatts over time. The investment required to do this is considerable, but so is the potential. Something that always interests me is that solar energy has a public acceptance level well beyond that of wind turbines, which polarise the community. Many tourists and interested locals make the trek out to the Carwarp plant just to see the towering solar dishes; it is a fascinating site which draws their interest. It is well worth a visit.

In the meeting room in my electorate office I have a photograph by local Strathfieldsaye photographer Shelley Dyett, which I purchased at a fundraiser for the restoration of St Paul's Anglican Cathedral in Bendigo. I chose this photograph because to me it speaks clearly of the future of my electorate. It is entitled *Two Worlds Collide* and depicts sheep grazing quietly beside the solar energy dishes just outside Bridgewater. It highlights the continuing strength of the agricultural sector to regional Victoria combined with the potential brought by new technologies. This single image encapsulates the present and future state of our industries and our economy, and I have often spoken about this image and the way, as is often the case, that art can depict the world so powerfully in a way that transcends other thinking. To maximise potential we need to embrace new options and new technologies, but always in a context that it is economically sustainable and sound. If people want it, they will ultimately be willing to pay for it.

The experience I have had with wind turbines in my time in this role can only be described as polarising. There are currently 13 wind farms operating in Victoria, generating nearly 1000 megawatts of wind power and creating 1650 jobs. While many people are in favour of this form of energy production, the majority of contact I have had from constituents on this issue is from those who are massively concerned about the impact of the turbines in their local area. Their concerns include the possibility of pollution and health

impacts, and some view wind turbines as a blight on otherwise beautiful landscapes. For some this is a 'not in my backyard' response in that these constituents are not, in my view, generally opposed to wind turbines as a power generation option. Clearly, however, they do not want them located in their local environment.

Last sitting week Mr Barber spoke about wind farms in Macedon. As someone who actually knows the Macedon Ranges, I can tell Mr Barber that many locals in the Macedon Ranges are very concerned about the prospect of having a wind farm on their doorstep or next to Hanging Rock, as was once proposed. Our government will continue to keep these important planning protections in place. The state government has introduced sound and well-constructed provisions to govern the location of wind turbines, including a 2-kilometre buffer between them and existing dwellings unless written consent is provided. This has been and continues to be welcomed by many locals as a way of addressing their concerns.

It is important in this analysis to also note the role of gas. Natural gas makes up about 19 per cent of all energy used in Victoria and is less damaging to the environment than coal. Gas is an important resource for Victoria and should not be overlooked in this analysis.

In conclusion, I will be opposing the motion. The coalition state government supports the renewable energy targets and ongoing investment in small and large-scale renewables. It supports diversification of energy sources, with a focus on industry jobs, improving the reliability of supply and ensuring viable costs for consumers. This is the focus that is needed to ensure that we make the right decisions for the right reasons.

Mr D. R. J. O'BRIEN (Western Victoria) — It is with great pleasure that I rise to speak on this motion. It is a timely motion because, as has been announced and as is contemplated in the motion, the commonwealth government is presently undertaking a review of the renewable energy target (RET). The Victorian government has made a submission to that review. Previous speakers, including those who have spoken today, such as my colleague in Western Victoria Region, Mr Ramsay, and a member for Northern Victoria Region, Mrs Millar, have outlined that the Victorian submission recognises Victoria's interest in this area and focuses on industry jobs, supply and cost to consumers.

The submission has had the support of the Victorian government, and I note the work of the Minister for Energy and Resources, Russell Northe, who has

worked hard in this area since coming into this portfolio, as did his predecessors, Michael O'Brien, who is now the Treasurer, and Nick Kotsiras, the member for Bulleen in the Assembly. They worked together at a state level to put in place a sensible range of policies, including wind policies, and a town planning point of view that has been steered by the Minister for Planning, Matthew Guy, and those matters have been brought in to ensure a much more careful and considered balance that respects a degree of local decision making. It also acknowledges something that the Greens do not ever seem to acknowledge — that is, all forms of energy come at a cost, including an environmental cost. It is a matter of seeking to recognise the different roles that different forms of energy can play, particularly taking into account Victoria's competitive advantages and the role that renewables can play into the future. That has been recognised in the submission made by the Department of State Development, Business and Innovation. The submission opens with the very important statement that the department's portfolio responsibilities include a wide range of Victoria's interests relevant to the RET review.

If there is one clear difference between our position in this debate and the position taken by the Greens, it is the acknowledgment of the whole scale of energy options and the different roles that various forms of energy play in a balanced economy and debate. We must not tilt at windmills, to coin a phrase, as the Greens are wont to do. They seek to wish it all away or, more importantly, tax it all away and pretend that we can all of a sudden go from what our competitive advantage has been in terms of power generation from an economic point of view — that is, brown coal and other gas-fired power, which are carbon emitting forms of energy — and instantly shut down those industries and seek to put a stop to manufacturing.

Mr Barber brought the RET debate into the previous discussion in relation to the steel industry. That was the subject of a motion by Mr Somyurek. People are beginning to understand that it is a fallacy that renewable energy, including wind energy, is going to shut down power stations or somehow replace baseload power. Those who have not drunk the green Kool-Aid understand this.

Members of the Greens, however, have dug a big hole for themselves intellectually. They seem to have blinkers on when they say that all wind power generation, particularly large-scale wind power generation, is good, that it has no environmental impact, amenity impact or visual impact, that nothing needs to be considered and that all the concerns raised

by the many regional Victorians we represent and have spoken to should be ridiculed, criticised and laughed off the face of the Earth. I speak in particular of those health concerns that have been raised in relation to wind farms, be they about infrasound, shadow flicker — —

Mr Barber interjected.

Mr D. R. J. O'BRIEN — Whatever the concerns are, Mr Barber, they are genuine concerns held by respected people in the community. I refer to the Gardners and to the work of Dr Laurie and to those people who have been subjected to wind farms that they did not consent to and did not agree with but that they have to put up with in their backyards.

The view of members of this government is that in the consideration of our planning policies we have respected those concerns and think the people who have them do not warrant the ridicule that comes from the hard, angry green left, the members of which look at brown coal as bad and who are recklessly indifferent to the benefits that all forms of energy provide to this state. The Greens have dug themselves into a hole politically but will not accept Victoria's huge potential going forward — for up to 800 years — of brown coal generated power. Yes, there are opportunities to further obtain clean coal, and that will continue to be the subject of strong research by the government, because if one can remove the water vapour from the production of coal, our particular — —

Mr Barber interjected.

Mr D. R. J. O'BRIEN — 'Pie in the sky', says the Greens member. He wishes to look at some technologies but not others. Mr Barber is a green hypocrite in that he accepts some environmental arguments but not others, and then the whole party accepts them. In our government we accept that there are environmental considerations with every form of energy generation as well as economic considerations. That is why a policy such as the renewable energy target needs to consider all these forms of energy, both small scale and large scale, small wind and large wind, small solar and large solar, gas-fired power and indeed coal as a baseload renewable, and hydro generation. We also need to look at the potential of other forms of modern energy, such as tidal, wave, ocean and thermal, that exist in Victoria, particularly in western Victoria, which I represent.

In a sense the submission acknowledges some of these points, particularly when it looks at what the position is

in relation to reliability of supply. At section 2.2.2, on page 4 of our submission, it states:

While there is an oversupply of capacity through the NEM — that is, the national electricity market —

Victoria's electricity demand profile is particularly susceptible to spikes during sustained periods of high temperatures.

The most recent spike in electricity demand occurred during the 13–17 January 2014 heatwave, when Victoria experienced its first ever four-day period above 41 C and demand levels reached 10 307 megawatts. This was marginally lower than the peak demand ... that led to the Black Saturday bushfires.

Brown coal, gas and hydro generation met the majority of Victoria's peak demand needs during the January 2014 heatwave. Wind generation was largely unavailable throughout the heatwave and provided only 0.32 per cent of the generation required during the period of greatest demand on 16 January 2014.

This again demonstrates that, although wind can be a valuable contributor to Victoria's power, it will never replace the need for baseload power, but the Greens have not been able to accept that.

Mr Barber interjected.

Mr D. R. J. O'BRIEN — I call on Mr Barber to talk about how wind farms in this state could close one gas-fired or coal-fired power station. Mr Barber has failed to acknowledge that wind has any adverse impacts on amenity, be they perceived or real, whereas members of this government are prepared to listen to our constituents and recognise that, at the very least, large-scale wind power projects put a significant call upon road resources and construction materials, and that has been seen as an externality that has not necessarily been factored into permits that have been approved.

Mr Barber interjected.

Mr D. R. J. O'BRIEN — I say to Mr Barber that the problem with the construction boom is that it emits a lot of carbon, and it is a cost that needs to be put it.

Mr Barber — How much?

Mr D. R. J. O'BRIEN — About \$6 million that was not factored into the construction, at least in relation to Portland roads. If proponents of wind energy are not going to factor these externalities into wind power generation, then they are only telling half the story, which is what the Greens want to do. Both in relation to large-scale wind generation and baseload

power, our submission to the review seeks to tell the whole story.

I now focus on section 2.4 of our submission, which is headed 'Clean energy sector', which notes future opportunities. Section 2.4.1 states:

Looking forward, Victoria has a pipeline of future investment, with 2415 megawatts of wind farm capacity currently approved and at various stages of development.

There are an approvals, mostly given by the previous government, which can support construction and jobs for industries and businesses such as Keppel Prince and for those who support wind farms in areas where they are generally supported. At a political level this requires us to recognise that these approvals are also matters that the industry or the private sector must take up. Even with the existing RET, those wind farms have not always been constructed. Going back to Mr Barber, some of those externalities include road construction. Other externalities are the returns that must be paid to those who have turbines on their properties and those who also ought to be fairly paid in consideration of having to put up with the amenity impacts of the sorts of externalities that the green industry will not accept.

Section 2.4.2 of the submission is headed 'Small-scale renewable energy target'. The Victorian government has also recognised that there are opportunities particularly for small-scale renewable energy, which mainly includes solar but increasingly, as Mr Barber knows, is an opportunity for non-grid-based wind power to be implemented in Victoria. People may not have the same sorts of amenity concerns about that as they do about large-scale wind generation, in terms of visual effects, noise and other factors.

This government will support communities to make these decisions in an informed sense as to whether they go for large-scale or small-scale solar projects, large-scale or small-scale wind projects, gas-fired projects, projects that can have an integrated benefit in that they can deliver jobs or projects that can be respectful of the environment — the living environment and the physical environment, which the Greens only pay lip-service to. The Greens talk about the physical environment in Parkville and inner city Melbourne but refuse to acknowledge that there can be any impact at all on the areas I represent. In that regard the Greens take one position for one group of people and a different position for another group, yet on an issue like coal seam gas the Greens again talk about concerns and seem to also want to play up those concerns.

Our government has indicated a very strong position in relation to research on coal seam gas. Our position is

that we have a moratorium in place in south-west Victoria. We have also implemented studies of groundwater, and those studies will be the determinative factor of whether coal seam gas ought to be approved.

Mr Barber interjected.

Mr D. R. J. O'BRIEN — We have made it very clear, and I have made it clear. The Victorian Farmers Federation recently passed a motion at a meeting I attended. The motion seeks that candidates make it clear that, while coal seam gas has potential, we need to consider and understand the groundwater situation, particularly in western Victoria. Our groundwater assets, particularly those in western Victoria, are very precious and were not well understood by the previous government. We have started to make some attempts. The use of groundwater is very complicated, and there can be issues with coal seam gas. That has been the experience both positively and negatively in other parts of the country.

In concluding our submission we also recognised that there is potential in relation to native forest wood waste and related policies that are also the subject of review by the commonwealth government. This government certainly supports the opportunity to review the RET, which is a government-based subsidy scheme. We note that the Greens have come out criticising the forestry managed investment schemes, subsidy-based schemes that several people, including me and the federal member for Wannon, Mr Dan Tehan, have indicated were potentially oversubscribed —

Mr Barber — Potentially oversubscribed! That's a nice term for it.

Mr D. R. J. O'BRIEN — Mr Barber will accept that in relation to trees, but he will not accept it in relation to turbines.

Mr Barber — That happened on John Howard's watch.

Mr D. R. J. O'BRIEN — How can Mr Barber say that tree subsidy schemes are oversubscribed but turbine subsidy schemes are not? Mr Barber's two positions are so opposed that there is only one word for them. There is only one word for a person who says one thing in one case and a different thing in another. The government will be consistent across all sectors. We will find a way to support large and small-scale energy projects. We will support our jobs and our industries, be they renewable or traditional industries. We will support our farmers. We will also support the residents who live in these areas. We will listen to them and

respect their wishes. That is something Mr Barber should learn to do. If he could draw up a position that provides consistency across his various energy portfolios, I would love to see it, but I do not think there is one. That is because the Greens are selective, whereas we are consistent.

I commend the minister and the department for putting together such a comprehensive submission. I look forward to further work by the commonwealth government in relation to the RET. I support the industries that continue to exist. I oppose the motion.

Mr BARBER (Northern Metropolitan) — Consistency: let us have more of it. It is true that voters, even though they might not subscribe to every one of a particular party's policies, nevertheless recognise consistency when they see it. Government members themselves are quite consistent, in a way. They are consistent in substituting known industry information with Institute of Public Affairs talking points. They are consistent in relying on the minister's cheat sheet, which is now a couple of weeks out of date, even though the federal government's own modelling contradicts the material that is in it. They are consistent in making overblown claims about the cost of wind farm construction on roads. We heard this a minute ago when Mr David O'Brien jumped up to talk about the \$6 million cost of wind farms on roads.

Mr D. R. J. O'Brien — I'll get the numbers checked. What do you put it down to?

Mr BARBER — We could rely, if we wanted to, on an article in the Warrnambool *Standard* of 14 June entitled 'Overblown road claims'. It reads:

Moyné shire chief executive David Madden has admitted that estimates of multi-million-dollar road repair bills for wind farm construction damage were exaggerated ambit claims.

Let me repeat that on the off-chance Hansard did not pick up my words: exaggerated ambit claims. The article continues:

He described a recent \$1 million payment by wind energy company AGL for road repairs as a fair settlement despite him last year saying —

and this was echoed in the chamber by Mr David O'Brien's good friend Mr Ramsay —

the shire faced a repair bill totalling about \$14 million.

"We believe we got a good deal," he told the *Standard*.

Liberal and Nationals party members are consistent in the sense that they will come in here with any shred of evidence they can use, no matter how overblown, to

attack the wind industry. They are consistent in that when the overblown claims, including those about health impacts, are found wanting, they do not seem to have caught up on the latest information on those particular aspects. They are consistent in that they will always back the externalities of coal — that is, the health damage we saw in Morwell earlier this year — while giving people the right to veto a wind farm within 2 kilometres.

Government members are consistent in that they will not actually tell people the implications of their own policy prescription — that is, if we do not continue with the renewable energy target, we will end up using a higher proportion of fossil fuel gas in our energy mix. They are consistent in that they come in here and talk about a 20 per cent renewable energy target when they know, or should know, that there is no 20 per cent target. There is a 41 000 gigawatt-hour renewable energy target which they want to cut to 30 000 gigawatt-hours, if they go for what they call 'the real 20 per cent', or perhaps, if they grandfather the existing target, as low as 15 000 gigawatt-hours. They are consistent in that they will not let people know that the probable implication of that policy is that no more wind farms will be built in Victoria.

Government members are somewhat inconsistent, though, when they argue that people who live near wind farms should receive financial compensation for 'a somewhat subjective loss of amenity', to quote an earlier speaker.

Mr D. R. J. O'Brien — You don't accept that at all, do you?

Mr BARBER — For once Mr O'Brien is absolutely right. I do not accept that people should be paid for loss of amenity, because if Mr O'Brien accepts that citizens — —

Hon. M. J. Guy interjected.

Mr BARBER — That is a very interesting question. Is Mr Guy now saying that he has paid out people along the route of the east-west link for loss of amenity?

Hon. M. J. Guy — No.

Mr BARBER — Thank you. There is one select group of people, the neighbours of wind farms, who under the O'Brien plan for loss of amenity will receive compensation, but if you live in a house in North Fitzroy and a four-storey block of flats goes up next to you and overshadows your backyard for the majority of the year, you will not get anything. That is an unfortunate breakdown in consistency there. Certain

types of amenity for people in certain key Nationals seats are worth more than everybody else's amenity as we move across the state.

The government is consistent in that when it realised it had a similar problem with gas drilling — that is, concerns about health impacts, concerns about amenity and concerns about the effect on land values — it deferred that one until after the election. It is consistent in that it continues to shuffle the deckchairs around so that it never has to admit to citizens that the impact of its plan and its submission, which are the subject of this motion, will be that it will rapidly burn through the remaining offshore gas fields and also make an immediate move to drill for gas on land all across Victoria — that will be the direct impact.

That is the reason why Mr Leane, in his welcome contribution, noted that scrapping the renewable energy target could mean that power prices will go up. Why? Because the latest modelling delivered by the federal government today shows that if you scrap the renewable energy target, which has been very effective in meeting energy demand you will instead use gas, and gas is about to get very expensive. Once it gets expensive, it will be profitable to drill for it in the electorates of both of the Mr O'Briens in this chamber. That is the reason why the modelling shows what it does.

The government is consistent in that it always stands up for fossil fuels and it always opposes, one way or another, renewable energy development. I am not surprised that the government produced the submission it did. It is totally captured by the fossil fuel industry. I am surprised, though, that government members did such a poor job today of defending that industry.

We have 157 days until the election. We have 157 days for me to tour around Mr David O'Brien's electorate, meeting constituents, talking to them about these issues and talking to the various farmers who have had a possible drought-proof source of income put on hold by Mr O'Brien's own actions in supporting this submission. I believe that the voters are waking up to it.

There is a rising call from voters for action on climate change. There is huge support for the development of sources of renewable energy, and there is rising concern about the cost of continuing down the path of fossil fuels. That is why I have brought this motion before the house, urging the government to stop, rethink and possibly even provide some advocacy to the federal government to develop a cleaner energy future for Victoria.

House divided on motion:

Ayes, 17

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

Noes, 19

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

Pairs

Viney, Mr	Kronberg, Mrs
Pennicuik, Ms	Finn, Mr

Motion negatived.

VOCATIONAL EDUCATION AND TRAINING

Ms PULFORD (Western Victoria) — I move:

That this house notes —

- (1) the belated release of the Victorian training market report 2013;
- (2) the ongoing crisis in TAFE caused by the Napthine-Ryan government;
- (3) that between 2012 and 2013 —
 - (a) TAFE course enrolments dropped by 4 per cent;
 - (b) TAFE enrolments of students aged 15 to 19, without year 12 or equivalent study and no longer enrolled in school have dropped by 17 per cent;
 - (c) enrolments for diploma and higher award courses dropped by 28 per cent; and
 - (d) TAFE enrolments dropped across all regions in Victoria, with highest drops in —
 - (i) Barwon south-west, down by 17 per cent;
 - (ii) Loddon Mallee, down by 11 per cent;
 - (iii) eastern metropolitan, down by 10 per cent; and
 - (iv) Gippsland, down by 9 per cent;

- (e) Learn Local (adult and community education) accredited enrolments dropped by 19 per cent, with the biggest drop in the south-western region of 41 per cent;
- (4) the words of the Premier, the Honourable Denis Napthine, MP, at a Public Accounts and Estimates Committee hearing on 10 May 2013, 'We are proud of our reforms to TAFE';

and calls on the Premier to apologise to Victorians who have been denied a training opportunity due to the decisions of the government.

I rise to speak in response to the delayed release of the *Victorian Training Quarterly Market Report 2013*. This report further confirms the extent to which the Napthine-Ryan government has decimated tertiary education in Victoria, which helps us to understand why the government has been so desperate to bury it, hiding the full report for almost 10 weeks. Indeed it seems that the Minister for Higher Education and Skills is so uncomfortable with the contents of this report and its further damning evidence of a crisis in Victorian TAFE that he has attempted to get away with merely releasing a selective summary of the report up to this point. But the report is finally in our hands, and the news is far from good. Sadly neither is it unexpected. Early on, the market report notes that:

As Victoria transitions to a higher-skilled, knowledge-based economy, demand for training has increased.

I was refreshed to see the government document recognise this fact, but it does beg the question that if the Premier believes this, why are funds from TAFE and the training sector being slashed so dramatically?

Let us go through some of the key points made by this report, which details the performance of this government. The report shows that total course enrolments dropped by 4 per cent between 2012 and 2013. Government-subsidised enrolments in vocational education have dropped by 25 400 in the last year. This is more than 25 000 young Australians who did not undertake further education. Many of these people would once have had improved job opportunities from undertaking their TAFE courses. However, this government, which is so protective of the AAA credit rating it inherited from the Labor government that it forgets to serve young people and forgets or neglects to meet their training and education needs, is denying those people the chance to improve their lives through education, and it should be ashamed.

Not only have enrolments fallen, but government-subsidised student contact hours in vocational training have fallen by 5.7 million. Let us take a moment to absorb that number: 5.7 million

government-funded student contact hours cut. That is 5.7 million hours of learning that the hardworking people of Victoria did not get the opportunity to undertake. Shockingly, almost all reductions in government-subsidised student contact hours are in diploma and higher-level courses, with the government funding 25 per cent fewer hours for these courses.

On 10 May 2013 the Premier stated at a Public Accounts and Estimates Committee hearing that he was proud of his government's reforms to TAFE. We on this side of the house believe there is nothing to be proud of when your reforms have resulted in enrolments for diploma and higher award courses dropping by 28 per cent — more than a quarter of total enrolments. The report shows that government-subsidised certificate I and II course enrolments have fallen by 20 200, or over 31 per cent. Certificate III and IV courses have fallen by over 11 000 students, or 3.3 per cent. This translates to 26 400 Victorians who have been denied the chance to further their education at a diploma or higher level, and over 30 000 who are unable to complete a certificate at one of Victoria's once-great TAFE institutions.

As I was going through these figures I started to think that if this government is so proud of its reforms to TAFE, surely there must be something good to be found in this report; there must be something good buried in what appears to Labor, and indeed to the sector, to be yet another damning assessment of this government's failure and lack of commitment to skills training and education. I thought perhaps if I had a look at the demography in the report, it might show some glimmer of hope or some area of improvement, but hope is the last word that springs to mind while reading this report. Virtually every group of Victorians seems to be adversely affected by the decimation of TAFE by the Napthine-Ryan government.

We have seen the sorry state of enrolments generally, but I can also report to members who have not had the opportunity to look at this report that it is the youngest Victorians who are the worst hit by these reductions. Enrolments of students aged 15 to 19 years without a year 12 or year 12 equivalent have dropped by a devastating 17 per cent. This age group is the worst affected by the reduction in government subsidies, but every other age group isolated in the report has also experienced a reduction of thousands of students, aside from those under 15 and over 64. Perhaps the stability of this group of 11 800 Victorians is a small glimmer of hope in this report. That number is somewhat stable, but I am certain that this is not because of any conscious effort by this government, this Premier, this minister or even this minister's predecessor, because

this government has consistently shown a lack of commitment to providing Victorians with real educational opportunities. This government's commitment to educational opportunities is about as real as its plans for the casino railway station and perhaps could be named for the Clash song *Train in Vain*. One day this government will start hearing the ghosts of those abandoned promises. Its broken promises on education make a very long list — endless disappointment after disappointment.

This government has handled TAFEs so poorly and driven TAFE into such a state of crisis that enrolments are down in every region of Victoria.

Mrs Peulich interjected.

Ms PULFORD — Mrs Peulich will have the opportunity to respond at length in August. The TAFE crisis this government has presided over has seen regional TAFEs the worst affected.

Mrs Peulich interjected.

Ms PULFORD — Mrs Peulich talks a good game, but in every regional TAFE in Victoria the students, the teaching staff and the employers who need to be able to access these institutions to have the skills their workplaces need all know that the story the government tells in this area is complete nonsense.

Again, these are not my numbers — look at the report. In the Barwon-south western region enrolments have fallen by 17 per cent. In the Loddon Mallee region enrolments are down by 11 per cent. The closure of the Swinburne campus in Lilydale, an issue very dear to Mr Leane's heart, has largely caused the 10 per cent reduction in enrolments in the eastern metropolitan region, while Gippsland is now delivering TAFE courses to 9 per cent fewer students.

Once again I take this opportunity to remind the Premier, the Minister for Higher Education and Skills and the government generally that their funding decisions are not simply marks on a balance sheet; they represent real Victorians who are having their educational and broader life chances limited by this short-sighted approach and the savage funding cuts to a sector that can ill afford them. Victorian TAFEs are stuck in a situation where they are funded at a level which does not enable them to match the community's expectations of what TAFE is and what TAFE can provide. The government can pat itself on the back for its \$1.2 billion in 'savings' — \$1.2 billion in cuts from this sector — but we will continue to hold this government to account for this in every suburb and in every town across Victoria until November because the

denial of these opportunities to young Victorians is a scandal.

The government will try to spin this report, but there is no way it can shy away from facing the thousands of students who are suffering from these cuts. The government may proclaim that this is a matter of policy, but it is an ideological, shameless, cuts-driven, 'cost-saving' exercise that is occurring at the expense of Victorians.

This is not only the case for vocational education; Learn Local and adult community education accredited enrolments have also been dramatically affected. Their enrolments have dropped by 19 per cent — nearly one-fifth — in the 2012–13 period, and this was before we had a chance to take into consideration the government's November 2013 cuts to course subsidy rates. The south-west region in my own electorate is once again the worst hit, with a 41 per cent reduction in accredited Learn Local enrolments. It is not an exaggeration to say that this sector has been gutted and that its very viability is under serious threat.

Learn Local enrolments by unemployed students have fallen by 19 per cent — again, that represents virtually one in five people who are no longer taking part in further education, which may make the difference between them being able to find employment or not. The number of early school leavers taking part in Learn Local also fell dramatically, with a 24 per cent reduction in enrolments. These providers do a fantastic job in giving students an opportunity to enter the type of education that can often be a stepping stone to more formal education, and that includes basic literacy and numeracy programs that are designed to lead to further education. The people affected by these cuts are often some of the most vulnerable in our society. We are on the precipice of sending our entire higher education system into a downward spiral by removing the stepping stones from one educational outlet to the next. If Learn Local enrolments are down, there will be less people who feel equipped to take on further education at TAFE, thus continuing the drop in enrolments in TAFEs.

Apprenticeship and training numbers are also in decline. It is a sad fact in this report that there has been a 4 per cent reduction in this area. Admittedly a 4 per cent reduction is not quite like the 41 per cent reduction in Learn Local enrolments or the 31 per cent reduction in certificates I and II enrolments, but I can assure the chamber that this represents 1800 students and is significant. Again, if we drill into the demographics, we see that it is the youngest people who are most dramatically affected. Traineeships have experienced a

35 per cent reduction, and the levels of enrolment in certain bands again demonstrate that if this is something the government set out to do, it is denying an opportunity to those who most need a leg up from education in the state.

This report speaks for itself. The TAFE sector is in crisis. This government has presided over staggeringly bad reform of this area. It is a short-sighted approach. It is a nasty and punitive approach, and like the approach the government has taken to funding of education in our primary schools and secondary schools, it demonstrates that this government does not give a hoot about education. Enrolments are plummeting, and Victorians across the length and breadth of Victoria are being denied opportunities to learn. It is a particularly good example of how out of touch this government is with the needs of industry, the needs of communities and indeed the educational needs of our young people.

The Premier claimed that he is proud of the \$1.2 billion cuts to TAFE and training. On this side we say that the Premier has nothing to be proud of in denying Victorians the opportunities they need to succeed. There is a saying in higher education circles that 'Ps get degrees' — a pass, that is. However, this government certainly does not get a pass. This report is a further big 'Fail' mark on this government's appalling report card and record with regard to education.

Business interrupted pursuant to sessional orders.

STATEMENTS ON REPORTS AND PAPERS

Auditor-General: *Residential Care Services for Children*

Ms TIERNEY (Western Victoria) — My statement this afternoon is on the Auditor-General's report on residential care services for children. The system that is reported on in terms of the audit summary indicates that there are currently 500 children in the care of the Department of Human Services (DHS), and they are among the most vulnerable in our community. Residential care is the most expensive option compared to foster care and kinship, as it requires paid staff to provide care 24 hours a day. The children in the care of the department have typically suffered multiple traumas, including but not limited to family violence, drug and alcohol abuse and sexual, physical or emotional abuse.

Residential care is an option of last resort. The residential care system has been unable to meet growing levels of demand for a number of years. This has a significant impact upon the level of care which

can be provided, and there is no independent advocate for children in state care, something which really needs to be addressed. The report's findings go to the fact that the number of children in any form of out-of-home care has increased by 60 per cent over the past 10 years, whilst the number of children in residential care has increased by 10 per cent. For the 2012–13 period the Department of Human Services planned for 459 residential care placements; however, on any given day an average of 508 children were in residential care. This had a significant impact on the quality of care which could be provided to vulnerable children.

The annual cost of providing residential care to the state is over \$100 million. The additional cost of dealing with needs excess to capacity has meant that DHS has had to shift money from other areas of its budget into residential care services. Residential care is intended primarily for children between the ages of 12 and 17, although 65 children under 12 were in residential care last year.

There are two categories of residential care — standard and therapeutic, which is more intensive and provides access to specialists and additional staff. Residential care is provided by a range of small to medium community service organisations, which are also funded by DHS. A total of 25 such organisations employ 1600 staff to provide residential care. A disproportionately large number of Aboriginal and Torres Strait Islander children — 13 per cent of all children — are in care. In terms of outcomes for children, one-third of children in residential care have experienced more than 10 out-of-home care placements.

The government has failed to adequately provide for the collection of sufficient data about outcomes for children in care. Children are not adequately prepared for life out of care. Disturbingly, a 2012 ministerial review by the child safety commissioner of 16 children in care found that 10 of them — that is, 63 per cent — had experienced at least one type of abuse, either physical or sexual, or bullying by co-residents. Currently the government only provides 17 per cent of placements with additional funding to provide for therapeutic residential care, which significantly improves outcomes.

In spite of nearly 8 per cent of children in care being in residential facilities, they account for over 40 per cent of category 1 incidents — those being incidents which present a serious threat to the children's wellbeing. Of these incidents, 15 to 20 per cent are the result of abuse by someone within the care facility. There have been disturbing incidences of absenteeism from facilities

being linked to the sexual exploitation of children in state care. Of children in out-of-home care, 65 per cent have experienced five or more different placements, which proves extremely disruptive to them from an emotional and developmental standpoint.

The report found that the government has failed to adequately provide for the health-care needs of children and that drug and alcohol abuse is common in residential facilities. Almost 200 children did not receive any health assessments as part of the health and education assessment initiative implemented by the department in 2012–13. Whilst 85.7 per cent of children in residential care are enrolled at a school, attendance amongst children in residential care every day of the week is still under 50 per cent, compared to 88 per cent for children in other forms of care.

Department of Human Services: report 2012–13

Mrs COOTE (Southern Metropolitan) — I speak this afternoon on the 2012–13 report of the Victorian Department of Human Services. On page 27 the report talks about the individual support packages that were allocated in that time frame. The department continued to expand the number of individual support packages to support people with disability to live and participate in the community. An additional 400 packages were allocated in 2012–13.

I will talk about those individual support packages. Here in Victoria we have done this very well. Subsequent governments have worked on giving individuals with disability the opportunity to run their own lives — to have individual support packages so that they can make the choices. When the national disability insurance scheme (NDIS) came into being, Victoria was already a long way in advance of other jurisdictions. It is pleasing to think that nationally we are doing very well. The scheme's launch site is in the Barwon region. We have been right through supported accommodation down there, and we are now looking into working with Colanda Residential Services. Everyone is off the disability support register, which is a pleasing result. It is because Victoria is so good at individual support packages.

It was particularly pleasing to see that, in addition to the 400 individual support packages that were allocated in 2012–13, this year an additional \$204 million overall was provided for people with a disability, and included in that budget investment is \$121 million to provide 658 individual support packages, including for young people leaving school and graduating from the Futures for Young Adults program. It will also support some

individuals in the Barwon area during the ongoing transition to the NDIS.

I have just mentioned the \$204 million package in the 2014–15 Victorian state budget. Of that, \$14 million is being put towards the closure of the Oakleigh Centre. We had already budgeted for the closure of the Sandhurst Centre. When the coalition came to government there were three institutions for people with a disability in this state. We would all acknowledge — I know members of the Greens and the Labor Party would acknowledge this too — that institutions for people with a disability are certainly not the model for the future. They are something all of us would like to see behind us. Subsequent governments have been ridding Victoria of such institutions.

Having said that, some people with a disability have lived in these institutions all their lives, and they are happy places. Regardless of this not being the model for the future and it being something out of a different century, for these people these institutions are their homes, and the staff who work in these institutions are to be commended. However, we as a coalition government have closed, or will be closing, all these institutions. We will close the Sandhurst Centre, which is in Bendigo. I have been to the centre on many occasions, and I have sat with the family members and friends of the 29 people housed there, working constructively with them on what will happen when the 29 residents are placed in brand-new accommodation. It is exciting to see how excited and interested they are in looking forward to the future residences of their loved ones. It has been a positive exercise.

It was extremely pleasing to be at the Oakleigh Centre with my friend and colleague Georgie Crozier and the Minister for Community Services, Mary Wooldridge, for the announcement of the \$14 million commitment to close down the Oakleigh Centre. Again, there are almost 30 people who have to be relocated. They will be reintroduced into the community in purpose-built facilities — small homes — in which they can all live comfortably. The residents are very excited. In fact someone said to me on the day of the announcement, 'I've got my bags packed; I'm ready to go', but they will have to wait until 2016 to get the new facilities.

We have had a non-admission program for Colanda House, the largest such institution in the state, which is in Colac. There are 90 individuals who live there — and, might I add, they live there happily in beautiful grounds with dedicated staff — but that is now in the footprint of the NDIS. All these residents will be encouraged to have individual support plans. Some of

them may choose to stay while others may not, but in the long term Colanda will close.

Auditor-General: *Prisoner Transportation*

Mr ELASMAR (Northern Metropolitan) — I rise to speak on the Auditor-General's report, *Prisoner Transportation*. I read the report with both alarm and interest. The overall context of the report is very negative, to say the least. According to the Auditor-General, there is a minimum of 58 000 prisoner movements per year. The audit found there is a lack of monitoring and coordinated oversight of prisoner transportation. It is not known or reliably quantified exactly how much prisoner transportation costs Victorian taxpayers. Corrections Victoria has provided some fiscal data, though not all data has been made available because it does not have access to all the associated financial costs.

The total value of the contract for the five-year period 2009–10 to 2013–14 is approximately \$42 million. Costs are primarily based on prisoner numbers and make up 95 per cent of total costs. However, they also include performance-based payments of up to \$400 000 per annum, costs associated with a number of specified additional services, such as Mildura trips and weekend services, and a 5 per cent contingency. Again, we have a situation in which government agencies, in this case Corrections Victoria, Victoria Police and a prisoner transportation contractor, are not communicating information or data with each other. They operate their own prisoner transportation services in complete isolation, and as a consequence of this method of operation the financial information is unclear and unable to be scrutinised or strategically coordinated. It is almost impossible to implement transparent measures, increase efficiencies or institute effective risk-management practices, so the current system perpetuates itself. Future efficiencies cannot be achieved if there is no benchmark or minimum standard against which improvements can be measured.

In conclusion, a private prisoner transportation company manages the majority of prisoner transportation movements in Victoria. The current prisoner transport contract is a five-year term, ending 30 September 2014. It would seem a departmental decision to exercise a contract extension until 2015 has been made; however, the tender documentation has not been finalised by the contractor, and so it has not yet been released. The Auditor-General has made five recommendations seeking to improve communication between all the agencies that have responsibility for Victorian prisoner transportation. A process will also be established whereby Corrections Victoria and Victoria

Police will undertake a review of current procedures with a view to creating greater efficiencies and more transparent modes of operation. This should deliver performance incentives that will drive a more collaborative team approach.

Lake Mountain Alpine Resort Management Board: report 2012–13

Mrs MILLAR (Northern Victoria) — I am pleased to have this opportunity to make a contribution in relation to the Lake Mountain Alpine Resort Management Board annual report 2012–13. This report reflects the reporting period for the year ending 31 October 2013, which of course includes the 2013 snow season. Of the six Victorian alpine resorts, which include Mount Buller, Mount Stirling, Falls Creek, Mount Baw Baw and Mount Hotham resorts, Lake Mountain, which is just 10 kilometres from beautiful Marysville, holds its place as the closest snowfield to Melbourne, and has a strong focus on families visiting the snow. Many children, school groups, adults and interstate and international tourists see snow for the very first time at Lake Mountain. I have no doubt that it will be a magical and busy school holiday period at Lake Mountain over the coming weeks given the snow falls we have seen in the last few days and those forecast over the coming weekend.

This morning I checked the Lake Mountain online snow cameras and the snow report and could see glorious snow on all the trails, which augurs well for a strong snow season across the year. There was a 45 centimetre coverage of snow across the various trails as of this morning, which is a brilliant start to the snow season. The previous year, the results of which are detailed in this report, was in contrast a challenging year for Lake Mountain, and certainly a year which was unsettling for the staff and local businesses reliant on tourism in this area. As noted in the report, and while steps have been taken to broaden its activity base, the resort has continued to be heavily dependent on visitors coming to enjoy the snow experience, and 2013 was a particularly poor snow season with significant snowfall not arriving until after the July school holidays, and then being washed away by heavy rain in late July. Nevertheless Lake Mountain played host to 72 547 snow season visitors in 2013.

Some of the challenges over this period saw the commencement of Belgravia Leisure as the newly contracted resort operations manager. Belgravia Leisure, whose operations management contract has since been extended, has been able, as noted in the report, to bring:

... significant enhancements to the management of the resort. This was exemplified by improved cost controls, improved margins on the sale of food and beverage, an innovative approach to providing additional activities for visitors during the snow season, including a tube run, flying fox, laser skirmish and husky dog sled rides.

After visiting Lake Mountain earlier this month to represent the Minister for Environment and Climate Change, Ryan Smith, for the opening of the snow season, I can report that these activities have added significantly to the resort's opportunities to increase visitor numbers outside the snow season as well as increasing the experiential enjoyment of visiting the mountain, in particular for families, children and school groups.

One aspect of my recent visit that I wish to touch upon, which was also noted in the report, is the resort staff. I was particularly impressed that every staff member I spoke to went out of their way to ensure that my visit was enjoyable. Each person was there to ensure that visitors had an enjoyable time, and it was clear that the staff also took pride in their work. As mentioned in the report, only a small number of staff are employed on an ongoing basis at the resort — that is, six. This number decreased with the transfer of operational management, and all activities associated with it, to Belgravia Leisure. However, over the winter season the number of fixed-term and casual employees swells to over 100. The resort focuses on offering jobs to the local Marysville community, which as the base town for this mountain benefits hugely. There is currently no on-mountain accommodation for visitors to Lake Mountain, but visitors can stay, eat, shop and unwind in nearby Marysville, a beautiful place in its own right and a very welcoming destination for visitors.

The report notes the significant contribution that has been made by the coalition state government, and Minister Ryan Smith in particular, in supporting and enhancing the operations of the resort and the sector more generally through both policy announcements and financial contributions. Minister Smith has done a huge amount of work supporting this industry and the towns and local communities which rely on it. The impact of this work has been widely acknowledged. It has added \$580 million annually to the Victorian economy and resulted in the employment of more than 5500 Victorians in winter alone.

I congratulate the chair, Mr Tony Thompson, and the members of the Lake Mountain Alpine Resort management board, together with the staff of the resort, on coming through last year's season and providing strong planning for the future. I wish all at Lake Mountain Alpine Resort every best wish for a truly

great and magical snow season in 2014. I look forward to visiting Lake Mountain and Marysville again soon and enjoying a little winter magic again this year, as do my children, Hugh and Harriet.

Sunraysia Institute of TAFE: report 2013

Ms DARVENIZA (Northern Victoria) — I wish to comment on the 2013 annual report of Sunraysia Institute of TAFE, which is known as SuniTAFE. At the outset I acknowledge the contribution of the board chair, Leonie Burrows, and the work of the chief executive officer, Win Scott, and her staff. SuniTAFE was established in 1979, and traditional areas of delivery at the institute have reflected the industry base of the region. SuniTAFE has a strong vision to transform the region through vocational education.

SuniTAFE made a number of achievements during the year on which it should be congratulated. Joel Schwarz, studying for the certificate III in Automotive Mechanical Technology, won the School-based Apprentice of the Year at the Australian Training Awards. Jenny Batnag came from the Philippines to study for a diploma of nursing at SuniTAFE and won the Victorian International Student of the Year. Robyn York won the Victorian Teacher/Trainer of the Year Award and represented Victoria at the Australian Training Awards. SuniTAFE implemented a new student management system that involved many hours of data input, and that will greatly enhance how it supports and manages its students.

Sadly though under this Liberal-Nationals state government vocational education has faced unprecedented cuts that have directly affected TAFEs across the whole of the state. It is disappointing that the Napthine government has failed to grasp the essential role that TAFEs play, particularly in rural and regional communities. It is often very difficult to find new work opportunities in small regional towns. Apprenticeships and traineeships have a long history in Victoria and are a popular choice for young people in northern Victoria wanting to remain in the region and learn a trade as they combine training with employment. TAFEs deserve to be adequately supported to ensure that workers, families, communities, industry and the economy in this state do not suffer.

The Australian Education Union annual survey was conducted by the union's Victorian Branch in May–June 2013 and involved 505 Victorian TAFE teachers. The results are alarming. I will run through some of the comments that came up as a result of that survey.

Prior to that, I want to say that in the last 12 months teacher workloads have significantly increased. It does not matter whether you are talking to people at SuniTAFE, GOTAFE or any other TAFE in northern Victoria or I imagine right across the state. The workloads have significantly increased, and staff levels have significantly decreased. Administration support staff have been diminished, and TAFE teachers have said that work is becoming less satisfying due to a workplace culture of fear for the future. There is pressure to spend less time and produce more.

This is a selection of what some of the TAFE teachers had to say when asked to comment on the impact of the cuts to courses at TAFE. One of the TAFE teachers said:

In courses I've been involved with delivering foundation skills to students in vocational courses, I find students being set up to fail by areas striving to get numbers but going through the course so quickly and with such truncated hours that anyone struggling with language or literacy is just left behind. They haven't a chance.

As we know, many students attending TAFE have English as a second language. Another TAFE teacher said:

Students have less teacher contact time so they struggle in the classroom. I find in some subjects I am lecturing and not teaching, students don't get time to practise skills properly before I need to move on to the next topic.

And another said:

It really puts staff and students under a lot of pressure to get through the course material. It also makes me feel like I am cheating the students by not delivering the fully allotted hours for the program.

The ACTING PRESIDENT (Mr Ondarchie) — Order! I thank Ms Darveniza for her contribution.

Cancer Council Victoria: annual review 2013

Mr RONALDS (Eastern Victoria) — I rise this afternoon to speak on the Cancer Council Victoria 2013 annual review. The report identifies achievements in the fight against cancer for the year 2013, the most exciting being the latest survey results which show that 90 per cent of Victorian primary schools are involved in the SunSmart program. I am very proud of Victoria's achievement in this regard; it is the highest rate of participation of any state in Australia. I am also proud that in October last year Parliament passed legislation to ban solariums. Commercial solariums will soon be a thing of the past. From 1 January this year commercial solariums have no longer operated in Victoria, nor anywhere else across the country.

The fight against cancer is one we must all get behind. The government and the relevant not-for-profit organisations are doing an incredible job finding creative and engaging ways to connect the community with their message. From Relay for Life, Daffodil Day and the Girls Night In program, to March Against Melanoma, Pink Ribbon Day and Australia's Biggest Morning Tea — raising \$2.8 million last year — the community has become better educated, more aware and more invested in the fight against cancer. Last week I had the privilege of attending the Skin and Cancer Foundation's annual Black and White Night Ball, where \$30 000 was raised to support the foundation's highly successful research into and education on the treatment of skin cancers and melanoma.

On a personal level I can vouch for how important it is that public education has slowly changed the way we deal with skin cancer, and in particular sun exposure. On the weekend I saw one of my father's best friends, Wally Kenney, who is 82 years of age and has just had his ninth melanoma removed. Thankfully all have been dealt with well, but it shows how differently we look at things today. When he was a young man, which he tells me was not very long ago, he worked in the paddocks with no shirt, no hat and definitely no sunglasses, and I look at the difference today when my children go outdoors, which they are never allowed to do without a hat and sunscreen. Society changes, and sometimes we change for the better.

The Victorian coalition government is committed to reducing the burden of cancer on the Victorian community by investing in vital skin cancer prevention programs, just like the \$4 million shade grants program that creates more available shade in public spaces and in schools across the community. We know that skin cancer is one of the most preventable cancers, yet it is still the most common form of cancer in Victoria. This should not be the case. The government continues to support strong public education and research to build a healthier and safer Victoria.

Outer Suburban/Interface Services and Development Committee: growing the suburbs

Mr EIDEH (Western Metropolitan) — I rise to make a short contribution on the Outer Suburban/Interface Services and Development Committee report entitled *Inquiry on Growing the Suburbs — Infrastructure and Business Development in Outer Suburban Melbourne*. The terms of reference required the committee to:

- (d) catalogue the skills mix of outer suburban residents to identify those areas with a skills shortage and provide options for training and retention, especially as it relates to both younger and semi-retired people ...

These two areas are of immense importance, especially in my electorate of Western Metropolitan Region, where we have the highest rate of youth unemployment. It is one of the fastest growth zones in Australia, and in the next few years the population of the western suburbs will increase to over 1 million people.

Part D, chapter 13, of the report deals with skills development, and the committee identified that the skills training and needs in the outer suburbs are very different to those in the inner suburbs. Youth unemployment in the west is almost 39 per cent, compared to 7 per cent in greater Victoria, and this situation is about to get worse due to the heartless policies of the Abbott and Napthine governments. TAFE funding has been drastically cut. Local learning and employment networks appear only to be a memory to the state and federal governments. This program, which provides support for young people who have dropped out of school and face unemployment, has at the worst possible time been scrapped. This government obviously does not care, and I call on the Napthine government to take up the recommendations of this report and fight for the youth of the west.

Aboriginal affairs: report 2013

Ms CROZIER (Southern Metropolitan) — I am pleased to speak on the *Victorian Government Aboriginal Affairs Report 2013*. I have spoken on this report previously, and at that time I was particularly interested in some of the results the report highlights, especially around the Bumps to Babes and Beyond program that is initiated out of the Mildura area. When I was in Mildura some months ago I had the privilege to visit the program, along with the member for Mildura in the other place, Mr Peter Crisp.

I want to come back to the report because there are some very good elements to it. As the minister states, it is part of the coalition government's reform strategy that we have undertaken since coming to government, and a number of initiatives that we have undertaken, including the strategy released last year — the *Human Services Aboriginal Strategic Framework 2013–2015* — and also the Victorian Indigenous Honour Roll. The report says that in 2013 a further 14 outstanding Aboriginal Victorians were inducted into the Victorian Indigenous Honour Roll, bringing the total number of inductees to 49.

Mr D. R. J. O'Brien interjected.

Ms CROZIER — Mr O'Brien is absolutely right that that was under the former Minister for Aboriginal Affairs, Jeanette Powell, the member for Shepparton in the Assembly.

A number of elements I want to address in this report include some very good initiatives, and I note that in the health analysis area the report speaks of the subsidies program for purchasing spectacles, with more than 4000 spectacles being dispensed in the three years to June 2013. I know this program is very well utilised and extremely well supported by the Australian College of Optometry. That scheme, as the report notes, has been highly successful in increasing the number of Aboriginal people accessing eye health services. That is terribly important for any Victorian, noting in particular that Aboriginal people can be at higher risk of certain chronic diseases that lead to eye disease and blindness, which can be devastating.

I am pleased to see that more access will be forthcoming to that very good spectacle service. I note that in July last year the Minister for Health announced further funding of \$750 000 to continue the scheme, and I commend him for that. Blindness is a devastating chronic disease, the effects of which have a real impact, so that will be very well received within the community.

Another area I want to highlight in the report is that of reducing family violence. It is well noted that the Victorian government is very committed to reducing the incidence of family violence, and the Minister for Community Services, Ms Wooldridge, has been at the forefront of providing significant support in this area, and I want to speak to that in relation to an overall focus that she has had. In this year's budget there was a further announcement of \$95 million towards addressing the issue. This is a whole-of-government approach, and it has been well highlighted by the minister and the Premier that domestic violence — physical, emotional and other violence — is not tolerated at any stage, and that is why we are very committed to stamping it out, educating the community and putting significant funding into the area.

I note that on Friday, 30 May, a further \$30 million was invested into strengthening responses to family violence, and that is to be welcomed because it will go not only to the Aboriginal community, where there is unfortunately a high incidence of family violence, but right across the community. This is not in any one particular area in the community; it is right across the Victorian community, and it is something that our

government is clearly focused on. That extra \$30 million package will expand statewide, strengthening the risk management program. It will fast-track support for women and children who have experienced family violence, expand case management and practical support for women and children fleeing violence and evaluate our family violence initiatives, including perpetrator interventions, to ensure their effectiveness.

These are real, practical solutions that we are putting into the system to support women, children and families who have unfortunately been exposed to family violence. They are practical measures that will make a real difference to those people.

Auditor-General: *Accessibility of Mainstream Services for Aboriginal Victorians*

Mr MELHEM (Western Metropolitan) — I rise to speak on the Victorian Auditor-General's report entitled *Accessibility of Mainstream Services for Aboriginal Victorians*, published in May 2014. The Auditor-General's report provides a damning assessment of this state government's performance. Lofty promises have been let down by mediocrity and poor policy implementation.

We talk a lot about gaps when discussing Indigenous affairs — gaps between Indigenous and non-Indigenous people in this state, and indeed Australia-wide, in relation to everything from health and life expectancy to education and income. Perhaps the worst gap of all is the gap between rhetoric and action or the gap between good intentions and real outcomes. This report exposes the gap between the Victorian government's rhetoric and its performance — a problem we have witnessed across a range of policy portfolios.

The Auditor-General found that:

Despite departments developing programs aimed at increasing access, outcomes have not improved significantly and in some cases the gap has worsened. A lack of broad consultation and problems with data reliability mean that departments cannot be assured they understand the needs of Aboriginal Victorians.

It is a comprehensive report, but its findings can be whittled down to one key diagnosis: administrative incompetence. This government does not know if its targets in Indigenous policy are being met. It does not know if its rhetoric is actually making a difference to the lives of Indigenous Victorians. I would have thought that a fairly rudimentary aspect of public policy is knowing whether or not government action is actually making a difference to people's lives. The

Auditor-General's conclusion is that the government does not even know.

I will give the house some key statistics about Indigenous access to mainstream services. Of Victoria's 47 000-strong Indigenous population — or 0.9 per cent of Victoria's total population — 55 per cent are under 25 years old, compared to 32 per cent in the general population. Aboriginal Victorians access many mainstream services at lower rates than do the rest of the population. Gaps in outcomes and access exist in areas such as early childhood development; health outcomes; income, where the median weekly income is \$390 for Aboriginal and \$562 for non-Aboriginal Victorians, a gap of \$172 per week; and employment. Further areas of Indigenous disadvantage include lower participation in maternal and child health services and kindergarten; poorer health status and shorter life expectancy; higher disability rates; and comparatively lower literacy and numeracy outcomes. The report found that despite recent improvements, gaps persist.

The Auditor-General's report focused on 'whole-of-government and departmental policies, programs, strategies and outcomes, covering early childhood, health and human services'. Areas where the gap between Indigenous and non-Indigenous Victorians in terms of outcomes and access to mainstream services has narrowed were found to be the Aboriginal Quitline, Aboriginal health promotion, chronic care programs and maternal and child health.

The Auditor-General found that an absence of effective leadership and oversight in Aboriginal affairs has affected mainstream service delivery over many years. The interdepartmental Secretaries Leadership Group on Aboriginal Affairs (SLG) is charged with overseeing the implementation of the Victorian Aboriginal affairs framework 2013–2018, but according to the Auditor-General that arrangement 'does not appear to have been effective'. The central problem appears to be a lack of interdepartmental coordination and oversight in the pursuit of policy outcomes.

The main barriers to Indigenous access to mainstream services were listed by the report as a lack of culturally safe services, lack of awareness of the services available, ongoing racism, fear, shame, affordability and complex administrative processes. The report summarises the core failings of the government's policy delivery as inadequate oversight and leadership; inadequate consultation and engagement with the Aboriginal community; a lack of complete and reliable data; incomplete plans, programs and strategies to identify and address barriers to access; inadequate collaboration and coordination between agencies and

departments; inadequate evaluation of outcomes by the departments and the interdepartmental SLG; inadequate monitoring and reporting; and inadequate understanding of the overall levels of state government spending on mainstream services for Indigenous Victorians. The Department of Education and Early Childhood Development was unable to give the Auditor-General specific details on spending in maternal and child health for Indigenous Victorians.

In conclusion, I strongly urge the government to adopt the Auditor-General's eight recommendations in full, and I condemn the government for its administrative incompetence. Hopefully the recommendations in the report will be implemented and we can improve the lives of Aboriginal people in Victoria.

Cancer Council Victoria: annual review 2013

Mr D. R. J. O'BRIEN (Western Victoria) — I thank Mr Ronalds for putting the Cancer Council Victoria annual review of 2013 on the notice paper for me to make a contribution on tonight. I also thank him for his excellent contribution, which covered some of the matters I want to talk about.

If members look at Cancer Council Victoria's annual review of 2013, entitled *Cancer in Victoria — Tackling Challenges and Inspiring Change*, it can be seen that there is a lot in it. A lot of significant issues are raised, because the tragedy of cancer touches all of us many times and in many different ways during our lifetimes. It is a very important issue and one that is being tackled by Cancer Council Victoria in many ways.

I will touch on some of what Cancer Council Victoria says about some of the government's initiatives, but before I do that I want to put into context the fact that the issue of cancer is primarily tackled by all Victorians as a whole in the support services that are provided by our leading medical researchers, our palliative care services, our hospitals and our other medical institutions. Our extensive charitable organisations are also helpfully listed between pages 31 and 48 at their various different levels, including supporters as well as donors.

In the 5 minutes remaining it would be difficult for me to touch upon any of these individuals, community groups and charities that make such a contribution to the tragic issue of cancer. Incredible steps are made by Victorians, both in dealing with cancer as a challenge in their own lives as they experience either aggressive or less aggressive forms of cancer and survive or recover from them, or in dealing with the tragic loss of loved ones who succumb to the disease. In that respect I urge

all members of Parliament and indeed all Victorians to apprise themselves of some of the matters that are included in this report.

Support for the council is set out on page 19 of the report and includes \$21.9 million received in bequests; cash donations from 30 000 people; 758 people who volunteered 15 420 hours at head office; 47 453 Victorians who took part in Relay for Life events, and I believe I might have been one of those Victorians, not for the full 24 hours but for a period of time in Warrnambool; and \$1.65 million raised from Daffodil Day. That constitutes the major part of the contribution I want to make.

Some important government initiatives are set out in the report that have been committed to and are being implemented by the Victorian government, including the \$1 billion Victorian Comprehensive Cancer Centre, the Olivia Newton-John Cancer and Wellness Centre and the Monash Comprehensive Cancer Consortium. The provision of cancer services in Warrnambool was a significant project led by many community leaders, particularly with the formation of Peter's Project and its target of raising \$5 million to assist in bringing a radiotherapy centre to the south-west. I was pleased to see in the Warrnambool *Standard* of 1 May that that dream has come true. The community leaders included the member for South-West Coast, the Premier, the Honourable Denis Naphthine.

As was so eloquently said by the Premier and other community leaders at the announcement that the target had been reached, this is an event that touches all western Victorians, because people who are suffering cancer have to make a tough decision as to whether or not they can avail themselves of local radiotherapy treatments, which is a difficult thing. On a personal note, I send my best wishes to a friend, Trevor Rentsch, or Toofy, who is suffering a second bout of pancreatic cancer. I wish him all the best and thank him for his support to my family over many years.

The ACTING PRESIDENT (Mr Ondarchie) — Order! I thank Mr David O'Brien. My thoughts and prayers go to Trevor Rentsch as well.

Department of Health: report 2012–13

Mr D. D. O'BRIEN (Eastern Victoria) — I think I may have jumped the gun on Mr Leane, which is disappointing, because I am interested to hear what Mr Leane has to say about the Department of Health annual report 2012–13. It is a fine report and a recognition of the fine record that the coalition government has on health. A couple of things spiked

my interest in the report, in particular something that we all need to be aware of in the Parliament, and that is the significant challenges ahead for our health system. In his foreword to the report the secretary stated that:

Rising demand, an increasing burden of chronic and complex disease, an ageing population and a challenging fiscal environment and broader economic outlook complicate the future.

That is no more so than at the moment. We are facing a challenging fiscal environment. The Minister for Health is well and truly on the record as to the concerns that we have with the commonwealth funding arrangements, but that challenging fiscal environment has been handed to the commonwealth government by the profligate former Labor-Greens alliance, something that we in Victoria know a lot about. We inherited a similar situation from the Labor state government.

I look forward to Mr Leane making commentary about other aspects of this report that highlight these challenges, one of which is the commonwealth's *Mid-Year Economic and Fiscal Outlook 2012–13* published in October 2012, which led to a cut in funding to Victorian health services of \$107 million. Only through some significant work by our health minister was that cut reversed.

There is better news on the horizon from a state government perspective and nowhere more so than in my electorate of Eastern Victoria Region. The state budget was a fantastic outcome for health right across the state, but particularly in rural and regional areas and most particularly in the Latrobe Valley. The state budget included \$73 million for stage 2a of the Latrobe Regional Hospital redevelopment. This was a fantastic announcement. I congratulate the minister along with the Deputy Premier, Peter Ryan, on this announcement. I also give great credit to my colleague the Honourable Russell Northe, the member for Morwell in the other place, and my federal colleague Darren Chester, the member for Gippsland, who have been lobbying for this project for some time.

The \$73 million for stage 2a of the redevelopment includes a new emergency department, which will have more than double the capacity of the existing facility; a new 30-bed ward; a 12-bed short-stay unit; two day rooms for endoscopy procedures; a new entrance and admissions area; and a new public car park. The addition of a cardiac catheterisation laboratory will be a major boon for heart patients in Gippsland and will mean that for the first time those patients will not need to travel to Melbourne for this treatment.

There was other good news for rural and regional Victoria. On this side of the house we are often accused of not caring about health, but the 2014–15 budget belies that accusation. There are significant increases in funding. I have mentioned the Latrobe Regional Hospital redevelopment. There is also funding for the Boort hospital redevelopment to deliver a new \$14 million, 32-bed facility. There is \$28 million for Barwon Health North in Geelong, for a significant development there, and \$3 million for a major redevelopment of community health facilities at Moyne Health Services in Port Fairy. They are all very good outcomes for health in the regions.

On top of that I was very pleased to see additional funding of \$13.8 million over four years for travel for rural and regional Victorian families who need to travel for specialist services, including \$3.3 million in 2014–15 to increase travel and accommodation subsidies. This is critical, because we know that in our rural and regional areas, particularly the more remote areas, it can be difficult and costly to get to the services we need and to appointments at hospitals. The funding is very much welcome. I was only talking to the minister about this today, and I look forward to hearing the full details of that announcement in the coming weeks.

I support what the coalition government is doing in health, particularly the redevelopment of the Latrobe Regional Hospital. I look forward to that development proceeding very soon.

Department of Education and Early Childhood Development: report 2012–13

Mr LEANE (Eastern Metropolitan) — I want to speak on two reports today. The first is the Department of Education and Early Childhood Development report 2012–13, which covers a number of portfolios. The department and a number of ministers have responsibility for this report, one of them being the Minister for Higher Education and Skills. This report was prepared under the former minister, Peter Hall. Despite the cuts to TAFE funding and the difficult situations Mr Hall was put under in his portfolio, I believe and I am sure everyone in the chamber believes that whatever he did he put his heart and soul into it. I question whether the same could be said of the minister who has taken his place, Mr Wakeling. I very much doubt it, and I base that not only on the loss in some regions of their TAFEs due to funding cuts but also on the slashing of subsidies in recent days for rural vocational education and training courses.

I will go through a few of these, which are important for regional and semi-regional areas and the peri-urban area of Melbourne as well, including Lilydale in the outer east. As we know, Lilydale TAFE has closed down due to the severe TAFE funding cuts made in recent times by this government. We are in a situation now where subsidies for certificate IV in food processing have been cut by this government by 33 per cent. Certificate III in rural operations has had its subsidy cut by 30 per cent. Fifty-two courses offering training in food processing, rural operation, horticulture, rural machinery operation and meat processing have had their subsidies cut by 30 per cent or more.

It amazes me that a government that has managed to close a lot of regional and peri-urban TAFEs has cut the subsidies for training that would be based in those areas. Young people are in a position such that, if they want to do a rural vocational education and training type of course, they cannot go to a local TAFE. If they do manage to travel for hours to get to a TAFE that is still extant, they are paying more than 30 per cent more for the course. Some of these young people will struggle to afford to get themselves to the course, and then they will struggle to pay for the course. I think it is a shame.

Department of Health: report 2012–13

Mr LEANE — I move on to the Department of Health annual report for 2012–13. As I bemoaned the change of Minister for Higher Education and Skills, I bemoan the continuation of the minister who is responsible for the Department of Health, Mr Davis. Mr Davis is a failed Minister for Health. He promised to bring a lot to this portfolio, and he promised to slash waiting lists. But as we all know, surgery waiting lists have blown out to record numbers. This is a minister who promised 800 new hospital beds in his first term, including 100 hospital beds in the first year, but when he is asked in this chamber and outside this chamber where those 800 new hospital beds are, he cannot identify one. People in the profession have done their own counting of numbers and are saying it is a net loss.

Hopefully Mr Davis's picture will not be in future health department annual reports. I bemoan the fact that Mr Hall's picture is not in the Department of Education and Early Childhood Development annual report any more, and I bemoan the fact that Mr Davis is still the health minister and that his picture is still in the Department of Health annual report.

CRIMES AMENDMENT (ABOLITION OF DEFENSIVE HOMICIDE) 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 Crimes Act 1958, the Evidence Act 2008 and the Jury Directions Act 2013 to abolish the offence of defensive homicide and to reform the law of complicity 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 Crimes Amendment (Abolition of Defensive Homicide) Bill 2014 ('bill').

In my opinion, the bill, 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.

Overview

The bill improves Victoria's criminal laws by abolishing defensive homicide and introducing clearer, consistent statutory tests for self-defence, duress and sudden or extraordinary emergency. The bill will also introduce evidence laws to empower courts to exclude evidence where its probative value is substantially outweighed by the danger that it might unnecessarily demean a homicide victim.

The bill includes several measures to provide support for victims of family violence, including the introduction of jury directions about family violence into the Jury Directions Act 2013 to apply where an accused claims self-defence in the context of family violence.

The bill also amends the Crimes Act 1958 to reform the law of complicity.

Human rights issues

The following charter act rights are relevant to the bill:

protection of families and children, as set out in section 17 of the charter act

right to a fair hearing, as set out in section 24 of the charter act, and

rights in criminal proceedings, as set out in section 25 of the charter act.

Protection of families and children

Section 17(1) of the charter act provides that '[f]amilies are the fundamental group unit of society and are entitled to be protected by society and the state'.

The bill will promote this right by introducing reforms to provide protection and support to victims of family violence. These reforms are as follows:

simpler and clearer self-defence laws, which will consider whether an accused's response was reasonable in the circumstances as perceived by him or her, and

jury directions to address misconceptions about family violence where the accused claims self-defence in the context of family violence.

These reforms respond to difficulties currently faced by victims of family violence who have killed their partner in response to abuse where a jury may not fully understand the relevance of family violence when considering self-defence.

Right to a fair hearing and rights in criminal proceedings

The right to a fair hearing and the rights in criminal proceedings set out in sections 24 and 25 of the charter act are relevant to the reform of the law of complicity, the amendments to the Evidence Act 2008 and the amendments to the Jury Directions Act 2013.

The reform of the law of complicity and the amendments to the Jury Directions Act do not limit the right to a fair hearing set out in section 24 of the charter act. These provisions are designed to enhance the right to a fair trial by, in the case of complicity, simplifying the legal framework in accordance with general criminal law principles, and, in the case of the reform of jury directions, providing clear and simple directions that address common misconceptions about family violence.

Clause 9 of the bill will amend section 135 of the Evidence Act to empower a court, in a criminal proceeding for a homicide offence, to refuse to admit evidence if its probative value is substantially outweighed by the danger that it may unnecessarily demean the deceased.

The purpose of clause 9 is to reduce unjustifiable attacks on the character and reputation of the deceased during homicide proceedings. Evidence that demeans a deceased person is not automatically excluded. Rather, clause 9 requires the court to determine whether the desirability of admitting the evidence outweighs the undesirability of admitting evidence that unnecessarily demeans the deceased. Evidence will not be excluded if there are legitimate forensic reasons for admitting that evidence.

The judicial discretion to refuse to admit evidence under section 135 operates as a safeguard that protects and balances the rights of accused, the deceased and the witnesses in the proceeding, and the importance of the court hearing all relevant evidence. In my opinion, this is consistent with the right to a fair hearing and rights in criminal proceedings.

Edward O'Donohue, MP
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:

Introduction

The government is committed to ensuring that perpetrators of violent crimes are held fully responsible for their actions. This bill delivers on that commitment by abolishing the controversial offence of defensive homicide.

Defensive homicide applies when a person kills someone else with a genuine but unreasonable belief that his or her actions are necessary in self-defence. Unlike murder, which carries a maximum sentence of life imprisonment, the maximum penalty for defensive homicide is 20 years imprisonment.

Defensive homicide was introduced in 2005 following recommendations made by the Victorian Law Reform Commission ('VLRC') in its *Defences to Homicide — Final Report*. The VLRC argued that the law should recognise the lower culpability of a person who kills with a genuine belief that their life is in danger, but who cannot prove that their actions were objectively reasonable. At the same time as recommending the abolition of provocation, it recommended on balance the introduction of a partial defence to murder to provide a 'halfway house' for women who kill in response to family violence who were unable to successfully argue self-defence (and thereby obtain an acquittal).

However, since its introduction, defensive homicide has predominantly been relied upon by men who have killed other men in violent confrontations, often with the use of a weapon and often involving the infliction of horrific injuries. This has caused justifiable community concern that the law, like provocation once did, is allowing these offenders to 'get away with murder'.

Abolishing defensive homicide follows recommendations made by the Department of Justice in its 2013 consultation paper on *Defensive Homicide — Proposals for Legislative Reform*.

The bill also contains important initiatives to protect and support victims of family violence. These include improving self-defence laws and introducing jury directions on family violence. The bill will also improve the law on complicity and introduce an amendment to the Evidence Act 2008 to reduce victim blaming in homicide trials.

Changes to self-defence laws

The bill will introduce a clearer and simpler statutory test for self-defence, which will apply to all offences. Currently, differences between the self-defence tests for fatal and non-fatal offences make the law confusing and difficult for juries to apply.

Under the new self-defence test, self-defence will apply where:

a person believes that his or her conduct is necessary in self-defence, and

that person's conduct is a reasonable response in the circumstances as he or she perceives them.

The first element of the test reflects the common law test for self-defence. The second element of the common law self-defence test requires the jury to consider whether the accused had reasonable grounds for believing that his or her actions were necessary in self-defence. The new second element of the self-defence test in the bill focuses on whether the person's conduct was a reasonable response in the circumstances. This will be clearer and easier for juries to understand and apply. This reform is also expected to assist women who kill in response to family violence, by requiring consideration of whether her response was reasonable in circumstances as she perceived them, rather than whether her belief was reasonable. This will better accommodate the experiences of those who kill in the context of family violence when assessing whether self-defence applies.

Self-defence will be limited in the case of murder by requiring the accused to believe that his or her conduct is necessary to prevent the infliction of death or really serious injury (which includes serious sexual assault). This is consistent with current law and will ensure that self-defence is only relied upon in appropriate cases.

The bill will also introduce statutory tests for duress, sudden or extraordinary emergency and intoxication to apply to all offences. Like self-defence, differences in the tests applying to fatal and non-fatal offences have made these laws difficult to apply.

Jury directions on family violence

During the past year, there has been increasing community concern about the prevalence of family violence in Victoria. This is an extremely serious issue and the government is committed to preventing violence, holding offenders to account and providing support to victims.

One area of concern relates to women who have suffered long-term family violence by a partner, and who kill their partner when defending themselves from this abuse.

Research indicates that many members of the community do not fully understand the dynamics of family violence. Research also indicates that jury directions can play an important role in addressing juror misconceptions.

The bill will introduce new provisions into the Jury Directions Act 2013 to address common misconceptions about family violence. When a direction on family violence is requested by defence counsel, the judge will explain to the jury (among other things) that family violence is not limited to physical abuse and may include sexual and psychological abuse, and that it is not uncommon for victims of family violence to stay with their abusive partner, rather than leave or seek help. The directions will also explain to jurors that family violence may be relevant to their assessment of whether the woman was acting in self-defence. These directions may be given early in the trial before any evidence is heard. This will ensure that any misconceptions about family violence are dispelled early on.

These jury directions will provide greater context for assessing claims of self-defence and assist to ensure that jurors in relevant cases have a better understanding of the dynamics of family violence. They will also assist to educate the community and legal profession about family violence. These reforms are an important measure for providing support to victims of family violence.

Sentencing

The initiatives in the bill aim to provide support and protection to victims of family violence and ensure that the law responds effectively to victims of family violence who kill in response to their abuse. Where a victim of family violence kills their abuser believing that their actions are necessary in self-defence, and their response is reasonable in the circumstances, he or she should not be convicted of murder.

However, if an accused is convicted of murder in circumstances where they were reacting to family violence, the courts have a discretion imposing maximum and minimum sentences. The lower culpability of such an accused can be taken into account and reflected in a lower sentence.

New evidence laws

The bill will amend the Evidence Act 2008 to empower a court to refuse to admit evidence if its probative value is substantially outweighed by the danger that the evidence might unnecessarily demean the deceased in a criminal proceeding for a homicide offence.

This reform is designed to reduce unjustifiable attacks on the character and reputation of the deceased during homicide proceedings. 'Victim blaming' has been a significant problem in the past, and can cause significant distress and trauma for the victim's family and friends. However, at the same time, this reform protects the rights of an accused to conduct a defence by adducing explanatory or contextual evidence if its probative value substantially outweighs the danger that the evidence might unnecessarily demean the deceased.

Complicity

The doctrine of complicity determines when a person may be held criminally responsible for the actions of another person, for example, by assisting or encouraging the commission of an offence. It also covers when a group of two or more agree to participate in criminal activity.

The *Simplification of Jury Directions Project* report produced in August 2012 by the team led by the Honourable Justice Weinberg of the Court of Appeal examined this area of the law and determined that directions on complicity are highly complex because of the complexity of the underlying law. To simplify the directions it is therefore necessary to reform the substantive law.

In line with the recommendations of the Weinberg report, the bill will amend the Crimes Act 1958 to provide that a person who is involved in the commission of an offence is taken to have committed the offence. A person is involved in the commission of an offence if, for example, they assist or encourage the offence, or if they enter into an agreement or understanding with another person to commit the offence.

Except for extended common purpose, these provisions have a similar scope to the common law doctrines, but remove

confusing and unhelpful distinctions between different types of complicity.

The bill will abolish the doctrine of 'extended common purpose'. This doctrine is conceptually problematic and has been extensively criticised for providing that a person may be guilty of murder when they only foresaw that a person might possibly kill another person. The bill will provide that a person is guilty of an offence that is different from the planned or agreed offence when that person foresaw the probability of the offence occurring in the course of carrying out the planned or agreed offence. Focussing on 'probability' rather than 'possibility' is consistent with general principles of criminal liability, and will result in simpler jury directions. If a person foresaw the possibility, but not the probability of a person being killed, under the new provisions, such a person could still be guilty of manslaughter, but not murder.

Conclusion

This bill makes significant improvements to homicide laws. It will hold offenders to account. It will improve the operation of self-defence laws. It will enable common misconceptions about family violence to be proactively addressed at the start of a trial. The bill also simplifies notoriously complicated complicity laws.

I commend the bill to the house.

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

Debate adjourned until Wednesday, 9 July.

STATUTE LAW AMENDMENT (RED TAPE REDUCTION) BILL 2014

Introduction and first reading

For Hon. D. M. DAVIS (Minister for Health), Hon. E. J. O'Donohue introduced a bill for an act to amend the Food Act 1984, the City of Melbourne Act 2001 and the Victorian Energy Efficiency Target Act 2007 to further improve the operation of those acts and for other purposes.

Read first time; by leave, ordered to be read second time forthwith.

Statement of compatibility

For Hon. D. M. DAVIS (Minister for Health), Hon. E. J. O'Donohue tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the Statute Law Amendment (Red Tape Reduction) Bill 2014.

In my opinion, the Statute Law Amendment (Red Tape Reduction) Bill 2014, as introduced to the Legislative Council, is compatible with the human rights protected by the

charter act. I base my opinion on the reasons outlined in this statement.

Overview of bill

This bill contributes to the government's target of reducing red tape by 25 per cent by July 2014 by amending the Victorian Energy Efficiency Target Act 2007, Food Act 1984 and City of Melbourne Act 2001.

The amendments to the Victorian Energy Efficiency Target Act 2007 will provide for the closure of the Victorian Energy Efficiency Target scheme from 1 January 2016.

The amendment of the Food Act 1984 to repeal s.17 will remove the requirement for businesses regulated under the act to display the name of the proprietor on their premises.

The repeal of part 4A of the City of Melbourne Act 2001 will dissolve the Docklands Coordination Committee (DCC), which is no longer required and has been replaced with an alternative governance arrangement.

Human rights issues

1. Human rights protected by the charter act that are relevant to the bill

The objective of the bill is to remove (not impose) regulatory requirements, resulting in a reduction of overall red tape. None of the amendments in the bill limit the human rights described in the charter act.

2. Consideration of reasonable limitations — section 7(2)

Not applicable.

Conclusion

I consider that the bill is compatible as none of its contents engage any provision of the charter act.

The Hon. Gordon Rich-Phillips, MLC
Assistant Treasurer

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 Statute Law Amendment (Red Tape Reduction) Bill makes amendments to the Victorian Energy Efficiency Target Act 2007, Food Act 1984 and City of Melbourne Act 2001.

The government is committed to ensuring that Victoria remains a low-cost and competitive business environment. Excessive red tape imposes unnecessary costs on business and is a barrier to productivity improvements. In 2011 the government set a target to reduce regulatory costs imposed on

businesses, not-for-profit organisations, individuals and government service providers by 25 per cent by July 2014.

This bill implements measures that will help to achieve this target.

The bill amends the Victorian Energy Efficiency Target Act 2007 to provide for the closure of the Victorian Energy Efficiency Target scheme, also known as the energy saver incentive scheme, on 1 January 2016.

The closure of the energy saver incentive scheme is the result of a wide-ranging review undertaken in 2013 to assess the performance of the scheme and the options for its future. The review found that continuing with the energy saver incentive scheme would result in a higher cost of producing energy for the Victorian economy, and would be likely to advantage higher income households at the expense of low-income households.

A one-year transitional phase, with a scheme target of 2 million tonnes of greenhouse gas emissions savings for 2015, allows for the careful and orderly winding down of the scheme. The transitional phase will give participating businesses time to adjust their business plans, while balancing the costs of continuing the scheme for a further year.

This bill also repeals section 17 of the Food Act 1984. Currently section 17 requires the name of a proprietor of a food business to be prominently displayed on a food premises. It is an offence to fail to comply. This obligation is burdensome and unnecessary.

Councils regulate food businesses. They determine the identity of the proprietor based on their discussions with the business about who is selling food at the premises. The proprietor's name is recorded by council. It is also listed on a certificate for premises that are registered. Council records are a preferable source of information. Any name displayed on a building may only indicate the trading name of a business, which may not be the same as the proprietor's name.

If a member of the public wishes to ascertain the name of the proprietor of a food premises, they can request this information from council, including under a procedure set out in section 43 of the act.

Finally, this bill will dissolve the Docklands Coordination Committee by repealing part 4A of the City of Melbourne Act 2001. The committee is a special committee of the Melbourne City Council. Its functions have included providing advice and recommendations to the council about the provision of place management services, such as site presentation, marketing and promotion, in the coordination area for which council is the committee of management.

The council and Places Victoria, which are represented on the committee, advise that it is no longer an effective consultation mechanism and that the separately established Docklands community forum now provides a better mechanism for engaging the community on issues relating to the Docklands. The Docklands community forum is a public meeting jointly convened by the council and Places Victoria held every two months.

These amendments contribute to the significant reforms made by government over the past three years to cut red tape and reduce unnecessary costs for Victorian businesses, individuals and not for profits.

I commend the bill to the house.

Debate adjourned on motion of Mr LEANE (Eastern Metropolitan).

Debate adjourned until Wednesday, 9 July.

PUBLIC HEALTH AND WELLBEING AMENDMENT (HAIRDRESSING RED TAPE REDUCTION) BILL 2014

Introduction and first reading

For Hon. D. M. DAVIS (Minister for Health), Hon. E. J. O'Donohue introduced a bill for an act to amend the Public Health and Wellbeing Act 2008 to make provision in relation to the registration of premises in which certain businesses are conducted and to correct an outdated reference and for other purposes.

Read first time; by leave, ordered to be read second time forthwith.

Statement of compatibility

For Hon. D. M. DAVIS (Minister for Health), Hon. E. J. O'Donohue tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the Public Health and Wellbeing Amendment (Hairdressing Red Tape Reduction) Bill 2014.

In my opinion, the Public Health and Wellbeing Amendment Bill 2014, as introduced to the Legislative Council, is compatible with the human rights protected by the charter act. I base my opinion on the reasons outlined in this statement.

Overview of bill

The purpose of the bill is to amend the Public Health and Wellbeing Act 2008 (the act) to require businesses that carry out the low-risk activities of hairdressing and temporary make-up application to register premises with local councils on a 'one-off' basis and remove the requirement for periodic registration renewal.

Human rights issues

1. Human rights protected by the charter act that are relevant to the bill

The bill does not engage any human rights protected by the charter act.

2. Consideration of reasonable limitations — section 7(2)

As the bill does not engage any of the human rights protected by the charter act it is unnecessary to consider the application of section 7(2) of the charter act.

Conclusion

I consider the bill is compatible with the charter act because it does not raise any human rights issues.

Hon. David Davis, MP
Minister for Health

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 purpose of this bill is to reduce red tape for some of Victoria's smallest enterprises — hairdressing and make-up businesses — whilst ensuring that the health of the Victorian public continues to be properly protected.

The bill will contribute to the government's target of reducing red tape by 25 per cent by July 2014.

There are around 4000 hairdressing and barbering businesses trading in Victoria and most of them are very small enterprises. They are subject to the usual regulations that apply to small business operators and employers. They are also regulated under the Public Health and Wellbeing Act for the purpose of protecting public health.

Higher risk personal care and body art businesses such as other beauty therapies, tattooing, body piercing and colonic irrigation are also regulated under the same regulatory scheme.

Under the Public Health and Wellbeing Act 2008, as it stands, personal care and body art businesses must register their premises with their local council and comply with the health and hygiene standards in the regulations. The regulations require operators to ensure that their premises, equipment and work systems are clean and hygienic and do not put public health at risk.

Local councils monitor and enforce compliance with the standards. My department publishes guidelines to assist businesses to understand what is required of them.

Registration fees are set by councils and vary according to the size and nature of the business. The average annual fee is currently around \$150.

All businesses regulated under the act are currently required to renew their registration periodically — usually annually — and council environmental health officers generally inspect premises both when they are first registered and on every renewal.

Under this bill, businesses that provide only hairdressing and make-up services will be required to register their premises only once, when they open their business at that premises.

Their registration will continue, on an ongoing basis, until the business closes, moves premises, is sold or its registration is suspended or cancelled.

In practice this will mean that councils will inspect these premises on registration, and on receipt of a complaint, but not annually.

Councils will retain all their existing powers to monitor compliance with public health standards and to respond to complaints from the public about health and hygiene problems. They will also retain all their enforcement powers, including the power to suspend or cancel the registration of a business that does not comply with the public health standards.

The government will be observing to ensure councils do not take the opportunity to increase charges for initial registration which would be untoward given the purpose is to reduce cost on businesses.

This bill represents a risk-based approach to public health regulation. It is based on the principle that regulatory burden and regulatory resources should be carefully targeted to appropriately address real risks to public health.

Hairdressing and the application of temporary make-up pose a much lower risk to public health than other beauty therapies and body art. This is because these activities do not involve intentional penetration of the skin — unlike tattooing and body piercing — and the risk of accidental penetration is extremely low — unlike in manicures and pedicures and abrasive skin treatments.

Skin penetration, and the associated risk of transmission of blood-borne viruses such as hepatitis and HIV, is the most serious risk associated with personal care and body art businesses.

Under this bill regulatory resources will be targeted to this serious risk by ensuring that higher risk businesses are the focus of councils' regulatory attention.

Hairdressing and make-up businesses that also perform other higher risk services — including permanent tattooed make-up — will continue to be regulated as higher risk businesses and required to renew their registrations periodically.

Exclusively hairdressing and make-up businesses will still be required to maintain high standards of cleanliness and hygiene. I am pleased to note that the consultations conducted by my department with the hair and beauty industry and local government on this bill indicated strong and widespread support for the maintenance of high public health standards.

It is estimated that this red tape reduction measure will save the affected businesses \$240 000 per annum.

I commend the bill to the house.

Debate adjourned on motion of Mr MELHEM (Western Metropolitan).

Debate adjourned until Wednesday, 9 July.

ADJOURNMENT

William Ruthven Secondary College

Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation) — I move:

That the house do now adjourn.

Ms MIKAKOS (Northern Metropolitan) — The matter I raise is for the Minister for Education. I wish to express my concern that since the Napthine government abandoned Labor's plan to renovate, rebuild or modernise every Victorian government school, schools in the Northern Metropolitan Region have suffered from neglect. The 2010 merger of Ruthven Primary School and Lakeside Secondary College into Merrilands College allowed for the brand-new William Ruthven Secondary College to be built on the former Merrilands College site. Whilst the total rebuild of Ruthven Primary School, which is co-located with William Ruthven Secondary College, was undertaken by Labor as stage 1 of the project, the secondary college has been left unfinished by the Napthine government.

Since coming to office in 2010 this government has left the school community wondering if this project will ever see the light of day again. Yesterday a fabulous event was held in Queen's Hall. James Merlino, the member for Monbulk in the Assembly, announced that an Andrews Labor government would commit \$10 million to fund a years 7 to 9 building, a years 10 to 12 building and administrative facilities at the school. This has been a welcome announcement by parents, students and teachers, who have been waiting four years to see this project revived.

The Napthine government has spent only \$278 million a year on average on capital works for schools in Victoria, which pales in comparison with Labor's average spend of \$467 million during its last term of office. The neglect of government schools has been harshly felt by schools in the Northern Metropolitan Region, which have missed out year after year on much-needed capital works funding since this government came to office. I call on the minister to respond to the needs of Victorian families in the Northern Metropolitan Region and match Labor's funding announcement to complete the William Ruthven Secondary College sooner rather than later.

Hazelwood mine fire

Mr RONALDS (Eastern Victoria) — I raise a matter for the Minister for Corrections, the Honourable Edward O'Donohue. The action I seek is that the

minister provide the house with details of how offenders serving community correction orders have assisted the Morwell community with clean-up and recovery efforts after the devastating fires earlier this year. Members of the house will know that the Morwell fire caused widespread damage across the communities of Morwell and Hernes Oak and at the Hazelwood coalmine. This fire burnt through parts of Toners Lane in Morwell, damaging fencing, bushland and property at the Morwell Horse and Pony Club, at Us and Them Tourers, at the Gippsland Historical Automobile Club Inc. and at Twin City Archers Gippsland.

I understand the Morwell community corrections office has work teams that have been assisting the affected communities in those clubs by removing burnt fencing, damaged tin and burnt branches and just generally cleaning up. Unpaid community work is a valuable way for offenders to help and give back to their community. This is another way the government is building a safer Victoria.

Grahamvale Primary School

Ms DARVENIZA (Northern Victoria) — I raise a matter for the attention of the Minister for Education, Martin Dixon. The matter I raise concerns Grahamvale Primary School in my electorate. Grahamvale Primary School principal Ms Lynley Eadie recently wrote to me regarding the school's pressing need for a site extension. This is not a new concern. I brought this matter to the minister's attention when the principal first contacted me about the school's space concerns. The advice provided at the time by the minister was that the school is only half the size for it to qualify for a standard entitlement for government schools across the state and that the department was undertaking an analysis of the site. The minister visited the school in July 2012 and saw for himself the limited space that the school has and the restrictions that that imposes on the school.

Mrs Jeanette Powell, the member for Shepparton in the Assembly, also wrote to the minister on 13 December 2012 asking for an indication of where the school sits on the Department of Education and Early Childhood Development's land acquisition list. Since 2012 people at the school have not heard anything, and they are understandably very anxious to receive information on proposed time lines for the site extension and whether there is any funding in the current budget or whether funding is planned in future budgets. The site extension will allow the school to comply with the department's requirement for land size, which would allow for an increase in recreational facilities and room on which to place additional classrooms when available.

The specific action that I seek from the minister is that, as a matter of urgency, he expedite Grahamvale Primary School's request through the department's acquisition program so that the school has the space it so desperately needs. At the moment the students have limited space for playground activity, and the school is unable to facilitate any weekend sporting teams such as cricket, football, soccer and netball to practise after school. The safety and wellbeing of students is a serious concern for the school due to the lack of space and restrictions placed on students in the school grounds. The school currently has an enrolment cap of 400 students because it is classified as having a restricted site. The facilities assessment of the site found that over 50 per cent of the site was taken up by buildings and pathways, which severely reduce the space available for active play.

Energy and Water Ombudsman Victoria

Mr MELHEM (Western Metropolitan) — My adjournment matter is for the Minister for Energy and Resources, the Honourable Russell Northe. The matter I raise is in relation to the rising levels of credit issues between energy providers and consumers and the apparent lack of adequate procedures for dealing with consumers experiencing hardship who are unable to pay their bills.

According to the Energy and Water Ombudsman Victoria (EWOV) 2013 annual report, in 2012–13 customers lodged 21 per cent more cases than they did in 2011–12. In 2012–13 some 12 245 people brought credit issues to the attention of the EWOV, up 19 per cent on the previous year. Credit issues are related to the capacity of customers to pay their bills and in that respect are strong indicators of financial hardship and affordability problems. Credit issues need to be understood and read in the broader socioeconomic context of households. The EWOV's report strongly argues that affordability of essential services is a critical issue for Victorians. It is no surprise that reduced growth results in an increase in unemployment, and when coupled with the recent energy and water price increases it results in greater hardship.

Case studies given in the EWOV report are both disappointing yet praiseworthy. One case study is about an elderly vision-impaired woman who had her electricity disconnected without warning, and the electricity company sought a payment upwards of \$2000 for reconnection. Payment had not been made on the account for two years due to a constant period of hospitalisation. Hardship assistance had not been offered, because she had not made any contact.

Generally in collecting debts, some energy retailers have increased their use of threat of disconnection of service. The EWOV report is a wake-up call to the government to start taking the socioeconomic realities of this state seriously. I ask the minister to provide a response to the examples of inadequate response to hardship provided in the report and to explain what the government is doing to address these issues.

Geelong Region Local Learning and Employment Network

Ms TIERNEY (Western Victoria) — My adjournment matter is for the Minister for Education, Martin Dixon, and it relates to the Geelong Region Local Learning and Employment Network. As the minister would be aware, Victoria is in the midst of a crisis due to the youth employment crisis. The fact is that Victoria now has the highest youth unemployment rate on mainland Australia, with sections of the state, such as the Premier's Assembly electorate of South-West Coast, being in the top 10 areas of high youth unemployment in the entire country. It is difficult to find anyone in the state who is not concerned about these alarming figures, and quite rightly so.

Geelong Region Local Learning and Employment Network, or the Geelong LLEN, as it is known locally, does an excellent job in the Geelong community and has done so for many years now. The Geelong LLEN is a partnership organisation that works in improving education, training and employment opportunities for the region's young people who are between the ages of 10 and 19. This organisation is an extremely well-run, highly beneficial and valuable part of the Geelong community, especially in the difficult times we are currently facing.

Under the Bracks and Brumby Labor governments the network thrived under a funding arrangement which saw 100 per cent of its funds derived from the state Labor government between 2001 and 2009. In fact the Geelong LLEN did so well that the federal government saw fit to inject federal funding into the program as well, which was a real boost for the network. However, the Geelong community is now extremely disappointed — but perhaps not surprised — to learn that the Abbott federal government cut federal funding for the Geelong LLEN in its last budget. Whilst the Napthine government is doing everything it can to distance itself from Tony Abbott and his draconian budget, it must also be noted that the Napthine government is fairly well versed in slashing funding for education and organisations like TAFEs that provide opportunities for young people.

What the Geelong community needs at this time is exactly what organisations like the Geelong LLEN provide, and what organisations like the Geelong LLEN need is government support that will give them the ongoing resources to provide these important services. Whilst the minister seems to be at pains not to admit it publically, I am confident that he privately recognises Victoria has a real youth unemployment crisis. I hope he also recognises that organisations like the Geelong LLEN are precious and do a lot in the community. With this in mind, I seek a guarantee from the minister that the Geelong LLEN will be properly funded and supported into the future.

Victoria Legal Aid

Mr EIDEH (Western Metropolitan) — My adjournment matter today is for the Attorney-General. Last week a couple came into my electorate office seeking assistance. They were both very emotional and greatly distressed. I have given them a promise that I will not publically reveal their identities; they are, however, prepared to meet with any relevant person, including the Attorney-General, to discuss their plight. My constituents care for three boys, the youngest of whom is aged five, the next is aged six and the eldest is aged eight. They are the children's biological aunt and her partner. The boys are part of a family that includes a two-month-old baby and a girl who is eight years of age — five children, in brief. The baby is being cared for by the parents of the children's biological mother — in other words, their loving grandparents — and the eight-year-old girl is in foster care. All of these placements have been made under the supervision of the Department of Human Services.

I am advised that the biological parents were found to be suffering from a variety of mental conditions and were unable to care for the five children. All five children were removed from their care and placed with loving and caring families. That was two years ago. It has since been found that these children had undergone horrendous and unbelievable treatment. They had been locked up in their father's car while he went to work. They had been left clothed only in their pyjamas outside the house in freezing and wet conditions. One of the boys had been left by the side of the road; he walked to a local shop where assistance was given. The police were called in, and they may have been called on other occasions as well. I could go on and point to other instances in which these young children endured the most terrible abuse from this bully of a man. The three young boys are still undergoing psychological counselling every fortnight.

After two years of not having seen the children, as they are scared to see him, this man is fighting the Department of Human Services to regain custody. What is more, to the best of my constituents' knowledge, Victoria Legal Aid is paying his legal costs whilst the carers, my constituents, have unbelievably been refused any form of financial aid on the grounds that this government has cut legal aid funding. My constituents are in the process of taking out a personal bank loan to finance this legal fight.

So here we are with a man, who my constituents understand was previously charged with physical, sexual and mental abuse and did jail time, being financially supported and indeed encouraged to use taxpayers money to fight in the courts for custody. I ask the Attorney-General why this is happening in 2014. Is the government aware that its funding cuts to legal aid are causing so much grief to the ones who unselfishly give care to these children? What measures will this government take to rectify this incredible imbalance?

Responses

Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation) — Ms Mikakos raised a matter for the Minister for Education regarding capital works funding for William Ruthven Secondary College.

Similarly, Ms Darveniza raised a matter for the Minister for Education in relation to a possible site extension for Grahamvale Primary School in her electorate.

Ms Tierney also raised a matter for the Minister for Education seeking a guarantee about future funding for the Geelong Region Local Learning and Employment Network.

Mr Melhem raised a matter for the Minister for Energy and Resources in relation to a 2013 report of the Victorian energy and water ombudsman, seeking a response in relation to the hardship criteria. I thank Mr Melhem for providing me with a copy of his adjournment matter.

Mr Eideh raised a matter for the Attorney-General regarding Victoria Legal Aid funding.

Mr Ronalds raised a matter for me in my capacity as the Minister for Corrections in relation to the work community corrections is doing in Morwell following the fires that took place there earlier this year. I thank Mr Ronalds for raising this adjournment matter with me. I will provide him with a written response, but in a general sense let me say to Mr Ronalds and to the house that community corrections does an enormous amount

of valuable work in the community. In our mutual electorate of Eastern Victoria Region I have had the pleasure of seeing the work that has been undertaken at the Wonthaggi Pony Club by offenders and those on community work orders. Following representations from the CEO of the Committee for Gippsland, Mary Aldred, we have been able to establish a partnership for work to be undertaken at the beautiful site of Agnes Falls to improve its amenity and grounds.

Similarly, following the fire in Morwell community corrections has gone about doing a great deal of work in the Morwell community, and I congratulate it on that. This builds on the work that prisoners do out and about in the community. I was pleased to visit Dadswells Bridge earlier this year with the member for Lowan in the Assembly and Mr Danny O'Brien, a very good member, and Mr Ramsay to see some of the work prisoners have been doing, such as removing fencing and taking down dead trees, following the fires that went through that area.

I will respond to Mr Ronalds's request, but I note the outstanding work that community corrections does. The valuable community work that is done gives offenders new skills and helps them pay their debt to the community.

I have written responses to adjournment matters raised by Ms Darveniza on 13 March, Mr Ramsay on 8 May and Ms Hartland on 27 May.

Ms MIKAKOS (Northern Metropolitan) — I raise with the minister that I have a number of outstanding adjournment matters. I will go through these one by one if that is helpful. The matters are as follows: 7 February 2013, to the Minister for Education, relating to the School Focused Youth Service; 29 May 2013, to the Minister for Employment and Trade, relating to youth services program funding; 19 September 2013, to the Minister for Children and Early Childhood Development, regarding shire of Mornington Peninsula kindergartens; 13 November 2013, to the Minister for Roads, regarding the east–west link; 11 December 2013, to the Minister for Children and Early Childhood Development, regarding vocational education and training subsidies; and 18 February 2014, to the Minister for Children and Early Childhood Development, regarding the Olympic Village child and family centre. I point out in respect of that one that Minister Lovell did provide me with a letter in response, but that has not been formally recorded in *Hansard*. It was a letter rather than a formal adjournment response, and therefore it is coming up as not having been responded to.

The remaining matters are: 11 March 2014, to the Minister for Community Services, regarding respite accommodation; 7 May 2014, to the Minister for Community Services, regarding the national disability insurance scheme; 27 May 2014, to the Minister for Community Services, regarding community services; 28 May 2014, to the Minister for Mental Health, regarding mental health funding; 29 May 2014, to the Minister for Children and Early Childhood Development, regarding maternal and child health practices; 10 June 2014, to the Minister for Community Services, regarding child protection; 11 June 2014, to the Minister for Ageing, regarding Alfred Health; and 12 June 2014, to the Minister for Community Services, regarding the disability discrimination commissioner. I ask the minister to follow these matters up and seek responses to them.

Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation) — Ms Mikakos has raised a number of outstanding adjournment items in relation to the Minister for Education, the Minister for Employment and Trade, the Minister for Roads, the Minister for Community Services and the Minister for Mental Health that I believe are still within the 30-day time frame for response under the standing orders. In relation to matters to the Minister for Mental Health on 29 May, the Minister for Children and Early Childhood Development on 29 May, the Minister for Community Services on 10 June and other adjournment matters raised in June, whilst I accept the proposition that Ms Mikakos is putting forward — that those matters have yet to be responded to — I also note that they are within the 30-day time frame for responses. I will refer her matters to those ministers. Without attempting to be too clever, I accept at face value Ms Mikakos's assertion that she has received no response to the matters that she is raising.

Ms MIKAKOS (Northern Metropolitan) — I thank the minister for his response in relation to those matters and assure him that the list of outstanding adjournment items was provided to me by the papers office, so I do trust that they are all correct and in order.

On a further issue — and I have spoken to the President and also to the Clerk about this — I advise that it was not my intention to raise any questions on notice that have been responded to, but I discovered today that the Parliament's database of outstanding questions on notice, which the public can access and members also use, has some glitches in it. I put in three identical searches and received three different answers through that database. I understand through the papers office that there is some software development work happening in response to this matter. I have provided

the relevant ministers, including the Leader of the Government and the Minister for Housing, with a list of those questions on notice that are outstanding. I have corrected the list with them, but I point out that the vast majority of the matters I raised at the conclusion of question time are in fact correct and remain outstanding.

I do not propose now to go through the long list of numbers again, because I have provided those numbers to the respective ministers, but I point out that it was an inadvertent error because the database, as I understand it, has some glitches in it. I raise that also for the attention of all members of this house, because if they are relying on the database, as I have in the past, there may well be some inaccuracies with that. I trust that that matter will be attended to by the Parliament and the software issues that currently exist will be corrected. I trust that the relevant ministers will be able to follow up those issues I raised with them subsequent to question time by their being given printed copies of the outstanding questions on notice which have been provided to me by the table office.

Ms TIERNEY (Western Victoria) — Acting President, I also have some concerns in relation to outstanding adjournment matters. There are nine in total, ranging from 13 November 2012 to 26 March 2014.

The issue on 13 November 2012 is to the Minister for Education and is in relation to special schools in Geelong; on 7 May 2013 to the Minister for Police and Emergency Services, and the issue related to bushfires in the shire of Surf Coast; on 29 October 2013 to the Minister for Roads, in relation to Boundary Road and Fellmongers Road; on 12 November 2013 to the Minister for Education, on school funding; on 26 November 2013 to the Minister for Planning, in relation to Portland North Primary School; on 27 November 2013 to the Minister for Education again, on Geelong special schools; on 4 February 2014 to the Minister for Health, in relation to Colac Area Health; on 12 March to the Minister for Health, in relation to the Edenhope and District Memorial Hospital; and on 26 March to the Minister for Police and Emergency Services, in respect of Geelong, Surf Coast and Bellarine police numbers and police stations. I seek the minister's assistance in facilitating responses to those outstanding adjournment matters.

Hon. E. J. O'DONOHUE (Minister for Liquor and Gaming Regulation) — I thank Ms Tierney and I note her comments about those nine adjournment matters. I will seek feedback from the relevant ministers about those matters.

The ACTING PRESIDENT (Mr Ondarchie) — Order! The house now stands adjourned.

House adjourned 6.57 p.m.

