

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

**LEGISLATIVE COUNCIL
FIFTY-SIXTH PARLIAMENT
FIRST SESSION**

Wednesday, 26 May 2010

(Extract from book 7)

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By authority of the Victorian Government Printer

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The Lieutenant-Governor

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Legislation Committee — Mr Atkinson, Ms Broad, Mrs Coote, Mr Drum, Ms Mikakos, Ms Pennicuik and Ms Pulford.

Privileges Committee — Ms Darveniza, Mr D. Davis, Mr Drum, Mr Jennings, Ms Mikakos, Ms Pennicuik and Mr Rich-Phillips.

Select Committee on Train Services — Mr Atkinson, Mr Barber, Mr Drum, Ms Huppert, Mr Leane, Mr O'Donohue and Mr Viney.

Standing Committee on Finance and Public Administration — Mr Barber, Mr Guy, Mr Hall, Mr Kavanagh, Mr Rich-Phillips, Mr Tee and Mr Viney.

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

Joint committees

Dispute Resolution Committee — (*Council*): Mr D. Davis, Mr Hall, Mr Jennings, Mr Lenders and Ms Pennicuik. (*Assembly*): Mr Batchelor, Mr Cameron, Mr Clark, Mr Holding, Mr Lupton, Mr McIntosh and Mr Walsh.

Drugs and Crime Prevention Committee — (*Council*): Mrs Coote, Mr Leane and Ms Mikakos. (*Assembly*): Ms Beattie, Mr Delahunty, Mrs Maddigan and Mr Morris.

Economic Development and Infrastructure Committee — (*Council*): Mr Atkinson, Mr D. Davis and Mr Tee. (*Assembly*): Ms Campbell, Mr Crisp, Mr Lim and Ms Thomson.

Education and Training Committee — (*Council*): Mr Elasmarr and Mr Hall. (*Assembly*): Mr Dixon, Dr Harkness, Mr Herbert, Mr Howard and Mr Kotsiras.

Electoral Matters Committee — (*Council*): Ms Broad, Mr P. Davis and Mr Somyurek. (*Assembly*): Ms Campbell, Mr O'Brien, Mr Scott and Mr Thompson.

Environment and Natural Resources Committee — (*Council*): Mr Murphy and Mrs Petrovich. (*Assembly*): Ms Duncan, Mrs Fyffe, Mr Ingram, Ms Lobato, Mr Pandazopoulos and Mr Walsh.

Family and Community Development Committee — (*Council*): Mr Finn and Mr Scheffer. (*Assembly*): Ms Kairouz, Mr Noonan, Mr Perera, Mrs Powell and Mrs Shardey.

House Committee — (*Council*): The President (*ex officio*), Mr Atkinson, Ms Darveniza, Mr Drum, Mr Eideh and Ms Hartland. (*Assembly*): The Speaker (*ex officio*), Ms Beattie, Mr Delahunty, Mr Howard, Mr Kotsiras, Mr Scott and Mr K. Smith.

Law Reform Committee — (*Council*): Mrs Kronberg and Mr Scheffer. (*Assembly*): Mr Brooks, Mr Clark, Mr Donnellan, Mr Foley and Mrs Victoria.

Outer Suburban/Interface Services and Development Committee — (*Council*): Mr Elasmarr, Mr Guy and Ms Hartland. (*Assembly*): Mr Hodgett, Mr Langdon, Mr Nardella, Mr Seitz and Mr K. Smith.

Public Accounts and Estimates Committee — (*Council*): Mr Dalla-Riva, Ms Huppert, Ms Pennicuik and Mr Rich-Phillips. (*Assembly*): Ms Graley, Mr Noonan, Mr Scott, Mr Stensholt, Dr Sykes and Mr Wells.

Road Safety Committee — (*Council*): Mr Koch and Mr Leane. (*Assembly*): Mr Eren, Mr Langdon, Mr Tilley, Mr Trezise and Mr Weller.

Rural and Regional Committee — (*Council*): Ms Darveniza, Mr Drum, Ms Lovell, Ms Tierney and Mr Vogels. (*Assembly*): Mr Nardella and Mr Northe.

Scrutiny of Acts and Regulations Committee — (*Council*): Mr Eideh, Mr O'Donohue, Mrs Peulich and Ms Pulford. (*Assembly*): Mr Brooks, Mr Burgess, Mr Carli, Mr Jasper and Mr Languiller.

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

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FIFTY-SIXTH PARLIAMENT — FIRST SESSION

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Leader of The Nationals:
Mr PETER HALL

Deputy Leader of The Nationals:
Mr DAMIAN DRUM

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Davis, Mr David McLean	Southern Metropolitan	LP	Pakula, Hon. Martin Philip	Western Metropolitan	ALP
Davis, Mr Philip Rivers	Eastern Victoria	LP	Pennicuik, Ms Susan Margaret	Southern Metropolitan	Greens
Drum, Mr Damian Kevin	Northern Victoria	Nats	Petrovich, Mrs Donna-Lee	Northern Victoria	LP
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Elasmr, Mr Nazih	Northern Metropolitan	ALP	Pulford, Ms Jaala Lee	Western Victoria	ALP
Finn, Mr Bernard Thomas C.	Western Metropolitan	LP	Rich-Phillips, Mr Gordon Kenneth	South Eastern Metropolitan	LP
Guy, Mr Matthew Jason	Northern Metropolitan	LP	Scheffer, Mr Johan Emiel	Eastern Victoria	ALP
Hall, Mr Peter Ronald	Eastern Victoria	Nats	Smith, Hon. Robert Frederick	South Eastern Metropolitan	ALP
Hartland, Ms Colleen Mildred	Western Metropolitan	Greens	Somyurek, Mr Adem	South Eastern Metropolitan	ALP
Huppert, Ms Jennifer Sue ¹	Southern Metropolitan	ALP	Tee, Mr Brian Lennox	Eastern Metropolitan	ALP
Jennings, Mr Gavin Wayne	South Eastern Metropolitan	ALP	Theophanous, Hon. Theo Charles ³	Northern Metropolitan	ALP
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Koch, Mr David Frank	Western Victoria	LP	Tierney, Ms Gayle Anne	Western Victoria	ALP
Kronberg, Mrs Janice Susan	Eastern Metropolitan	LP	Viney, Mr Matthew Shaw	Eastern Victoria	ALP
Leane, Mr Shaun Leo	Eastern Metropolitan	ALP	Vogels, Mr John Adrian	Western Victoria	LP

¹ Appointed 3 February 2009

² Appointed 9 March 2010

³ Resigned 1 March 2010

⁴ Resigned 9 January 2009

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Wednesday, 26 May 2010

The PRESIDENT (Hon. R. F. Smith) took the chair at 9.33 a.m. and read the prayer.

PETITIONS

Following petitions presented to house:

Environment: Blackburn site

To the Legislative Council of Victoria:

The petition of certain citizens of the state of Victoria draws to the Legislative Council's attention community concern about the contaminated Caltex site at 22–24 Blackburn Road, Blackburn, which has been vacant and derelict for 12 years.

The petitioners note that the Brumby state government and Environment Protection Authority have failed to resolve issues related to the contamination of oil and groundwater over that 12-year period and have not finalised and implemented a remediation works program.

In consideration of the environment contamination and the negative impact on customer perception and loss of amenity for businesses, staff, customers, visitors and commuters using the Blackburn shopping centre, your petitioners therefore request that the state government and the Environment Protection Authority take immediate action to have the site cleaned up and remediated.

By Mr ATKINSON (Eastern Metropolitan) (208 signatures).

Laid on table.

Planning: height controls

To the Legislative Council of Victoria:

The petition of citizens of the state of Victoria draws to the Legislative Council's attention community concern about the failure of the Minister for Planning and the Brumby government to provide planning certainty to residents, businesses and property owners in regard to limits on the height of new developments and redevelopments following the expiration of interim height controls.

The petitioners note that the Minister for Planning has established a pattern of calling in and determining significant development proposals, including high-rise projects, overriding local municipal planning assessments, limiting consultation and ignoring community objections on projects that are out of character with local neighbourhoods and business centres.

Your petitioners request that the Legislative Council call on the Minister for Planning and the state government immediately to provide planning certainty to the community by re-establishing height controls.

By Mr ATKINSON (Eastern Metropolitan) (46 signatures).

Laid on table.

Computer games: classification

To the Legislative Council of Victoria:

The petition of citizens of the state of Victoria draws to the Legislative Council's attention community concern about the inadequacy of the current classification system used for computer games.

As games are frequently purchased and/or played by teenagers under 18 years of age and at varied levels of maturity, the petitioners urge the adoption of a more rigorous classification to regulate games that include violence, explicit sexual material, depict the use of drugs, criminal activities or cruelty.

Your petitioners request that the Legislative Council urge the Victorian Attorney-General to support the introduction of a classification system that would prevent minors from seeing or playing games that are offensive or that include content that is dangerous or objectionable.

By Mr ATKINSON (Eastern Metropolitan) (436 signatures).

Laid on table.

Police: Neighbourhood Watch

To the members of the Legislative Council:

The petition of certain citizens of the state of Victoria brings to the attention of the Legislative Council our opposition to the misguided state government changes to the accessibility of crime statistics for Neighbourhood Watch.

The petitioners believe that availability of local crime statistics on a street-by-street basis is an essential component of the Neighbourhood Watch program.

Local crime statistics on a street-by-street basis foster ownership of the Neighbourhood Watch program by local communities and enable vigilance and support of community safety activities. We oppose the proposed change to crime statistics only being available on a postcode basis.

The petitioners therefore call on the Legislative Council to urge Premier John Brumby, the Minister for Police, Bob Cameron and all local Labor MPs to reverse their decision which ends vital access of Neighbourhood Watch to street-by-street crime statistics, undermining the Neighbourhood Watch program and the ability of the community to support his important and respected program and community safety.

By Mr DRUM (Northern Victoria) (16 signatures).

Laid on table.

Rail: Eltham station

To the Legislative Council of Victoria:

The petition of citizens of the state of Victoria draws to the Legislative Council's attention the proposed extension to train stabling at Eltham station and inherent duplication of the track for a short distance beyond the Diamond Street crossing. The

petition specifically includes the residents of the Eltham Retirement Centre and as well other concerned individuals who are also residents of Eltham and members of the business community in Eltham and they request that: the Minister for Public Transport immediately consults with the community to seek their views on the proposed expansion of train stabling, in order for the minister to fully understand the level of concern that the people of Eltham have about this issue.

The expansion of train stabling will be in conflict with the Nillumbik shire's strategic plan for the area, will reduce car parking for commuters thus forcing them to take up already scarce car parking in the shopping precinct, will be an eyesore in the Eltham town centre, where its residents over decades have achieved a workable town and services centre whilst preserving its environmental integrity, will become a magnet for graffiti tourists and vandals and of critical importance it will have a direct effect on the health, wellbeing and peace of mind of the residents of the Eltham Retirement Village.

**By Mrs KRONBERG (Eastern Metropolitan)
(71 signatures).**

Laid on table.

ROAD SAFETY COMMITTEE

Pedestrian safety in car parks

Mr KOCH (Western Victoria) presented report, including appendices and a minority report, together with transcripts of evidence.

Laid on table.

Ordered that report be printed.

Mr KOCH (Western Victoria) — I move:

That the Council take note of the report.

In speaking to this report, I indicate that the report also includes a minority report supported by all non-government members.

It is important to recognise car parks are connected to nearly every building in Victoria, be they residential or commercial. The reference relates only to business or commercial off-street parking which varies in capacity from a few parking spaces to many thousands, as seen in large shopping centre complexes. Most vehicle crashes within car parks involve only minor damage and are usually vehicle-to-vehicle or vehicle-to-structural items. There is little research on pedestrian safety in car parks, and there is therefore little information available on individual pedestrian incidents with motor vehicles in our car parks.

A major concern coming from this reference is there is no single agency responsible for monitoring pedestrian

injuries or what countermeasures may be put in place to eliminate these injuries. The people most likely to suffer car park injuries are the elderly and children, usually younger children. Victorian planning provisions go a long way towards shaping local government parking provisions but place an emphasis on securing maximum parking spaces and not necessarily the safety of pedestrians as they move through these parks in attending to their daily needs.

With thousands of people using car parks on a regular basis, it is important to note that the majority of these car parks have no on-ground management or personnel present to assist with the movement of vehicles or people on site. The committee believes that both planning and technical standards should be improved. This would see greater opportunities offered to all those who use car parks for their day-to-day needs, and hopefully car park developers would draw on all known initiatives when building or redeveloping current sites. There is little doubt that the use of pedestrian safety audits on new or upgraded car parks should be incorporated, especially as it affects the day-to-day operations of car parks.

During this reference the committee received many submissions, held public hearings, visited both Sydney and New Zealand for industry briefings and viewed car park facilities managed by Wilson Parking and Westfield in Melbourne. There is little doubt that car park management is benefiting from much improved technology and planning design not available earlier.

Obviously the introduction of valet parking, as incorporated in Westfield's latest development in Doncaster, is by far the safest method of public car parking, although it does come at a slight premium to users. The most vulnerable — the young and aged members of our community — are particularly well accommodated with valet parking as they drive directly to the shopping centre complex entry where they hand over their vehicles to management for parking purposes. After completing their shopping they return to the same point and their car is brought back for their collection, allowing a quick and safe exit from the parking complex. This removes all the risk and worry about finding a park on different levels, any fear of damaging their cars and above all any fear of injury. This has great advantages for young mothers with young children and older members of our community, taking away the many risks that confront shoppers on a regular basis.

It must be remembered that seven deaths have occurred in Victorian car parks from traffic-related injuries over the last 10 years. The committee expresses its concern

that there is a lack of information and focus on pedestrian safety in our car parks. It believes that government agencies, including the Department of Planning and Community Development, WorkSafe Victoria, the Transport Accident Commission and VicRoads, should be more active in ensuring that best practice is developed, offering greater protection in Victoria for all car park users.

I now allude to the minority report included on pages 125 and 126 of this report. I will quote from this minority report so members will be aware of the reasons for its inclusion. Reports of this nature come very rarely from the bipartisan, all-party parliamentary Road Safety Committee, which has for decades shown leadership and maintained a proud record in the investigation and implementation of road safety matters both national and international on behalf of the Victorian Parliament. The report reads:

A minority of Road Safety Committee members wish to place on record its dismay at the reference before the committee which has resulted in this report.

These members, despite strongly criticising this reference, wish to express their gratitude for the professionalism and hard work of committee staff and their dedication to task during the evidence gathering and production of this report. Their integrity, diligence and hard work is not in question.

Further, these members in considering their report reflect upon the fact that, at the time of drafting, the road toll in Victoria is ahead of the same period in 2009, showing no sign of abating. Those members lodging this report also reflect upon the fact that reductions in Victoria's road toll have stagnated in the medium term.

Victoria, through the work of the Joint Select Committee on Road Safety, and its successors, was a driving force in road safety policy development during the second half of the 20th century. Many significant changes to the culture surrounding safety on our roads are due to this committee's endeavours and diligence with past references from the Parliament. Such achievements include:

Seatbelts in motor vehicles. Victoria is recognised as the world leader for the compulsory use of seatbelts. The compulsory use of seatbelts in passenger vehicles has singularly been credited with preventing road deaths and trauma. It was the committee's predecessor in 1969 through its investigatory report which sparked and led policy debate in this area that led to legislative change.

Responsible driving. Victoria's demerit point system was recommended by the committee's predecessor in 1968 and legislated for in 1969.

Drink driving. The committee has previously led the way in tackling the scourge of alcohol-related accidents. The committee through its reports in 1970, *Inquiry into Alcohol and Road Safety*, and in 1975, *Inquiry into the Identification of Motor Vehicle Drivers with Blood Alcohol Levels in Excess of .05 per cent*, recommended that Victoria Police members conduct random breath

tests and also recommended the disqualification of licences of those caught drink driving. Owing to the recommendations of the committee, Victoria became the first state in Australia to introduce random breath testing in 1976 and lives have been saved.

Better vehicle safety. The committee in its 2009 report on Australian design rules recommended the mandatory inclusion of electronic stability control and side curtain airbags for all new vehicles eligible for registration in Victoria. Owing to the recommendations of the committee legislative change followed and such regulations will be enacted in coming years.

Despite these facts, it is the view of the minority of members that vital committee resources and time have been wasted and misused by a reference which for all intents and purposes will not lead or spark debate, nor provide a guiding framework for both legislative and community action to significantly reduce Victoria's road death and trauma levels.

During committee hearings regarding this reference both VicRoads and the Transport Accident Commission told the committee that data as to loss of life and injury in car parks is not kept as it was not seen as a significant road safety issue. The members in the minority consider this a further indictment upon this reference.

The minority members are of the strong view that the committee should be investigating ongoing important steps in making our roads safer to save lives.

The minority members view this reference as a waste of resources and one which has been imposed upon this committee to satisfy the political machinations of the executive.

The Road Safety Committee has a proud heritage of being at the forefront of the road safety debate, and it is the clear view of this minority of members that it should remain that way.

That is signed by my colleagues the member for Benambra in the Assembly, Bill Tilley, the member for Rodney in the Assembly, Paul Weller, and me as deputy chair.

It is my belief this reference came forward from the government to stall a reference on federal and state road funding that was originally referred to the committee with the intention of embarrassing the then Howard government prior to the 2007 federal election. History now demonstrates what can occur with a changing of the guard in Canberra. All this took place in 2007.

After that event the tables turned and the Victorian government all of a sudden recognised that the new Rudd government's administration would be under scrutiny on road funding and was anxious to get it off the agenda. Regrettably this reference has been a waste of precious resources that could have been used to better advantage road safety measures that may well have further reduced the loss of lives on our roads.

In closing, along with all committee members I express my thanks for the efforts of our small executive in researching this reference and producing this report in a timely manner. Our executive officer, Alex Douglas, principal research officer Jason Boulter, research officer Nathan Bunt and administration officer Christianne Castro as usual have left no stone unturned and should be applauded for the work they have so professionally undertaken on this reference.

Mr LEANE (Eastern Metropolitan) — I am also pleased as a member of the Road Safety Committee to make a contribution towards the tabling of this report on the inquiry into pedestrian safety in car parks. In doing so I would like to start where Mr Koch left off and thank Alex Douglas and her executive team, especially Jason Boulter, the principal research officer, with whom I shared a taxi trip to one of the hearings in Sydney, an experience which on its own could contribute to a road safety reference. But we eventually arrived safely.

I was very interested to hear a witness who works in the area of planning at one of the hearings in Sydney describe to us a software package that has been used in recent times. Car parks are at a premium, especially in central business districts, and a software package has been developed to apply to car parking spaces in new buildings. You push a button and apply the software, which will work out the maximum number of car spaces that could be fitted into that particular area.

In the discussions with and evidence from witnesses, the committee heard that that particular software does not take into account a mother in a car park who might be pushing a trolley full of groceries and might also have a baby capsule with a baby in the trolley and at the same time she might be trying to hold the hand of a three-year-old toddler. That is exactly why it is very important that this issue is looked at. Although the data was a bit vague and hard to collect completely, it was clear that the people who are most at peril in our car parks are elderly people and toddlers of a height that puts their head at the same level as the bumper bar of a car reversing out of a car space.

Some of the things we looked at in this reference were pretty important. One of the areas we looked at was promoted by a number of witnesses and is reflected clearly in this report, and that is the use of shared zones. Shared zones usually have a 10-kilometre limit, but the important thing is that in shared zones in car parks it is the pedestrians who actually have right of way. In a case such as I referred to where a mother is pushing a pram or trolley with a baby in it and trying to control a toddler in the middle of a space where people are

backing in and out, then the motorists coming into that car park will have to respect those people, stop and give way to them. I think the use of shared zones needs to be looked at and increased in this state.

I am taking into account the fact that the opposition put in a minority report and that is almost unique in the history of the Road Safety Committee. I think there has been one minority report previously by one member. This indicates to me that it must be an election year. I respect the opposition's right to put in a minority report, but undermining this reference probably underlines the fact that people's views on their own safety are important to them. That was driven home to me by an action group formed in Kilsyth. The action group wanted the Canterbury Gardens shopping centre car park made safer, with some controls on the loading zone for Woolworths. The group made a submission to this committee on their concerns about that car park and the delivery trucks. We have all seen the large Woolworths delivery trucks reversing through car parks which pedestrians access.

This group was an example of the types of people I spoke about at the start of my contribution. They were mothers with young children and they had real concerns. To the credit of this reference and the witnesses who made submissions to the committee, it has focused Woolworths and the owners of that shopping centre on getting something done about that particular issue. In preparing this report a lot of work was done on clearly indicating where the loading zone is and — also to their credit — they have gone to as many ends as they can to alleviate the issues raised by this group.

I commend the group for bringing their concerns to the Road Safety Committee and I commend this reference even though there is a minority report saying that this reference was a waste of time, to use the words of Mr Koch in his contribution. I think that is a narrow focus on what safety is all about.

I have been on safety committees for most of my working life. Safety is not just about the glaringly obvious. Safety is never about the glaringly obvious. Safety is about every minute thing that you can look at to improve safety overall. As I said, as far as the minority report is concerned, it must be an election year for Mr Koch to say that in his belief this reference was brought forward because of a federal funding reference. The federal funding reference is being drafted now; the federal funding reference is being done. So it has not been shelved and there has been no conspiracy. In forming the minority report, I have to say that the

opposition members were clearly focused on November and nothing else.

In closing I will return to where I started and congratulate the executive officer and staff of this committee. They do a great job. This is a great committee; it has done some great things. This reference should not be looked at in any way other than as an important report in line with what has been done previously. I would like to congratulate the committee and staff for the work that they have done on it, and I look forward hopefully to another one in the next term.

Motion agreed to.

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Budget estimates 2010–11 (part 1)

Mr DALLA-RIVA (Eastern Metropolitan)
presented report, including appendices.

Laid on table.

Ordered to be printed.

Mr DALLA-RIVA (Eastern Metropolitan) — I move:

That the Council take note of the report.

In doing so, I am pleased to talk about the report. The President attended one of the hearings, which I remember clearly.

The PRESIDENT — Order! And did very well, too, I thought.

Mr DALLA-RIVA — Yes, indeed.

Mr Drum interjected.

Mr DALLA-RIVA — I do not want to take up an interjection for the sake of it getting into *Hansard*, but it was a good interjection from Mr Drum.

I turn now to the report. This is a very detailed report, something in excess of 800 pages.

Mrs Peulich — Is it detailed enough?

Mr DALLA-RIVA — It is detailed, because it includes transcripts and a summary and I will get to that, Mrs Peulich. This is part 1; there will be three parts to this report.

Part 1, which has been tabled today in this chamber and in the Assembly, is essentially an analysis of the key aspects of the 2010–11 budget; an index of the key matters raised in the 22 budget estimates hearings, which essentially were the first week of the hearings from 10 May to 14 May; the transcripts of the proceedings of those hearings; details of further information that is to be provided to the committee; the questions on notice for each portfolio that were discussed during that week; the further information provided by departments in response to the committee's budget estimates questionnaire — and I am pleased this year to see that at least they got them in on time as opposed to the previous year; and the government's response to the committee's report on the previous year's budget estimates.

The other parts of the report, parts 2 and 3, will come forward. Part 2 relates to the second 20 budget estimates hearings that ran from 17 May to 20 May; the transcripts of those proceedings; details of further information provided; and the questions on notice. Part 3 will be about the detailed analysis with recommendations relating to the forward estimates in 2010–11, the information relating to responses received to those questions on notice that I mentioned before and the further information provided by ministers together with any additional information sought.

This is a big budget; \$45.7 billion is expended through the Victorian community, and I think it is important to have a rigorous review of that. The essential part of the report tabled today is basically the introduction of key aspects of the budget in chapter 2 with the key budget themes, the fiscal target for the operating surplus and a whole range of things out of that.

Chapters 3 to 14 relate to the various departments. They are broken up into the various portfolios. Each section starts off with the key budget themes for that particular portfolio. It references those portfolio issues and then has an introduction, general comments, key matters raised in the budget estimates hearing and any documents tabled at the budget estimates hearing. As an aside, we received lots of documents. When the opposition members asked questions, no documents were provided, but surprisingly when the government members asked questions without notice, documents were provided. Mr Rich-Phillips, did you notice that?

Mr Rich-Phillips — Absolutely.

Mr DALLA-RIVA — It was amazing how they provided these documents out of the blue.

Mr Rich-Phillips — Like they knew what questions to expect.

Mr DALLA-RIVA — I think that might have been the case, but I digress. Then we had the questions — —

Ms Huppert interjected.

Mr DALLA-RIVA — We have interjections across the chamber.

Ms Pennicuik — Who wrote the questions?

Mr DALLA-RIVA — Who wrote the questions? That is right. It would be the minister's office, I would suggest. Maybe we will know who the next parliamentary secretary will be based on who adhered to the questions.

The Minister for Public Transport's department is listed on page 73 as one of the presentations. It would be stupid for him to ask a question. It would be foolish, as we know, because the minister would not do that. It was interesting to see the animations of some ministers. I raise the issue of Mr Pakula in the context of that.

As I said, whilst I am being flippant about this, the budget estimates are an important process. Bob Stensholt, the member for Burwood in the Assembly, who is the chair of the committee, seemed to want to stand up quite a lot. There was a seat, but quite often he wanted to stand up and then sit down, stand up again and then sit down. That seemed to go on a few times. Ms Pennicuik is laughing, and I think those on the Public Accounts and Estimates Committee (PAEC) would understand. It was an interesting observation. I do not know why he would stand up and sit down. Other members of the committee include Kim Wells, the member for Scoresby in the Assembly — and you can draw the dots there; me; Judith Graley, the member for Narre Warren South in the Assembly; Jennifer Huppert; and Wade Noonan, the member for Williamstown in the Assembly — I note Wade should have stopped interjecting all the time and asking clarification questions; again that is an in-joke for the committee.

I think it is fair to say — and Mr Pakula would know, having been on PAEC — it is an intense process. It is serious but — —

Hon. M. P. Pakula — You have to amuse yourself somehow.

Mr DALLA-RIVA — At some point, with the intensity and the scrutiny, you have to allow some level of humorous intervention. Also on the committee are

Ms Pennicuik; Mr Rich-Phillips; Robin Scott, the member for Preston in the Assembly; and Dr Bill Sykes, the member for Benalla in the Assembly, from The Nationals rounding it up.

This PAEC report is 800 pages. I do not propose to go through each page, but I will start at page 1. This is clearly a big document so I do not propose to go through it. The committee was doing other reports in amongst all this. Without question PAEC has an extensive workload. I know I have said it before and I will say it again: it is a committee that far exceeds the work of other committees. Other committees will say, 'That's not really fair', but there are so many reports that come out and so much reviewing of issues.

The public hearings are such an intense process that we really have to acknowledge the committee staff. I thank Valerie Cheong, who is the executive officer, for her leadership. The committee is overseen by Christopher Gribbin and Vicky Delgos, who are the senior research officers. The other research officers are Ian Claessen, David Lacy and Rocco Rottura. The specialist adviser is Joe Manders. The business support officer, Melanie Hondros, does a very good job. One day she got scones with cream and jam, which I do not think is always a good look.

Hon. M. P. Pakula — You and your obsession with food!

Mr DALLA-RIVA — You would think I weighed 800 kilos with my obsession with food. Thank God I go to the gym; otherwise I would probably be a bit larger than what I am. But again I digress. Melanie, well done for your work as usual, and also to the desktop publisher, Mitch Marks.

Overarching this, it is a serious report, as I said. There is lots of material in it and, given the fact that we have the budget papers before the chamber for discussion, I encourage every member to at least reference it when they give their speech on the budget. If they have an issue of particular concern or an interest in a particular portfolio it will give them a lot more detail on and a better understanding of the processes of the budget and what the government does and how it spends money. It is a report worth reviewing.

Ms HUPPERT (Southern Metropolitan) — I would also like to make a few comments about part 1 of the report on the 2010–11 budget estimates. I would like to open by echoing Mr Dalla-Riva's comments about the secretariat and the work of Valerie Cheong, and the research officers and advisers, and in particular Melanie Hondros, the business support officer, in both

organising the estimates hearings, which were held over two very intense weeks, and producing the report so quickly after the conclusion of the hearings last week.

As we have heard, the report includes transcripts of the first 22 hearings — that is, from the first week of the estimates hearings; a description of the key budget themes, both across the board and specific themes relating to different departments; and, for those departments and ministers for whom we had hearings during the first week, a summary of the evidence that was provided at the estimates hearings.

This is a valuable tool for members who are considering the budget. It provides a lot more detailed information about and expands on some of the matters in the budget papers and also some of the other matters that were raised in the hearings, which shed great light on the workings of government.

In speaking to this report I would also like to congratulate the chair, the member for Burwood, Bob Stensholt, who, in somewhat difficult circumstances at times, did a masterful job of chairing proceedings and ensuring that we stayed on track and dealt with matters related to the budget estimates rather than a variety of other matters that certain members of the committee attempted to bring into play. It is always a very interesting two-week period. I would also like to thank the ministers and their senior bureaucrats who attended the hearings. They provided us with a great deal of information, and on occasions in their response to questions some provided quite detailed information, all of which assists members of the house when considering the budget and appropriation bills.

Again, congratulations to the secretariat on the work they have done in producing this report and also to all the members of the committee, who have spent a busy two weeks in achieving this. I commend the report to the house.

Ms PENNICUIK (Southern Metropolitan) — I am pleased to make some remarks on part 1 of the report on the 2010–11 budget estimates, which Mr Dalla-Riva said runs to some 800 pages. I am not quite sure how he knows that because the report has an interesting pagination system, but it certainly looks like it has around 800 pages.

Mr Dalla-Riva — Look at the index; it says it there.

Ms PENNICUIK — Does it? There are 797, actually.

Mr Dalla-Riva — No, that is where it starts, so you have to have another three or four pages.

Ms PENNICUIK — For members who are looking through it, there is an interesting pagination system in this report, anyway.

The first thing to do of course is to mention the staff, the secretariat of the committee. It is amazing that they have this report out in such a short time, because we adopted the report only on Monday afternoon. The secretariat officers who did this amount of work are led by Valerie Cheong and include Christopher Gribbin, Vicky Delgos, Ian Claessen, David Lacy, Rocco Rottura, Joe Manders, Melanie Hondros — who is always there with us in every meeting and does things above and beyond the call of duty — and Mitch Marks, who does the desktop publishing. I thank them for the amazing work they do. They made such an effort to get the report out for the benefit of members in this chamber and the other house, so that they are provided with as much information from the estimates hearings as possible in the lead-up to the budget debate next month. It is an important process.

There is a lot of information in this report. Appendix 2, which is pretty well the bulk of the report, contains the information from the departments — the responses to the questionnaires that are sent by the committee to all the departments. As Mr Dalla-Riva said, refreshingly this year we did not get the responses after the hearings. In the last budget estimates process we got much of the departmental information either just before we walked into the hearings or, indeed, after them. This time there was a better effort by the departments to get that information to the committee. That is welcome, and it helped in formulating questions for the ministers and departments.

Appendix 3 goes to the transcripts of the hearings. When reading them members will gain some information and probably will raise their eyebrows at some of the stuff they read in them. As the Greens member on the Public Accounts and Estimates Committee, I make the observation that although the budget estimates process should be one of scrutiny of the budget — some \$45 billion of public expenditure — I have to question whether that is really the case. In terms of the questions that go to the ministers, my observation over my second year of sitting on the budget estimates committee process is that questions from the coalition are a mixture of serious questioning and grandstanding. A lot of grandstanding goes on.

Honourable members interjecting.

Ms PENNICUIK — There is some serious questioning from the coalition, but there is a lot of

grandstanding, and people can get the flavour of that when they read through the transcripts.

That is juxtaposed with the questioning that comes from the government members on the committee, who make up half the committee. Their questions are blatant Dorothy Dixers and cannot be described as anything else. The ministers respond to those questions with large reams of prepared answers that they proceed to read for anything up to 10 minutes. One has to question the level of real scrutiny that actually goes on in the budget estimates process, given that half the questions are total Dorothy Dixers from the government members for which, as I said, the ministers are very well prepared, with their prepared answers that they read out. 'Oh! Thank you very much for that question, Mr so-and-so or Ms so-and-so. Totally unexpected, that question was'. And they read out their answer.

Although members of Parliament will get a lot of information out of this report, whether the budget estimates process serves its purpose, which is to scrutinise public expenditure, is another question altogether. As the Greens have said before, this committee is certainly in need of serious reform. For a start it should not be a committee dominated by government members or chaired by a government member. It should be chaired by a non-government member, as is the case with most public accounts and estimates committees around the world. Earlier this year we had a delegation of members from public accounts and estimates committees. I remember speaking to one of the delegates from Pakistan, and even he was completely astonished that our Public Accounts and Estimates Committee — —

Hon. M. P. Pakula — You are holding up Pakistan as an example?

Ms PENNICUIK — Indeed, even a place like Pakistan does not have a government-controlled public accounts and estimates committee.

Hon. M. P. Pakula — Gawd, Suse!

Ms PENNICUIK — That is the point, Mr Pakula.

Hon. M. P. Pakula — Yes, that is the point all right.

Ms PENNICUIK — We need to reform the committee. In terms of the conduct of the budget estimates, it has occurred to me there could be some value in being able, during the estimates process, to substitute members on the Public Accounts and Estimates Committee in terms of their portfolio responsibilities and expertise.

There is a lot of information here. Given the remarks I have made about the conduct of the estimates, whether there is real scrutiny of the budget estimates remains to be seen.

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I am pleased to make a few comments on part 1 of the Public Accounts and Estimates Committee budget estimates report for 2010–11. I would like to start by thanking the committee staff for their hard work over the last month since the budget came down. Obviously there is the pre-budget preparation in getting all of the survey questionnaires out to departments, getting pre-budget responses and then following up the subsequent post-budget responses as well as coordinating all the hearings and arranging ministers and members et cetera. It is an enormous workload for Valerie Cheong and the committee staff. Both Valerie and Melanie Hondros were in attendance at virtually every hearing as well as doing all of the preparation work to ensure that this report could be tabled today. The committee is very much indebted to the staff for their considerable work over the course of this month to get this 800-page volume into the Parliament only three weeks after the budget was presented.

It is a valuable piece of work for the Parliament because it contains a lot of information, particularly the transcripts of hearings as well as the return of information from departments that is not otherwise in the public domain. There is a lot of detail provided in the responses from departments as to their output funding and their asset investment programs which cannot be found in the budget papers. It goes to a level of detail that is not otherwise available without this report. I think it will be a valuable piece of work for the Parliament as it considers the appropriation bills and when going forward.

I would like to pick up on the comments Ms Pennicuik made as to the estimates process, because notwithstanding her description of the opposition's questioning as being grandstanding and the government's questions being Dorothy Dixers, there is considerable validity to the points raised about the estimates process itself. In the course of the nine days of estimates hearings the committee undertook 48 hours of hearings from 20 ministers. On one day in particular the committee had hearings with three ministers and examined eight portfolios in the space of a 6 or 6½ hour sitting day. It undermines the committee's capacity to scrutinise the budget when in the space of one-day you are hearing from three ministers who cover eight separate portfolios.

We had 48 hours of hearings to examine a \$45 billion budget. Essentially we were allocating nearly 1 hour of hearings for each billion dollars of expenditure. It appears to me that over the last five years or so this process has increasingly becoming more about the pretence of providing budget scrutiny in the hearings with every minister than it is about actually providing that scrutiny.

Ms Pennicuik and Ms Huppert raised the issue of the conduct of hearings and questions. On that matter I have concerns about the way in which the hearings were run, particularly in the latter part of the fortnight when there were attempts by the government party chairman to limit the scrutiny of portfolios, to shut down questioning and to limit the capacity of committee members to ask questions relating to the estimates.

Government members were quite happy for ministers to give lengthy presentations and talk about performance in their portfolios over the last 12 months and indeed over the 10-year life of this government. But when it came particularly to opposition and non-government questions they would then try to shut down any questions that related to performance matters within the portfolio. There are substantial limitations in the estimates process as we currently do it. We could learn a lot from the Senate, which has an ongoing estimates process that provides far more scrutiny of individual portfolios and government expenditure than this process does.

As I say, increasingly this is more about giving the appearance of genuine scrutiny and having all ministers appear rather than actually undertaking genuine scrutiny. The reality is that when you have scrutiny of no more than 30 minutes for portfolios, and the minister may spend 10 to 12 or 15 minutes of that giving a presentation, it does not allow for appropriate scrutiny. One hour per \$1 billion expenditure is not enough to allow the committee to assure itself and in turn the Victorian people as to the appropriateness of the spending that is being undertaken. So while I commend this report to the house for providing information that is not currently on the public record, I believe that on the estimates process itself, as conducted here in Victoria, we could learn a lot from Canberra and it could be greatly improved.

Motion agreed to.

OUTER SUBURBAN/INTERFACE SERVICES AND DEVELOPMENT COMMITTEE

Sustainable development of agribusiness in outer suburban Melbourne

Ms HARTLAND (Western Metropolitan) presented report, including appendices, together with transcripts of evidence.

Laid on table.

Ordered that report be printed.

Ms HARTLAND (Western Metropolitan) — I move:

That the Council take note of the report.

I would like to say a few words about this report. As usual, the staff were just amazing; Sean Coley, Kier Delaney and Natalie-Mai Holmes are an incredible group of people. They also had the extra pressure during the preparation of this report of having to conclude a reference on the Growth Areas Authority. As usual, they have presented an excellent report.

During this process the committee had a number of submissions on the problems of agribusiness in the peri-urban area. I have to say I learnt a great deal from those submissions, such as issues around the right to farm where people who have been farming for quite some time might have people buy 10 hectares next door because they want to live in the nice peaceful countryside. They have no idea about gas guns, the need to spray and the fact that many crops are covered in mesh for long periods of time, so there is that aggravation between neighbours.

Issues around water — all the submissions about how water is obtained and the cost of water — were very dominant during this inquiry. I was quite shocked to learn that often golf courses get priority for water because they can pay for the infrastructure to have access to it. I would have thought the growing of food was much more important than a golf course. I am sorry, President — do not have a turn — but I would think the growing of food is much more important than a golf course.

The other thing that came up again and again during the submissions, especially now that the water restrictions in the city have been lifted, was whether we really need to lift those water restrictions. We had all learnt to live within the margins of what we were allowed to have for

our gardens. Again, is it not more important to have that water available for food production?

It was really clear to me from going out on some of the site visits that there is a lot of very valuable productive farming land just on the edge of the city. Unfortunately, with the growth areas infrastructure contribution bill going through yesterday, a great deal of that very good productive farming land will be lost, so vegetables and fruit will be grown much further out from the city and the costs will become higher for the farmer and the consumer.

I believe these reports are incredibly important, but I do not think the government ever bothers to read them. They just sit on shelves. We read them and refer them to other people to read, but I do not think the government takes all that much notice of them.

I am not involved in the current reference because I think it is a piece of busy work. It is about farmers markets. There is a whole chapter on farmers markets in this current report, so why repeat the work? I hope next year, after we have been re-elected, we will have some much better references that match the talents of our staff.

Motion agreed to.

STANDING COMMITTEE ON FINANCE AND PUBLIC ADMINISTRATION

Departmental and agency performance and operations: assessment of health impacts of 2009 heatwave

Mr RICH-PHILLIPS (South Eastern Metropolitan)
presented report, including appendices.

Laid on table.

Ordered to be printed.

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I move:

That the Council take note of the report.

The standing committee has prepared this report under its inquiry into departmental and agency performance and operations, which is a standing reference that allows the committee to take evidence from agencies and departments on particular matters of interest as they arise. In this instance it was the government's response to the January 2009 heatwave.

For the purpose of this particular inquiry, the committee had two then substitute members. Mr Tee was substituted for Mr Viney, and he has subsequently become a permanent member of the committee, and Mr Davis was substituted for Mr Guy for the purpose of the inquiry.

The committee took evidence from the chief health officer, Dr John Carnie, and Dr Chris Brook, the executive director of wellbeing, integrated care and ageing for the Department of Health.

During the course of the hearings, the committee pursued a number of issues, which are outlined in the report. They include the extent of heatwave planning for preventing morbidity and mortality prior to the January 2009 event, with interstate comparisons; the way in which the Department of Health responded to the 2009 heatwave; planning and preparation for future summer heatwave events, including enhancing public awareness and support for vulnerable members of the community; the Department of Health's heatwave communications strategy; involvement of other agencies such as Ambulance Victoria, local government, public housing and community health centres; the Wodonga heatwave strategy 2008 as a model; the extent to which high temperature rise impacts upon mortality in ageing populations; and issues relating to addressing heat effects in public housing facilities.

The report contains a presentation provided by Dr Brook and Dr Carnie, as well as a transcript of evidence that was taken during the course of the hearing. As with other reports under this inquiry, the committee has made no recommendation but presents the report as a way of communicating to the house the factual material that it collected from the witnesses as well as responses to questions on notice and matters that were taken on notice during the course of the hearing.

I commend this report to the house as a good overview of the government's response to the heatwave event of January 2009.

Mr BARBER (Northern Metropolitan) — In this heatwave event that Mr Rich-Phillips has just referred to, the chief medical officer reported what he calls 374 excess deaths. In other words, in the days and weeks prior to the well-known bushfires of that summer 374 people died — a number well in excess of the tragedy of the bushfires — and there was little public knowledge of this. In fact that figure itself did not come out until months afterwards. Yet this particular tragedy did not receive a \$20 million royal commission. But the

tragedy of the heatwaves did result in this report of the Standing Committee on Finance and Public Administration. Therefore I would ask that all members read it and take away from it.

The most startling thing for me at the hearing was when the committee questioned the expert witnesses and those with responsibility for managing this matter — that is, the chief health officer and staff from the Department of Health who deal with the emergency events — and asked what could have been done to prevent these deaths. It was the first question that I bowled up to them. Professor Brook of the Department of Health responded as follows:

I think we have to be very realistic about just what 374 deaths means. Given that the majority of people who died were over 75 years of age, the whole notion of prevention is a very relative concept. What we do not know at this point in time is what in fact has been the whole-of-year mortality outcome. Did these people die who might otherwise have lived only weeks or months?

He does not in fact answer his own question. It is interesting that in the bushfires the people who were frail or vulnerable also had a lot less chance of surviving than those who were able-bodied and well prepared.

We know the type of people who have difficulty during heatwaves. They are generally poor, old, in ill health and isolated. Not all of them are old, though. Young people, particularly young children, have a lot of difficulty during heatwaves, mainly because they do not necessarily know how to manage their own temperature and wellbeing. I remember when I was a kid I used to run around wearing a T-shirt in winter and a jumper in summer and my mum could never work it out. Young children often do not know how to look after themselves in that way and do not always complain about the temperature. We did have reports of young people getting nosebleeds during the heatwave and that is likely to be a sign that their circulatory system is not coping with the heat.

We also know that people are particularly vulnerable when they live in a physical environment that is poorly adapted to high temperatures. The most obvious example — and it pops up in the chief medical officer's figures — is the high-rise public housing in the inner city, which is already part of an urban heat island in the inner city and is certainly not designed for comfort. These buildings were whacked up pretty quickly in the 1960s. I am not suggesting that a lot of modern, privately built apartments are necessarily any better. Just by being heavy, concrete, flat-sided and exposed to the sun, these buildings are really giant solar collectors.

The government offered little in this realm. It has a telephone service that rings people up to say, 'How are you going?', and maybe call some relatives if there is no response. The government will offer you an air conditioner if you ask for one. Apart from that, this is not a tragedy the government is prepared to work hard to prevent in the way that it is now turning its attention to bushfires and bird flu. The government promised a heatwave strategy and some months after that was due it delivered a template of how local government should write the heatwave strategy. At the time of our inquiry it is still scrambling around, not entirely sure as to how that was going to turn out.

Last summer we were relatively lucky. We only had one day over 43 degrees and did not have what we had in February 2009, which was a series of days end to end, side by side, at 40 degrees. Therefore we most likely would not have experienced the high level of excess deaths, as the department calls them. That was merely a matter of luck; next summer could be as bad as the summer of 2008–09.

It concerns me greatly that at the time of this report there may not have been any particular impetus on the government to change its attitude. Knowing that this was a possibility, I was running around last summer giving out thermometers to high-rise tenants, just in the hope that we would be able to collect some information and possibly elicit some response from the government when and if a heatwave hit. As I say, we were lucky in terms of the weather. What concerns me deeply is that another summer like that could be coming any time; it could be coming this summer. With this year's focus on the election running up to 27 November and the inevitable political rain shadow we are going to get in December, not to mention the fact that nobody will come bowling back into this place until February, there will be no pressure to ensure that something different is done.

There are many possibilities for what the government could be doing. It could be creating a system of neighbourhood relief centres, just as it is creating neighbourhood safer places for relief from bushfires. These neighbourhood relief centres, air-conditioned buildings with a range of other facilities in them, could provide people a few hours or days respite from their hot home environment. In my view the Office of Housing has a duty of care to its tenants to do more than warehouse them. It needs to provide a livable and even survivable environment. If public housing is not built to provide a comfortable environment, particularly overnight, then the Office of Housing should pay for alternative accommodation for the most vulnerable

clients; it should pay for these people to go into a motel or something else during a heatwave week.

Of course, with all the other measures that the government has as at its disposal — including those that it has been talking about, those that it is trialling and those that it is suggesting local government might like to have a crack at — there is a whole suite of tools available for a comprehensive response.

In conclusion, I ask all members to consider this report. The topic deserves the same sort of profile, scrutiny and government and political attention that bird flu, bushfires or the road toll receive. It is just that here we are dealing with a group of victims who died quietly, are generally not valued highly by society and, most difficult for them I suppose, are not politically organised. Therefore they are simply dying tragically with no attention, for the most part, until after the fact.

Motion agreed to.

Departmental and agency performance and operations: Brookland Greens estate gas leaks

Mr RICH-PHILLIPS (South Eastern Metropolitan) presented report, including appendices.

Laid on table.

Ordered to be printed.

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I move:

That the Council take note of the report.

This is a further inquiry undertaken by the committee pursuant to its standing reference into departmental and agency performance and operations. For the purposes of this report, the committee again had two substitutions — Mr Tee substituting for Mr Viney and Mrs Peulich substituting for Mr Guy. The committee's purpose in undertaking this inquiry was to follow up the Ombudsman's investigation into the Brookland Greens matter in Cranbourne where residential development had been allowed to take place close to a landfill and where subsequent leakage from that landfill caused a major disruption to the Brookland Greens estate. It is a matter of particular interest to me and to Mrs Peulich as local members representing that area.

The committee undertook a hearing with John Taylor, the deputy ombudsman, who was responsible for this particular inquiry due to the absence of the Ombudsman at the time the inquiry was undertaken.

Mr Sullivan, the director of investigations from Ombudsman Victoria, was also present.

The report canvasses a range of matters, including the processes the Ombudsman undertook in conducting his investigation; an examination of local government tender practices in relation to the City of Casey and the City of Frankston as they related to the landfill and gas extraction arrangements; the relations between the City of Casey and statutory authorities and the review of the City of Casey's code of conduct with respect to that matter; an assessment by the Ombudsman of the role of the Country Fire Authority in responding to the initial gas leak; the role and powers of the Environment Protection Authority in monitoring and overseeing the landfill remediation activities; and an interesting discussion about the powers of the Ombudsman to review the way in which the Victorian Civil and Administrative Tribunal had reached the decision to allow development to take place in the close environs of the landfill. That is a matter that is canvassed at some length in the transcript, and it highlighted the shortcomings, if you like, in the Ombudsman's powers and legislation with respect to his consideration of those administrative decisions.

The report, as with the previous report, contains presentation material and a full transcript of the matters that were canvassed by the committee, as well as follow-up material that was provided by the Ombudsman subsequent to hearing. It provides valuable additional information to the Parliament with respect to this matter. I note that it is also the first occasion on which the Ombudsman has given evidence to a parliamentary committee with respect to one of the Ombudsman's office reports.

This is a worthwhile first initiative in that direction. There have been occasions in this Parliament when questions have been raised about the way in which the loop is closed with respect to a follow-up by the Parliament on the Ombudsman's investigations. Currently the Ombudsman is an officer of the Parliament, but there is no formal relationship with the Parliament as is the case with the Auditor-General, where a relationship exists with the Public Accounts and Estimates Committee. The Ombudsman has no relationship with a parliamentary committee or with a house of the Parliament. This inquiry in relation to the Brookland Greens matter was the first occasion on which the Ombudsman had attended a parliamentary committee and answered questions about one of the office's inquiries. That is a valuable first step in establishing a closer relationship between the Ombudsman and the Parliament in relation to his

investigations, so I think this report is valuable in a number of ways.

I would like to thank Richard Willis and the committee office staff for their work on this inquiry and on the inquiry into the heatwave — it was remiss of me not to acknowledge the secretariat's work there. Unlike joint committees, the Standing Committee on Finance and Public Administration has very limited secretariat and research support. We now have four staff, with Richard Willis, Susan Brent, Anthony Walsh and Sean Marshall working on committee matters, but resources for the Council committees are far less than those available to joint committees.

The standing committee is only one committee that those four secretariat staff are required to service. Our committee staff do an excellent job in servicing the number of committees and inquiries that they are responsible for looking after, and on behalf of the committee I thank them for their work and commend this report to the house.

Mrs PEULICH (South Eastern Metropolitan) — I wish to make a couple of very brief comments on the Standing Committee on Finance and Public Administration's report on the Ombudsman's October 2009 report into the investigation into the methane gas leak at the Brooklands Green estate.

As Gordon Rich-Phillips pointed out, I acted as a substitute member at the public hearing, which was interesting. There is a really important role for a committee of this nature to provide a mechanism for additional scrutiny to be applied to certain processes of government. I can only comment on the transcripts, which I have read. I obviously have not read the rest of the report, and I look forward to an opportunity to make further comment on it.

The transcripts clearly reaffirm the view I held. As Mr Rich-Phillips has said, the Ombudsman has prepared a very comprehensive report, but because of the limited nature of his role he was prevented from fully investigating all the contributing factors and in fact some of the pivotal reasons for this crisis occurring. The Victorian Civil and Administrative Tribunal was able to overturn the objection of the City of Casey as well as that of the Environment Protection Authority in order to allow development to occur on the buffer adjacent to the Stevensons Road landfill. The opening paragraph of the decision, subsequently put together from taped transcripts, quite clearly states that action was taken on the grounds of policy.

Furthermore, whilst I commend the work done by the Ombudsman and therefore the Standing Committee on Finance and Public Administration — I am trying to fill in some of those gaps — it has been shown that, as a consequence of the legislative constraints on the Ombudsman, not all the factors were fully investigated. Therefore not only does the report not provide a full appraisal of the liabilities, moral if not financial, that fall on all the players, it also does not provide an adequate form of machinery to resolve the issues which are outstanding. As a consequence of that, the ratepayers of the City of Casey are now looking at an 11.6 per cent increase in their rates, half of that due to the failure of the government to come to the party and pay what is at least its moral share to meet some of the costs of the rectification of Stevensons Road as well as ongoing monitoring.

The council's costs are nearing \$100 million, with close on \$35 million having already been spent. As a result of that it has to forfeit much-needed infrastructure, the expansion of services such as child care and kindergarten and all the other services associated with being the second fastest growing municipality in Australia. It is shameful that this government and in particular its local members of Parliament have provided no political leadership as a way of resolving these outstanding issues. Every single ratepayer in the City of Casey will be paying increased rates not just this year but every year into the future, unless the state government does what it should do morally, if it has any sense of decency. It should come to the party and pay its fair share for failing to rectify the failures that were identified in part by the Ombudsman and in part by this report. As I said, I look forward to making further comments after I have had an opportunity to read the report in detail.

Mr BARBER (Northern Metropolitan) — The two previous speakers, Mr Rich-Phillips and Mrs Peulich, pointed out two important issues that I want to be takeaways from this report. I am glad to say that I played a role in ensuring that this set of hearings took place. The first point is that the Ombudsman has not, as far as we are aware, appeared before a parliamentary committee before, at least in relation to one of his reports, although that is a routine matter for the Auditor-General, another powerful independent officer of the Parliament.

The second point is that the Ombudsman's powers to scrutinise the functions of VCAT (Victorian Civil and Administrative Tribunal) are specifically ruled out by his own legislation. The first point obviously requires little further argument. It has already been recommended in previous inquiries that all independent

officers of the Parliament report through a parliamentary committee. I would go further and argue that all powerful watchdogs, whether they be the OPI (Office of Police Integrity) or the municipal inspectorate, should be independent officers of Parliament.

Secondly and of more interest is the issue of the Ombudsman's powers to investigate. I am hopeful that the Proust report, which I understand is due out on the 31st of this month, will provide a comprehensive view of the different integrity mechanisms in government, of which there are many, the gaps in coverage of those integrity mechanisms and the gaps in the powers of those integrity mechanisms. The Liberals think an ICAC (independent commission against corruption) will take care of all this in one go, but even an ICAC in the way it is designed has to take into account exactly the same questions I am raising here today.

We had a discussion with the Ombudsman about his inability to review the performance or, if you like, the integrity of the administration of VCAT itself. He argued that he should not have such a power because of the separation of powers between the judiciary, the executive and the Parliament. However, I argue that VCAT in and of itself is not necessarily a wholly judicial body. It depends entirely on what it is doing. If it is providing a place where citizen versus citizen can seek a hearing and review of their matter, I think there is a place for a low-cost, user-friendly tribunal, but where it is performing a function of allowing a citizen's appeal against the action of the executive it becomes a different animal.

It is interesting to note that VCAT, or at least the administrative review of governmental decisions, is itself an integrity mechanism. We put it there so that when a minister or a local government makes a decision, that is not simply the end of that decision. A citizen would have a right to appeal against that decision, albeit before a tribunal that does not have the full status of a court. If we did not have the right to administrative review of executive decisions, we would want to create it. However, in this instance it is the performance and functions of VCAT that got us into so much trouble.

There is no question about it. I put it straight to the Ombudsman that VCAT was a link in the chain and if that link had done its job we would not have had a hearing. We would not have had the report, and we certainly would not have had the fiasco that we had at Brooklands Green. Due to specific provision in his legislation, the Ombudsman was completely incapable — not through the general principle of the

separation of powers, but by the specific words in his act — of reviewing VCAT.

The Auditor-General also suffers from the same problem. There are no explicit words to that effect in his act, but in the past, where the Auditor-General was reviewing the whole performance and function of the planning system in Victoria, opinion was given to the Auditor-General that he could not look at VCAT because it was part of the judiciary. I do not think that is right as a matter of law, certainly not under the Victorian constitution which does not have the status of other constitutions. It is just another act — it is up there next to the dog act. I respectfully disagree with that opinion, but even if that opinion was found to be true, I think we need to fix it. There needs to be a review so VCAT has some responsibility. In many of its functions it is simply acting as an internal review mechanism for the executive.

In this case VCAT decided that the buffer zone could be narrowed and housing could be built in an area where, with 20-20 hindsight, houses should probably not have been built, or at least not built without some serious mitigation mechanisms such as those which are now being paid for by the council. Because the Ombudsman could not specifically address VCAT's activities, he ended up bashing expert witnesses and the council, saying, 'You guys should have gone in a bit harder and convinced VCAT'. In fact the only adverse finding against VCAT was he said it should keep better quality recordings of its hearings. It is just a hopeless situation if that is the best set of findings for improvement that we can come to. This question of VCAT and how it operates has to be completely opened up and considered.

Leaving aside the specific Brookland Greens debacle brings back to us the question of the interlocking set of integrity mechanisms that must be addressed. It is not simply a matter of calling for an ICAC. We have to say which areas of our governmental activity, meaning the executive, Parliament and for that matter the judiciary, should be covered and with what level of power. When we create those powerful watchdogs, who will provide the watchdog for the watchdog?

In the case of the Office of Police Integrity, the Greens put forward an amendment in this chamber that there should be a parliamentary committee through which the OPI would report. Neither the government nor the coalition supported that amendment. Coalition members did not even speak to the amendment and why they were not supporting it.

This is how it should be with the Ombudsman as well, and then we have some very real and very difficult decisions to make as to how we want to enhance the powers of those watchdogs in terms of coverage and reach. If any member thinks that is just a small issue, have a look at the history of the evolution of the ICAC in New South Wales. At least we could learn from the various experiments it has had to go through to get itself to the model it has now.

None of that will be of great comfort to the citizens of the city of Casey. This whole debacle, which could have been prevented at any stage, now creates a huge financial and political challenge for the council, including our Green councillor, Lynette Kelleher. To find that sort of money to correct something that could have been so easily prevented if VCAT had done its job or if earlier council administrators had done their jobs creates a whole set of problems for all the citizens, not just in the affected area, although certainly in the affected area, but also in other parts of the municipality who will have to do without various other services. Apparently the council will now receive a new burst of housing growth, which will put more burden on it and require more services. The financial viability of that council — I am not talking about insolvency but in the sense of its ability to deliver — is being made more and more difficult.

When we rely on local government to provide such essential services, as we do, from the most basic human services right down to the last mile of infrastructure for roads and other transport services, we have to take a bit more care with local councils. There are 79 of them across Victoria, all facing different challenges with different levels of financial resourcing, and they are about to be hit with another massive cost shift. I am familiar with that from my time as a councillor. Councils would love to see some value come back from paying that levy.

In both respects, in two of my favourite topics if you like, the integrity mechanisms, while they may be onerous, end up saving us millions when they do their job properly. This report has highlighted the challenges to both in our often most critical level of government, local government. I am very pleased that the committee devoted the time it did to this reference in particular.

Mr TEE (Eastern Metropolitan) — I welcome the opportunity to speak on this report and in particular the role that the Ombudsman has played. One of the issues raised this morning has been the powers of the Ombudsman. I will start by considering the report and the evidence the committee received in relation to the

powers of the Ombudsman and the appropriateness of those powers.

The evidence before the committee was striking, clear and unambiguous. In his evidence Mr Taylor, the deputy ombudsman, said in part:

I do not think you would find a more definitive report in relation to a natural disaster anywhere. We covered every aspect ... I do not think there was any other stone unturned.

That was the response in the discussion in relation to the powers of the Ombudsman. That was the evidence we had in relation to the powers of the Ombudsman. That was the clear evidence. This committee has a broad range of powers and that evidence was never challenged, not by Mrs Peulich and not by any of the five non-government members on that committee.

The other issue that I would briefly like to go to is the evidence that emerged in relation to the recommendations of the Ombudsman and how those recommendations would be implemented. Let us go to the evidence that was before the committee — there were no other witnesses to provide any other evidence despite the powers of the committee — in terms of the role of the government and the assistance that the Victorian government provided to affected residents.

Mrs Peulich interjected.

Mr TEE — I am just referring to the evidence that the deputy ombudsman gave. The deputy ombudsman said:

During our investigation we consulted with all relevant residents. We visited all the affected homes. We had meetings with the community, and we have not had one criticism of the assistance provided to individuals.

It was seen as a positive. Again, I think it is important to acknowledge and to congratulate the government on its work in terms of the support it has provided to these residents.

The third issue I want to refer to in terms of the report that we have before us today really goes to the role of the Victorian Civil and Administrative Tribunal. The criticism, as I understand it, is either that VCAT got it wrong or that the Ombudsman does not have the powers to investigate VCAT, which is how Mr Barber raised that issue. I think it is worth considering that if you follow through Mr Barber's suggestion, he would like the Ombudsman to effectively stand in the shoes of VCAT and be able to look at the evidence that VCAT has been presented with and for the Ombudsman then to effectively replace VCAT by making his own decision and his own determination.

I do not think that is an appropriate role for the Ombudsman. If you want to have VCAT, you have VCAT. If you want to have the Ombudsman, you have the Ombudsman. But you cannot have a situation where on each and every occasion the decisions of VCAT are reviewed by the Ombudsman. We have a process for review; it is the Supreme Court. If you want to substitute that process, then that is for debate, but I do not think adding another layer achieves any outcomes.

However, there is another issue: did VCAT get the decision right? Again, the evidence on this is pretty compelling. The evidence before the committee was that the evidence that VCAT had to rely upon was deficient, so when VCAT made its decision, VCAT did not have the full story. The issue is that the Ombudsman could and did investigate it, and the Ombudsman found that witnesses had failed to provide fulsome evidence on a key issue and that this failure might have had an impact in terms of the outcome. I think it is an important distinction.

We do not want to have the Ombudsman replacing VCAT, which has been suggested by Mr Barber. But we do want to make sure that VCAT is able to operate properly and that means it needs to have the evidence presented to it so it has a basis on which to make decisions. It is too easy afterwards to criticise VCAT, or indeed any court. They are easy targets; it is too easy to criticise them for getting it wrong when the material brought to them is not of the appropriate standard.

I suppose the question then is: if VCAT was not provided with all the information, where did that fault lie? Again, the evidence on that issue is compelling. The role of the council in this process has been a litany of failures. There was a failure to comply with the original works process; there was a lack of technical expertise; there was a lack of record-keeping; the landfill was not managed and operated effectively; there was a failure to act. It is not surprising that the council, in its appearance before VCAT, did not ensure that VCAT had the material it needed.

What do we then get in response to that evidence? We get Mrs Peulich standing up and asking for the council to be provided with additional money. We have the council, which has been part of this litany of errors, and Mrs Peulich asking the government for a handout for the council. I ask Mrs Peulich: why would that be? We know the Liberal Party is all over this council. We know this is just a cover-up by the Liberal Party. We know the 2008–09 mayor of this council is now the endorsed Liberal Party candidate for the Assembly electorate of Cranbourne. We know that the current mayor is the Liberal Party-endorsed candidate running

against the member for Mordialloc, Janice Munt, in the Assembly.

What we have is a Liberal Party council and a Liberal Party in this chamber requesting a hand out from government to look after the council, working together to fund the mistakes of their mates, including Mrs Peulich's former electorate officer.

Mrs Peulich interjected.

Mr TEE — You want the state government and the taxpayer to fix up your Liberal Party mates' mistakes.

Motion agreed to.

PAPERS

Laid on table by Clerk:

Anti-Cancer Council Victoria — Report, 2009 (two papers).

Auditor-General —

Report on the Community Building Initiative, May 2010.

Report on Control of Invasive Plants and Animals in Victoria's Parks, May 2010.

Report on Managing Teacher Performance in Government Schools, May 2010.

Report on Partnering with the Community Sector in Human Services and Health, May 2010.

Report on Tertiary Education and Other Entities: Results of the 2009 Audits, May 2010.

EastLink Project Act 2004 — EastLink Concession Deed, Second Amending Deed, 29 April 2010.

Ombudsman — Report on own motion investigation into Child Protection — out of home care, May 2010.

Statutory Rules under the following Acts of Parliament:

Marine Act 1988 — No. 27.

Road Safety Act 1986 — No. 28.

Subordinate Legislation Act 1994 — Minister's exemption certificate under section 9(6) in respect of Statutory Rule No. 28.

MEMBERS STATEMENTS

Members: overseas travel

Mrs PEULICH (South Eastern Metropolitan) — I recall the Premier, when he was Leader of the Opposition, making a commitment to Victorians about restoring the credibility, accountability and

transparency of Parliament. I also remember reading subsequently many such utterances, including one on 7 August 2007 when the Premier unveiled a range of reforms to make Parliament, MPs and the executive more accountable and accessible to the Victorian people. He talked about the various initiatives that he had taken.

One issue he obviously has not taken up is improving the reporting of expenditure of taxpayers money on MPs' trips. Ordinary MPs are required to table a report in the library. Ministers, however, are only required to table reports which are uploaded on the website for three months and then taken off. Clearly the presiding officers are not required to table reports at all, with Bob Smith, the President, admitting that he has made 10 trips, and Jenny Lindell, the Speaker, clearly saying that they are not accountable to anyone.

This is inadequate. It does not matter whether you are at the top of the tree or at the bottom of the tree, when you are spending taxpayers money there needs to be accountability. I call on the government to make sure that every single dollar spent on trips is reported in an appropriate way and that ministers' travel reports are kept on the site for the entire term of the Parliament, not just for three months.

Water: desalination plant

Mr HALL (Eastern Victoria) — I note with interest that the Minister for Water waxed lyrical in the Assembly yesterday about his visit with the Premier last Friday to the AquaSure desalination plant site in Wonthaggi. This visit, I might add, was designed for Melbourne television cameras only, because the South Gippsland shire was completely snubbed by the Premier and the minister. It was not advised of the visit. Local newspapers were only advised at 8.40 that morning with a specific instruction that the pair would not be available for any interviews with the local press. The visit was a complete snub of the local community.

Also I note that the minister made comment in the Assembly yesterday about my view on desalination plants. That is fine; I stand by those comments. The government should be embarking upon water recycling and harvesting of stormwater before building this massive desalination plant. Beyond that, though, the minister raved about the 2000 jobs created by this construction. The minister advised me in a letter just last week that only one in three of those jobs had been filled by local people. It is in writing in a letter dated 20 May. Moreover, at best only around half are from the Gippsland community. I would have thought the Gippsland community was a very skilled community,

capable of construction and manufacturing. This is not a good outcome. More than half of the jobs could have been filled by Gippsland people. As an employment outcome it is a disaster.

Plumbing Industry Climate Action Centre: open day

Mr MURPHY (Northern Metropolitan) — On Sunday, 16 May, I attended the Plumbing Industry Climate Action Centre open day. As an economy creating a new generation of green buildings that require commissioning, finetuning and maintenance to reach their full green potential, we need informed and trained plumbers so we can make sure these buildings are not underperforming, potentially resulting in a loss of amenity and investment as well as poor environmental outcomes.

There is general consensus that buildings produce 40 per cent of the world's greenhouse gas emissions. The Plumbing Industry Climate Action Centre offers a solution to deal with this issue swiftly and economically. Located in Albert Road, Brunswick, PICAC is an industry-led facility funded by the Communications, Electrical and Plumbing Union, Master Plumbers and Mechanical Services Association of Australia, the Plumbing Joint Training Fund, the Plumbing Industry Commission and the Building Commission and is proudly supported by the Victorian government.

Within the facility's walls, a new generation of plumbers will learn innovative skills alongside many veterans returning to study through a continuing professional development program, both brought together by the significant issues being faced with a changing and challenging global climate.

The Plumbing Industry Climate Action Centre is a high-profile facility with ongoing promotion to both the general public and industry stakeholders. The open day provided the community with the opportunity to visit the centre and receive advice on the latest in energy-saving technology on the consumption of water. It was well attended, and I congratulate all involved in the initiative.

Crime: sentencing

Ms PENNICUIK (Southern Metropolitan) — It is regrettable that the ALP and coalition parties seem determined to conduct law and order and truth in sentencing options in the lead-up to this year's state election. Already in the past 12 months we have seen the introduction of draconian stop and search powers,

the new offence of disorderly conduct and an effective doubling twice of summary penalties, with one of being drunk in a public place and another of being drunk and disorderly.

Mrs Coote spoke yesterday about the glossy brochure on tougher sentencing and the abolition of suspended sentences and home detention orders that she has distributed in the Southern Metropolitan Region. Indeed, I received that brochure in my letterbox, as we represent the same region.

Last week the government did a 'Me, too', and reneged on its former commitment on suspended sentences. This move is completely in the wrong direction and against the recommendations of the Sentencing Advisory Council. Our courts need as many sentencing options as possible, and the courts are best placed to judge when a suspended sentence is appropriate in the circumstances and particularly where an offender may have already served a significant period in custody. Without this option, people will be given inappropriate custodial penalties.

On 18 May John Champion, SC, chairman of the Criminal Bar Association of Victoria, wrote an opinion piece entitled 'Sentencing ban is poor judgement' that appeared in the *Age*. In an article in the summer edition of *Bar News* even the New South Wales shadow Attorney-General called for an end to the law-and-order auction, saying:

We have come to a point in time when the theory of 'lock them up and throw away the key' just doesn't work.

We should be looking at ways to reduce our prison population.

Abortion: legislation

Mr FINN (Western Metropolitan) — It was with some considerable horror that I read in the *Herald Sun* of last Thursday, 20 May, a story headed 'Healthy babies aborted'. The story began with:

Almost one late-term abortion is performed in Victoria every day, and 54 babies survived the procedure to die postnatally, according to figures released by the state government.

Of the 345 late-term abortions in 2007 — the highest number on record — 164 were performed at a Melbourne clinic on women with healthy foetuses who said they were suffering psychological or social problems.

What particularly distressed me was the sentence that stated:

In 54 of those cases the foetuses were classed as having died postnatally — usually within minutes of birth.

In other words, these babies were born alive and discarded and allowed to die. How can we call ourselves a civilised society if we allow this to happen — in Melbourne in 2010?

Add to that the recent news that the Royal Women's Hospital is complaining of the abortion overload it is suffering, with a sixfold increase in late-term abortions since the passing of the Abortion Law Reform Act in 2008. Melbourne has become the late-term abortion capital of Australia. For the small and the vulnerable, Victoria is now the place to be killed. How much longer can we tolerate this outrage against humanity?

Toolong community hall: upgrade

Ms TIERNEY (Western Victoria) — On Thursday, 13 May, I travelled to the small community of Toolong to announce a \$110 000 Brumby government grant from the Small Towns Development Fund to upgrade the community hall. This project will refurbish and extend the hall and provide for the renovation of the kitchen area and the installation of the storage area, an access ramp, toilets and a new rainwater tank.

It was fantastic to attend the hall on the day and to see firsthand the importance of its upkeep to the community, with a number of community members and many Moyne shire councillors present at the announcement, showing their commitment to this important asset. The upgraded hall will strengthen several community groups and produce many benefits across the community, from playgroups to emergency response and CFA meetings. Further, the refurbishment will provide more opportunities for town meetings, community gatherings, dances, birthday and private celebrations, and other important community events and festivities for local farming families and rural lifestyle residents.

Just as important, this investment will reinforce the sense of place and wellbeing of residents and encourage active community involvement in the future. I take this opportunity to congratulate and thank Toolong hall committee member Mary Farley for her dedication and commitment to this small and wonderful community. Mary's involvement through the original school and the tennis club has spanned over 50 years. It was wonderful to see her presented on the day with a thankyou gift from the community for her years of effort and service to the community.

Rail: Eltham station

Mrs KRONBERG (Eastern Metropolitan) — The government's response to requests for a community

consultation process on the proposed expansion of train stabling in Eltham has angered locals even more. Recently they have dusted off the beleaguered local member, Steve Herbert, who, bolstered by a collection of departmental spinners, set out to defend the indefensible. Their idea was to snow the elderly residents of the Melbourne City Mission Retirement Centre in Eltham. These erudite but very concerned senior citizens saw through the sham process, a one-way heavy sell, with all the colour and movement but no content or truth, that we have come to expect. They are vehemently opposed to the government's attempt to foist further inconvenience, noise and disruption on them. All along they wanted the opportunity to put their views to the minister.

This issue remains a weeping and ulcerated sore for the government. The views of the retirement community are put so well by Mr Bob Cogger in his poem, which starts out thus:

Train tracks are a'coming
With workmen in sight
Train tracks are a'coming
No sleeping at night!
Shunting through the night-time
And shunting at dawn
Bells, whistles and hooters
All blasting their warning!
No sleeping, no resting
We've ranted and raged
But nobody listens
No care for the aged!

I could not have put their concerns better than Mr Cogger has.

Housing: government initiatives

Mr EIDEH (Western Metropolitan) — I rise to congratulate the Brumby Labor government on its latest investment in social housing in Victoria. Our new state budget's record investment in social housing is making and will continue to make a difference to low-income Victorians who face the challenge of housing affordability. Victoria's public housing waiting list stands at 39 794 and is still lower than the 41 000 it stood at when the Labor government was elected. This statistic demonstrates the Brumby Labor government's commitment to families and singles struggling to find a home in today's tough housing market.

I am proud to say that in addition to the almost \$1.1 billion invested in the 2009–10 state budget, our Brumby Labor government will be investing almost \$1 billion in building new social housing over the next year. This investment will deliver on important commitments, including the Nation Building social

housing initiative. Under the initiative 4500 new homes for low-income families and singles will be built across the state. I am pleased to hear that construction is already under way on more than 3000 of these new homes. This is excellent news for part of my electorate, where 44 new homes are currently being constructed in Altona North, and comes at an important time when we are seeing more and more families and singles join the state's public housing waiting list.

I commend the Brumby Labor government on its commitment to helping vulnerable and low-income Victorians overcome the challenge of housing affordability.

Kerang Heritage Exhibition Centre

Ms DARVENIZA (Northern Victoria) — Last week I was pleased to visit the Kerang Heritage Exhibition Centre to inspect the progress on works to upgrade and expand the facility. It is a project which will modernise and revitalise the centre. The centre houses about 3000 antique artefacts, including machinery, cars, tractors and literature, making it one of regional Victoria's most extensive agricultural heritage exhibitions.

The upgrade works include expanding the exhibition hall to display bigger machinery; building a meeting room, kitchen and toilets; and installing rainwater tanks. The works are progressing very well and we anticipate that they will be finished in October. The hall is almost finished and the site has been cleared for the meeting room and is ready for the concrete pour.

I would particularly like to congratulate Mr Colin Day, the president of the Kerang Heritage Exhibition Centre; Mr Olly Jane, who is a committee member and the building coordinator; and all the committee members. They made me very welcome when I visited the exhibition centre last week. Apart from the wonderful work of these individuals and the committee, the work would not be as advanced as it currently is if it were not for the generosity of so many in the community who have given so much in-kind support to the project.

GAMING: LICENCES

Mr HALL (Eastern Victoria) — It is my pleasure to move:

That this house requests the Auditor-General to inquire into the process employed by the Victorian government to allocate gaming machine licences for the period 2012–2022 with particular regard to —

- (1) whether the auction process achieved the best financial outcome for Victorian taxpayers;
- (2) whether the auction process was well understood by participants and potential participants so as to maximise participation;
- (3) whether the training given to potential participants was adequate;
- (4) whether the auction system functioned in the way in which it was intended to;
- (5) whether matters relating to the auction process were made in a timely manner so as not to influence the level of participation, nor the outcome of the auction;
- (6) whether the costs of conducting the auction process, including the costs of software, consultancies and intellectual property, were appropriate and represented value for money for Victorian taxpayers;
- (7) whether the auction system disadvantaged any group or groups of participants; and
- (8) other matters that may be deemed relevant.

The motion requests the Auditor-General to inquire into the processes associated with the allocation of gaming machine entitlements for the 10-year period 2012–2022 and suggests a number of matters on which the Auditor-General might like to focus in that inquiry.

I would like to start my contribution by saying that this is a somewhat different means of suggesting an inquiry in this house, as most of our inquiries are directed towards either a select committee of the upper house or an all-party parliamentary committee of the Parliament. This one invites — by way of a request — the Auditor-General to inquire into and investigate a matter. There is no specific provision within the Audit Act which requires the Auditor-General to take up the invitation of the Parliament to conduct such an inquiry, but nor are there any limitations on the Parliament in terms of issuing such an invitation. My understanding is that the Auditor-General would be interested in receiving such a request from the upper house if this motion were successful, which I hope it is. I hope we have the support of other parties for the undertaking of this investigation.

The matter is serious. It is a matter of some significant potential revenue for the state of Victoria. The role of the Auditor-General, in part, is to monitor the finances of the state, so I think it is appropriate that the Auditor-General look into this particular matter. Moreover, because of the contentious nature of the subject matter, being the revenue gained from the allocation of gaming machine licences in this state,

having the Auditor-General conduct the inquiry rather than a parliamentary committee would take all the elements of politics out of it. As with all the Auditor-General's reports, we would expect a fair and robust examination of the whole process associated with the allocation of gaming machine entitlements. That is why I have moved a motion that requests the Auditor-General undertake this inquiry.

I say all of that by way of introduction. Of course I wish to predominantly address the issue itself in my contribution to this debate and to give the Auditor-General some guidance as to the matters which I think need further investigation. My commentary on the matter starts with a quote from the *Australian Financial Review* of Wednesday, 12 May, under the heading 'Victoria pokie auction a \$1 billion lemon'. The article goes on to comment on what I believe was an incredibly flawed auction process and also a clear demonstration of the incompetence of this government in terms of achieving what it should have achieved from a once-in-10-year opportunity — that is, the allocation of gaming machine entitlements to participants in the state of Victoria.

The pokie auction may have been a lemon — and I am sure most of us, at least on this side of the house, will describe it as a lemon — but the government must accept that label as well. In respect of this issue, I think this government was as big a lemon as the auction outcome itself.

Why I say that is simply this. We often talk about how much some of the other major projects in this state are being overrun in terms of cost allocations. The myki disaster, for example, one we often talk about, currently has overexpenditure of \$500 million. Regional fast rail? That went about \$800 million over. They are both very significant overruns that we have talked about in this state publicly and frequently. But to put the auction and allocation of gaming machine licences into perspective, this inept and incompetent government lost the equivalent of both of those overruns in 24 hours — in one single day! In 24 hours the government has forgone potential revenue in the order of anywhere between \$1 billion and \$2 billion — probably more than the combined totals of that being lost on the myki project and the overruns in the regional fast rail project.

How could you let that happen? How could you let that golden egg slip through your hand and shatter on the floor and pick up little pieces of it? The amount of \$981 million is all that was raised in the whole of the allocation process, when everybody in the industry estimated it would be a minimum of \$1.5 billion and up

to around \$3 billion. I will quote from the article in the *Australian Financial Review*:

The Victorian government's auction of gaming machine licences has fallen flat, delivering \$1 billion less than budgeted for and providing a major windfall for pub operators, including Woolworths.

Releasing the results of Monday's auction yesterday, gaming minister Tony Robinson insisted the \$981 million result was good for the state.

However, a number of participants in the auction, for 10-year entitlements starting in 2012, told the *Australian Financial Review* they were willing to pay substantially more than the eventual average price of about \$37 000 per machine.

The article goes on to quote one of the people. It states:

'The government has made a major blunder,' one operator said.

'We were under the impression from the industry that it was going to cost between \$70 000 and \$80 000 per machine.'

What happened instead was that the average price was about \$33 000 per machine for hotel operators. That works out to a cost of \$60 per week, which compares with the likely net revenue of about \$2800 per week. If you were a person who picked up one of these machines at the auction, you would be laughing all the way to the bank and making a profit of \$2800 per week with a machine cost of just \$60 per week. Not bad if you can get on board! And a few people did in a very big way. So there were some very fortunate individuals and organisations in this auction process. However, there were some big losers as well, and the big losers were the people and public of Victoria. It was an incredible outcome.

It is fascinating to read where exactly the machines were allocated and at what cost. I refer to a document from the gaming authority's website. It gives all the released provisional data of gaming machine entitlement outcomes by areas, markets and venue operators. It lists what each of those venues paid for any machine entitlements they picked up in the auction and how much they paid for a pre-auction club offer.

The outcomes for identical machines ranged from \$5500 up to just over \$143 000. Many machines were auctioned and their entitlements were given away for \$5500. Others cost as much as \$143 000. If you look at local government areas and the outcomes for each of those local government areas, who do you see as coming off worse? It was probably most of the country areas where most of the big prices were paid, whereas those in metropolitan areas, particularly big operators in metropolitan areas, picked up machines at bargain basement prices.

The Carlton Football Club, for example, which is the club I support, picked up several hundred machines. If my memory is correct, it was 270 machines for \$5500 each. Yet small clubs in some of our country areas paid over \$100 000 for machines in some instances. It just does not make sense.

You have got to ask yourself why the total outcome revenue of \$981 million gained by the state government is so out of kilter with the industry expectations of what this process would yield, which was of the order of anywhere between \$1.5 billion and \$3 billion. We will all probably have some reasons to suggest for that occurring. Essentially the motion before the house today asks the Auditor-General to explore a number of matters which will perhaps answer that question for us. Why is it when the industry expected revenues of between \$1.5 billion and \$3 billion that only \$981 million in total revenue was achieved? This motion asks the Auditor-General to look into that.

I will go through some of the particular matters I have suggested that the Auditor-General may have regard to. The first one is whether the auction process achieved the best financial outcome for Victorian taxpayers. We know what it achieved; we know what industries said it could have achieved. Therein lies some requirement to investigate why there is such disparity in that.

I will again refer to what participants were expecting to pay. When they walked in to that auction process on the day of the auction — which is a couple of weeks ago now — they expected to pay between \$70 000 and \$80 000 per machine. That was the quote I previously referred to from the *Australian Financial Review*. That is typical of what people told me when I spoke to them. They also said to me that while they expected to pay \$70 000 to \$80 000, they were prepared to pay \$100 000; in some cases they were prepared to pay even a bit more. Financially they could afford to do that. Instead many of them picked up machines for substantially less than that and for as little as \$5500 in many of those instances.

You have to ask yourself — and I hope the Auditor-General will comment on this if he takes up this inquiry — whether an auction was the best way to allocate gaming machine entitlements. Auctions only work when you have competition. From the outcomes of the allocation of licence entitlements in each local government area, I do not think there was a great deal of competition because I did not see an influx of new entrants into this gaming machine market. The government said it was putting these machines up for auction because there were lots of people queuing up to get hold of gaming machines in Victoria. As I said, I

did not see too many new entrants. The only entrants I saw were venue operators who already had venues. I did not see much cross-competition between local government areas.

I am interested in the government's comments on this. However, in respect of each local government area, it appeared to me that in the majority of cases the only competitors within those local government areas were existing venue operators. There was not much competition in the way I understand it and in the way I interpret these results. Therefore you have to ask yourself whether an auction without competition is the best way to allocate gaming machine entitlements.

I can see that what happened was an operator said, 'I have got a venue licence for 40 machines', or, 'I have got one for 100 machines', or, 'I have got one for 20 machines'. The operators decided to see how they went by just putting in a minimum bid of \$5500 for the clubs, while the reserve price for hotels was \$10 500. They thought there was nobody else to really compete against them. My suspicion is that is exactly what happened. Due to the lack of competition there was no incentive to make high bids because they could pick the machines up at a lower price.

What happened when there was a bit of competition? In Horsham, for example, I understand — and I have read about it — there was a bit of active competition between clubs and hotels when the price was pushed up to around \$125 000. It seems to me there was a fair auction process only in areas of Victoria where there was some competition — those entitlements being held in some local government areas in country Victoria — and that brought about some higher market prices for machines. But in other areas there appeared to be little competition; hence there was a very poor return on the allocation of those entitlements.

I am not sure whether an auction was the best way to allocate gaming machine entitlements. What I do know is when you compare it with what occurred pre-auction — that is, the pre-auction club offer — the preparedness of clubs to pay for their licences was greater overall than the outcomes achieved in the auction, but not always. In some areas the auction price was higher than the pre-auction club offer, but in many other areas the auction price was much less than the pre-auction club offer.

Had the government negotiated individually with every single venue operator a fair and reasonable price for their machines, I guarantee it would have got much more than \$981 million. As I said, I think there was a lack of competition in the auction process; therefore I

do not think it was the appropriate way to allocate gaming machine entitlements.

I believe the way the rules of the auction were structured also led to a lack of competition. I know the press release from the Minister for Gaming on 17 March of this year said there was some criteria attached to those who were able to participate in the auction. You had to be registered and you had to meet a number of criterion to achieve registration and be able to participate in the auction process. One of those was that you had to hold a venue operator licence by 23 March 2010, so that made it pretty hard for any newcomer wanting to enter the market to be a participant in the auction because unless you made the effort to invest and put up a lot of money to secure a venue and have a venue licence, you were not allowed to compete in this auction process. Some of the criteria which the government imposed upon participants I believe restricted the level of competition and therefore contributed to the very poor outcome.

I want to make one other final comment in respect of this first dot point, and I am talking about whether the auction was the right process and indeed whether the best outcomes were achieved. I think without dispute one of the main reasons outcomes were so low is the very minimal reserve prices set by the government. It said that the reserve price for a club machine right across Victoria was \$5500. It said the reserve price for a pub machine was \$10 500, so that was the minimum. I thought a reserve price if you go to an auction was the minimum price that you expected to receive and you would not accept anything less.

Mr Drum — A realistic price.

Mr HALL — A realistic price, and setting a reserve price at the lowest level is simply like saying, 'I am selling my house down the street. The worst looking house, the smallest one, the most decrepit looking house on the smallest block is only worth this amount, so that is the reserve price I am going set for mine'. It is ludicrous. If you want a decent return for your auction process, you have to set realistic reserves, and I do not think the reserves were realistic at all in this particular instance. Therefore I was absolutely staggered, amazed and bemused when one of my colleagues said to me on Monday, 'Hey, in an article in the *Herald Sun* the Minister for Gaming has mentioned that you were part of this setting of a reserve price'. I said, 'What's that?', and I had a look at this article in Monday's *Herald Sun* and it says:

At a budget estimates committee hearing, gaming minister Tony Robinson said a formula for a reserve price had been

established by a multiparty group that included Nationals MP Peter Hall.

There is nothing further from the truth. I have never been involved in any committee that ever set a reserve price for a gaming machine entitlement auction. I have never, ever been part of a process to establish rules or reserve prices or had any involvement whatsoever in any matter associated with the auction of gaming machine entitlements in this state. This is clearly untrue, and I am waiting, I am bursting to try to get hold of a transcript, when it has been verified, of the estimates hearing last Friday where the minister claimed that I had some involvement. I will scrutinise those words very carefully because there is absolutely no doubt that I have been accused of something which is clearly not true — not true whatsoever.

The only involvement I have ever had in terms of gaming machines is in previous legislation that has gone through this house, and indeed when the government was trying to put through legislation and negotiate an outcome on pre-allocation of licence entitlements, pre-auction offers to clubs, yes, I was negotiating with the government as to what the price should be for that, and yes, we were in there arguing for the lowest price for our clubs, no problem whatsoever. That was in regard to the pre-auction club offers. It had nothing to do with the auction, nothing to do with setting reserves, and for the minister to say at a Public Accounts and Estimates Committee hearing, under the shield of parliamentary privilege, that I was associated in any way whatsoever with setting these reserve prices is completely untrue. I reject that wholeheartedly. I will look at the words that the minister says when I get the transcript, and if he is totally out of kilter, as the quote in the paper suggests, I will expect an apology and retraction of that statement because it is simply not true.

Let me move on to a couple of other points that I want to mention. The second point in my motion is whether the auction process was well understood by participants and potential participants so as to maximise their participation. This was the most complicated process I have ever seen. I have a bit of maths background. I am a former maths teacher, and when somebody tried to explain to me the process of this auction, I could not understand it — I could simply not understand it. I know that training was provided for those who wanted to participate, and indeed there was a requirement for those people to undertake some training, but the feedback we have had from that is because of the complicated process it was still very difficult for people to get a total grasp of how the whole thing was going to work. Therefore, because of the complicated nature of the process itself, I believe people were deterred from

participating in the auction process. I know for an absolute fact that the clubs which accepted pre-auction club offers did so because they felt they were not able to understand and therefore capably compete in an auction process, so they took the security of getting some licences without having to participate in a very complicated process. I hope the Auditor-General will look into the matter of whether the process employed by way of auction was such that it deterred participation, and also, as I said in relation to paragraph 3 of the motion, look at whether the training that was provided to participants was adequate and gave them the confidence to participate.

The fourth paragraph in the motion talks about asking the Auditor-General to look at the way the auction itself functioned and whether it functioned in the way it was intended to. An auction process is pretty interesting. I refer to a note that was sent to my colleague Peter Ryan, the Leader of The Nationals in the Assembly, by Ken Bailey, the CEO of the Sporting Legends Club in Sale. He says, in part:

The auction process seemed to be also flawed with our market price reducing from \$49 000 down to \$38 000 over a number of rounds.

What that means is that at one point in the auction process they were offered machines and were prepared to pay \$49 000 for those machines. A couple of rounds later they said, 'No, it's all right. You can have them for \$38 000'. That was the story, that was the experience of a number of those who competed in the auction process. At one point in the day they bid and were prepared to pay a certain price but by the end of the day they paid less. How does that work in an auction process? Have you ever been to an auction where an auctioneer stands up and takes the price down instead of taking it up? That is how this auction process worked. That was the experience of a number of these operators. They had coaches there, too. The gaming authority had coaches who stood by these people who were participants and the coaches even grimaced — they could not work out what was going on either. I do not know how this process worked.

Mr Tee is an expert on this. He represents the government. Perhaps he can throw some light on it, because none of the participants can work out how the actual price that they were prepared to pay went down as the day progressed. Surely, incompetent as it is, even this government could not design a system that did that, but that is the way it worked.

The fifth paragraph is an important one that talks about timely decisions. There were matters associated with the auction which I understand were to be relayed to

auction participants at a later date. For example, that was the date by which gaming machine entitlement holders were required to divest themselves of more than 35 per cent of machines. For that to be achieved potential participants were only notified 10 days before the auction. It was not by 2012, as some might have thought, but by 1 July 2010 that participants were required to achieve the 35 per cent limit — that is, 10 days before the auction. This limited the ability of some to compete.

The sixth paragraph of the motion is about the cost of the process. I think the Auditor-General should be satisfied with the cost of producing this system and that it represents good value for money for ratepayers in Victoria.

The seventh paragraph is about the auction system and whether any groups were disadvantaged. As I said in my previous comments, there was no doubt that if you lived in the country, if you were a small club or hotel, you ended up paying more than the big boys in metropolitan Melbourne. That may be because for 80 per cent of machines, those in Melbourne, there is no real competition, and therefore the 20 per cent of machines in country Victoria have much more competition, which drove the differential in prices, but there is no doubt that certain groups in Victoria paid a lot and other groups paid little. There is no doubt in my mind that there were significant disadvantages, and I have spoken about the Horsham area as one example where there was a great deal of competition and people paid a lot of money. Warrnambool was another example.

Mr Barber interjected.

Mr HALL — Mr Barber says that is a good thing. It probably is a good thing, but as long as that good thing applied in the metro area as well. As I said before, it seemed there was competition in some areas but absolutely no competition in others.

Mr Barber interjected.

Mr HALL — We will hear from Mr Barber in a moment. There are probably other matters which members will raise, and this motion does provide an opportunity for other members to raise such matters for the attention of the Auditor-General.

In conclusion, when I go back to that headline in the *Australian Financial Review*, I do think this whole process has been a real lemon. The undisputed fact is that the industry expected much closer to \$3 billion in revenue than the \$980 million achieved by this auction process. The pre-auction club offers clearly

demonstrated that participants were prepared to pay more and indeed did pay more in many instances in that pre-club offer. As Victorian taxpayers, we have missed out on this. We have missed out on some significant revenue which should have come our way but which has not come our way.

I hope the Auditor-General can undertake an unbiased, fair and independent look at this whole scenario, and I am sure he will. It is something which the government, to its detriment, will carry into the election. Let me finish by repeating my claim again.

Honourable members interjecting.

Mr HALL — It will absolutely carry it into the election, to its detriment.

The fact of the matter is that forgone revenue in one single day has exceeded \$1 billion. While we talk about myki being overrun by \$500 million and regional fast rail being overrun by \$800 million, because of this incompetent government we lost \$1.5 billion in 24 hours. That is outrageous. I hope the house supports this motion and the Auditor-General accepts our invitation to inquire extensively into this outrageous result that has been inflicted on Victorian taxpayers.

Business interrupted pursuant to sessional orders.

DISTINGUISHED VISITORS

The PRESIDENT — Order! Before going to questions without notice I draw to the attention of the house that we have a delegation visiting from Tasmania.

Honourable members interjecting.

The PRESIDENT — Order! No, that is not an overseas trip. The delegation is led by the legendary Speaker of the Tasmanian Parliament, Mr Michael Polley. I say ‘legendary’ because in fact Mr Polley has been a member of the Tasmanian Parliament for 38 years and he has just been re-elected. He has been a minister for 2 years and has been the Speaker for 14 years. He was just re-elected as Speaker.

An honourable member — There is always hope for you!

The PRESIDENT — Order! There is time yet. Accompanying Mr Polley is Mr Basil O’Halloran, MP, Whip for the Tasmanian Greens.

Mr Barber interjected.

The PRESIDENT — Order! You are not in Tasmania now, my son! Also accompanying Mr Polley is Mr Brian Wightman, MP, Whip for the parliamentary Labor Party. I welcome the delegation.

Mr Viney — On a point of order, President, last night in the adjournment debate Mrs Petrovich raised a matter about funding for the Bendigo hospital. There are two matters in relation to her adjournment speech that I wish to draw to the attention of the President and seek his advice. The first is that Mrs Petrovich quoted the member for Bendigo East in the Assembly, the Minister for Regional and Rural Development, Jacinta Allan, but did not source the quote. Secondly, the action Mrs Petrovich sought was that the Minister for Health explain why the Minister for Regional and Rural Development made a particular comment — that is, the unsourced comment. I am not sure how that would fit within the rules of being an action. I seek the guidance of the President.

The PRESIDENT — Order! Before I rule on the matter raised by Mr Viney I will review the *Hansard* and take advice as to what my response will be.

Mrs Peulich — On the point of order, President, I was going to say that quite frequently *Hansard* seeks information about a quotation made by a member. That is an easy process to follow through.

The PRESIDENT — Order! That is not a point of order.

QUESTIONS WITHOUT NOTICE

Speed cameras: revenue

Mr ATKINSON (Eastern Metropolitan) — My question is directed to the Treasurer, Mr Lenders. I refer to a sworn affidavit of the assistant police commissioner, Luke Cornelius, which has been reported on today and which indicated that the assistant commissioner was pressured by the Brumby government to issue speeding fines to people being caught by faulty cameras because the government feared losing revenue generated by these falsely issued fines. Mr Cornelius stated that the minister's office was not happy with his advice and put pressure on him to adopt a different view. As the minister responsible for state government revenue, I ask: will the Treasurer undertake a full audit of speed camera fines which have been issued, determine which fines have been falsely issued and commit to returning the revenue from fraudulently issued fines to struggling Victorians who

already suffer from 26 new and expanded taxes introduced by this government?

Mr LENDERS (Treasurer) — I thank Mr Atkinson for his question. The last part of his question was a fairly political swipe about 26 new taxes, so I will start with that and then go to the issue he correctly raises for my colleague the Minister for Police and Emergency Services.

We have just been having a debate in this house during which Mr Hall, leading for the opposition parties, said that the government did not get enough revenue from the gaming machine auction. Why did we not get enough revenue from the gaming machine auction? Because we were not prepared to trample on the planning process to force a poker machine into every community with the view of getting revenue. This government will base policy on policy foundations. The answer to Mr Hall's point on debate before is we could have got more revenue out of poker machines if we had been prepared to use the planning system to force machines into neighbourhoods — if the objective was to get revenue.

In the last 15 minutes an opposition speaker has said the government has not been ruthless enough in using policy to raise revenue from communities. The next speaker, in a 10-minute period, got up and said, 'We have got 26 new taxes and charges'. Everything to do with this is about why are we raising too much revenue, whereas the previous speaker said we were not ruthless enough on communities to raise more revenue. I could make the comment about flip-flop, flip-flop, but that would probably be a tad uncharitable.

What I will say to Mr Atkinson is this: there is nothing that would give me greater pleasure as Treasurer than if my colleague Mr Cameron got zero revenue from speed cameras, because that would show that our campaign was working, that motorists were sticking to the speed limits and that our roads were safer.

Supplementary question

Mr ATKINSON (Eastern Metropolitan) — The issue is not that the government is not raising enough money, the issue is that the money raised from these speed cameras is a fraud if in fact the speed cameras were not operating correctly. That is the issue. That is the issue raised in the affidavit by Mr Cornelius. My supplementary question to the minister therefore is: what discussion did Treasury officials, the Treasurer or the previous Treasurer, Mr Brumby, have with the police minister's office in relation to the potential loss of revenue if those fines were withdrawn? The

indication is that in fact the government is very concerned about the level of its revenues.

Mr LENDERS (Treasurer) — I reiterate my substantive answer. If Mr Atkinson's premise, the opposition's premise, is that the government is concerned with revenue as its prime criteria, then I suggest Mr Atkinson and Mr Hall should have a discussion because Mr Hall has just spent 20 minutes berating the government for not getting more revenue out of communities. Then Mr Atkinson, flip-flop, flip-flop, comes in here and says we are gouging revenue.

What I will say to Mr Atkinson is this: during its tenure this government has clearly had a lot of focus on cameras, particularly the cameras on the Western Ring Road when they were not working. At the time there was quite a controversy over how the cameras worked and whether it was appropriate that they be turned off or not. Ironically, the opposition criticised us at the time because revenue from speed cameras was down, and then it criticised us when revenue went up from speed cameras after the cameras were turned on again.

If Mr Atkinson cares to peruse them, he will find a number of Auditor-General's reports over a period of time which test the proposition of whether cameras are there for safety purposes or for revenue-raising purposes. I reiterate the point that I made in my substantive answer — that is, this government has been consistent from day one that there would be nothing we would be more pleased with in this space than if our revenue went down, because if the revenue goes down, it means that motorists are not speeding and they are not running red lights. It means that our roads are safer.

What I would say to those opposite who are getting excited about this is: in 1970, when Sir Henry Bolte was Premier of Victoria, the then *Sun* newspaper started a campaign saying that the road —

Mr Atkinson interjected.

Mr LENDERS — No, I am about to praise Sir Henry Bolte, Mr Atkinson. When the *Sun* newspaper commenced a campaign saying the road toll was too high —

Honourable members interjecting.

Mr LENDERS — Those opposite may not be interested in road safety — they may be interested in scoring political points — but I am interested in road safety.

Hon. J. M. Madden interjected.

Mr LENDERS — That is correct, Mr Madden; they are not interested in road safety, they are interested in scoring points. When Sir Henry Bolte commenced the campaign in 1970 to bring down the road toll, there were a range of measures — whether they be drink driving, speeding laws, safer cars, safer roads, helmets on bikes, seat belts, anti-drug driving or anti-drink driving measures — which had bipartisan support from the Road Safety Committee of this Parliament and all sides of the house.

If we are talking about deaths per vehicles on the road, and let us be brutal about this, if we are talking about 100 deaths on the road in 1970 per vehicle on the road, that figure is down to 12 now. It is down to 12 because governments have collectively imposed policies that bring down the road toll. If the opposition wants to politicise this, let it. But from our side of the house, nothing would give us greater joy than seeing fines going down because it would mean our roads would be safer.

Honourable members interjecting.

The PRESIDENT — Order! I remind members of the house, and particularly those on my left, that when referring to the Premier they should do so correctly. To ask the question, 'Did Brumby talk to Haermeyer?', is inappropriate in my view.

Economy: government initiatives

Ms MIKAKOS (Northern Metropolitan) — My question is to the Treasurer, John Lenders. Can the Treasurer inform the house as to whether the Victorian state budget has assisted with confidence in the Victorian economy?

Mr LENDERS (Treasurer) — I thank Ms Mikakos for her question because, as the house would certainly know, from the start of the global financial crisis this state government saw probably the central ingredient to maintaining confidence in the state — that was generating jobs and protecting and insulating this community from the fear that arose out of the financial crisis to build confidence. With business confidence, as I have said to the house before, a confident business is less likely to lay off a worker and is more likely to invest more in jobs for the future, and a confident consumer is most likely to go and support the local retail industry, the tourism industry and the construction industry because of their confidence.

One of the measures for our state budget was very much about asking: could it bring back and help restore that business confidence and consumer confidence that

are critical to jobs going forward? I am delighted to say to Ms Mikakos that there have been a number of stakeholders who have commented positively on the budget in building that confidence. Firstly, I guess the test — and the member for Scoresby in the Assembly, Mr Wells, and Mr Rich-Phillips are always interested in this — is what the rating agencies think. Standard and Poor's said on 4 May:

... the budget announced today for the state of Victoria is consistent with the AAA issuer rating and the stable outlook already assigned to the state.

...

Today's budget is consistent with the government's demonstrated fiscal prudence ...

Moody's Investors Service said:

The outlook on the state of Victoria's AAA rating is stable ...

...

The state's better financial projections —

better financial projections —

reflect the improved economic environment in Victoria ...

That is from vice-president Debra Roane on 4 May.

The Victorian Council of Social Service, referring to A Fairer Victoria, said:

With AFV we've also seen state leadership in policy.

...

... this government does work incredibly hard and most of the time does get it right ...

That is from a copy of CEO Cath Smith's speech at the launch of A Fairer Victoria on 6 May.

The Brotherhood of St Laurence said:

The Brotherhood of St Laurence is encouraged by the emphasis of today's Victorian state budget on ensuring that all Victorians can share in the more prosperous times it forecasts.

That was the executive director, Tony Nicholson, on 4 May.

Kindergarten Parents Victoria said:

Kindergarten Parents Victoria applauds the state government's decision to invest \$82.6 million to support early years services in Victoria ...

This comprehensive package will help ensure that all Victorian children have access to a quality kindergarten program ...

That was the CEO, Emma King, on 4 May.

VECCI, the Victorian Employers Chamber of Commerce and Industry, said:

... the 2010–11 state budget has delivered business a short-odds trifecta via modest cuts in business taxation and WorkCover premiums, selected infrastructure boosts and a strong surplus.

...

The 3.5 per cent WorkCover premium cut will benefit nearly all Victorian businesses ...

That was the CEO, Wayne Kayler-Thomson, on 4 May.

Ms Mikakos asked about confidence. These social and business bodies are all expressing confidence. I go on to quote the master builders:

... the Master Builders Association, welcomes the state government's budget announcements to expand the Victorian first home bonus scheme and cut payroll tax and WorkCover premiums.

...

The \$2000 boost to the first home bonus and the regional first home bonus will improve housing affordability across Victoria ...

That was said by the executive director, Brian Welch, on 4 May.

I could go through with the Australian Industry Group. Members opposite yawn. They do not like good news and they do not like confidence in the economy. I will conclude with a quote from the Property Council of Australia:

The property council applauds the level of new investment in transport infrastructure.

Victoria has:

... debt levels at the very low levels ...

That was from the Victorian executive director, Jennifer Cunich, on 4 May.

Ms Mikakos asked about where confidence was. What we as a state can do is invest in competitiveness, skills and infrastructure. If we get the confidence of our business and community organisations behind us, it clearly makes it easier in Victoria for jobs to be generated and easier for services to be delivered — and these are the actions of this government that are helping make Victoria an even better place to live, to work, to invest and to raise a family.

Wind farms: planning guidelines

Mr BARBER (Northern Metropolitan) — My question is for the Minister for Environment and Climate Change. Continuing the theme of business confidence, it is in relation to the Environment Protection and Heritage Council guidelines for wind farm development recently released in a draft form, which total 218 pages. Without being too argumentative, it is a fact that the guidelines do not contain any statements of general support for the wind farm industry or the renewable energy industry. I understand the provenance of the guidelines; they date back to the previous Liberal minister for environment, I understand. I think it is the situation that last time a Liberal humiliated themselves over wind farms we got this process of these guidelines. Can the minister tell me whether these draft guidelines, which have been published and are the dubious child of a range of ministers and different processes, have his support?

Mr JENNINGS (Minister for Environment and Climate Change) — There was a bit of a lengthy preamble to the question. Can I cut to the chase? The minister may have disappeared, but we are not talking about a deceased parrot. We are actually talking about contemporary guidelines that may be applied to steer renewable energy developments across the Australian landscape. This piece of work was commissioned by the ministerial council to which the member refers, at which Minister Madden and I are participants on behalf of the Victorian government within that national framework.

The guidelines have been worked on for quite some time and may emerge for ministerial consideration in July this year at a ministerial council meeting. These guidelines may address issues such as noise and they will relate to issues such as blade flicker and a number of other concerns in relation to electromagnetic forces, these types of issues about whether there should be a national standard that would then be picked up by relevant jurisdictions and put into their planning schemes.

This piece of work is sourcing guidelines from disparate sources, in a sense. It is trying to pick up what best practice might be across different jurisdictions and then seeing how the establishment of benchmark guidelines may or may not be picked up in planning schemes subsequently by relevant jurisdictions. That is how they should be understood at this point in time. In fact there is not a direct leap from the development or consideration of those guidelines to their being put into the planning scheme, although it is up to jurisdictions to determine whether that is appropriate.

In the next couple of months Minister Madden and I and our relevant officers will be considering this. The government will then subsequently consider whether the guidelines have a value in being picked up in the planning scheme. They are not being designed in this current form to deal with issues such as buffer zones or limitations on siting, which is an approach that has been picked up by the opposition in Victoria in a remarkable leap of entry point to planning considerations for renewable energy within the last week.

Interestingly enough, yesterday the Premier, other ministers and I met with representatives of the renewable energy sector, particularly the windmill sector in Victoria. That was part of an ongoing conversation between the Victorian government and that sector, because we as a government are very committed to driving renewable energy and wind investment in Victoria. Funnily enough, it was reported on the release of the opposition's policy that at no point in time had the opposition bothered to track down and talk to the industry affected about windmill construction or — —

Mr Guy — That is not true.

Mr JENNINGS — It is absolutely true.

Mr Guy interjected.

Mr JENNINGS — If they are, you take it up with them, because they reported yesterday — —

Mr Guy interjected.

The PRESIDENT — Order! Mr Guy!

Mr JENNINGS — Absolutely. I have got an interest in this. I have actually got people who can talk about this.

Mr Guy interjected.

Mr JENNINGS — The people who spoke to the government yesterday — —

The PRESIDENT — Order! The minister, through the Chair. Mr Guy!

Mr JENNINGS — President, if there is a raw nerve, then good-o because I thought Mr Guy was in a comatose state up until that point in time. I actually thought he had been completely absent from the notion about whether there were any guidelines for renewable energy.

Mr Guy — You have misled the house.

Mr JENNINGS — I have not misled the house, Mr Guy.

Mr Guy — Prove it.

Mr JENNINGS — I will stand by my comment. It was reported to the Premier and me yesterday by representatives of the industry that they had not had discussions with the Liberal Party about this policy.

Mr Guy interjected.

Mr JENNINGS — That is an absolute fact. There is no doubt about that, and in fact they are on the public record to confirm that point of view, so if that is a problem for Mr Guy, then he may want to do something about it, because the industry is saying there is \$4 billion worth of investment that is in jeopardy if and when the guidelines that he was party to preparing, standing side-by-side with his leader, Mr Baillieu, to impose restrictions on renewable energy investment in Victoria. According to the industry that investment would be at risk if in fact the opposition's policies were applied.

The industry is hoping, and the Victorian community is hoping, that if we are as a jurisdiction committed to renewable energy, those guidelines would never be enacted, because the Victorian government is absolutely committed to supporting this industry. We will not take guidelines or actions that would prevent the take-up of renewable energy. We want to engage in a respectful way with our communities to make sure that their community interests are protected, but we are committed to making sure that we drive renewable investment in Victoria, and we will continue to do so.

Questions interrupted.

RULINGS BY THE CHAIR

Adjournment: admissibility of matter raised

The PRESIDENT — Order! At the start of question time Mr Viney raised a point of order with regard to an adjournment matter raised by Mrs Petrovich last night. At the time I said I would take note of what had been said and rule later, which I will do now.

For a number of reasons, four in fact, I rule this matter out of order. The reasons are: firstly, that it is not in order to ask ministers about actions taken by other ministers; secondly, it is inappropriate to make an allegation against another member — for example, why the minister misled the community; thirdly, that members cannot raise a matter in a similar form to

questions without notice; and fourthly, members need to seek some action, even if general in nature. Therefore that matter is ruled out.

Mrs Petrovich — On a point of order, President, with respect, there was verification and there certainly was an action in my adjournment matter. I can provide information to the Chair about direct quotes, which is what the context of that adjournment matter was about, and it was quoted in the newspaper.

The PRESIDENT — Order! I hear what Mrs Petrovich says, but I have ruled and I have taken into consideration all of the content of her adjournment matter last night.

QUESTIONS WITHOUT NOTICE

Wind farms: planning guidelines

Questions resumed.

Supplementary question

Mr BARBER (Northern Metropolitan) — The minister has confirmed that he has not yet signed off on these guidelines, which would be done in July. The minister has confirmed that even then there would be a secondary decision as to whether to make them planning guidelines for Victoria. The minister has confirmed that he recently met with the wind farm industry when it told him that it had not been consulted by the Liberal Party. I presume therefore that it would have told the minister what it thinks of these Environment Protection and Heritage Council guidelines. Can the minister enlighten me as to what its general view was on the draft guidelines as they are now published?

Mr JENNINGS (Minister for Environment and Climate Change) — Mr Barber's supplementary question is not provocative in relation to providing me with an opportunity to re-launch an attack on bad policy or bad guidelines — —

Mr Barber — These guidelines?

Mr JENNINGS — These guidelines.

Mr Barber — What are these guidelines?

Mr JENNINGS — These guidelines may have the cumulative effect of being overly restrictive because of the various elements of consideration that deal with the technology and the implementation of that technology in the landscape, whether it be through things like blade

flicker, noise or issues about electromagnetic forces. These things that actually deal with the technical nature of the technology itself and how it may impact on communities or the environment may, if they are applied in all instances, make it very difficult to get windmills in place, and that is the concern of the industry, if in fact they are all cumulative.

If you then apply locality-based geographic aspects that may or may not have any validity in the landscape, that may or may not have any validity in relation to good neighbour policies or community interaction and then make blanket restrictions about access to the landscape in a totally open-ended fashion that would cumulatively, on a geographic basis, overload with those guidelines, it would mean that there is virtually no place in Victoria for a windmill to be sited. If that were the cumulative effect of those policies, then that would be extremely detrimental to the potential for renewable investment in Victoria and any capacity to deliver renewable outcomes in Victoria, particularly for the windmill industry.

The Victorian government is very concerned to make sure that any national guidelines are appropriate but do not adversely affect the potential for investment. We certainly share the industry's concern, as it was clearly and unequivocally expressed to the Victorian government yesterday, about the imposition of the coalition's policy in Victoria and the geographic restrictions and planning guidelines that would apply to the renewable energy industry.

Planning: government initiatives

Mr SOMYUREK (South Eastern Metropolitan) — My question without notice is for the Minister for Planning, Justin Madden. Can the minister update the house on progress in planning for Melbourne's newest communities, particularly in the south-east?

Hon. J. M. MADDEN (Minister for Planning) — I thank Mr Somyurek for his interest in these matters. I know he will be particularly interested because the details I am about to give in the answer to his question will take into account his electorate and the development opportunities and jobs that will potentially go with my announcement today.

The Brumby Labor government is taking action to make sure that it helps young families into their first homes, gives young families that opportunity to settle in the locations they would like to and creates thousands of jobs for home builders across Victoria, in particular to increase Victoria's housing supply. The Australian Bureau of Statistics tells us that Melbourne's

population grew by 100 000 people in the last financial year, with the majority of that growth occurring in our designated growth areas of Wyndham, Casey-Cardinia, Melton, Whittlesea and Hume.

Mr Guy — So Melbourne 2030 is working, is it?

Hon. J. M. MADDEN — I take up Mr Guy's interjection. I know he would like to think that Melbourne 2030 is not working. I hate to break the news to Mr Guy that it is working. It is working so well that we are attracting hundreds of thousands of people to Victoria, with 100 000 people coming to Melbourne last year. That stands in stark contrast to others whose only effort in policy is some sort of disreputable wind turbine policy that does not make a lot of sense, as opposed to some policy around housing and the provision of housing, which we have not seen from those parties who make criticisms. We are very happy to continue with our commitment to growing Melbourne towards 5 million and particularly to the plan we have in place.

That plan includes providing housing of all types right across Melbourne but particularly in those growth areas. The Growth Areas Authority's precinct structure planning program is vital for ensuring that new residents are able to move into those new suburbs, those new communities, and to make sure that they are well planned, that they are vibrant, that they are innovative and that they have access to local jobs and community facilities.

Honourable members interjecting.

Hon. J. M. MADDEN — The patronising tone from the opposition is about, 'Let us not have housing in the outer suburbs, let us not have housing in the inner suburbs, let us not have any housing'. That is the patronising tone from the opposition: let us not have any housing. That might be the opposition's policy, and I would like it to put that on the record because at the moment we do not have any policy from the opposition in this space.

Our big picture, our precinct structure plans — the master plans for designing affordable, well-planned new suburbs on greenfield sites — maps out schools, roads, open space, shopping centres, offices and where transport will go. They are not necessarily supported by the opposition. It is only when opposition members have to really grapple with these issues that they come to the conclusion that maybe they should support it, but we know that our plan is about delivering affordable, accessible housing and a diversity of housing stock to the broader community.

Mrs Peulich — Back of the Kingston town hall — shoehorn people in, shoehorn people right against the railway line, no car parking, major roads.

Hon. J. M. MADDEN — I am glad to hear that from the opposition, because again it is condemning public housing or affordable housing. It reinforces my point, and the point here is: when it comes to housing — —

Honourable members interjecting.

Hon. J. M. MADDEN — President, I make the point, despite the unruly interjections from the opposition, that when it comes to housing the opposition has no plan. We have committed the Growth Areas Authority to the task of delivering 40 precinct structure plans by 2012. The Growth Areas Authority has completed 13 precinct structure plans so far, with as many as 9 more expected before the end of the year.

Mr Guy — It has taken you five years to do 13!

Hon. J. M. MADDEN — Recently, as Mr Guy would know, I was delighted to announce the approval of the Cranbourne East precinct structure plan.

Mr Guy — And the next 27?

Hon. J. M. MADDEN — I can almost hear the opposition members yawning when it comes to me talking about precinct structure plans, particularly in Cranbourne East. But let me reinforce the figures here — and I will sound like Bruce McAvaney for a moment, because I will give the house a few statistics — what we will see is 20 000 people located in Cranbourne East over the next 15 years. In addition, Cranbourne East will ultimately create 3000 jobs — and we know that is the difference, Mr Lenders, is it not? We care about jobs and the opposition does not.

This new 589-hectare community will include 6600 housing lots, 3 local town centres with jobs close to where people live, 4 schools and 4 kindergartens, retail and community services, retirement villages — and maybe opposition members might want to think about that — and a network of local walking and cycling destinations. Ultimately this will result in more housing choice and will boost supply more quickly for those people who are currently looking for homes.

The Cranbourne East precinct structure plan is a perfect demonstration of how the Brumby Labor government is taking action to manage Melbourne's growth, to complement that growth and to protect people's lifestyles and the broader city's livability. Like other new suburbs, Cranbourne East is set to become a

thriving, dynamic, vital community, providing thousands of new homes and thousands of new jobs. This is yet another example of our plan, in stark contrast to the opposition. It is a plan that protects livability but, most importantly, makes Victoria the best place to live, work, raise a family and invest.

Federal government: resource rent tax

Mr D. DAVIS (Southern Metropolitan) — My question is for the Treasurer. Last week the Prime Minister, Kevin Rudd, said BHP Billiton was 40 per cent foreign-owned, which means these massively increased resource industry profits, built on Australian resources, are mostly going overseas. Does the Treasurer agree with the Prime Minister that BHP is ripping off Australians and acting in the interests of its foreign shareholders in its opposition to the proposed so-called resources super profits tax?

The PRESIDENT — Order! I am of the view that Mr Davis is asking for an opinion, but I am going to give him the opportunity to demonstrate the link between his question and the minister's responsibility.

Mr D. DAVIS — President, the Treasurer is responsible for the Victorian economy. BHP Billiton is based in Victoria and has significant linkage industries, tertiary industries and tertiary sector activity and so forth, and the Prime Minister's proposal to tax that industry will have a significant impact. I am seeking from the Treasurer an indication as to the government's policy. Further, the Queensland, South Australian, Western Australian and New South Wales governments have expressed policy positions on the Prime Minister's proposal, and I am seeking a similar response from the Treasurer.

The PRESIDENT — Order! I am not absolutely convinced that the question is in order, but I have confidence in the Treasurer's ability to respond to almost every question that he has asked of him. On balance — and that last little bit probably got it over the line, Mr Davis — I will ask the minister to respond.

Mr LENDERS (Treasurer) — I thank the Leader of the Opposition for asking my opinion on the views of the Prime Minister. If I can extract from the convoluted, twisted llama entrails that were being explored opposite and work out an answer for it, I think the gist of what the Leader of the Opposition is asking is: do I have a view that business confidence is important, and do I have a view that people who hinder business confidence are not in a good space? If that is what he is saying, I would suggest to Mr David Davis, firstly, before he gets too outraged on this, he should perhaps

talk to his friend Mr Wells, the member for Scoresby in the Assembly, about trashing Members Equity and Victorian business institutions. His entire show is to trash the state at every possible opportunity. Mr Davis and his team trash the state economy at every juncture and therefore seek to affect jobs.

Ms Lovell interjected.

Mr LENDERS — Now we have the voice of respect speaking opposite. Perhaps she will recite the Lord's Prayer to us for the trifecta.

Honourable members interjecting.

Mr LENDERS — Yes, while she is smashing a plate. The opposition is asking me for a view and it is not even waiting to hear my view.

Honourable members interjecting.

Mr LENDERS — For a moment I thought I heard the lemon-sucking Jeremiah from the backbench. Mr Davis asked me a question about the commonwealth resource rent tax. He asked me a question about how it affects Victorian policy. He said Victoria had a vacuum. Clearly, while he was counting numbers in the Liberal Party, he did not read what the Premier actually said yesterday.

Mr D. Davis interjected.

Mr LENDERS — I am pleased he has. I am surprised he is asking then, if he has seen what the Premier said yesterday on what the state's view is. For Mr Davis's benefit, firstly, a few facts before he gets too outraged: Victoria's economy is 1.72 per cent dependent on mining resources. The next lowest state economy anywhere is Tasmania, which is of the order of 2.27 per cent, and you go up the scale to Western Australia at about 24 per cent based on resources. It is hardly surprising that other states have had a greater focus on a resource rent tax than Victoria has, because it is a significantly bigger part of their economy. If Mr Davis has taken this long to work it out, then I am pleased he has actually done a bit of basic research.

Interestingly on the policy issue of a resource rent tax I would have thought that even Mr Davis would agree that taxing a company when it makes a profit, which is what a resource rent tax is about, is more desirable than putting a flat rate of tax on a company like a royalty, regardless of whether it is making a profit or not. If you are about to encourage the growth of an industry — —

Mr P. Davis interjected.

Mr LENDERS — Mr Philip Davis should be the Leader of the Opposition. He is asking me a question, but I am answering Mr David Davis's question at the moment. If he is talking about policy in this area out of the Henry tax review, the no. 1 starting point is that taxing a company when it is making a profit rather than making a loss. Investing is a better outcome to encourage investment.

Mr D. Davis — You do agree with him!

Mr LENDERS — Mr David Davis interjects again. I might as well just sit down, and he might as well jump over here, answer the question and go back. It is a bit like the flip-flop, flip-flop. He is totally on message for the Liberal Party.

If the starting point is, 'Is a resource rent tax a better, fairer way of taxing than a royalty?', I do not think anybody in this house would disagree. Clearly from the commonwealth's perspective it is seeking to broaden the tax base. If you listen to the rhetoric of Mr Kennett, Mr Stockdale, Mr Wells and everybody opposite other than Mr Davis, they have constantly sought to broaden the tax base so Victoria could have a fairer share. But I have to say we are scoring points against those opposite at the moment rather than having a debate.

If the objective is a fairer form of taxation, the commonwealth has put something on the table to deal with that. There are clearly issues which the commonwealth is negotiating with the mining industry regarding the level of the super-tax. There are clearly issues about whether the bank bond rate is the more appropriate one than the one that is currently used on some other resource project. That is a dialogue the commonwealth is going into on the resource rent issue.

What this government has sought to do from this is, firstly, acknowledge the commonwealth is seeking a tax reform that broadens the base. We are acutely conscious that business confidence is a particularly cherished commodity in this state in Australia. That is why I am extraordinarily surprised Mr Davis talks in here about business confidence after he has made an art form of trashing it. We saw the run on the Members Equity Bank because of him and his colleagues.

We welcome the commonwealth having a debate on taxation. We welcome for Victorian businesses that the commonwealth proposes to invest the money it receives out of the resource rent tax, which includes cuts to company tax and deductions for small business for investing in capital equipment. Mr Davis undoubtedly goes to small business and says, 'Labor should give

this', and then says it should not form the revenue to be able to do it.

We are part of the dialogue. On the Sunday before the budget I had a discussion with the federal Treasurer on this. I have discussed this with my interstate colleagues. I take Mr Davis back to the basic point. We are the least dependent on mining of any state in Australia. We get our revenue from the work of our people. We do not dig it out of the ground. We have the lowest percentage from mining, but we are conscious this clearly has an effect on the Australian economy regarding confidence. Clearly some of our largest mining companies in the country are based in Victoria, and there are a lot of service jobs, let alone the returns to shareholders that come from those companies.

This is not the simple mono-dimensional approach that Mr Davis seems to have, if you can work out what he actually was asking other than my having an opinion on what I thought of the Prime Minister. We watch these things closely, and we have contributed in a rational way to the debate. We also made a submission to the Henry review, which is something the opposition is loath to ever bother putting pen to paper about.

I think I welcome Mr David Davis's question. I think his question was about the tax. However, it may have just been having a go at the Prime Minister. Nevertheless, I look forward to his helpful and insightful supplementary question, which I am sure is about to come forward. I suggest to him that when he asks his supplementary he pause for a moment and think of administrative arrangements and about who holds portfolios, and that he does a bit of policy work.

Supplementary question

Mr D. DAVIS (Southern Metropolitan) — The key thing here is the impact on the Victorian economy. I note the Treasurer's points about the size of the mining sector in Victoria, but as I indicated in the discussion earlier, it is much more than just the mining sector directly. I therefore ask: given that much of the manufacturing and services sector in Victoria has been and remains directly and indirectly heavily reliant on a buoyant resources sector for its prosperity, will his government now also urge the federal government, along with his interstate colleagues, to redesign or to modify this ill-advised and ill-designed tax before real damage is done?

Mr LENDERS (Treasurer) — Mr David Davis will undoubtedly do what he always does — that is, seek to be all things to all people. What I would say in response to Mr Davis is that we support a government that seeks

to put in place taxation measures that tax companies when they make a profit rather than penalise them through royalties when they are investing in research and development to create wealth and jobs in Australia.

Before we get into simplified, platitudinous statements so Mr Davis can run out to the mining industry and say, 'Look, I stood up for Tony Abbott and I will get a bit of money from the Liberal Party in the process for fundraising' — which undoubtedly he will do — before he goes out and does that he should also think about what he is going to go and say to small businesses. I would put any money on it that he will be going out to small businesses and saying, 'Labor promised to cut the corporate tax rate from 30 to 28 per cent, and it has welched on it' while at the same time saying it should not put the resource rent tax in place. I am onto him; I know what he will do. He will go out to one community and say, 'I protected you', and go to the other community and say, 'I call for taxes to be cut, and I will go forward'.

I also say to Mr Davis that if he thinks government is easy, if he thinks government is a matter of putting out press releases and the world noticing, if he thinks government is not about difficult decisions where you negotiate, from the federal government's point of view, with the mining industry, you negotiate with the states, you negotiate with industry, and if he thinks that David Davis from the glorious opposition benches in Victoria can preach to the commonwealth and the mining industry about how to run a regime, then good on him for believing that: he is clearly delusional. I am probably pre-empting Mr Kavanagh's contribution to debate later in the day, but he is probably on something.

However, what we have here is a commonwealth government responding to a tax review with the intention of broadening the tax base to deal with when profits are made rather than when investments are being made. The commonwealth government is in a debate with that industry now on whether the rate is appropriate or whether the bond rate or a higher rate that is used in other resource programs is appropriate. The commonwealth government is in a dialogue on this, and I would suggest that that dialogue is not helped by David Davis inserting himself into it. The mining industry is capable of looking after its own interests without David Davis seeking to intervene.

I have responded to the member in as informed a fashion as I can. I have informed him that 1.72 per cent of the Victorian economy is based on mining, and clearly states that have a quarter of their economies based on mining will have, understandably, a greater focus than Victoria. But we are interested because we

know it deals with business confidence and with ongoing service opportunities for Victoria and the rest of the country.

I also suggest to Mr David Davis, now he is on this new-found road to Damascus where he is supporting business confidence, that perhaps he should start supporting Victorian jobs. Perhaps he could start supporting Victorian projects like channel deepening, perhaps he could start supporting Victorian projects on school building, perhaps he could support Victorian projects like the desalination plant, perhaps he could support Victorian projects like the Bendigo hospital, which he was critical of the day it was announced, before we had even laid a brick. I am pleased Mr Davis has discovered his road to Damascus; I just hope he continues in the same direction and does not flip-flop, flip-flop like his leader.

Energy: government initiatives

Ms BROAD (Northern Victoria) — My question is to the Minister for Environment and Climate Change, Gavin Jennings. Can the minister further update the house on how the Brumby Labor government is continuing to take action in the area of renewable energy?

The PRESIDENT — Order! The Minister for Environment and Climate Change.

Mr JENNINGS (Minister for Environment and Climate Change) — Thank you, President. I was just responding to an imploring look for more information about the Victorian government’s commitment to the renewable energy sector and the diversification of our energy sources and the way we see this as an essential part of jobs for the future.

In fact the Premier, other ministers and I recently launched the Jobs for the Future Economy — Victorian Action Plan for Green Jobs whereby we committed significant programs and funding support to drive sustainable industries in Victoria. Many of them relate to energy efficiency, whether it be in the construction industry or whether it be continuing our support for driving a greater take-up of the application of technology in Victoria to reduce our environmental footprint, which is sustainable in every sense of the word — environmentally and economically — as the price of energy is likely to increase with the ultimate introduction of the price of carbon and as we make industry adjustments, so it is very important we drive those investments.

We have committed \$33 million which has led to a greater take-up of solar hot-water systems across Victoria. We see a great role for these programs in encouraging our citizens to take action themselves on the domestic scale and to take up technologies such as solar panels, solar hot-water systems or ceramic fuel cells. We think there is a great opportunity for those technologies to be applied on a domestic scale.

We also understand the importance of providing community support, so part of the jobs for the future — —

Honourable members interjecting.

Mr JENNINGS — President, you can see the opposition has dropped off again. They were motivated for a minute when it was highlighted that they had not consulted with the renewable energy sector again.

Honourable members interjecting.

Mr JENNINGS — They take the foot off the accelerator in relation to their concentration span and start disappearing again. But they may be awakened to the potential investment and the potential for jobs and regional development and better environmental outcomes by associating with renewable energy.

Honourable members interjecting.

Mr JENNINGS — They may not understand it yet, but it is quite extraordinary. In the week that the federal Leader of the Opposition, Mr Abbott, and the federal Shadow Treasurer, Mr Hockey, announced a \$652 million reduction in opposition policy federally to the commitment to a renewable energy fund, a \$652 million cut — —

Honourable members interjecting.

Mr JENNINGS — Not only do we have a complete silence from the opposition in Victoria about whether that is a wise direction for federal coalition policy but we have the double whammy of the state coalition coming out and saying, ‘Let’s make some very restrictive guidelines so we don’t get any windmill development in Victoria into the future’.

What a coincidence that in the week the federal coalition, in its budget response, guts \$652 million from renewable energy programs in the federal jurisdiction, we get the double whammy of state opposition members rising to their feet.

Mr D. Davis — On a point of order, President, question time is an opportunity for the minister to

answer questions rather than spend his whole time attacking the opposition overtly, both federal and state.

The PRESIDENT — Order! We have had this discussion before about standards in the house during question time. The degree of interjection coming from my left is clearly getting the reaction it is designed to get, and it is a bit rich to complain about it when you are dishing it out. The point about overt criticism is correct, but I do not believe that the criticism that has been dished out by the minister up to now is actually overt, although it is pretty close.

Mr JENNINGS — Thank you, President. I am very pleased to sail very close to the wind, but to stay in the spirit of commitment to renewable energy, not actually to be traversing it! In fact we have to use wind wisely in Victoria, and we are going to make sure that we drive investment. That is something that we are committed to doing — have no doubt about it! The Victorian government continues to understand that jobs for the future and sustainable industries are part of not only our environmental wellbeing but our economic wellbeing in Victoria. We are not confused about that; we are clear about that. We are determined to drive a greater degree of investment in renewable energy in Victoria, and we will continue to do so.

Weeds and pest animals: control

Mr P. DAVIS (Eastern Victoria) — I direct a question without notice to the Minister for Environment and Climate Change. I refer to the Auditor-General's report *Control of Invasive Plants and Animals in Victoria's Parks*, which was tabled today. I am sure that the minister has noted the Auditor-General's reference to his government's work in controlling weeds and pest animals in Victoria's most important conservation areas as 'unnecessarily complicated' and, further, reliant 'on outdated and incomplete data'. The Auditor-General writes:

Baseline information about ... threatening invasive species in parks. Around 75 per cent of all plant data and 57 per cent of animal data is over 10 years old, while around 30 per cent of plant and animal data is over 20 years old.

He also states that almost half the management plans for national and state parks required by legislation have not been updated in the last decade, which is of course the period of this government. The Auditor-General has also stated that:

The total cost of invasive species on private Victorian land alone is estimated at over \$1 billion each year. The cost to native biodiversity is incalculable.

I therefore ask the minister: why has the government failed Victoria's most environmentally vulnerable areas and allowed weeds and pest animals to run rampant in Victoria's parks?

Mr JENNINGS (Minister for Environment and Climate Change) — I think that is a good question from the opposition. I am pleased that opposition members are committed to environmental values and environmental outcomes — I am very pleased about that.

Mr P. Davis — I have been asking you about this for the last couple of years.

Mr JENNINGS — I have not ignored — —

Honourable members interjecting.

Mr JENNINGS — When there might be some credit due, I usually give it. This is a rare and fleeting example of commitments coming from the other side requiring the government to improve its environmental commitments. That is not a bad thing to come from the other side. I in fact appreciate it. It is in stark contrast to most of the interjections and most of the political posturing by people who share the benches with Mr Davis. That is my response, through you, President.

In relation to these programs, in the last week I have taken some action. Last week I was down in Gippsland communities making announcements on and commitments to good neighbour programs to support exactly this — the interface between public and private land in relation to the maintenance of good environmental values and the eradication of weeds on the interface between public and private land. It is just one of a number of programs that the government is committed to carrying out. In fact in the last year we think we would have acquitted about \$117 million in this space.

The Auditor-General has made timely recommendations and commentary on the effectiveness of the combination of the Department of Sustainability and Environment, Parks Victoria and the Department of Primary Industries programs. It is a valid point. We need to make sure that we get our collective act together across public sector agencies to provide greater pest and weed eradication.

Yesterday, as part of a range of programs that I have talked about to restore environmental values in response to bushfires, I launched a new program in relation to pests and weeds. I talked about that in the house yesterday. The best part of \$2 million was acquitted across strategic pest and weeds and vegetation

protection. That is a demonstration of our ongoing recognition that we need to add to our armoury the resources that are available to us and the integration of those programs across agencies.

We will respond appropriately, with recognition of the significance of the issues that the Auditor-General has raised.

An honourable member interjected.

Mr JENNINGS — As, indeed, Mr Davis has raised. If he keeps us vigilant in relation to this, I am happy to be kept on and measured by it. We may need to improve our performance, and we are committed to doing so.

Supplementary question

Mr P. DAVIS (Eastern Victoria) — The minister's response does nothing to ameliorate the criticism in the Auditor-General's report of an abject failure over the last 10 years. I note that the Auditor-General says:

... the way funding is currently allocated lacks transparency and the majority of funding does not match the long-term nature of the problem.

I therefore ask: is it not a fact that the Victorian government is seen as a neighbour from hell in regional Victoria, due to its poor pest, plant and animal programs creating hazards for all Victorians?

Mr JENNINGS (Minister for Environment and Climate Change) — President, you were probably acutely listening to my answer, but clearly Mr Davis was not, because he did not change the wording of his supplementary question one iota in relation to what I said. On the way through, funnily enough, I did talk about the requirement and the expectation for us to become good neighbours. I did actually talk about a program that I was associated with last week that added additional funds — more than \$2 million — to that program in the name of recognising that we have an obligation as a state, in terms of being custodians of public land, to be good neighbours.

This is part of a commitment we make — —

Mr P. Davis interjected.

Mr JENNINGS — The commitment we make is to improve the good neighbour relationships between public land managers and their private neighbours. The integration of land management techniques to protect environmental values across the landscape, which by nature does not divide public and private land, is one of

the great public policy challenges we have and something I am committed to doing.

Rail: passenger safety

Mr TEE (Eastern Metropolitan) — My question is to the Minister for Public Transport, Martin Pakula. Can the minister inform the house of what the Brumby Labor government has done to improve passenger safety on Melbourne's metropolitan rail network?

Hon. M. P. PAKULA (Minister for Public Transport) — I thank Mr Tee for his question. Our suburban rail network has recently undergone a major safety boost. We have implemented a multimillion-dollar CCTV (closed-circuit television) upgrade which has recently been completed. Victoria Police is on track to boost the number of dedicated transit officers on the system to 250.

Last week the Minister for Police and Emergency Services and I announced more transit police will be on the network riding the rails. Those transit police will be able to utilise a new \$8.6-million CCTV system upgrade to help further drive down crime across the network. As members know, in addition to that we have recently announced there will be 20 new premium stations staffed from the first to the last train, and another 22 stations will be staffed during peak periods by Metro.

The \$8.6-million upgrade of the CCTV system has replaced all the video cassette recorder-based recordings with high-quality digital pictures to help police identify offenders. There are 3000 cameras right across the metropolitan rail network. The upgrade we have recently completed provides better CCTV coverage of stations, platforms, car parks and transport interchanges. Footage from more than 2500 incidents has now been given to Victoria Police to help with its investigations. Because of this digital quality upgrade, the police are now confident that in the majority of cases the images and footage can be used as evidence in proceedings brought by police against offenders on the network.

As I have indicated, Victoria Police is also on track to boost the number of transit officers to 250 by the end of June. That is going to help increase the visible police presence across the network to enable them to respond quickly to crime and to act as a powerful deterrent to antisocial behaviour across the network.

We have implemented a suite of measures, including more station staff from the first to the last train, more staffed stations, more premium stations, more transit

police, better technology and intelligence-based deployment of all those officers across the network.

It has been more than 700 days since the Kororoit by-election. During that by-election the Leader of the Opposition indicated he would progressively roll out a transport policy between then and the next election. In that time we have heard two pieces of information from the opposition.

Mr D. Davis — On a point of order, President, the minister well knows he is to answer the questions and not overtly attack the opposition, which he has just begun to do.

The PRESIDENT — Order! There is no question that the attacks from the minister are clearly not overt. There is no limit on time in terms of the answer the minister may give. As long as his answer is relevant to the question asked, he has a great deal of leeway. He is the minister.

Mrs Peulich — On a point of order, President, I accept your ruling that the attack may not be overt as yet; however, the minister was debating the question, which is clearly against standing orders.

The PRESIDENT — Order! Mrs Peulich is correct. If I believed he were debating, I would rule that way. I do not believe he is at the minute.

Hon. M. P. PAKULA — I can understand why the Leader of the Opposition in this place is sensitive about this and does not want to hear it. But we have heard two things from the opposition on transport policy — —

Mrs Peulich — On a point of order, President, that is against standing orders. There may be some pressure for some leniency to be given to ministers because clearly there has been a greater latitude for them to debate questions, but I suggest the Chair should actually enforce the standing orders.

The PRESIDENT — Order! I suggest the only thing Mrs Peulich has done is to criticise the Chair. Whether Mrs Peulich likes the ruling or not is irrelevant to me. There are standing orders that apply in this house. They will be complied with by everyone. I say again: if members do not like the answers they are getting, that is part and parcel of question time. It is a robust time. The minister is complying, in my opinion, with the rules — and that is it.

Hon. M. P. PAKULA — We have heard the opposition's position that it is not committed to the elements of the Victorian transport plan — that is one

thing we have heard. All those elements to improve services for Victorian commuters — —

Mr P. Davis — On a point of order, President, in relation to standing order 8.01, I note that questions to ministers may be put on matters relating to public affairs with which the minister is connected or to any other matter of administration for which the minister is responsible. In relation to standing order 8.03, which is headed 'Matter not to be debated in answer', it is quite clear to me that a minister verballing members of the opposition parties is not responding to a question in relation to their responsibilities under 8.01 and is clearly debating the answer.

Mr Viney — On the point of order, President, as I recall the question to Mr Pakula, it related to government initiatives to improve passenger safety on Melbourne's metropolitan rail network. I believe the minister was responding in the context of the — —

Mr Guy interjected.

Mr Viney — If I am allowed to complete my point of order, the minister was responding in terms of the improvements to passenger safety that relate to the transport plan.

Mrs Peulich — On the point of order, President, I refer to standing order 8.03, which was referred to by Philip Davis and is headed 'Matter not to be debated in answer':

In answering any such question, the minister or member will not debate the matter to which it refers.

Talking about Ted Baillieu unrolling his policies is clearly debating the matter. I think it is disappointing that the minister is not made to conform with the standing orders.

The PRESIDENT — Order! Mr Philip Davis raised a point of order with regard to whether or not the minister was answering a question within his portfolio and whether or not he was debating the question. Mrs Peulich raised a point of order saying that the minister was in fact debating. The fact is the minister is well within his rights to talk about public transport safety, and he is on message there. However, as to the issue of debating, whilst he is referring to comments made by members opposite, whether they be leaders or others, is now borderline debating. I would ask the minister to take note of what I am saying in regard to debating his answer.

Hon. M. P. PAKULA — I will finish my answer. I am sure opposition members who want an exposition of

the relative policies in regard to transport safety would not take issue with this. We have announced a suite of measures about transport safety, and it is —

An honourable member — You copied all ours.

Hon. M. P. PAKULA — Let us talk about that, because I think the comparison is worth making: more staffed stations, more premium stations, better technology, more transit police, intelligence-based deployment. In response what have we had from the opposition? Let us understand the current legislation in regard to protective services officers (PSOs), who are limited by legislation as to how many there can be, limited by legislation as what their roles can be —

Mr Guy interjected.

Hon. M. P. PAKULA — And yes, Mr Guy, we sought to change it and you voted against it in this chamber. The opposition voted against that change in this chamber, and then two weeks later flip-flopped and said it was going to put a PSO on every station, which it could only do if it voted for the legislation that we put up.

We have a far-reaching and comprehensive approach to transport safety which has been enhanced by more premium stations, enhanced by more staffed stations, enhanced by better technology, enhanced by more transit police and intelligence-based deployment, which is far superior than the blunt instrument that the opposition opposed before it supported.

Public transport: myki ticketing system

Mr O'DONOHUE (Eastern Victoria) — My question is also to the Minister for Public Transport. The minister on behalf of the government has on several occasions stated words to the effect that it is not possible to buy a new ticketing system off the shelf because of the complexities associated with the public transport system. I note, however, that the New South Wales Labor government does not share the same view as this government and recently signed a contract to buy the London Oyster technology for the complex Sydney public transport system. The New South Wales government stated on 11 April:

The Pearl consortium will use the proven technology of the Oyster card in London to develop a specific electronic ticketing system for Greater Sydney.

And I ask the minister: does not the decision of the New South Wales government make a mockery of his claims that it is not possible to adapt existing technologies to the Melbourne public transport system,

particularly given that Sydney has not only buses, light rail and trains, but ferries as well?

Hon. M. P. PAKULA (Minister for Public Transport) — I reckon I have heard it all now — the Victorian Liberal opposition quoting the New South Wales Labor government, which it has derided over and over again, as somehow being the holder of the gospel in regard to public transport ticketing. It has been well publicised that the New South Wales Labor government has been seeking to implement a public transport smartcard ticketing system for many years, and its first attempt at it has ended in a system which it has abandoned.

Mr Finn — And you're going to abandon yours.

Hon. M. P. PAKULA — Mr Finn might like to think that, but he is sadly mistaken. The New South Wales public transport system is fundamentally different to what this government is providing for in regard to myki. Our system is one that will not just support metropolitan Melbourne, but one that will be statewide. It will provide services for not just Metro rail but for V/Line as well; it will provide services for train, tram and bus travel; it will provide a ticketing system which contemplates both 2-hour fares and daily fares, zone 1, zone 2, concession and the like.

Mr O'Donohue may expect me to be fully conversant with the intricacies of the New South Wales system and the reason that it has chosen to go with the Pearl provider, but that is a matter for the government of New South Wales.

The Victorian government's decision was based on the fact that we have a unique fare structure that required the provision of unique software, and Mr O'Donohue clearly misunderstands the difference between buying off-the-shelf hardware and off-the-shelf software. They are completely different things. Off-the-shelf software is not the same as off-the-shelf hardware. Regardless of the hardware that the New South Wales government purchases, that does not mean that software does not have to be implemented to take into account its particular fare structure and modes of transport.

Supplementary question

Mr O'DONOHUE (Eastern Victoria) — I note in response to the minister that the Oyster system will be rolled out across the Sydney public transport network, including Newcastle and the Hunter, as well as Wollongong, Illawarra and the Blue Mountains, and I ask: with the myki system now heading into its sixth year without being operational, does not the fact that the New South Wales government anticipates that it

will have the Oyster technology rolled out by 2012, two and a half years after it was announced, highlight how incompetent the Brumby government has become when even the New South Wales government is better at managing its public transport ticketing system than the incompetent Brumby Labor government?

Mr Viney — On a point of order, President, I am not sure that that was a question that related in any way to state administration. I cannot see how the minister can be answering a question that really was not a question of the minister in relation to his responsibilities.

Mr D. Davis — On the point of order, President, the question is clearly related to the minister's portfolio area of responsibility. It is clearly related to the implementation of the myki system and its botched introduction, and it thereby sought clarification about the incompetence of this government in the minister's portfolio area.

The PRESIDENT — Order! I am of the opinion that the supplementary question contains both argumentative content and opinion. Given the tenure of this particular question time I am going to give Mr O'Donohue the opportunity to rephrase his supplementary question.

Mr O'DONOHUE — In his substantive answer the minister referred to the fact that the New South Wales government had failed in its initial attempt to develop its own software system from scratch and has scrapped that first plan and decided to buy a system off the shelf — the Oyster system developed in London. Given that it is now six years since the government procured the myki system and it has failed to deliver on that project, will the state government now follow the lead of the New South Wales government and scrap the myki system and look at alternative technologies?

Hon. M. P. PAKULA (Minister for Public Transport) — No. I find Mr O'Donohue's twisted logic extraordinary.

Honourable members interjecting.

Hon. M. P. PAKULA — Mr O'Donohue first takes issue with the fact that the New South Wales government was unable to deliver its system and the fact that its undertakings were not met, but then he relies on the fact that the New South Wales government has said it will have this all up and running by 2012 as somehow gospel truth. Mr O'Donohue should note that it is one or the other. The answer to Mr O'Donohue's supplementary question is no. The fact the New South Wales government has now made a claim about when it

will have new technology in place is really neither here nor there.

Let us face it, the Liberal Party when it was last in government made a whole lot of claims which were not brought to fruition. It claimed it would put on more police and instead sacked them.

Mr D. Davis — On a point of order, President, bizarre claims about matters from 11 years ago are clearly not matters pertaining to the minister's portfolio responsibility and his botched introduction of the myki ticketing scheme, which was the nature of the question.

The PRESIDENT — Order! Mr Davis's point of order is correct. I assume the minister is finished.

Gaming: licences

Mr HALL (Eastern Victoria) — Question no. 10 on Wednesday afternoon is directed to the Treasurer. I refer the Treasurer to his press release of 20 May in which he confirmed the government had made an estimate of future revenue from the allocation of gaming machine entitlements of \$100 million in each of the 2012–13 and 2013–14 years. On this basis it is apparent that the government estimated the auction and pre-auction club offer to generate a combined income of \$1 billion. I ask the Treasurer: is this correct?

Mr LENDERS (Treasurer) — Yes.

Supplementary question

Mr HALL (Eastern Victoria) — Therefore, given the industry was well aware of government policies in respect of gaming machines and was well aware that the government was not intending to poke gaming machines in every street in every local government area, can the Treasurer therefore explain the difference between the government's estimate of \$1 billion compared with the wider industry view that the auction would generate anywhere between \$1.5 billion and \$3 billion?

Mr LENDERS (Treasurer) — Firstly, I will contest what Mr Hall says is the wider industry view. If you take this house, 17 members of this house are led by a man who at the Liberal Party state council said, 'This will generate \$1 billion in revenue and we will spend it on health and capital works'. If we are talking about the wider industry view, the Leader of the Opposition in the Assembly, Mr Baillieu, amid great fanfare at a Liberal Party state council said, 'This is going to raise \$1 billion and this is how we are going to spend it'.

Mr D. Davis interjected.

Mr LENDERS — The voice of Mr Baillieu speaks again. Let us firstly get a perspective. For Mr Hall to say ‘wider industry views’ is fascinating. The only comment that I heard about how this would go was the Leader of the Opposition saying it would raise \$1 billion and this is how it would be spent. If we want to go to the question of whether this is a fair price, let us look firstly at when the Kennett-Stockdale government put the licences out previously.

Honourable members interjecting.

Mr LENDERS — Members opposite may groan, but we are talking about historical facts. Alan Stockdale was talking of a sale, of \$800 million over 20 years, for not just the licences for electronic gaming machines but wagering as well. If Mr Stockdale was talking of \$40 million a year, or if you used a figure of \$80 million a year for machines, and the government is achieving \$100 million through an auction, let us actually talk about — —

Mr Drum interjected.

Mr LENDERS — We are actually in the year 2010 in case Mr Drum has not read his abacus lately. If we go into — —

Honourable members interjecting.

Mr LENDERS — Mr Hall, at least, is a gentleman from the country with courtesy, who asks a question and listens. Mr Drum is doing a haka for the supplementary at this stage. He is not actually wanting to listen to his leader. If Mr Hall wants to do a haka, he will do it all by himself for his supplementary question.

Mr Hall asked a question about what is the fair value. I will say this, firstly. If you want to compare a fair value on these particular issues, firstly, you look at what the duopoly paid for their licences. You also look at what the circumstances are.

We cannot be flipping and flopping in this Parliament, trying to be all things to all people. As the last auction, by Mr Stockdale’s words, was \$40 million a year, or by other measurements was \$80 million per year — and, yes, you adjust it for inflation; I am not pretending anything to the contrary — since the duopoly got its amount of money a number of things have happened, and Mr Drum has been one of the strongest advocates for this. Firstly, we have brought in a series of anti-gaming measures, whether it be the spin rates, whether it be restrictions on ATMs or a planning system that lets local governments make decisions on whether machines are in communities or not.

We have seen a government which has led the country in a series of measures to reduce problem gambling. It has also put a cap on the number of machines. The 27 500 cap came after the duopoly got its licences. It was done by the Kennett government, but it came after the duopoly got its licences. We have seen spin rates, ATM restrictions and, while it has got nothing to do with problem gambling, we have seen smoking bans in venues, which have significantly reduced patronage and revenue to the industry. The government has, without hesitation, gone down this path because it is the correct social policy to adopt.

Mr Drum, more than anyone, with his private members bill on smoking in cars and other things, would presumably appreciate that these are important things. Mr Drum asked the question, Mr Hall asked the question — Mr Drum was doing the haka for the supplementary — whether this was a price. His supposition was that the industry somehow or other said \$1.5 billion to \$3 billion has as much foundation as Mr David Davis’s platitudes. The one thing the opposition did do was to say it expected \$1 billion from this auction, which it then proceeded to commit, but it has changed its mind.

The opposition has supported, sometimes reluctantly, all the measures which have made it harder to make money out of poker machines. We wanted it to be a market and it is a market. We listened to the opposition on letting clubs have a pre-auction commitment — that was all fine. But significantly this is a price that is in the budget figures. This is a price the opposition forecast we would get for these machines. This is a stronger price than the duopoly got when it had wagering during the Kennett government. That is despite changes to the laws on smoking, on spin rates and on advertising, other changes regarding problem gambling and a policy announcement going forward regarding ATMs and precommitment.

This is a market that has been regulated for social outcomes, with caps in certain municipalities and ownership issues which give local government primacy in planning. In all of that we have seen an auction which has returned to the Victorian community a better return than the Kennett government got for the duopoly, along with better balance and controls. In addition, the vendor model of this government has given local communities more power in this area than they ever had under the duopoly the Kennett government reaffirmed several years ago. That is my answer to Mr Hall. What I say to him is if he disputes the figure, he should have it out with Mr Baillieu, who has used the same figure at the Liberal Party state council.

Sitting suspended 1.32 p.m. until 2.37 p.m.

GAMING: LICENCES

Debate resumed.

Mr TEE (Eastern Metropolitan) — I welcome the opportunity to speak on this motion, which is reasonably startling for one particular reason — that is, the amazing backflip by the opposition. This is a case study of an opposition flip-flopping on one issue. Not 12 months ago those opposite supported this model, and now they are running away from it at 100 miles an hour. Twelve months ago they lined up and walked arm in arm, step by step, with us on the auction model. We signed off on it line by line, and now, to anybody who did not get the outcome they wanted, opposition members say, ‘It wasn’t our model’. Without any explanation they have done the most startling backflip.

Members opposite will recall that in June last year, less than 12 months ago, the bill was introduced into the house. They sought and obtained significant changes to it, and now they want the Auditor-General to review the model they agreed to — the very model, the very process that they signed off on and demanded; the one they used their numbers to impose on this house. That was the model they supported lock, stock and barrel. They voted for it lock, stock and barrel.

Honourable members interjecting.

Mr TEE — You too, Mrs Peulich, lock stock and barrel. Now those opposite are saying that the model they wanted, with the constraints they wanted and the pre-allocation they wanted, has left the government short-changed. They wanted changes. Last year they were the friends of small clubs and they said small clubs should not be thrown to the wolves. Today they turn their backs and say, ‘We should have had an unfettered market model; we could have made more money’. Last year they went on and on about wanting an 80-20 split between the city and the country; they wanted the 50-50 clubs and pubs split —

Mr D. Davis — You agreed to that!

Mr TEE — Yes, exactly; of course we agreed. Thank you very much, Mr Davis. They wanted it, and we agreed. Now they say they are unhappy with the outcome of the model. Let us not forget this bill went through a tortuous process. We spent hours on this. We went through this line by line, clause by clause — every part of this bill we went through. As a result of that process, those opposite agreed to the outcome.

Let us have a look at what Mr Hall said last year about pre-allocation:

The Nationals consider that this provides some certainty for all club operators.

Mrs Peulich — Some certainty.

Mr TEE — Thanks, Mrs Peulich. He goes on:

It provides significant protection to small clubs in this state.

Honourable members interjecting.

Mr TEE — Hang on; this is worth listening to:

I sincerely thank the government, without reservation ...

I might repeat that:

I sincerely thank the government, without reservation, for agreeing to do that.

Mr Hall — Pre-allocations.

Mr TEE — Let us keep going. Thanks, Mr Hall, I will keep going. Yes, there is more. What about business advice? This is what Mr Hall said about business advice:

We also welcome —

Mrs Peulich — You have taken Mr Hall’s sincerity and honesty, and you are trying to cannibalise it. That is what you are doing.

Mr TEE — No, I am not disputing the unanimous nature of the support from this house. I am not disputing that — you are. Members opposite have turned their backs on this. Mr Hall said:

We also welcome the commitments given by the government on the business advice that will ultimately be forthcoming before any auction process takes place. Indeed it is extremely important that all participants in any future allocation process understand the rules by which they will be required to participate in that process.

We all agreed. What occurred as a result of that was that all the participants had one 4-hour mandatory classroom-based training session. All participants received take-home material providing them with the tools they needed to complete the bidding process. Everyone had access to training support via a telephone hotline. All this was discussed and was known before the process. There were bidder assistants, or coaches. All of that was discussed beforehand; there was no news in this. All eligible bidders were provided with bidding information. They were provided with packs which contained the information they needed.

In terms of the information and support, not only did the government agree to provide that and not only did we deal with it with all opposition parties but they were then delivered. That was the pre-allocation, that was the business advice.

In relation to the precommitment aspect of it, which is another important aspect, again as Mr Hall said, we also welcome the statement on precommitment. This is the model we all signed off on. This is the model that you are turning — —

Honourable members interjecting.

Mr TEE — Yes, precommitment, pre-allocation. At the time Mr Hall said:

Many issues will still arise. Some of those will be addressed by amendments moved during the course of this evening —

which were then moved —

but in respect of the particular matters of great interest to us on the opposition benches — those that are not dealt with by legislation and can only be addressed by assurance from the government — we have received assurances to the extent that Mr Tee has outlined here tonight. We again thank the government for that because it will provide some certainty for small and medium-sized clubs in our electorates.

That was the position less than 12 months ago, and what has happened since then? That related to the pre-allocation and the precommitment.

In his contribution, what did Mr Hall say has gone wrong? He said firstly we did not make enough money out of the process. But we know, and the Treasurer gave evidence to this effect, that the Treasury advice was that the auction process would realise about a billion dollars in revenue. That was the advice from Treasury; that advice has been made available publicly.

We know that the Leader of the Opposition in the Assembly, Mr Baillieu, has publicly stated that there would be about a billion dollars — —

Mr Drum — That was the only figure he had to work on.

Mr TEE — And Mr Drum says that was the only figure he had to work on. Mr Drum needs to have this conversation with Mr Hall, because Mr Hall quoted unknown industry sources that obviously were not talking to Mr Baillieu. Mr Drum needs to work it out. He needs to be clear: either he thought they were going to get \$1.5 billion and the Leader of the Opposition got it wrong, or it was \$1 billion.

Mr Hall — Do you read the *Australian Financial Review*?

Mr TEE — I am just telling you what your leader, Mr Baillieu, said before the process. He said a billion dollars.

The other argument Mr Hall raised was that somehow some clubs paid too much and some clubs paid too little.

Mr Drum — He did; that is exactly right.

Mr TEE — Again, that is the model Mr Drum signed off on.

Honourable members interjecting.

Mr TEE — That was the model you signed off on. That was the coalition's model, so if it is going to try to kowtow now to people who are unhappy that they paid too much, it should not try to shift the blame; it needs to accept the reality. The coalition voted for the bill, voted for the bill as amended, voted for the bill after the process that we all went through. If it is going to change its mind, it needs to be honest, it needs to come clean and explain what part of the model it now disagrees with.

Does the coalition disagree with the precommitment? Does it disagree with the pre-allocation? Does it disagree now with the problem gambling measures? Are those the measures it disagrees with? Does it want to put ATMs back in, if it wants to get more money? Does it want to start allowing people to again smoke in venues?

Mr Drum — They were never going to make a big difference.

Mr TEE — They have made a big difference. The coalition needs to be absolutely clear and honest with the community about what changes it thinks should have been in the model so that more money could have been extracted out of the system. It needs to be absolutely up front, and I look forward to contributions from those opposite in terms of how it would have changed the model to get more money out of it.

Would the coalition have changed the formula between clubs and pubs? Would it have changed the formula for regional venues? Would it have got rid of the 40 machines it sought in terms of the pre-allocations?

Mr Drum — All this had nothing to do with the auction, and you know that.

Mr TEE — All those issues were front and centre of the auction process. The government will not oppose this motion because we are more than happy for the process to be reviewed. This process, as we know, has already been subjected to stringent reviews. It has already been independently reviewed. Every step of the way has had an independent audit process. There is no concern in relation to that, but I think what this motion does and what Mr Hall has done is expose the hypocrisy of those opposite who say something one day, support something one day and then the next day run away from it at a million miles an hour because someone is probably complaining that they have paid too much.

Mr Hall — That is not my style. I do not run away from things.

Mr TEE — That is what is disappointing, Mr Hall.

Mr BARBER (Northern Metropolitan) — Thank you, Acting President. The Greens will also be supporting the motion. As Mr Hall — —

The PRESIDENT — Order! Does Mr Barber know something about my acting?

Mr BARBER — You are acting extraordinarily wisely in your role; I will put it like that.

The PRESIDENT — Order! That is the right answer.

Mr BARBER — Mr Hall pointed out that a motion such as this is not binding on the Auditor-General, and I concur with that. However, it is interesting that the Parliament has the power to refer to the Ombudsman a matter that it seeks to have investigated. There is a similarly interesting cross-cutting set of powers in relation to the New South Wales Independent Commission against Corruption where Parliament does has a power to direct an independent officer of the Parliament as to what they should investigate, but I do not think Mr Hall is necessarily proposing any law reform to the Audit Act. It is just an interesting thing to note.

Mr Hall talked about all the things that he thought had gone wrong with the auction and then he simply asked, 'How could this happen?'. I have to say, looking at the data and understanding the background as I do, for the most part the outcome of the auction was fairly predictable. First of all, we had clubs, with 50 per cent of all machines in Victoria, offered a pre-allocation of 40 machines — if your club had 40 machines, you would get 40; if your club had 100 machines, you would get 40 — and they were at a price relative to the

historical revenues of the clubs. The number and price of their machines was more or less set from the beginning. Therefore you get a fairly consistent ratio there, as you would expect.

In some cases the clubs also bid for extra machine entitlements. The reserve price for those was \$5500. It seems that for the most part those clubs got a number of machines at that price. In fact I counted about 2500 machines that were sold at the \$5500 price, at the bottom of the reserve. What I would say about that, first of all, is that it proves we have too many poker machines in Victoria. Those machines must be worth something or else nobody would pay even \$5500, but they are clearly not worth very much. Again this is entirely predictable. If you go into any poker machine venue you will not see queues of people waiting their turn to play the poker machines; you will actually see almost all the time large numbers of machines with nobody playing them.

We know from other examples that, when the number of machines in a venue is reduced, revenues can be maintained or even increased. There are just way too many machines. If what Mr Hall is saying is that he now endorses the Greens policy, which is to get rid of large numbers of poker machines from Victoria, then I welcome that. But I do not know that it follows that by setting a higher reserve we would have simply got a higher return. It is a bit like saying that if I am trying to sell my house and I make my reserve \$100 000 higher, I will get an extra \$100 000. I wish it were that easy. What would happen is my house would be passed in if nobody is willing to pay that amount. So it is possible that with a slightly higher reserve there might have been slightly more money, but it is also true that if they raised the reserve to any level you want to name, it is more likely that machine entitlements would have gone unsold. That just goes back to my original point, which is that there are too many poker machines here in Victoria.

We then go and look at the outcome of the auction of pub machines. From a quick scan through this data, that I got only recently, it seems that a whole lot of hotels, like clubs, paid something less than one year's revenue for a 10-year entitlement. In any case, we have the data from prior to the auction, which showed that the average pub earns more than the average club, but there is also a high degree of overlap. There are certainly some clubs making, on a per machine basis, vastly more revenues per machine than some pubs. The highest earners are pubs, but the highest earning clubs are right up there.

It would not surprise me if, on further analysis, we find that the historical information on revenues and the auction results more or less indicate that where machines are high earning, they have paid proportionately around a year's revenue for them. People may have different views about whether that is the right amount. Quite simply, though, if we reduce the number of machines put out for auction, since they can still earn the same revenues over a smaller number of machines, then the willingness to bid for the total pool of machine entitlements cannot have changed that much. If people believe this is an uncompetitive result, it is because there is such a vast number of machines in Victoria that clubs and pubs have way more than they needed. We have seen year after year, even after machine numbers were capped, that revenues are still rising.

What should have happened? Should we have somehow designed an auction that was even more competitive for pubs? I know The Nationals are not suggesting the system should have been more competitive for clubs. The system we have for clubs is the system that The Nationals designed and asked for and voted for in this place. What I would be doing is halving the number of machines, letting clubs bid and telling the pubs to go fish. There is a reform for you! I have no doubt that it would lead to higher bid prices and revenues per machine in Victoria. It certainly would not solve all our problems, but we would not have had to have this debate for a start.

I have no doubt that the Auditor-General will go through all these matters in some detail. The Nationals and others who have pushed forward this motion will be quite comforted to know that the Auditor-General will not look into the wisdom of the particular model that we designed in this chamber. The Auditor-General does not look at the wisdom of particular policy settings; he simply looks at the efficiency and effectiveness with which those policies are implemented. Any question of whether this particular group of settings was designed properly is never going to come into the Auditor-General's mind. He is never going to say how much we would have got if The Nationals had not insisted on the allocation process that it did. He is not going to ask that question; he is simply going to look narrowly at how the auction was run. I look forward to reading about that.

It is hardly the main game, though, when we know that every single dollar that we are debating today comes from a product that in itself is damaging. We can argue whether 40 or 50 or 60 per cent of the revenues come from problem gamblers. Those are different estimates. There is no doubt, though, that around half the money

we get comes from people who are experiencing high to moderate levels of gambling-related harm. That is, if they are not actually problem gamblers, they are certainly gambling money that they cannot afford, and thereby some other aspect of their life or their children's lives or their family members' lives is being sacrificed. We have many studies that demonstrate that. This is an industry that by its very nature is exploiting some of the most vulnerable people in our community.

If The Nationals hope is that they can have some more poker machines in a given area, then I would be perfectly happy to lower the Moreland cap and the Darebin cap and some of the other capped areas — I am sure Ms Hartland would be happy to lower even further the Maribyrnong cap — and send those machines out to a club or venue that The Nationals would like to nominate. That is not going to make their auction more competitive; in fact it is going to flood any given auction with more machines. I was not really clear, when the lead speaker for The Nationals was suggesting that in Horsham there had been a very competitive auction, whether he thought that was a good thing or a bad thing. If he is worried about it, he can have some machines from my electorate.

Additionally, it is the nature of these machines and the way they operate that really represents the problem. Even if you want to argue, as Mr Pakula often does in his well-known libertarian fashion, that if people enjoy participating in an activity, they should not be stopped from doing it and even if you think that people enjoy playing poker machines — —

An honourable member interjected.

Mr BARBER — Except that surveys indicate that people who play poker machines report that they do not actually enjoy playing them, which is kind of odd, but they keep doing it. This is a product where the people who use it actually say they do not enjoy it. Some people want to fight for their right to do it, anyway.

Hon. M. P. Pakula — You said you do not enjoy being an MP, but you still are one.

Mr BARBER — Well, it is moments like these, Mr Pakula. Now I have completely lost my train of thought, thanks for that.

Hon. M. P. Pakula — Mission accomplished!

Mrs Peulich — To use a pun, he has been derailed!

Mr BARBER — It seems that not only does a high proportion of the revenue come from people who experience high to moderate levels of gambling-related

harm but that the machines themselves are designed to turn us into zombies. This is where the government's antigambling messages have got it so wrong. 'Know the odds'; 'Do you realise you have more chance of finding buried treasure than you have of winning on the pokies?' — that is all very well and good, but that is not why people play the pokies. People play the pokies because when they are sitting in front of that machine they zone out. They forget the world around them; they forget their problems. That is why people who may not fit the category of problem gambler are nevertheless highly susceptible to becoming problem gamblers. That is not information that comes from the traditional surveys.

I have some anecdotal examples, but they are quite illustrative. It may be that an elderly woman plays pokies regularly with her friends. She takes \$20, puts it in her left pocket and says, 'That's how much I am going to gamble tonight'. She goes down to the venue every Friday apparently with no resulting harm whatsoever. In Mr Pakula's world view that is a person who just enjoys taking in an activity, and we should not get in their road.

However, say the same individual experiences personal tragedy — for example, her husband dies and the kids have left home. Suddenly she starts going to the pokie venue by herself. Now she is gambling vast amounts of money. It is a way of zoning out and forgetting the problems of her own life. The next thing you know she has gambled away her life savings and is faced with the tragedy that goes along with that. If she still has a job, there is a real risk that she will start defrauding her employer or some not-for-profit organisation she works with. Banks will tell you all about fraud risks in this area.

That is how people become primed to be future gambling addicts even though on the typical measure they themselves do not yet have a gambling problem. These machines are scientifically designed to turn people into zombies. There should be no reason why Labor and Liberal members come in here and constantly re-endorse each other's decision to introduce pokies into Victoria, to expand them, to cap that expansion and then to continue them on and on again. There is nothing either of those past governments can claim. Yet they come in here and have these sorts of arguments about the problem.

Every dollar spent as a result of these auctions will be at the expense of someone's life or livelihood. There are other ways of spending the money and other businesses down that same main street. If the coalition believes there is some sort of political juice to be squeezed out

of the orange here, I cannot see what it is. What we need most urgently is a dramatic reduction in the spin rates and the ability to lose money through these machines. Even though they are designed to make people zone out, lose track of time, lose track of how much they have gambled — and in fact the only point of gambling then becomes to extend that high or that helped self-hypnosis — we need to cut that back.

We need to cut back the spin rates and the bet limits. That is the only way we can actually fix this system. We cannot fix it through ads. We cannot really fix it through reducing machine numbers unless those are deep cuts. We can decrease the number of venues so we are not tripping over them every time we go to and from the shops, but in the end, as described in the Productivity Commission's report, it is essential that we reduce the voraciousness of these machines. They are way more voracious than other machines around the world, including the Las Vegas slot machines and all the rest. We simply need to reduce the rate at which people can lose money, because that is the only guarantee we have of minimising the harm.

I am yet to understand from any of the contributions on this motion what exactly it is that the parties want to see done. No doubt the Auditor-General will look into this matter at some time, and I look forward to reading his technical description of how the auction was run, but it is absolutely not the main game. Members in this place should be aware that this is an issue that will get a lot bigger as the two electoral cycles of this year roll out.

Mrs PEULICH (South Eastern Metropolitan) — I also wish to make a few remarks in support of Mr Hall's motion which calls on the Attorney-General to inquire into the process employed by the Victorian government to allocate gaming machine licences.

Mr Lenders — Wrong general!

Mrs PEULICH — I beg your pardon — the Auditor-General. I have Rob Hulls on the mind.

The motion calls for an inquiry into the allocation of gaming machine licences for the period 2012–22 with particular regard to a listed number of items, most of which are concerned with the auction process — that is, whether it was understood by participants, whether it achieved the best financial outcomes and whether it functioned as it was intended. I certainly endorse that. I have not been a great advocate of the gaming industry, but it is a legal industry. I am a bit of an anti-gambler myself, primarily because a distant relative had a compulsion. It is an addictive behaviour for about 3 per

cent of the population, and it is a problem for a greater number.

Problem gambling is a soft term; it is not a precise term. A problem gambler can be someone who loses \$5 or \$10. If they deem it to be a problem, it is a problem. But it is very different from a compulsive gambler who has the addictive behaviour and for whom the ramifications of compulsive gambling are devastating to their lives, to their family members and to their work, often resulting in the breakdown of relationships, the loss of jobs, the loss of home and depression. It is not unusual for it to be accompanied by suicide. I consider this distinction to be very important.

One of the great travesties has been the failure of this government in its management of this entire policy. For me it is on par with the mismanagement of the pink batts scheme by the federal Minister for Environment Protection, Heritage and the Arts, Mr Garrett; the mismanagement of myki by the former Minister for Public Transport, Lynne Kosky, and now the current minister, Martin Pakula; and the mismanagement of the bushfire response. This is yet another multifaceted debacle, where this government and the Minister for Gaming, Mr Robinson, along with the current Treasurer as well as the past Treasurer have been instrumental in overseeing this new regime.

The prevarication, the pontification and the prolonged delays in this government's reform of gaming left this industry in limbo, so much so that a reasonably respected member of the gaming fraternity has decided, because he was unable to get further finance due to the uncertainty of the industry, to exit the industry. There have been a lot of small outfits where the financial uncertainty has taken a toll as a result of this government's delay, prevarication and pontification.

Initially we saw that the small clubs were to be thrown to the wall. Mr Hall, using the processes of this chamber, in good faith entered into negotiations with the government to try to protect those most vulnerable outfits in our community — that is, community clubs that pump all their profits back into the community, into services for their members and the broader community. He did so only to have his honesty and decency trashed and shredded by Mr Tee. He has tried to cannibalise Mr Hall's reputation, and he is to be condemned for it. It is a contemptible act.

Mr Drum — It is an act of bastardry.

Mrs PEULICH — It is an act of bastardry. That is not a swear word, President. I will rephrase it, President.

The PRESIDENT — Order! Thank you.

Mrs PEULICH — It is a contemptible act which demeans what is possible in this chamber. It is unfair to Mr Hall, who is probably one of the more honest and up-front members of Parliament that I have come across in my 14 years of parliamentary life. Today Mr Tee would earn the reputation of being just a little too tricky for his own good. What he said reflects poorly on him, and he ought to be condemned for it. It basically means that non-government members should never enter, in good faith, into any sort of negotiations to get better outcomes from flawed legislation. It means that there is no need for a house of review to try to get a better outcome.

The defence that Mr Hall gave and that I would like to endorse is that it is not a system we on this side designed, it is not a system we administered and it is not a system we preferred. In my view, it is a system that has been mismanaged. Mr Hall used his initiative to try to make it a little better for those who were to be victims of yet another debacle, on par with myki. In fact, a longstanding and strong Labor voter and president of a local RSL said to me only a few months ago, and he reiterated it recently, 'Inga, mark my words. I've been a Labor man all my life. This government's mismanagement of gaming and electronic gaming machines and the auction system is the next myki for it. And do you know what? I voted for Labor for 45 years, and I will never vote for them again'. There you go; that is what it has done.

There should be a process for someone independent like the Auditor-General to look at what happened, to look at the auction process, to look at why Victorians derived much less revenue than they could have. The bottom line was used by the Leader of the Opposition as the lower end of possibility. Opposition members, especially the Leader of the Opposition, have made lots of contributions on many occasions warning this government on a range of gaming-related matters, such as failures on the lottery licence, club entitlements and regional caps. Mr Barber said that he would be happy for caps to be moved from one electorate to another. It is the pea and thimble act. Moving a cap to another area just means you raise it somewhere else, and that pervasive, corrosive effect of gambling is just moved around; it is not diminished.

Many of the measures taken by the government have failed to stem the incidence of problem gambling and the social damage that has occurred. The problem gambling strategies have been a dismal failure, despite the introduction of the smoking restrictions. Smoking restrictions could be defended on a range of other

physical health matters. Since then, however, increases in gaming turnover have been seen, so in terms of cutting back on gaming revenue, that measure has been a dismal disaster.

Opposition members, certainly the Leader of the Opposition, have also been vocal on local government's involvement in the planning process surrounding gaming venues, and on the Tatts/Tabcorp alignment — and, dare I say, the Leader of the Opposition has been right on every occasion.

The fire sale of the new gaming machine licences has cost Victorian taxpayers upwards of \$1 billion. As Mr Hall said, we bemoan the loss of a minimum of \$500 million on myki. The original costing for the fast rail was \$80 million; it got up to nearly \$1 billion. That was a lot of money poured down the gurgler. This is yet another example. Speaking federally, \$2.4 billion was wasted on the pink bats program. The Labor Party, with its vertical integration through its own factional alignment, is spending and wasting taxpayer and ratepayer money as if it is confetti — throwing it up for basically no benefit whatsoever. Lots of opportunities are lost as a result.

In deciding to reform the gaming industry the government ignored the likelihood of a \$3 billion offer from Tabcorp and the Tatts Group. The wisdom of that needs to be subject to ongoing debate. Tabcorp alone was willing to pay up to \$1.5 billion to retain the structure, and it is on the record that the other operator was expecting to pay a similar amount.

USB Gaming analyst Sam Theodore is reported in an article in the *Australian Financial Review* of 20 April as saying:

There was a general view that Tabcorp and Tatts could pay as much as \$1.2 billion each for a renewal of their gaming licences ...

If the state had raked in all that money, imagine the infrastructure projects that could have been built for the community and the services that could have been paid for.

The article further reports:

Mr Theodore said the regulatory risk — underlined by Victoria's decision to change the pokies structure — had put pressure on gaming assets, making them less valuable than they were three years ago.

Various industry estimates put the value of the gaming machine entitlements at between \$1.5 billion and \$3 billion. That is not just a manufactured figure, it has not been plucked out of thin air; it is a figure used by

experts in the industry. The sale of 27 500 10-year gaming entitlements for just \$981 million represents a massive windfall to venue operators, at great expense to the Victorian budget and no doubt leaving a giant black hole.

The reserve price for gaming machine entitlements of \$5500 for clubs and \$11 000 for pubs was based on the worst-performing machines in the worst-performing clubs in Victoria. For local government areas throughout the south-east, the region I represent, such as Casey, Monash, Kingston, Frankston and Greater Dandenong, where gaming continues to rise, the reserve price was considered the pot of gold at the end of the rainbow for gaming operators.

After the auction I spoke with a number of venue operators, who have advised that they expected the reserve auction price for pub entitlements to be approximately \$45 000. Another venue operator said that he sat in amazement all day as the auction price just flatlined with no movement, and that his business received poker machine entitlements at its original bid but was willing to increase that bid by a further 700 per cent.

We have seen in both the *Herald Sun* and the *Age* that the Melbourne Football Club had allocated \$4 million to purchase 92 machines but ultimately paid only \$370 000 for the entitlements it secured. The Hawthorn Football Club paid \$5500 each for 100 machines when it had considered bidding up to \$110 000. Similarly Carlton Football Club also paid the reserve price for at least 260 entitlements. St Kilda Football Club paid just over \$15 000 each for 83 machines. Essendon Football Club chief executive officer Ian Robson admitted that the machines the club was after were bought at a lower level than expected.

So it goes on. Charles Livingstone, of Monash University's health social science department, said that if a machine makes \$200 000 profit for a venue operator and the operator has paid \$84 000 for it, the operator is going to be making the auction price back in well under a year and then has nine-plus years to go of pure profit, apart from a few operating expenses. Clearly there has been a windfall for the operators to the detriment of Victorians.

The new regime weakens the probity and the future of the gaming industry. In particular I am seriously concerned about its impact on RSL and bowling clubs. One venue operator believes a range of smaller venues with between 5 and 20 machines will now be appearing across the South Eastern Metropolitan Region. I noticed in the draft electronic gaming machine policy of one of

the local councils that it was promoting the concept of shopping strip gaming venues. I think it is absolutely outrageous to put a little pokie venue in your little shopping strip so that when mum and dad are going down to buy the milk, or pensioners are going down to cash their pension cheques, the temptation will be right there at their door.

Unlike Mr Barber, I think accessibility is a huge factor. Gambling in many instances is opportunistic, and we need to diminish that opportunity. I could speak on this for a long time, but I would like to quote the former mayor of the City of Monash, a good Labor man who sought preselection in Aston, I think it was, though I am not quite sure. He expressed concern over the stripping of councils of their approval powers for gaming venues, which is giving rise to a fear of smaller venues opening. Paul Klisaris is reported in the *Monash Journal* of 30 November 2009 saying that the increase in poker machines could have a devastating impact on the community. He said:

... the changes in legislation showed a lack of understanding of the issues surrounding problem gambling.

We no longer live in a democracy in Australia — we are living in a fascist society. Not only has local government seen its powers in the area of planning being watered down over the last decade, we now have this situation where there is a total disregard for the wellbeing of our community.

The 2009 budget and forward estimates forecast gambling taxation revenue of \$6.9 billion. The 2010 budget and forward estimates predict gambling taxation revenue of \$7.4 billion, so a further increase of \$500 million is forecast. If that comes through this remodelled shopping strip format, it is something I will be opposing tooth and nail.

I will not go over the dropping of the ball on problem gambling and the fact that gaming expenditure in the south-east has risen 14.68 per cent over four years because of the various failures. This failure points to concrete proof, and I think Tony Robinson, the Minister for Gaming, should be stripped of his portfolio, because there is so much at risk. Between 2008 and 2009 problem gambling advertising was cut by 35 per cent through the south-east.

I am getting the wind-up, but let me just say in closing what the figures show. In the city of Casey — and these are the most current figures — \$123 318 443.85 was lost in poker machines for the financial year. This represents a further 5.15 per cent increase on last year. In Frankston \$73 857 640.29 was lost in poker machines for the financial year, representing a 7.92 per cent increase. In Greater Dandenong \$121 121 650.63 was lost, a 4.35 per cent increase on the previous year.

In Kingston \$90 074 552.04 was lost, representing a 3 per cent increase. Whilst that is occurring, the Victorian Commission for Gambling Regulation website is not current in relation to regional statistics and population; the most recent figures go back to 2006–07, because this government has a lot to hide.

It has been a debacle from the point of view of the taxpayer, the compulsive gambler and the community, and I think there is worse to come. I certainly support this motion as at least one measure to get some more focus on this government's mismanagement of this important portfolio. The auction of pokie machines represents a huge windfall potentially to Victorians, but it has obviously been squandered through the recent auction system entitlements for gaming machines.

Mr DRUM (Northern Victoria) — I wish to add my support to the motion that has been put forward by Mr Hall. In doing so I would like to argue very strongly against the method and tactic that has been used by this Labor government. The government has botched this whole issue from day one, from the day it effectively said, in a correct decision, that it would take Tattersall's and Tabcorp out of the market. As I said, that was a correct decision, but there was also the manner in which the government simply decided it would have no consultation with the industry, and from the moment it took that decision this whole process started to go downhill. It went into a free fall from which the government was never able to recover. We now have a situation where the government has lurched from one disaster to the next. At the end of the day the government came up with an environment and a set of protocols that it based this whole auction process on, and it has ended up with an absolutely disgraceful result on behalf of Victorians and the taxpayer.

I will go through some very basic figures, but there is no doubt that on the day the auction came around, as a result of their bungling throughout the last 12 months, the incompetent group of politicians from the Labor Party in this government botched \$1 billion in one 24-hour period. Government members can just throw the money around as if it is just a figure. It is just a little '1' with a whole heap of zeros on the end. But what it really means is that a whole range of hospitals out there will not be getting built in the near future because this ridiculous government has just let \$1 billion slip through its fingers.

What does it do? It resorts to the politics of desperation. The government says, 'Let us see how we can somehow or another blame the opposition. It actually had an input into this pre-allocation process'. Thank goodness for the government that we did because

otherwise it would have lost another few hundred million dollars. The government has set the bar so low regarding the minimum price for these club entitlements that it would have lost another couple of hundred million dollars.

The government has gone through this process. As Mrs Peulich and Mr Hall mentioned, most of the clubs were prepared to pay in the vicinity of \$40 000 to \$50 000 for their machine licences. That has been borne out by the rate they all signed onto at the pre-allocation stage. They could afford to do that. It involved 1.8 times their previous year's profit for the first 20 machines; then it would have been 2 times their previous year's profit for the next 20 machines.

Sometimes the machine licences were \$30 000 to \$40 000; the more profitable clubs could have paid between \$50 000 and \$70 000. But to have over 1000 machine licences sold at the price of \$5500 should make this government disgusted with itself. Those 1000 machines have gone to elite sporting clubs, mainly AFL clubs, so they can fly their players home on a chartered jet at 2 o'clock in the morning at low altitude so that none of their sores bleed or injuries get worse on the trip back. That is a really good use of taxpayers money, and it is really good for communities who suffer because of poker machines in their environment! At least those communities under another model may use some of the benefits, but those machine licences were snapped up for \$5500 by elite sporting organisations like the Melbourne Racing Club, the Victoria Racing Club and the AFL clubs. Another 500 machines were picked up for \$5500 by semi-professional sporting organisations. They will simply put all of this money into their centre half-back and their ruckman.

It is just an absolutely disgraceful way for any government to implement public and social policy. The government needs to be held account for this. That is why I agree with Mr Hall's motion. Let us invite the Auditor-General to investigate the process and overarching system that was put in place. Let us see how an independent auditor can look at this and see if the various outlines, goals and objectives of the government were met in any way. I am sure his findings will be negative.

It was a disgraceful attempt that the minister attempted to blame Mr Hall at the Public Accounts and Estimates Committee. Mr Tee stood up and deliberately and deceitfully tried to mix up the pre-allocation process with the auction process amidst howls from the opposition on this side of the chamber. We were trying to get on the record that Mr Tee was deliberately trying

to skew this argument. The government stands alone as comprising a most embarrassing bunch of fools who have power in this Parliament. That is effectively what we have.

At no stage did any member of the opposition have anything to do with any of the guidelines or outlines of the auction process. The auction process let the government down. The government set the parameters around the auction process and the auctioning environment. The licensees — club licence-holders or hotel licence-holders — went to the auction process. Those parameters that were set have led to this absolutely disgraceful outcome.

Mr Hall — Nor did we have anything to do with setting reserves.

Mr DRUM — Absolutely. The reserves were set at \$5500. We all looked at that when the government made that decision some six months ago and we said, 'What sort of ridiculous price is that? Surely it has no relevance in the reality of the EGM (electronic gaming machine) industry. Why did the government set such a ridiculous price?'. Little did anybody envisage that somehow or other this ridiculous setting of such a low reserve price could come back and bite the government on the proverbial. But in fact it did. The government has been left with egg all over its face because it set such a ridiculously low reserve price. All of a sudden the government has had to bear the brunt for these elite clubs picking up over 1000 machines at the price of \$5500 each.

Mr Barber interjected.

Mr DRUM — The reserve price could very easily have been set at the agreed price.

Mr Barber interjected.

Mr DRUM — Exactly and possibly. It is two years revenue, or one and a half years revenue. Had the government decided to do something totally unusual and out of the ordinary and consult the industry, maybe it could have come up with a fair price. Maybe Victorians are going to miss out on a new hospital for Box Hill; maybe Victorians are going to end up with half a hospital in Bendigo; maybe people are going to end up with substandard roads; maybe they are going to end up with a lack of health-care opportunities and situations right across this state; maybe they are going to knock on the door of this government and the government will say, 'We don't have the money. The reason we don't have the money is we've blown a couple of billion dollars on projects like myki and fast rail. We let \$1 billion slip through our fingers when it

came to the auction of the EGM licences. Then what did we do? We just tried to blame the opposition. We couldn't blame former Premier Jeff Kennett because he'd been gone for 11 years. We couldn't quite draw that bow far enough to blame Jeff Kennett, so we thought we might try to blame Peter Hall, because he had an important role to play in the pre-allocation process. We'll just try to reach out and see if we can grab the opposition and try to drag them under the water as we drown, because we're slightly out of our depth when it comes to pulling together some form of policy that's going to create a benefit for the people of Victoria'.

I welcome the opportunity for the Auditor-General to have a look at this issue and to go through the whole raft of paragraphs in this notice of motion. I hope an independent auditor can flush out where the government got it wrong, how it could have done it better and whether it achieved any of the outcomes it was looking for. I am sure the answer is going to be no. The Treasurer stood up and effectively said, 'We were expecting \$1 billion. We got nearly \$1 billion so it is about right'. If that is the case, then the Treasurer also expected these elite AFL clubs to have picked up 1000-odd machines for \$5500.

He must have expected another 1000 machines to go to other sporting organisations for \$5500. He must have expected the Mathieson-Woolworths cartel to pick up another 1000-odd machines for \$5500. He must have expected the Doxa Foundation to pick up its 500 machines for \$5500. He must have been an absolute mind-reader, a soothsayer; he must have been reading the cards. He must have been an absolute visionary to work out that this result was going to be as disgracefully poor as it was.

We are not speaking out of turn when we say that we know that the vast majority of the clubs were willing to pay in the vicinity of \$40 000 to \$50 000 for their machines, and we know that the vast majority of hotels were willing to pay a figure pushing up towards \$100 000 per machine — from \$70 000 to \$80 000 to \$90 000 to \$100 000 per machine. That is what they were willing to pay.

If you do a rough calculation of those figures and you multiply it by 27 500, you reach somewhere in the vicinity of \$2 billion to \$2.4 billion, and the government received \$980 million. Well done! No wonder our public transport is a mess, no wonder our finances are a mess, no wonder we cannot get any hospitals built in this state, no wonder we cannot get anything done. Every time the government makes a

mistake like this, what does it do? It tries to blame someone else.

Mr O'DONOHUE (Eastern Victoria) — I am pleased to add my support to the motion moved by Mr Hall this afternoon. Indeed it is a very important motion. We have seen this government's inability to manage the revenue it collects, whether it be more and more money from the federal government or from its own taxes and revenue sources. Here we see a situation where the government has been unable to maximise an appropriate return for an asset which it is selling to the marketplace.

The Treasurer said in question time that Mr Hall is a gentleman, and I endorse that comment. In that context Mr Tee's contribution was highly inappropriate and misleading and did nothing to advance the cause or position of the government. In fact Mr Tee's, to use a football term, playing the man and not the ball demonstrates the weakness of the government on this position.

If the government thought the auction had been conducted in a fair and effective fashion, it would not be voting with the opposition parties in support of this motion. The fact that it is supporting this motion demonstrates just how weak its position is, and that was reflected in the contribution from Mr Tee. I think Mr Tee's contribution needs no further rebuttal.

Mr Barber said, 'Well, you know, the issue of a reserve is something which does not necessarily mean that you are going to generate additional revenue'. That potentially is true, but if the reserve is artificially low, then you are compromising the value of the asset, and that is exactly what has happened in this situation. The reserves set by the government for those machines that were open and on the market were set at an artificially low price, and therefore on many occasions, as Mr Drum and Mrs Peulich have enunciated, we had the bizarre situation where Bruce Mathieson and Woolworths were paying less for machines than little country community clubs. How ridiculous, how outrageous.

The government's response to that, and the Minister for Gaming's response, is, 'Good policy costs money, and if the operators are not going to pay so much, they won't have to try and maximise their return'. That is naive at best and stupid at worst, because that shows a clear lack of understanding of how commercial operators operate. Operations such as Woolworths have an obligation to shareholders to maximise returns. They are not going to say at 7 o'clock at night, 'Look, people, it's time to go home; we're going to shut early tonight

because we didn't pay so much for this machine in the auction allocation, so we're not going to try and make so much money. Go home and come back tomorrow, and we won't worry about making those extra few dollars because we've already paid the government our \$5500 for this machine. We made that in the first week or so in operation, so we don't need to worry about it'.

That is not how the commercial world operates. That is not how this will operate in practice. Whether machines were bid at \$150 000 or \$5500, the operators of those machines will seek to maximise the return on their investment, and if they were able to pick up machines for \$5500, they will still seek to maximise the return on that investment. The functioning of the auction shows a lack of understanding by the government of how the market operates.

I want to turn to the opportunity cost, because arguably we have seen Victorian taxpayers miss out on an additional \$1 billion windfall — an additional \$1 billion that could have been put towards employing more police, building more police stations, rebuilding hospitals, employing more nurses, building new schools, employing more teachers.

I ask the Treasurer, who is in the chamber today, how many teachers will he not employ because of his government's failure to maximise the return on this auction process? How many additional trains will not be purchased because of the government's failure? How many new police stations will not be built because of the government's failure? How many nurses will not be employed because of the government's failure?

We should all remember that there was a Treasurer who personally oversaw the proposed expansion of the number of gaming tables at Crown Casino, who took responsibility for Minister Robinson.

Minister Robinson was not up to the task and the Treasurer took over that responsibility himself, so I would like to hear an explanation from the Treasurer about this situation. His answer in question time today was wholly unsatisfactory. It demonstrated a lack of understanding of how the market operates, or perhaps he has more to say, and I would invite him to say more during this debate as he has the opportunity. As I say, I am glad he is in the chamber today for the debate.

Another thing that concerns me flows from an article in the *Pakenham-Berwick Gazette* today. A number of applications for additional electronic gaming machines in the Beaconsfield and Officer area have been put forward in recent years. I personally have opposed those applications, because in my view the community infrastructure and the population should be developed

before consideration is even given to additional electronic gaming machines in a growth area. Up until now that has been the situation, but I read on page 5 of today's *Pakenham-Berwick Gazette* that:

Beaconsfield's Pink Hill Hotel was granted 60 electronic gaming machines ... in last week's pokies auction.

But there is no certainty they will ever be delivered, with the application for the gaming venue being heard at the Victorian Civil and Administrative Tribunal ... in June after the Cardinia Shire Council knocked it back last year.

The article goes on to quote Cardinia shire spokesman, Paul Dunlop, as having said:

It would be fair to say the council was surprised to hear that the Pink Hill Hotel had purchased 60 EGMs —

electronic gaming machines —

'At this stage, the premises has not yet been approved by the Victorian Commission for Gambling Regulation (VCGR) — a decision is expected shortly ...

'The planning permit application to the hotel was refused by council in December 2009 and the hearing against that decision is scheduled to begin on 28 June'.

My understanding of the auction process was that those bidding for machines had to have been approved for and have a licensed venue. I ask the government to explain — indeed I asked the Minister for Gaming and the member for Gembrook, Ms Tammy Lobato, to explain — how this operator, who does not have a licence and so does not have a permit, was able to secure 60 machines in the auction.

There are many questions that flow from this flawed process. In his contribution Mr Hall referred to the complexity of the auction process. This is perhaps another example of how something may have gone wrong because of its complexity. To go back to the government's pathetic attempt to try to say that the opposition is all part of this, I point out that the opposition had a role in trying to protect community clubs. It was the government that controlled and ran the auction process and it is the government that must take responsibility for the failure of that auction process to deliver an appropriate dividend for the people of Victoria. I call on the government to explain which services it will cut, which hospitals it will not build, which police stations it will not refurbish, which police stations it will not man appropriately, how many nurses it will not employ, and how many teachers it will not employ.

After the failures and debacles of the smart meters, the myki ticketing system and the litany of other failures of this government in its attempts to deliver infrastructure

and projects on budget, it is a great tragedy that where a new source of revenue, a once-in-a-decade opportunity, arises the government fails to maximise the return for the people of Victoria.

Mr FINN (Western Metropolitan) — It has often been said that if you live long enough, you are likely to see anything. On this occasion I am fortunate to have lived long enough to see something introduced by a Labor government in Victoria come in under budget. Unfortunately it is not something we would want.

We have seen, of course, the blow-outs in the regional fast rail project. Everybody will recall that before the 1999 election the then opposition told us they would be able to put in a fast rail network throughout Victoria for \$80 million. In the end that project came in at a grand total of over \$1 billion. We have seen what has happened with myki, with an extraordinary blow-out of somewhere between \$1.3 billion and \$1.5 billion to this point — and we still cannot get a tram ticket to go down Bourke Street! That is an extraordinary and appalling effort if anybody ever saw one. We have now moved on to the smart meter, which we have discovered is not so smart at all and is going to cost us all a lot more than anybody had ever possibly thought. In fact it could be right up there with myki in being a disaster for the taxpayer.

It is quite extraordinary when something comes in under budget under this government. As is the way with this government, this is not as it was supposed to be. There is a lot that we could do with \$1 billion. I am not about to recite that ever-lengthening list today but I think it is fair to say that the people of Victoria can feel let down and disappointed and that they have been ripped off by a government that has mishandled this whole process from day one.

Speaking of day one, it is perhaps time to just cast our minds back. Earlier I heard Mr Barber talking about the evils of poker machines and so forth. It is worth going back to consider who introduced the poker machines to Victoria and why they were introduced. It was Joan Kirner, the then Premier of Victoria, who introduced poker machines to this state. The only reason that Joan Kirner introduced pokies to Victoria was because this state was broke. If Victoria in 1990–91 had been a company, it would have been in receivership and the state cabinet would have been locked up. Some would suggest that probably should have happened anyway.

We should keep in mind why we have pokies in this state. We have pokies in this state because Joan Kirner and former Premier John Cain sent Victoria broke and then tried to gamble their way out of it. That is why we

have pokies in this state. Let us not hear from anybody who is trying to point the finger at Jeff Kennett or Alan Stockdale or anybody else. If you want to point the finger at somebody, if you want to say that this particular individual is responsible for poker machines being introduced in Victoria, you cannot go past Joan Kirner. She failed in a number of very important areas. In fact it would be fair to say that if Victoria had a position of public enemy no. 1, I would be very keen to nominate her for that.

Mr Hall interjected.

Mr FINN — There are a few other competitors, Mr Hall. They are coming from nowhere at the minute, but she has been a front-runner for quite some time, I have to say, and she is holding her head up well at this point.

We have heard a great deal in this debate about Woolworths and we have heard a great deal, not just in the debate today, but in the debate generally, about the poker machines and the debacle that has surrounded the auction process. We have heard a good deal about Woolworths and a good deal about a bloke called Bruce Mathieson, who is often described — in fact, is invariably described and I think he may well change his name by deed poll — as the ‘pokies king’. I have to say to this house that if Bruce Mathieson, as a businessman, sees an opportunity that is legal and ethical, he would be a fool if he did not take it. It is not his fault that he has got a bargain. It is not his fault that he is laughing all the way to the bank. It is the fault of this government. The government stuffed this up, not Bruce Mathieson and not Woolworths. They saw a business opportunity and they jumped at it. We would all do that, I am sure, in similar circumstances.

But I have got to wonder about the fairness of a system which allows one individual to take poker machines off three AFL clubs. We are not talking about small community clubs here; we are talking about AFL clubs — Richmond, the Western Bulldogs and the Brisbane Lions. They have lost their poker machines. Where have they been delivered? The door of the centre of *Underbelly* — the Carlton Football Club. You have got to wonder about the fairness of a system that allows that to happen.

I must declare an interest; I am a member of the Richmond Football Club and also the Western Bulldogs Football Club, so I have a fairly keen interest in this particular matter. But it probably distresses me more to see those Fitzroy supporters who saw the Manningham Club as the last link with their old team. That is no more, or will be no more very shortly. It has

been carted off down to Royal Parade, and buckets of money have been delivered there. It is very sad from a financial point of view, certainly from the perspective of Richmond and the Western Bulldogs, for those Fitzroy supporters who have already had their club taken from them and transported to Brisbane, to now have their last link with the old Fitzroy Football Club taken from them by Bruce Mathieson. He is perfectly entitled to do that, I gather; it is not immoral or unethical and certainly not illegal. But you have got to wonder, and I certainly do, about the fairness of a system that allows that to happen.

I should at this point state my own position on gambling. I have no problem with gambling at all. I have been known in the past to have a flutter on the pokies myself. In years gone by, from time to time, I probably had a bit more of a flutter than I should have. I do not do that very much any more because I do not really have much time these days, but I can understand — and I have seen people become addicted to this form of gambling — that it can be, for some people, a very insidious form of gambling. That is something we should address. However, we should not declare the whole industry as evil just because 2 per cent, 3 per cent or 4 per cent — whatever percentage it is — have a problem with this particular form of gambling.

I heard Mr Barber talking earlier about Mr Pakula's libertarian stance on this. My view and Mr Pakula's view are as one, in that if nobody is being hurt, then people should be allowed to go and have a flutter on the pokies if they desire to do so. But we do have a responsibility. The industry in particular has a responsibility to ensure that those who are hooked on poker machines, those who have been sucked in, if you like, by the poker machine bug, are looked after.

As I mentioned before, this auction process has been stuffed up, and it has been stuffed up from day one by a government that stuffs things up on a regular basis. Last year I recall going to a number of community clubs throughout the Western Metropolitan Region, sitting down with their presidents and their voluntary boards and so forth and trying to explain to them what this government had in mind, because what it had in mind was to wipe these community clubs out. That was what was going to happen; that is what the Labor Party had in mind for those community clubs. If the Labor Party had had its way at that time, there would not have been a community club with poker machines left in this state. They would have all been bankrupted. They all knew that and they were all very worried. In the end they were all very grateful to the coalition for forcing the changes that it did. The shadow Minister for Gaming in

the Assembly, Michael O'Brien, did an outstanding job. I commend him and congratulate him on the job he did in protecting — —

Mr Guy — He is a good man.

Mr FINN — He is a very good man, Mr Guy. He is to be congratulated and commended on protecting those small community clubs which are run largely on a voluntary basis and would have been wiped out if the Labor Party and the Brumby government had had their way. It was a cruel and drastic period in the lives of a lot of people. They know that it was the Labor Party which was entirely responsible for the trauma they were put through at that particular time.

We get to this point now in 2010 and we discover, having been through all that, that the bottom line is that we are about \$1 billion down. There is about \$1000 million less in the kitty than what we were anticipating, than what we should have. As I said before, the taxpayers of this state have good reason to feel that they have been ripped off. They were expecting a good deal from this. The government told the people of Victoria that this new system was going to bring them riches that they could only dream about. People are going to have to dream about them, because they certainly have not got them.

This auction process has been an unmitigated failure from the point of view of the taxpayers of this state, and we in this Parliament have a huge responsibility, in fact almost the entire responsibility, to ensure that the taxpayers get a fair go at every opportunity. The taxpayers of this state have been ripped off, and as a result the people of the western suburbs have been ripped off. That is where I arc up, because I know — and there are a lot of people on this side of the house and even maybe one or two on the other side who are only too aware — that the people of the western suburbs miss out on a lot. We need a lot of infrastructure and services to catch up with the rest of Melbourne. However, now the state government has \$1 billion less with which to get those goodies.

That should anger the people of the western suburbs, because once again we have missed out. We were told that this auction process would benefit the west and would provide us with the services and infrastructure that I mentioned. We were promised by the Labor government that this would be the case, but it has just not happened. We have missed out again. The west has been duded yet again. I have to say the people of the west are getting pretty sick of that. You would have thought after all these years that they might be getting used to it, but they are now beyond that. They are

getting sick of it, and they are ready to fire up on a government that treats them with such contempt and has done so for such an extended time.

We are \$1 billion down and we have a government that has completely stuffed this up, but I have to ask: what else would we expect? When you look at its record, when you see what it has done over 11 years, when you see a government that is teetering, when you see a government that has a record that it should be ashamed of, what else could we expect? Of course it would stuff it up. This mob could not organise a brawl in an Irish pub.

Mr GUY (Northern Metropolitan) — I rise to support the motion put forward by my colleague Mr Hall and to make a couple of brief comments on this issue on which a number of members have spoken today with some conviction and concern, in particular my colleague Mr Finn, who gave another terrific speech in defence of the western suburbs, as he so often does. What we should take from most of the speeches made on this motion by those on this side of the chamber is that we are not just dealing with a number on an Excel spreadsheet, which is how this government seems to regard public money, public financing and taxpayers dollars. We are dealing with real money and real outcomes here.

The reality is that this government believed it would achieve from its pokies lottery somewhere of the order of a \$2 billion gain. The government is trying to deny this, and all kinds of spin is being put on it by the Minister for Gaming, Tony Robinson, as we have seen in the last 48 hours or so. The reality is that this government has come up over \$1 billion short on what it should have achieved, what it planned to achieve and what it could have achieved for the people of Victoria. That money could have gone to the construction of much-needed state infrastructure.

We should not just look at this in isolation, because as a number of my colleagues have pointed out, what is becoming a regular feature of this third-term Labor government is financial mismanagement and waste as taught by the best teachers of it in this state's history, the Cain-Kirner administration. Their students are now in government. We only have to look back at the economic vandalism of the Tricontinental disaster, the State Bank fiasco and the Victorian Economic Development Corporation to see the lessons that have been ingrained in those Labor members who were advisers and now sit here as ministers. They learnt how to financially destroy a state, its competitive advantages and its ability to build infrastructure for the long term. That is being repeated today.

I intend to look at two good examples, not just the one we are talking about today. There is the \$1 billion that we have lost out on from the pokies fiasco created by the Minister for Gaming, Tony Robinson, which could have gone to capital spending; and there is myki. What we are looking at with those two situations which have occurred in the last year or so is this government denying Victorian taxpayers the potential for investment of around \$2.5 billion, which could have gone towards a range of investments in this state. My colleague Mr O'Donohue quite correctly said, 'Who will not be employed in the education and health sectors as a result?'

I intend to have a look at some of the key issues in relation to transport. This is reminiscent of the reasons I joined the Liberal Party. It comes down to the fact that you just cannot trust Labor with money. We on this side of the house have always said this, and it is coming home to roost yet again. We learn that New South Wales is out of money to build any new roads until 2026 because the government is broke. Everything is committed. The biggest state in Australia is a financial disaster.

Queensland is a financial disaster due to the Bligh government's raising of taxes. Once Queensland had the competitive advantage of being the lowest taxing state in Australia, but now it is one of the highest taxing states in Australia on a number of fronts. The Labor Party, with its economic vandalism, is once again destroying the work that has been put in place by successive coalition and Liberal-National governments to get states into a position where they can use money not to pay off debt, not to waste on ticketing systems that do not work, not to lose on pokies auctions which never achieve the money they are purported to be going to achieve, but to go into servicing infrastructure and recurrent funding for service delivery for the constituencies that they represent.

What could \$2.5 billion buy today? That is the simple question. That is what we have lost with just two decisions alone: myki and the pokies licence mess that has been presided over by Tony Robinson. Just two portfolios out of more than a dozen ministerial posts have come up with \$2.5 billion of waste in the last year. What could it have paid for? I looked at the state budget, which talks about how important it is to build transport infrastructure in this state given that we are growing at 120 000 people per annum. We have rapid growth, particularly on the outer fringes of the Melbourne metropolitan area.

What could have been provided by more than \$2 billion? I note that the highlights in the transport

portfolio amount to around \$1.97 billion in this year's state budget alone, and yet we have lost \$2.5 billion in transport and gaming in the last 6 to 12 months from two incompetent ministers. There is \$800 million for new trams, \$130 million to upgrade regional roads and \$750 million to build Peninsula Link. All these projects which cost tens of millions or hundreds of millions of dollars are examples of what could be achieved with the money that has been wasted by the Australian Labor Party, a party that should not be trusted with money.

It cannot be trusted. Kevin Rudd is proving it. He is worse than Whitlam. He is proving again at a federal level that Labor cannot be trusted with money, and here are another two examples — \$2.5 billion worth — that prove that that old mantra rings true. If you leave a Labor government in office long enough, it will go back to where it is from. They always go back to their roots. Cain, Kirner and Race Mathews, and all those guys who were in power in the 1980s, went back to their Whitlamesque roots. By the time they left office they had left the state and their constituencies in disaster, and the students of those teachers from the 1980s are in office now, and are doing exactly the same thing. It has taken a decade to materialise in the form that it has.

It was financial waste from the very start. It does not take long to realise that Labor governments are absolutely rolled-gold, 100 per cent gold-medal performers in wasting finances.

An honourable member — Duds.

Mr GUY — They are duds of the highest order. We could have had \$2.5 billion. Let us go through the Victorian transport plan. What could \$2.5 billion have bought us? Trumped up in the transport plan, this \$38 billion document talked about by this government ad nauseam, from 2013–17-plus — in other words, nowhere in the life of this government — we have a range of projects including the West Gate Bridge alternative mark 1 at \$2.8 billion. We could have virtually paid for that. We could have paid for stage 2 at \$2.2 billion and more. The Beveridge terminal, at \$340 million, could have been built about seven times over. The Melbourne Metro tunnel stage 1 at \$4.9 billion could have been half built with the money we have wasted on myki and lost from the gambling licensing which has failed to materialise.

The Melton duplication would cost \$1.3 billion. The people in Mr Finn's electorate and those who reside in Melton and Rockbank could have had a brand-new rail service twice over for \$1.3 billion. It is projected to start beyond 2017. We could have had it built now. We

could have had it paid for and built now twice over had the government not lost the money it has lost on two massive financial failures in the past 6 to 12 months. The north-east link was very controversial and worth about \$6 billion. The government was genuinely committed to it. It could have actually paid for more than a third of it with the money it has lost today.

I went through some of these projects and had a look at their importance. I had a look at what the government said in its own transport plan about how important these projects are to the long-term future of Melbourne, the greater Melbourne area and indeed some of the regional rail and regional road transport networks in Victoria.

Again, the Melton duplication is worth \$1.3 billion, and the plan talks about how important it is in the medium to long term for the Rockbank activity centre, when that is developed, for the line to be electrified and duplicated in the future. This project is apparently so crucial it forms part of the government's submission to Infrastructure Australia as a medium-term priority. It could have been built and paid for twice over if the government had not lost and wasted money on a ticketing system that everyone else in the world has got, even in places such as Warsaw, Kharkov in eastern Ukraine. We have not been able to get such a system in a place like Melbourne even though we see ourselves as first world. This is a first-world city coupled with a second-world government; that is what we have got.

The WestLink project is worth \$2.5 billion for a road tunnel linking Dynon and Footscray roads in the port of Melbourne precinct with Geelong and Sunshine roads in West Footscray. It includes upgrades to Sunshine Road, Dempster Street and Paramount Road, and it talks about how important it is to cater for massive population and economic growth in Melbourne's west. It could have been built, paid for and on time to be delivered much earlier than ever forecast had the government not wasted \$2.5 billion.

There is also the metropolitan Melbourne Metro tunnel rail system. It is amazing it is called the metro when it is one line. The transport plan states it is a metro to:

... unclog Melbourne's busiest rail corridor —

members would think that would be a priority —

create additional space for more than 14 trains each hour —

not bad —

on the Craigieburn, Sunbury, Werribee, Williamstown and Upfield lines ... 12 000 passengers each hour on these busy lines.

These passenger spaces would be created for a cost of \$4.5 billion. More than 50 per cent would have been paid had the government not wasted, yet again, over \$1 billion on a ticketing system that people in Eastern Europe seem to be able to get right, people in South-East Asia seem to be able to get right, and people in Western Europe seem to be able to get right. In Melbourne we are lumped with a government that is so narrow minded and centred on itself, so self-engrossed that it cannot even go around the world when there are reasons to go around the world and look at things. One of them might be to look at a ticketing system. Perhaps the government could have actually brought the technology back, like its colleagues in New South Wales were so proud to do. They could have actually brought back a system that works properly and efficiently and does not waste more than \$1 billion.

The reason I raise these points is that it is so important that we get transport right if we are to grow our city. The government had \$2.5 billion and it has wasted it. The government had the money. It is not as if we can say we do not have the money and we cannot build these things. The government had \$2.5 billion and it spent it on nothing. It has lost another \$1 billion because it could not even get a process right.

It shows that government incompetence has massive consequences. It is not just a consequence for a Department of Treasury and Finance balance sheet. It is not a consequence for people in the Treasurer's private office to run around and say, 'Why could Minister Robinson not get anything right?'. One might ask that about Minister Neville, Minister Madden or a range of other ministers in this government who cannot seem to get anything right in their portfolios, but the Minister for Gaming's performance on this has been absolutely woeful. It has been completely and utterly disgraceful that over \$1 billion has failed to materialise on a simple government licensing provision to roll over licences for machines in Victoria and to come up with \$2 billion in revenue to be used in this state. We are \$1 billion short. We are \$1.5 billion down on myki thanks to the incompetence of the Batchelor-Kosky-Pakula triumvirate — —

Mr Finn interjected.

Mr GUY — He is, Mr Finn; he has come back for seconds. He stuffed up the transport system and now he is having a go at smart meters.

Mr Finn — He should go back to printing how-to-vote cards.

Mr GUY — I take up that interjection because it deserves to go into *Hansard*. The reality is that this government has had a lot of money that has been completely squandered, just over the last year alone. There are consequences for the state of Victoria, not just consequences for balance sheets. Victorians are going to feel the worse in terms of transport for this state, which will suffer inexorably because projects are not brought on as quickly as they should be because of this government's commitment to financial waste and mismanagement. It is just like its Labor Party predecessors before it and just like its Labor Party cousins right around this country.

Mr KAVANAGH (Western Victoria) — In terms of this motion, I believe we should not be having an auction system for pokie licences because we should not even have pokie licences. As I have argued several times before, I believe pokies are a scourge on Victoria and indeed right throughout Australia. It should not be of any comfort to us that parts of Australia are in an even worse situation with respect to pokies than is Victoria. There are almost twice as many machines per person in New South Wales as there are in Victoria. Having said that, most of the other states have fewer machines per person than Victoria does.

Pokies do a lot of harm to our society. They contribute to family breakdowns, bankruptcies and crime. I understand that when the temporary casino was built in Southbank the crime rate jumped enormously because people who went into the temporary casino and lost all their money would then come out and mug somebody for the cab fare to go home. Tragically it also leads to suicide. I have discussed this before, and I think there could not be a stronger condemnation of any activity than that it actually leads to people killing themselves.

Furthermore it leads to a culture of gambling. Part of the culture of gambling is to make prosperity appear to be a matter of luck. That is quite a harmful and damaging thing in our society when people begin to believe that whether they have a high standard of living or not is a question of the roll of the dice, rather than a consequence of thrift, hard work, persistence and other virtues.

If we add up all the costs to everybody and not just the matter of the money to the government, as I said before, I think the pokies are already a bankrupt business. It amounts to exploitation of the relatively poor, the less educated and the lonely. Indeed that exploitation is concentrated on the poor because we all know the poor are much more likely to gamble than other people are. Immediately we should be issuing much stronger warnings to people about using pokies. We should, for

example, ban all advertising related to the pokies, not just for poker machines but for venues that have poker machines. For example, I think Crown Casino should not be allowed to advertise anything on television.

We also should institute an immediate ban on simultaneously drinking alcohol and using a poker machine. From what I have seen of pokies venues, it is quite common to see people with a drink in one hand while they pour maybe their life savings into a poker machine with the other. We should work towards the elimination of all licences for poker machines, and the elimination of the machines themselves of course.

However, this motion is not really about the rights and wrongs of pokies in themselves but about the return to the state. The revenue appears to be less than half of what the government expected before the auction process. In a financial sense it seems to be a failure, as many opposition members have argued. If we are going to have a financial failure, or if we have had one, is it not appropriate to investigate, not necessarily to attribute blame but perhaps to work out what to do differently in the future so that any mistakes are not repeated? On that basis I would be happy to support Mr Hall's motion, and I congratulate him for bringing it to the Parliament.

Ms PULFORD (Western Victoria) — I am pleased to make a few brief comments on Mr Hall's motion.

Mr Finn — We will hold you to that.

Ms PULFORD — Thank you, Mr Finn. I am pleased to do so immediately following Mr Kavanagh's quite sobering contribution about some of the people in the communities we represent who experience the bad end of the gaming story, who have difficulties with problem gambling and whose behaviour has some very distressing impacts on their loved ones, their families and their household finances as a consequence.

We have on a number of occasions in this house debated gaming regulation as we have had significant change in the way gaming licences are allocated in Victoria. The auction about which members have been speaking today in this debate was an important and historic step in ending the duopoly in gaming licence allocation. We have had extensive debate not only in the hallways and the meeting rooms in the Parliament as well as in the chamber but also in our communities, particularly those of us who represent regional areas and have non-profit clubs with gaming licences in some of our smaller country towns. We all followed with interest the negotiations and the changes that were made that led to the pre-auction allocation process.

We are now at the other end of this. In his motion Mr Hall is requesting that the Auditor-General inquire into the process and into aspects of the process. The government would certainly anticipate that the Auditor-General would examine these types of matters and indeed that these matters would be considered as part of the broader gaming licence review process.

In the making of this fundamental change there has been an auction, and an auction is, by its very nature, a competitive mechanism to yield the greatest price to the seller. But this was not like the auction you have when you are selling your house and you are just trying to get the biggest return possible, the biggest windfall to lay down as a deposit on your next house. This was an auction with some sensitivities. This was an auction of gaming licences in a policy context where we have determined, for a whole lot of reasons, including some of those matters Mr Kavanagh referred to earlier, that there needs to be a ratio between country and city allocation of electronic gaming machines, where in some communities it is determined to be important to place a cap on the number of electronic gaming machines and where it has been recognised that there is value in setting a proportion between non-profit club licences and pub licences. This was not the kind of auction where one seeks to make every last dollar that can be squeezed out of the process; this was an auction that was sensitive to a whole lot of competing needs.

I had quite a bit to do with the non-profit clubs in many towns across my electorate when we were debating these issues last year. I had a meeting in Ballarat with a dozen or so operators of electronic gaming machines and we had an extensive discussion about what they thought were the risks for small non-profit clubs in competing with some of the big players in the industry. Mr Finn talked about Mr Mathieson and his share of the industry. My local clubs were concerned about competing with that sort of an entity and they were concerned about competing with big AFL clubs. People would often cite the Collingwood Football Club or the Essendon Football Club as the type of organisation that they did not think their organisations could compete with fairly and squarely.

After extensive debate in this place and a whole lot of negotiation, a whole lot of input into getting these settings right through the discussions members of Parliament were having with their clubs across the state, the pre-auction allocation process was established, which determined that a good number of the electronic gaming machine licences were to be allocated prior to the auction process. This was designed to deal with the concerns of the smaller players in particular, and I certainly supported our

making that change based on the discussions that I had with the clubs in my electorate which were pleased to have a bit of certainty that they could literally take to the bank to secure a certain number of machines prior to the auction.

I have had some feedback from local clubs about the process leading up to the auction and about the auction. The feedback has been quite complimentary of the training and education, the level of support that clubs felt they had and the frequency and the quality of communication that those who were participating in the auction had in the lead-up to the auction.

I have received feedback that some markets experienced far less bidding pressure than others and so their costs were lower. For anybody entering into an auction for just about anything, you would prefer the price to be lower if you are the purchaser.

However, the notion raised by opposition members that there is \$1 billion missing is a little mystifying. In the budget papers the Treasurer incorporated an amount in the forward estimates that is the equivalent of \$100 million per annum from unrealised electronic gaming machine entitlements and outstanding licence premiums, and \$98.1 million per annum has been achieved by the sale of the entitlements alone.

I can only assume that the theoretical \$1 billion is the kind of revenue that would be raised in a completely unregulated auction with no regional caps, no maintenance of the ratio between pubs and clubs or between country and city, where the consequence of a completely free-market approach to the auction of licences could only result in gaming machines being flogged to death by their operators to raise the greatest amount of revenue possible for the licence-holder to recoup their investment. If we had an auction process that created that type of environment, we would have a greater proportion of machines in exactly the communities that Mr Kavanagh was referring to before — the types of places where we have regional caps to ameliorate the risks and the worst aspects of problem gambling, as it affects a small proportion of people who participate in gaming over the course of the year.

Obviously a great many of us will have a flutter. Most of us would have a flutter on the Melbourne Cup. We may drop \$10 into a pokie machine every now and then, but there is an enormous risk for a small number of people. It is important that we have in mind the people who risk losing everything in their lives when we endeavour to get the policy settings right in this area.

The \$1 billion figure that opposition members seem to have made up is a dangerous sort of idea, because it is the type of yield from an auction that is completely insensitive to all the things that we have sought to balance in the process. Gaming profits are declining, and I agree that is certainly no bad thing. It is not an insignificant form of revenue for governments — there is no doubt about that — but the costs associated with problem gambling are significant too.

Ending the duopoly has been a historic thing. We have endeavoured to ensure that non-profit clubs keep their proportion of machines and that small venues with small numbers of machines in country communities are able to keep their slice of gaming revenue in a way that provides that benefit back to the community, rather than a fire sale that puts communities at risk by having machines in the wrong places in the wrong proportions.

Mr ATKINSON (Eastern Metropolitan) — I intend to make a brief contribution to this debate. Members have given this particular issue a very good workout. I want to reflect on a couple of things and perhaps bring some caution to the house in its dealing with the capacity of the minister responsible for gaming and his role in terms of the difficulties that have been encountered across both the gaming industry and the liquor industry and which give rise to this motion today.

Some sensible and effective contributions have been made to this debate, not the least of which was Mr Hall's presentation of the reasons this house should support this legislation. I note the government will support it, and I welcome that. I also welcome Ms Pulford's reasoned contribution, which stood in stark contrast to the contribution of Mr Tee, who apparently feels that he repeats a phrase two or three times, then he has somehow got his point across, because during most of his speech — and it can be read in *Hansard* — he repeated specific phrases two, three or four times just to pad out his speech and somehow emphasise an argument that simply did not stand. Mr Tee's performance today was quite extraordinary, but in some ways it was consistent with the performance of the Minister for Gaming, Mr Robinson, in recent days when he has tried to suggest that the Parliament is somehow responsible for this process rather than the government and rather than the minister's own administration of the auction system.

Mr Tee suggested the opposition parties were in lock step, arm in arm with the government in terms of the process that was brought to bear in this auction process. That is preposterous. Essentially what happened is the government brought a proposal to this house that was seriously flawed. It put the viability of many

community clubs at real risk. Ms Pulford has referred to the concerns she had for the clubs she met with in her electorate. I know that Mr Hall, Mr Drum, Ms Lovell, Mr Finn, Mrs Peulich and I, amongst others, had significant contact with the club sector to ensure that they were not absolutely shafted by the process the government first brought to this house.

The opposition achieved some changes to the government's legislation, but those changes were designed to make a bad situation somewhat better. They were certainly not part of any concession by the opposition parties that this was a good process, that the government had got it right. Mr Tee used words like 'flip-flop, flip-flop', which seem to come from the latest hymn sheet the Labor Party is using. Mr Lenders used similar terminology and choreographed it in question time. It was a quite remarkable effort; the man has missed his calling.

Flip-flop, flip-flop. If we want to talk about flip-flops, let us look at the Minister for Gaming, Mr Robinson. Before he became a minister Mr Robinson put in a submission to try to reduce the amount of gambling and argued about the problems of gambling in this state because he thought it would improve his electoral prospects in the seat of Mitcham, where there is serious concern about gambling. Mr Robinson has proved to be quite hypocritical in this matter because he has subsequently presided over the greatest explosion of gambling in this state since the original decisions were made to offer a casino licence in this state and to introduce poker machines — both decisions of the Kirner government.

Mr Robinson has not just presided over this explosion of gambling but in some areas has actually driven it. When Intralot was coming into this state, Mr Robinson was saying to them, 'What else can you do? Can you introduce gambling into people's living rooms by making product available on their television sets at home? Can you introduce the use of technology so that people can avail themselves of gambling opportunities by using their mobile phones?'. The people who were coming to the government to talk about gaming options were not suggesting that they wanted to take either of those tacks. I suggest that any situation which extends gambling to somebody's living room or to their mobile phone is getting to the people who are most vulnerable to gambling addiction — people who are lonely, who are at home, who are by themselves and who are most at risk. Yet this minister was actually pushing those concepts when he was talking about offering new gaming licences in this state, in that case the Intralot programs early on.

Intralot — what a disaster that has been! You only have to talk to the vendors of Intralot product to understand that that has been an unmitigated disaster from day one. Whilst it has dropped out of the headlines, there are not a lot of satisfied customers out there among the vendors.

This minister has consistently got every piece of legislation he has brought to this place wrong, as I have indicated in previous debates. I notice this week he is talking about again getting stuck into liquor stores, particularly independent liquor stores, because he regards them as high risk. He was doing that about six months ago, and he suggested the last legislation brought to this house was the answer to all those problems. Now he wants to come back with a whole new raft of proposals to try to address the same problem. I just do not get it. This government is giving liquor licences to Dan Murphy's stores, which have turnovers the equivalent of 10 or 15 times that of an independent liquor store, and there is no curtailing their activity, despite the fact that they are the ones who are aggressive on promotion and price and aggressive on discounting. If you are looking at risk drinking and people buying alcohol to consume at excessive rates, then start looking at the barn retailers, not the independent local stores.

In the context of this latest auction process, I dare say that when the Auditor-General has a close look at this he will find that one of the real issues associated with this auction process was the fact that Woolworths and Bruce Mathieson had such a significant holding of licences and control over so many licences in this state that they skewed the auction process. I am not saying that they did that in a manipulative or insidious way. I am simply saying that the sheer number of licences that they controlled, that they spoke for, meant that their approach, their tactics, going into the auction were inevitably going to skew the result of that auction. We have Woolworths and Mathieson actually controlling around one-third of the gaming machine entitlements in this state. It is extraordinary that the minister, who was ideologically opposed to the Tattersall's and Tabcorp duopoly having control over the machines, who said he wanted to break up that sort of monopoly, has not had so much concern about the fact that Woolworths and Mathieson control so many entitlements in this state. As I said, I think that when the Auditor-General looks at this he will find that the sheer number of entitlements they control and their approach to the auction has had a big impact on the prices that have been paid.

A couple of people — Mr Tee and Ms Pulford — said that the returns from gaming are falling, the suggestion being that these machines are not as lucrative as they

used to be and therefore perhaps we ought not have expected to be too bullish on the prices that people might be prepared to bid, because gaming profits are down. I suggest that an analysis of the market will find that one of the reasons for the market not being as strong and robust as it had been is that the two main players currently in the market have reduced their marketing investment. There is not much point in them continuing to market and promote those venues and games if they are about to lose out on their entitlement. Their investment is at risk and they have started to look further afield for where they will operate in the future.

I would like to think that people are starting to become awake to poker machines in the community and to recognise that these are the most antisocial activities that we can possibly imagine.

Mr Finn — What about barracking for Collingwood?

Mr ATKINSON — Yes, that is probably on a par. A couple of weeks ago I went to one of the poker machine venues in the eastern suburbs. I went in for a cup of coffee because the coffee shop I normally go to was closed on the Saturday afternoon. I have to say that when I went in there and had another stroll around, it reminded me of just how sad these places are. People were sitting a couple of seats apart, not acknowledging one another — not a smile, not looking at one another.

I recalled that ad by the Tattersall's people saying, 'By George, come out and have a social night out at the local venue'. I thought, 'What a ridiculous ad that was in terms of a proposition to people', because the people who are going to these places and are sitting down at and playing these machines are not at all engaged with one another or with anybody else. Even if they get up to move to another machine, there is not a glance to the side to acknowledge the person who is two machines away with whom they were partners in crime in terms of playing their machines. It is a solitary and very isolated activity. I hope that in our community we are starting to convey to people that this is not the best recreation for them, whether or not they have a gambling addiction. For social interaction and having a fun night out they can simply do better than sitting, eyes glazed over, in front of these machines.

I have some sympathy with the proposition that Mr Barber put about whether we should have ever gone down this long, slippery slope. As I have said in this place on previous occasions, if we were to embark on having poker machines in Victoria, they should only ever have been in community clubs where the profits were distributed back to the community and some

community benefit came from these machines. However, so many of the entitlements have ended up in the hands of corporate organisations and hotels.

Interestingly the reason they came in — if we are to understand the history — is that there was a time when the ANZ Bank was the biggest hotelier in Australia. The ANZ Bank owned more hotels than anyone else, because the hotels had all gone into receivership — had all collapsed — under the Kirner government. There was an attempt by the hotels association, backed by some of the hotels' financiers that were desperate to resuscitate their investments, to bring in poker machines to try to restore vitality in the hotels sector. That is how the machines got there, and I think it has been to the detriment of the community ever since.

In the context of this debate the remarks made by Mr Tee today were quite disingenuous. Mr Tee's suggestion that the opposition has flip-flopped on this issue is a ludicrous proposition to be made to this house. This entire process is at the door of the government and at the door of the Minister for Gaming, Tony Robinson, who as a minister is yet to get a single piece of legislation right and a single process implemented correctly. We are lucky he is not in charge of the myki system, because he would even make Peter Batchelor, the former Minister for Transport, look good!

Mr HALL (Eastern Victoria) — The first thing I want to do by way of response is to thank members for their participation in the debate during the course of the day. It has been a good debate, it has been a lengthy debate and it has been a debate with a bit of passion, and I welcome that. I also welcome the fact that all parties of the Parliament are now going to agree to this motion to refer the matter to the Auditor-General for his consideration in regard to conducting an inquiry. That is important. The fact that the request comes with the support of all parties in this house certainly strengthens the request to the Auditor-General. I thank all members who have agreed to the motion in the course of the debate today.

However, in my response I cannot let go without reply a couple of remarks made during the course of the debate, particularly by Mr Tee. Mr Tee outlined the government's response to this motion in a typical manner. He embarked upon a defence now commonly used by the government — that is, to blame everybody else for the outcome. He was very keen to suggest it was the coalition's fault that only \$981 million was raised by way of the process of the allocation of gaming machine licences in this state. As has become somewhat of a habit of government members, certainly

in the last few days at least, he quoted some of the comments I had made in this chamber when we were debating legislation concerning gaming machines, in particular comments I made in relation to a pre-auction offer made to the clubs. He selectively used those comments of mine to support his argument. I notice that Tim Holding, the Minister for Water, similarly used and quoted some of my comments yesterday in the other place.

In respect of the quotes of my comments that Mr Tee used, they were spot-on, and I do not withdraw from or deny any of those quotes or comments whatsoever. However, they were all about the pre-allocation process for club entitlements; they had nothing to do with the auction process per se. There was never any input, endorsement or ticking off by me or by any members of the coalition in respect of an auction process. The design of this auction process was the work purely of government and certainly not the result of any input from opposition members, including myself.

It is disingenuous of Mr Tee to suggest that I endorsed this process. I did not. I endorsed the process through which a pre-allocation was made for clubs. Yes, I was involved in some negotiations as to how that allocation would be formulated — I was absolutely involved in that — but we did not have any input whatsoever into the design of this auction process. Coalition members have been very critical of the auction process, and we have been very critical of the design of the auction process, and such comments have been made by me and others who have contributed to this debate, including my Liberal, Nationals and Greens colleagues and my Democratic Labor Party colleague.

I also found it quite intriguing that Ms Pulford made the suggestion that the only way in which we could possibly have gained an extra \$1 billion from the allocation process was if we had had a completely unregulated market — if we had removed all restrictions and caps and allowed the market to dictate the price without any consideration of limitations being imposed upon that market. However, there was an alternative way, and I need to again put it on the record.

The way in which the club allocation offer was made was that clubs were offered 20 machines at a price comprising 1.8 times the last annual profit made in their venue and the next 20 machines at 2 times the annual profit made at their venues. If that process had been applied to all of the hotel-owned machines, for example, the government would have got that extra \$1 billion. The government would not have had to change the rules and uncap or unregulate the market. If

the government had made the same offer to the hotels as was made to the clubs pre-auction, it would have generated an extra \$1 billion through that alone. With the club machines, 75 to 80 per cent of them were distributed under a pre-allocation determined offer, and the remaining 20 to 25 per cent were put up for auction. The government could have done the same with hotel licences, and it would have generated that extra income.

I am not saying that is the way it should have been done, but there are other ways in which gaming machine entitlements could have been allocated, and there could have been more money raised for the benefit of Victorian people. I needed to say that in response to some of the comments that were made by members of the government.

Nevertheless we now have a request that can be forwarded to the Auditor-General with the full support of all members of this house today which asks the Auditor-General to investigate and examine some of the issues we have all raised. The Auditor-General is the perfect person to undertake this task. As I said in my comments earlier today, I could have referred an investigation of this matter to an all-party parliamentary committee, but in terms of having an independent oversight of the whole process and an evaluation of how effective the process has been, the Auditor-General is the best person to do that. I sincerely hope he is in a position to concede to this request made by the house, inquire into the whole way in which gaming machine entitlements have been allocated in this state and give us some feedback as to whether the processes employed by the government brought about the best value for Victorian taxpayers.

Motion agreed to.

**DRUGS, POISONS AND CONTROLLED
SUBSTANCES AMENDMENT
(PROHIBITION OF DISPLAY AND SALE
OF BONGS) BILL**

Second reading

**Debate resumed from 5 May; motion of
Mr KAVANAGH (Western Victoria).**

Mr SCHEFFER (Eastern Victoria) — The government will not be supporting this bill even though on this side of the house we share many of Mr Kavanagh's concerns about the adverse effects of smoking cannabis. Before I talk about the bill in more detail, it is important to say something at the outset

about the Victorian government's policy and record of preventing the uptake of and reducing the harm caused by the misuse of illicit drugs, including cannabis. The fact that the government will not be supporting this bill should in no way be understood as implying that the government is unaware of the dangers of cannabis use or that no effective action is already being taken. The problem is that this bill in our view is not able to deliver its own objective.

The government has implemented a number of effective programs and strategies to educate young people about the harms caused by illicit drug use. As Mr Kavanagh points out in his second-reading speech, there is increasing evidence of the dangers of cannabis use, particularly relating to its negative impact on mental health. This is why cannabis use remains illegal in Victoria. The Victorian secondary school students alcohol and drug survey of 2008 shows that between 1996 and 2008 there has been a decline in the regular use of cannabis amongst Victorian secondary school students. Within the period 2005–08 the decline trend continued and the pattern was observed across all gender and age groupings — that is, 12 to 15-year-olds and also 16 to 17-year-olds. The percentage of regular cannabis users in 2008 was approximately one-quarter of what was reported in 1996 for all age and gender groups.

Data from the 2007 national drug strategy household survey also reported a decrease in the percentage of 14 to 19-year-olds who used cannabis in the year before the survey was taken; it went from 18 per cent in 2004 to 12.9 per cent in 2007. This is good news, but significant problems remain. The government will continue to invest in prevention, education and treatment to lower the figures even further. To this end the government allocated some \$400 000 to public awareness campaigns focusing on the mental health risks of cannabis use, particularly for young people at risk.

Last year in June we commenced our campaign — *Is your high getting you low?* — which targeted young people aged between 15 and 19 years to warn them about the serious mental health effects of cannabis use. The campaign strategies and messages are informed by research that demonstrates the link between cannabis use and mental health issues.

The campaign was developed in partnership with the Australian Drug Foundation and Orygen Youth Health. It features a series of animated short films which follow the stories of four young people and their experiences with cannabis use and the impacts of that on their

mental health. Each of these films promotes the messages of seeking information, getting help and talking to others about their concerns with cannabis use and mental health. These films are also accompanied by fact sheets prepared by Orygen Youth Health.

The campaign includes a youth-specific website where young people can share stories and seek advice from health professionals about cannabis use, mental health and general wellbeing. While there is evidence that programs of this type have led to the fall in cannabis use, there is no evidence, as far as I could find, that a ban or restriction on the sale or display of bongos has reduced the consumption of cannabis. I repeat that the rejection of this bill is not because the government does not appreciate the very severe issues presented by the use of cannabis, but the government has a view that the bill will not be able to deliver on its objective.

The government has previously considered the kinds of proposals contained in Mr Kavanagh's bill. It is not a new area in that sense. Some members may recall that in 2005 the Premier ruled out banning bongos on the ground that bongos and ornamental water pipes are used, as Mr Kavanagh has acknowledged, by some cultures to smoke tobacco and other products, such as fruit and molasses.

While the bill singles out bongos for particular attention, we could extend the ban to other items used in smoking cannabis such as cigarette papers, roll-your-own cigarette-making gadgets, filter tips and reusable cones. When you think about that, it becomes impossible to administer as there is an almost endless variety of makeshift devices that could be used for smoking cannabis. They cannot all be banned, and they cannot all be policed. The issue here is the consistency and enforceability of our laws.

The definition of 'bong' set out in the bill is so broad it could cover almost any container that could feasibly be used for smoking a drug of dependence. This, as I indicated earlier, is the fundamental difficulty that the bill poses.

The bill has a single and immediate objective which is to prohibit the display and sale of bongos, defined as a 'device capable of being used for administering a drug of dependence by the drawing of smoke or fumes, resulting from heating or burning the drug in or on the device, through water or another liquid in the device'. The bill also defines a bong as not being a hookah, or water pipe, that is used to smoke tobacco, which is a legal drug of dependence.

The bill attempts to deal with the cultural use problem by excluding hookahs from the ban and applying only some restrictions only to their display. But as I said, there is no clear definition of hookah or bong. The exclusion of hookahs appears to me to defeat the purpose of a ban on bongs because hookahs can be used to smoke cannabis.

The bill makes it an offence to display or sell a bong or a component of a bong in a retail outlet and sets out penalties for each of these offences. The bill provides a defence for a person where he or she can prove that the bong is being used for another legal purpose. The bill prohibits a person from selling bongs where the person knows that the bong is to be used — by the purchaser, presumably — to take an illicit drug of dependence. In addition, under the provisions of the bill, a person is not permitted to display more than three hookahs in a retail outlet, even though hookahs are defined out of the meaning of a bong.

Division 2 of part VAA, which is proposed to be inserted into the principal act by the bill, deals with enforcement, and proposed section 80HE deals with police powers. This raises questions about the practicality of the bill in relation to seizure, storage and return. As I read it, the bill says that the police may seize a bong if they suspect it is being displayed or used to take a drug of dependence, an illicit drug. But the bill also requires the police to return the seized bong if the owner's defence is upheld — that is, where the person can prove that they were not using the bong to smoke an illicit drug such as cannabis. The police must return the bong within three months unless legal proceedings are in train and, where they cannot find the owner or where the owner has been found to be guilty of the offence under this legislation, the bong can be kept by the police or destroyed.

There are a number of problems with these provisions. The grounds for defence in the bill effectively allow a person to simply argue that the bong is used for the purpose of smoking a legal product, and that makes it very difficult to prosecute. The bill is unenforceable because the definition of a bong is so open-ended that it could cover a large number of containers that could be used to draw smoke or fumes through water or another liquid. This just makes it impractical to enforce.

A person who displays or sells a bong can use the defence that it is to be used primarily for a purpose other than using a drug of dependence. They could say, for example, that it could be used for legal drugs such as tobacco. The police would find it very difficult to gather evidence that would suggest or prove otherwise.

It would be extremely difficult to prove that a person has committed an offence in that they knowingly or recklessly sold a bong to a person who would use the device to smoke cannabis.

Seizure powers and the requirement to return the bong or hookah create a burden of proof and a logistical nightmare for police to administer. The police not only have to work out if there are grounds for suspecting that the bong or hookah is being used illegally under the bill but also have to store it and later return the bong or hookah if the reason for the seizure no longer exists.

As I indicated earlier on, the bill is fundamentally flawed because it excludes hookahs from the definition of a bong and it does not make it illegal to sell or display them, although it limits the number of hookahs that can be displayed. The bill gives the police power to seize a hookah or its components even though it is not deemed to be a bong. Frankly, I do not understand how any of this is workable.

There are clear doubts over the effectiveness of a ban on cannabis-smoking equipment in the way that the bill sets out, especially in view of the availability of alternative methods of consuming cannabis.

For all these reasons, I do not think this bill can deliver its objectives, and on these grounds it should not be supported by the house.

I suggested earlier that the evidence from a number of national surveys is that cannabis use has been steadily declining in Victoria since the 1990s. Victoria has one of the lowest rates of cannabis use in Australia in the absence of the kinds of measures contained in the bill, so there is a measure of success in any event, and that is heartening.

I am advised that this is most likely due to the information and education campaigns funded by the government which have highlighted the health risks, particularly to mental health, as I suggested, that are associated with cannabis use. Since 1999 the Bracks-Brumby governments have made a record investment in whole-of-government initiatives to address alcohol and drug issues in Victoria totalling \$490 million, which is a very considerable investment that has had very considerable successes. A further \$127.5 million will be provided for drug prevention and treatment programs to over 105 alcohol and other drug services statewide through the 2009–10 budget.

The Brumby government, as I think we all know and appreciate, is and always will be tough on drugs. We will continue our efforts to educate the community,

particularly young people, and to warn them of the very real dangers of drug use. On that basis, I urge the house not to support this bill.

Mr HALL (Eastern Victoria) — The great joy of this job is you get to learn something new every day. Today I have extended my knowledge in the area of devices that are used to inhale smoke and/or fumes, and in particular I refer to bonges and hookahs — the subject of this private members bill.

Never having used such devices nor having had any need for or interest in pursuing and looking at such devices, I must admit that I had a paucity of knowledge on these devices and needed to do a bit of research to try to find out exactly what they are and indeed how they work and their use in our communities.

Mr Kavanagh's private members bill was helpful in some regards in respect of bonges, because there is a definition of what a bong is in this private members bill. In respect of hookahs, I had to do some research work to find out exactly what they were and how they operated. I found that a is a single or multi-stemmed, often glass-based, instrument for smoking tobacco in which the smoke is cooled and filtered by being passed through water.

My research also disclosed that originally these were from India, and that the hookah has gained popularity, especially in the Middle East, and is also gaining in popularity in North America, Europe, Australia and Brazil. I am surprised that the popularity of these products is supposedly increasing in Australia.

The research document I found also contained some informative diagrams that showed me how the apparatus worked. I found of particular interest the description of some of the components — the hose of the apparatus, for example. It says that technically if the pipe has a hose, it is not a hookah, as the term historically referred to a straight-necked tube. Today the hose — there can be one or more — is a slender flexible tube that allows the smoke to be drawn from a distance, cooling it down before inhalation.

As I said, the great joy of this job is that you learn something new every day. I have been put in a position where I was required to extend my knowledge to include those particular products. Until now I have not had any reason to investigate these particular devices, bonges and hookahs. In some respects I would have struggled to recognise these devices if I saw them anywhere, although after having looked through my research I did recall having come across in a public place a discarded homemade apparatus comprised of a

plastic drink bottle with a straw stuck in the side, halfway down the bottle. I am presuming that is a homemade version of a bong. I can remember on at least a couple of occasions having found such a discarded apparatus in a public place.

A lot of this is new to me, but there is one thing that I am quite sure of in my own mind — and I am quite sure in the minds of my coalition colleagues — and that is our commitment to do all we can to reduce the use of illicit substances in our communities. Given that bonges in particular are predominantly, as I understand it, for the use of cannabis, then it would seem a sensible step to reduce the availability of the very apparatus that people use to smoke an illegal substance. If we are serious about addressing the use of illicit substances, then a reduction in the availability of apparatuses used for that consumption is a positive first step.

The coalition's position was announced on 2 January of this year — that is, if elected, a Baillieu government would ban the sale of bonges full stop in the state of Victoria. A press release was issued on Saturday, 2 January, saying that a Victorian coalition government would:

... ban the sale of bonges ... to reduce the harm to Victorian families caused by cannabis and stop Victorians using dangerous drugs.

We acknowledge that cannabis is a dangerous drug. Banning the sale of bonges would send a clear message to all Victorians, but young people in particular, discouraging them from using dangerous and illicit drugs. A significant portion of Mr Kavanagh's second-reading speech addressed that issue of the danger of using marijuana.

In coming to a policy position on this, the coalition was guided by a number of views that suggested a ban on the sale of bonges would be a useful step in a campaign to reduce the use of illicit drugs in our communities. Bonges are sold freely at more than 100 retail outlets across the state of Victoria. We were also guided by the Australian Drug Foundation, which for some time now has advocated a ban on the sale of bonges to people aged under 18 years. We have also been guided by the comments of adolescent psychologist Michael Carr-Gregg in his article in the *Herald Sun* of 20 February 2008, in which he stated that there is:

... a glaring contradiction under existing legislation, whereby using the equipment to take drugs is illegal, but the buying or selling of the equipment is not.

That is a gross contradiction, and we believe a large proportion of the Victorian population would agree

with that sentiment. We also note that various reports to health ministers in this state and to ministerial councils on drugs have recommended banning or limiting the sale of bong in Victoria. Both the Bracks and Brumby governments have ignored those positions.

Our view is that we should ban the sale of bong in Victoria. Mr Kavanagh's private members bill does not go that far. That is clear. His legislation prohibits the display of bong within a retail outlet. We believe that is a useful first step, but it is not as far as we would go if we were in government.

On the issue of hookahs, we believe that probably could be best dealt with by some regulation of those who retail hookahs. In that way there could be some controls over how hookahs are displayed. In his private members bill Mr Kavanagh suggests that the number of hookahs displayed be limited to three. That might be part of a licensing system which would impose restrictions on those who are licensed to sell hookahs. That objective perhaps would be met by what we in the coalition would propose with respect to hookahs.

Having had a good look through this private members bill, we note that the main provisions are that a person must not display a bong in a retail outlet. We are also aware that the bill requires that a person must not sell a bong in a reckless manner — that is, if there are reasonable grounds to suspect that the bong will be used for taking an illegal substance. We also note that under the provisions in this bill a person must not display more than three hookahs. Finally, a member of the police force may confiscate either of those products if they are in contravention of the provisions outlined in the bill.

Mr Scheffer raised some concerns the government has with this bill. We have sympathy for some of those concerns. In particular Mr Scheffer spoke about the workability of this piece of legislation. I have to say that that in itself is not a valid excuse for a government to reject a bill outright — simply claiming it is not workable. The fact of the matter is that governments have huge resources at their fingertips, far in excess of what a private member has.

If the government's objection to a bill is based upon the fact that it thinks it needs improvement to make it workable, it should be prepared to do that work. It should be prepared to contribute to the work needed to be done to make the bill a workable piece of legislation. However, if the government opposes the purpose of the bill, then let it be straightforward about that and say, 'This is the reason we oppose it'. Mr Scheffer, on

behalf of the government, proposed a two-pronged opposition to the bill. One was to the purpose, which I accept is a valid reason to oppose the bill, but I do not accept that the bill is not workable as being a valid reason for the government to oppose the bill when it has available to it resources that could be used to fix the bill and make it a workable document.

Nevertheless, we believe, as the government does, that there are some issues with this piece of legislation. If it becomes law, may be some refinements will be required. However, we believe — and the policy position that the coalition has taken is one that favours a complete ban on bong — that this private members bill is a useful step in the right direction, and one we will be prepared to build on if we have the opportunity to form the government at the end of the year.

In consideration of all those points, the coalition does not oppose the bill. We believe it is a step in the right direction. We certainly would have taken it further on the sale of bong in the state of Victoria. We would have taken it further and banned them completely — and indeed will do so if elected to government. Nevertheless, this is an important and useful step in the right direction. On those grounds we are prepared to support Mr Kavanagh in his efforts to get this legislation through. We will not be opposing it. If it comes to a division, we will be sitting with him on this private members bill. I might say that I commend him for putting it forward, because I know from personal experience that putting a private members bill forward in the Parliament of Victoria is no easy task. I have had to do it before. I know it requires a great deal of research work with parliamentary counsel and then a great deal of work to satisfy the requirements of putting together a second-reading speech and a statement of compatibility. It is a big effort, and I congratulate Mr Kavanagh on it. With those words, the coalition will not be opposing this piece of legislation.

Ms HARTLAND (Western Metropolitan) — The Greens health policy focuses on health promotion, including healthy lifestyle choices. We recognise that both legal and illegal drugs have the potential to cause harm and that while illicit drug use can be associated with significant harm, some of this harm is a direct consequence of the current legislative framework.

The Greens understand that complex regulatory responses are required and that all measures must be based on the best available evidence. In other words, if you want to convince the Greens to support new legislation relating to legal or illegal drugs, you must show us that those measures are evidence based.

I take up Mr Hall's point. I know how difficult it is to put together a private members bill, and I congratulate Mr Kavanagh on the work that he has done.

I have written to Mr Kavanagh and asked him for the best available evidence that banning the display and sale of bongos would reduce the use of cannabis, the harm caused by cannabis use and not have an unintended adverse impact. I have also asked him whether banning bongos has had any measurable impact in other states. Mr Kavanagh has responded to my request but he has not been able to supply me with any information other than the report of a medical study, and I will talk about that later.

I do not personally have much experience with legal or illegal drug use, so I need to be guided by the Greens policy and other agencies. I have consulted with a number of non-government organisations (NGOs) that I believe have real expertise in these issues. These groups are the Western Region Health Centre, HealthWorks, the Victorian Alcohol and Drug Association and the Australian Drug Foundation. The main response from these NGOs was to question the efficacy of the proposal. The NGOs also took issue with some of the claims made by Mr Kavanagh about cannabis use. There was an area of common ground in all the submissions. The NGOs agreed that there are harms associated with cannabis use, with greater harm associated with heavy use, especially younger onset of use. It would make sense to support a measure that would reduce the heavy use of cannabis or delay the age at which young people start using it. The NGOs did not think that banning bongos was likely to do this.

Getting back to the three questions that I asked of Mr Kavanagh, the first was whether this bill would reduce the use of cannabis or delay the age at which it is first used. None of the NGOs was able to find any evidence that banning bongos would have such an impact, and nor has Mr Kavanagh. Other states have banned the sale of bongos — NSW has had a prohibition in place since 1990 — but there has been no impact on or reduction in cannabis use. There is some evidence of higher cannabis use in states where bongos are banned, but this may be due to other factors. A separate but related question is whether banning the display of bongos for sale would reduce the harm caused by cannabis use — that is, is using bongos more harmful than other ways people use cannabis? Mr Kavanagh has not been able to supply any information.

The third question I asked of Mr Kavanagh was whether there was any evidence of adverse impacts from banning the display of bongos for sale. The advice I

received from NGOs was that the ban would lead to an increased use of improvised bongos. Unfortunately inhaling fumes from the materials used to make homemade bongos — such as copper tubing, plastic bottles, rubber hose and PVC tubing — can add to the health risks of smoking cannabis.

I would like to pause at this point and inform members that the first house I lived in in Footscray was right next to the Footscray railway station. In the late 1990s, when the heroin epidemic was at its absolute worst, I often experienced people buying drugs at the Footscray station and using my front veranda as the place to shoot up. I knew there was an absolutely terrible problem in my neighbourhood, and I saw the damage that was being done. Even though I saw the heroin use quite regularly, at that time I did not understand the use of bongos and why my garden hose kept getting shorter. I thought it was some kind of practical joke until my husband explained to me that people were pinching little bits of my garden hose to make bongos. I went through three garden hoses in about three months, until I started locking them in the backyard. From the rate my garden hose disappeared, obviously a lot of homemade bongos were being made. Apparently bongos for sale in shops are more likely to be made of substances like wood, glass and ceramics rather than garden hoses and plastic bottles.

It will probably surprise no-one to learn that the sorts of people who trade in goods that are on the edge of the law are pretty good at finding loopholes in the law. I suggest people have a look at some of the websites that sell bong-like products online. We have had a look this week, and I have to say I have really been shocked by some of the claims and advertising for them — for example, drugs known as poppers are sold as room deodorisers, video head cleaners, liquid incense and so on. Nobody reading the advertising text could have any doubt about what these are being sold for. It is all done with a nudge and a wink, right out in the open.

I am sure that the minute bongos are banned these shops will be selling an awful lot more hookahs, vaporisers and pipes. I would not be the least surprised if they suddenly branched out into garden supplies as well. They already sell so-called kitchen supplies — this is the one that really struck me — like oil and vinegar containers to get around the ban on the sale of bongos in other states. If you look at a pyrex vinegar container on the website and then at a bong, you see that they look exactly the same, except that the vinegar container has a cork in the top. These are obviously bongos, but try proving it!

The advertising text gives away nothing. A statement on the same website says that the Queensland government, which has banned bong, cannot prove that these bong-shaped objects are bong. The punchline of their little joke is that bong and not bong-shaped objects are banned. This proposed ban would have absolutely no impact on online trading and would probably increase it. Retailers will be able to display on their internet shops as many bong as they like. They will sell them to Victorians and ship them to Victorians, just as they do in the other states in Australia where bong are banned.

While Mr Kavanagh was unable to answer any questions on the efficacy of banning bong, he sent me an interesting article on a study into whether cannabis is a gateway to other drug use, which was published in the *Journal of the American Medical Association*, volume 289, no. 4, 22 January 2003. That study does not draw any strong conclusions. It says there might be a causal link between cannabis and other drug use but the link was not strong. It lists three possible reasons for the link: firstly, early cannabis use might be pleasurable and lead to a young person seeking out other drugs; secondly, if early use has no apparent health or legal consequences, a young person might get the false impression that drugs in general are less harmful than they have been told; and thirdly, the link between using cannabis and using other drugs is caused by cannabis being illegal, so cannabis use brings young people into contact with criminals who sell other drugs. According to the study, this provided a strong impetus for the Netherlands to decriminalise cannabis use. The study goes on to say that decriminalising cannabis use has led to lower use of cocaine in the Netherlands than in the USA.

Mr Kavanagh gave me this study to prove his point. I am reluctant to say this, but I can only believe that Mr Kavanagh's point was not that there should be decriminalisation of cannabis use. The article clearly says that it has happened in one country and it should be considered. I am not suggesting that is what we should be doing.

I understand that Mr Kavanagh does not have the staff resources to undertake extensive public consultation, but I would have expected him to have approached relevant drug support and research agencies. If he had approached them, as I have, he may have found unexpected allies for some of his concerns. The Australian Drug Foundation (ADF) has provided me with written advice that includes a strong statement about the harm caused by cannabis use, particularly for adolescents who begin to use early and young adults

who become regular users. The advice details the adverse impacts, including an increased risk of motor vehicle crashes, cardiovascular disease, psychotic symptoms and possible poor educational outcomes. This is a long way from the somewhat dismissive attitude in Mr Kavanagh's second-reading speech. Once a common ground had been established, he might have been able to discuss with the Australian Drug Foundation the best methods for preventing these harms and whether banning bong might be part of the solution. He would have been also able to discuss whether cannabis use is a gateway to other drug use.

The ADF advice is that people who begin to use cannabis at an early age or who use regularly are more likely than non-cannabis users to use other drugs as well. But the ADF's view is that the link is not causal, since most people who use cannabis do not progress to using more serious drugs. Basically it says that young people who are attracted to risk-taking and rebellious behaviour simply find cannabis to be the drug they can easily access. Since cannabis use is illegal it brings users into contact with suppliers of other illicit drugs. This sounds similar to the study Mr Kavanagh sent me, except that unlike Mr Kavanagh's study the ADF advice stops short of recommending the decriminalisation of cannabis use.

I would like Mr Kavanagh, in reply, to address the issue of why he did not consult or does not appear to have consulted with non-government organisations which share his aim of reducing the harm caused by drug use and are experts in the field. I should note that my advice from the Australian Drug Foundation concludes:

... the Australian Drug Foundation believes that the proposed legislation would not be effective in meeting the laudable aim of reducing cannabis to any measurable extent, and may even add to some of the harms.

The advice goes on to list measures which are known to be effective and which improve the physical, emotional and mental health and wellbeing of young people as well as lowering the use of drugs and alcohol. I ask Mr Kavanagh to address why he has not dealt with the three agencies that have said this bill will do no good and may even cause some harm.

The Greens will not be supporting this bill, because there is no evidence that it will reduce the harm caused by drug use or create any other benefits. There may even be unintended consequences such as an increase in the incidence of young people inhaling fumes from garden hoses, plastic bottles or other improvised bong. It would certainly tie up police resources on prosecutions that will be almost impossible to win.

When we are dealing with drugs and alcohol and young people, we always need to look at how we prevent them starting to use. That is where we should start, because we do not want young people to have their lives destroyed by the use of drugs and alcohol. It is for all these reasons that the Greens will not be supporting this bill.

Mr MURPHY (Northern Metropolitan) — I never thought I would have to come in here and debate bong and hookahs. The bill is impractical and unenforceable, and I also have real concerns that in some circumstances it may increase the likelihood of some members of our community coming into contact with cannabis, as it would likely open up a black market in trading bong. Experience tells us that prohibition of a good is likely to force it onto a black market and force up the price of the product.

Some members of the community who want to make a quick buck may enter this trade and therefore be more likely to come into contact with cannabis whilst trading bong. It would take just a quick trip across the border to load up your car and suddenly you would be in the market. Otherwise you could open up a glassblowing workshop. The bill proposed by Mr Kavanagh bans the sale and display of a bong or its components. We therefore oppose the bill.

In 2005 the Premier ruled out banning bong on the grounds that bong and ornamental water pipes are used by some cultures to smoke water pipe tobacco and other products, such as fruit and molasses. If you take a walk down Sydney Road, Brunswick or High Street, Northcote, you can see this on any other day. Since 2005 the use of water pipes has become more popular, as indicated by the opening of shops and cafes that specialise in this form of smoking recreation. It is particularly popular among ethnic groups in our community.

The definition of bong is very broad and could cover almost any container that could feasibly be used to smoke a drug of dependence. On that, Ms Hartland talked about the use of polyvinyl chloride, garden hosepipes and plastic bottles and containers. I suggest that under this bill we would also have to ban the growing of bamboo, as bamboo can also be used as an alternative for a glass bong.

The bill attempts to deal with cultural use by excluding hookahs from the ban and applying restrictions to only their display. However, there is no clear definition of 'hookah' or 'bong' in the bill. The exclusion of hookahs appears to defeat the purpose of putting a ban

on bong. That is, hookahs can be used to smoke cannabis.

As I mentioned before, the creation of a black market in selling bong would most likely bring young people into the trade, as they try to make a quick dollar in a schoolyard, at the train station after school or whatever, and therefore get into trading not only bong but also cannabis and other illicit drugs. Therefore I have some very real concerns about the bill.

The bill is unenforceable because, the definition of 'bong' in the bill is very broad and could cover a large number of containers that could be used for the drawing of smoke or fumes resulting from heating or burning the drug, in or on the device, through water or another liquid in the device. This makes it impractical to enforce. There are doubts over the effectiveness of a ban on cannabis-smoking equipment, especially given the ready availability of alternative methods of consuming cannabis. We all know about people using rollies — commonly known as 'joints', I understand — other sort of bark or copper pipes et cetera, that can be easily obtained throughout the community or made even in your backyard shed.

I remember as a kid growing up that my first interaction with a bong device was when I saw plastic bottles and hoses littered throughout the park when we went there to play footy. As with all kids, you become inquisitive and want to know what it is. Sooner or later someone may explain what it is and then you become inquisitive about what it is used for. The banning of bong may make people go back to the methods of creating fake bong from plastic bottles and hoses that are littered across parks, schoolyards and at railway stations and would therefore bring young people into contact with any leftover residue in those fake bong. A person who uses cannabis or other smoking materials and uses a bong for that product is more likely, if they have bought it, to take it home with them, leave it at home, wash it and reuse it.

The consumption of cannabis in Victoria has been declining steadily since the 1990s. As reported in a number of national surveys, Victoria has amongst the lowest rates of cannabis consumption in Australia without such a ban on the trading of bong. I am advised that is most likely due to the information and education campaigns funded by the government that have highlighted the health risks, particularly in relation to mental health associated with cannabis consumption. Therefore I suggest that if Mr Kavanagh has real concerns about cannabis use in our society, bringing to the house a motion to continue to support the increase

in education to show why people should not use cannabis or other illicit drugs in our community would be far better in terms of getting a practical outcome than banning bong, as is being proposed.

I suggest that members on all sides do not support the bill, or at least reconsider it. As a bit of constructive criticism for Mr Kavanagh, I suggest that he perhaps look at a particular way of banning the sale of bong to children under the age of 18 years. That may get some support as is given to the sale of tobacco and non-tobacco products which are not allowed to be sold to minors. That may be a practical solution to something that Mr Kavanagh wants to curb — that is, the use of cannabis in our society.

Mrs PEULICH (South Eastern Metropolitan) — I rise to join this debate and support Mr Kavanagh's bill, which does not go as far as the coalition's policy position. However we think it is going in the right direction. It was interesting watching Mr Murphy deliver that speech because it was the first time he did not read all his speech and he seemed to be speaking with a great degree of knowledge and insight. I suggest that perhaps those who are not prepared to support this bill are really using the sorts of questions they have raised as a bit of a smokescreen to mask a disposition which is really less about harm minimisation and more about normalisation.

The Labor Party has long been associated with — and dare I say at one stage the Greens also supported such radical positions as the establishment of heroin injecting rooms — a much more dramatic and laissez-faire drug regime, which I have vehemently opposed. I have made my life as a politician, as a member of Parliament, an iconic symbol of that. In fact I led the opposition to the liberalisation of marijuana laws under the Kennett government, of which I was a member. I was delighted when we were successful in defeating it. I also led, with a number of other members, the opposition to the establishment of heroin injecting rooms.

Mr Finn — We stopped it in the Parliament.

Mrs PEULICH — We stopped it every which way that we could. I was the one who was called upon by Dr Joe Santamaria to launch the anti-drug coalition in Queen's Hall some years ago. My track record is a very strong, unambiguous one when it comes to the use of drugs, and it is not masked by the smokescreens of harm minimisation and obscure questions. It is about sending a strong message that the use of drugs is not good for your health; it is about making sure that drug use remains marginalised. I equally strongly believe in

having funding and appropriate programs for those who, sadly, suffer from drug addiction. They ought to be able to enter into programs that meet their needs for as long as they need in order to be able to kick their addictions. Addictive behaviour manifests in many ways and this is but one. I think having ambiguous, soft positions on these issues do not help to get a message out there that drug use is not good for you.

In relation to the two items that are mentioned in this private members bill, bong and hookahs, I wanted to get a definition for each, so I went to the *Urban Dictionary* online and the definitions were there. It is clear that there are a number of different types of bong. But with 100 outlets and with most young people not spending money on bong, improvised bong would probably be the most common form that are used anyhow. I think Mr Murphy put forward the view that improvised bong were more harmful. I do not believe for one moment it would be a purchased bong that would be the apparatus that is being used.

Let me say that having been a school teacher I have a fair degree of insight into these issues, and I also have a fair degree of insight into the effects of marijuana use on young people, developing brains and in particular the ill-effect on their life prospects and their education. Quite often it is the improvised bong that are found in parks where they are left behind. I have seen it myself, police tell me this and young people tell me also. This notion that somehow we cannot ban bong because people will use improvised bong more commonly is questionable, because they are the apparatus that is being used now.

Mr Murphy — Why ban the bong because they are not using them?

Mrs PEULICH — It is the display of bong. There are a number of definitions of 'bong' in the *Urban Dictionary*. One definition is slightly light-hearted; it says it is the receptacle 'you put the flowers in when the cops drive by', but I do not think that is the definition I was looking for. Another is 'Bong have been part of mainstream dope smoking for years and years now'. It says that a Backi bong is a bong which does not have any gauze. Instead it is a pipe in which the bowl has been removed where you place a small amount of rolling tobacco to act as a temporary platform for the weed to sit on. The dictionary also talks about:

A 'gauze loader' or a 'water pipe', as it is legally known as, is your standard-issue bong with a bowl. This is best with weed, as resin makes a mess of your gauzes.

It goes on to describe even more sinister uses, such as ice bong, and says:

Ice bong is quite new to the stoner world, as they first started knocking around in the early 1990s. The basic design principle of the ice bong that makes it different is the twist in the tube, which is used to hold ice in the tube to cool smoke.

Then there is the general definition:

A water pipe or bong is a device used for smoking, usually cannabis (and less frequently tobacco or other substances), in which smoke is bubbled through a chamber containing water. The bong enables the operator to smoke in a manner very differently than is possible with a simple smoking pipe or joint ... Most bong is designed to either cool the smoke before it enters the operator's lungs, build up a large buffer of smoke which the user inhales quickly, or both. The word bong derives from the Thai word baung which refers to a cut off section of bamboo.

In terms of the hookah, let me say I have a hookah at home. It was given to me by my Egyptian neighbours.

Mr Leane — Does it make you happy?

Mrs PEULICH — It has never been used. It adorns the corner of one of my rooms. I think it is a very interesting artefact. It has never been used in our house apart from being an adornment, apart from being an item of cultural interest.

The *Urban Dictionary* definition of a hookah is:

A large water bong/pipe with a hose, or multiple hoses, used to smoke weed or (sometimes flavoured) tobacco —

I think in the instance of the Egyptians it is used to smoke tobacco —

of Middle Eastern descent also called shisha I think, or that might be the flavoured tobacco, but whatever it's called it's fun as hell and you can get a nice buzz ...

I will not read the rest of it.

However, what we fail to realise are a couple of things. We need to give young people the message that drugs are not good and this is one way that we can take a further step to send them this message which this government has failed to deliver over its 10 or 11 years of government. The perception that marijuana is a harmless drug is probably still the prevailing view amongst the flower power generation. Perhaps the Minister for Environment and Climate Change, who is at the table, might have been a part of that generation. The marijuana that was available then did not have the tetrahydrocannabinol concentration that current crops do, so the perception was that it was not that strong. But it is much stronger now and is very damaging, for example, to developing brains. There has been recent

research to indicate that. It is damaging in terms of presenting as a harmless drug, which marijuana no longer is. It is therefore a misconception that needs to be corrected. It is a gateway to other drug use. One factor may be through socialisation into a particular culture with people who engage in similar activities. Another factor may be having to fund an addiction.

I was helping a young man who was smoking 90 bong a week. That is a lot of marijuana! He was a very talented young man, but marijuana nearly destroyed his life. He dropped out of university, his family broke down, he became psychotic and suicidal, and after a year of visiting a psychologist, which his father paid for and which ordinary families possibly would not be able to afford because it is not cheap, he has been able to rebuild his life, although not without very harmful effects. He will never quite have the same potential that he had before, but I am very pleased to see that he has been able to prevail over that and normalise his life. However, there are many who never do.

To help reverse the trend, the sale of marijuana smoking should be banned and drastic measures put in place to stop such items. The incidence of marijuana use has been shocking in Australia and in Victoria. The national drug strategy household survey in 2004 found that 33 per cent of people had used marijuana, 11.3 per cent had used it in the previous 12 months and cannabis use was highest amongst those aged between 20 and 29 years.

I will not go through all of the symptoms. Suffice it to say that the relationship between marijuana and other drug use stems from a genetic propensity to use drugs, and the comparative acceptability and availability is an issue we need to address. I think restricting it is more effective than normalising it. What we should not ignore is that more than 200 000 people who enter drug treatment each year report marijuana as their primary drug of choice, and that is a very sobering statistic.

In addition to that, and most importantly, marijuana users often meet other drug users, which may increase the use of other drugs that are not readily available and bring them into contact with the criminal world, including crimes such as theft. With those few words, I would like to support Mr Kavanagh and say that whilst this is one step forward, there is certainly much more to be done. This is just one element of what should be a very comprehensive and very strong anti-drug strategy.

Mr FINN (Western Metropolitan) — I can assure the house that I do not own a bong, and unlike Mrs Peulich I am not in possession of a hookah either. I

only have one point to make on this particular bill. I agree very strongly with Mrs Peulich that some of the opponents of this bill may well have ulterior motives for their opposition. All may not be as it seems, because we know there are many within the Labor government who are soft on drugs. There are many within the government who would like to see marijuana legalised. There are some in the Labor Party who would like to see harder drugs legalised. It should not be surprising that they are opposed to the bill Mr Kavanagh has put before this house today.

Of course the Greens are well-known supporters of the legalisation of drugs, including hard drugs, and have put such policies out in the past. I am not sure what their current policy is on this, but certainly in the past they have gone to various elections with a policy of legalising heroin. I would expect that if you are a supporter of legalising heroin, you are not really going to be concerned about a few bong — whether it be a few or a few thousand — in windows of shops around the city or indeed around this state.

It should be pointed out that we now know a lot more about cannabis and its dangers than we did when we had a similar debate back in the 1990s. When I was a member of the Kennett government, with Mrs Peulich, there was a concerted push from within the government to legalise marijuana. I know those who were behind that push at that time have since admitted they were wrong and that if we had legalised marijuana back in the 1990s under the Kennett government, it would have been a very grave mistake indeed.

It is very important to make the point that cannabis is an extraordinarily dangerous substance. There are still those who will testify they have been smoking marijuana for 30 or 40 years or however long it may be and it has never harmed them. The truth of the matter is that if that is the case — and rarely is it the case — they are very lucky because the carcinogenic effect of marijuana is in many cases many times stronger than that of tobacco.

The effect of marijuana on people's mental capacity is well known. I have spoken to doctors and people working with the mentally ill in the western and north-western suburbs of Melbourne who have told me straight out that the epidemic of mental illness we are currently suffering in society is directly related to the use of illegal drugs. That is something that has to be taken into consideration as well.

There is no doubt that the use of marijuana is widespread and has been for a very long time. We are

now suffering the results of that widespread use. I know of one individual I worked for a few years ago. He was formerly a well-known newspaper and television journalist in this town but now is a psychotic mess. He is a paranoid, schizophrenic mess because he has been heavily using marijuana for some 35 or perhaps even 40 years. I have seen firsthand the effects of marijuana on people.

What we are debating today is a measure to ensure that the illegal use of drugs is not advertised, because that is what this is. Every time we walk down the street or into a shopping centre and see bong in windows, that in fact is advertising the illegal use of drugs. It is advertising the illicit use of marijuana. It is advertising an illegal act, and that is something this bill brings to the fore. I think it is very important.

The Brunswick Street brigade would have us believe that tobacco is worse than marijuana. As I mentioned before, that is not the case. That really has to be pushed home. You go down to Brunswick Street and they are all sipping their lattes and God knows what else. If you light up a cigarette, you are likely to be taken out the back and shot. But if you have a 3-foot reefer, there is not a problem in the world. The double standards are just extraordinary.

I have to say to members opposite — members who may be thinking that a reefer is fine but do not have a tobacco cigarette or you will be in more strife than the early settlers — that they really have to rethink their attitudes to these things. These bong that Mr Kavanagh is proposing to ban the sale and display of really only have one purpose — that is, to facilitate the breaking of the law. Whatever the law may be, in this situation the bong is the instrument whereby the law is broken. We are talking here about the use of cannabis, and that is something that is to the fore in this particular debate.

The mere fact that something is openly on display and there for the specific purpose of somebody breaking the law troubles me. All you have to do is walk down the steps of this building and down Bourke Street a couple of blocks and you will see one particular shop, which I am sure many members and others would be well aware of, which has hundreds of bong openly on display, a kilometre from this building. As you go into shopping centres around the state you will see that repeated. A number of shops — usually selling cigarettes, I might say — have displays of bong for sale.

It just makes no sense at all to me. I ask those who oppose this bill to think about why you can have these

instruments — whose only purpose is to facilitate the breaking of the law — on display for sale quite openly, whereas if you are actually using them, you could be arrested. It makes no sense at all to me.

I commend Mr Kavanagh for his efforts in introducing this bill to the house. I will most certainly be supporting it, as indeed the opposition will be. I ask those who have indicated that they will be opposing this bill before they vote to have a good, hard think about exactly why they are opposing it. Whilst this is not the answer to the problem, this is a step in the right direction. Surely, given the problems that illicit drug use is causing in this state across the board in so many areas, what we need more than anything else is a push in the right direction. This bill is certainly doing that. I commend Mr Kavanagh and urge members of this house to support this bill.

Mr KAVANAGH (Western Victoria) — I would like to thank especially the Liberals and Nationals for their support for this bill and also thank the speakers who have spoken tonight. I would like to comment on some of the things that have been said and then to summarise the case for this bill.

Mr Scheffer spoke first for the government. He said there was not really a need for the bill because cannabis is already illegal. But the laws against cannabis are rather weak laws you would have to say, with someone in possession first being given two warnings before there is even a possibility of prosecution. He referred to the decline in cannabis use between 1996 and 2008. In itself that is probably a good thing, but when you think about it, it is probably indicative of cannabis leading people to use other drugs — that is, the people who are now not using cannabis have replaced it with even more insidious drugs as a result of being led to using those other drugs through cannabis use. It seems to me that is a strong possibility, although I must say I do not have evidence for that.

In that statistic presented by Mr Scheffer there was no reference to the potency of cannabis these days. Over about the past 40 years cannabis has become about 30 times stronger than it was. Someone smoking a joint in 1996 and someone smoking a joint today are quite different matters. In that period there has probably been a fivefold or tenfold increase in the potency of cannabis, so that even if people are smoking smaller amounts of cannabis, they are actually consuming more active content in the marijuana. It is entirely possible that that is happening — in fact, perfectly likely.

We know there has been a move to other drugs. For example, just recently there has been a huge increase in the amount of cocaine available in Australia. It has become very cheap. I think the cost of a hit of cocaine is now about the same as the cost of a pack of cigarettes. Using cocaine used to be called ‘God’s way of telling you you had too much money’, but now it is about the price of a pack of cigarettes, even in Australia, as well as new drugs like meow meow.

An honourable member — Meow meow?

Mr KAVANAGH — I am surprised you have not heard of meow meow, because it is an extremely disturbing drug when you look at it and its effects. This is another drug that, looking at the evidence, one would suspect is being consumed after people become used to consuming drugs in the form of cannabis. Again I must admit that I do not have evidence for that, but it would seem reasonable. Over the past 20 years there has also been a huge increase in other drugs; for example, ecstasy.

Mr Scheffer said that it is silly trying to make bonges illegal because cigarette papers, for example, can be used in the consumption of marijuana. Yet in the case of bonges there really is no other purpose for their production, sale or use but the consumption of a prohibited illegal drug. That is not the case with cigarette papers or the other things that Mr Scheffer referred to.

Mr Scheffer also said that the bill contains only some restrictions on hookahs. Indeed that is correct, but there is the restriction that no more than three hookahs could be displayed. That means the bill is effective, even if it is not 100 per cent effective. Reducing the number of bonges on display, even if they are misnamed as hookahs but three bonges are displayed, would be a huge advance on the situation we are in now. If you walk only 5 minutes down Bourke Street, just past Russell Street you will see a shop with more than 200 bonges in the front window. I would be very pleased if there were only three there. Would that not be a big improvement on the current situation? When you go down and see more than 200 bonges in the front window, does that not tell you that our laws are really a joke? When 14-year-olds and 15-year-olds come into the middle of the city and see more than 200 bonges in a shop window, does that not tell them that the government is not serious about cannabis? Do they not get the message that there is nothing wrong with it, that it is not harmful, that the laws against marijuana are made up by silly old fogies who do not know what they are talking about?

It may be difficult to prosecute, as Mr Scheffer said, but it is not unenforceable, because of course the police will have discretion. A policeman or policewoman who looked up the definition of the word 'bong' in this legislation and saw something fitting that description would not prosecute, attempt to prosecute or remove the implement unless that policeman or policewoman knew the implement was a bong. You can define a dog and yet the definition might be consistent with a cat, but we all know what a cat is and what a dog is, and we can act on our understanding of the difference. We know there may be other things that could fit with the definition of bong as it is in this bill, but police would not attempt to prosecute on that basis because they would understand quite well that it is not a bong, even if it does comply with some of the elements of that definition.

I would like to thank Mr Hall for his contribution. I agree with one of the main things he said — that is, that a reduction in the use of implements for the consumption of marijuana is a good thing. I do not think anyone could really argue with that, although today attempts have been made to do so. Mr Hall also said that a ban would send a clear message. To me that is what the attempt to pass this bill is all about. He also referred to the 'glaring contradiction under existing law', quoting Dr Michael Carr-Gregg, a famous psychologist in Melbourne. Mr Hall referred to the bill as a useful first step, and indeed that is the way I would see it, too. If I were fortunate enough to be re-elected here, and if there were a Liberal-Nationals government and this legislation were passed and that government wanted to take further steps, I am confident that that government would have my support in doing so.

Ms Hartland said the harmful effects in terms of health were partly a result of illegality but provided no instance of that. We know that sometimes there can be harmful effects from enforcing a law, but what harmful effects could there be on people's health from making this illegal? Perhaps there are some, but Ms Hartland did not show us any.

As to the impact of banning bong, Ms Hartland wanted some evidence for that. Members could look at Sweden. In Sweden the authorities have banned bong, and they take a serious approach to eliminating drug use. On many accounts, studies have shown that Sweden has a drug problem which is a fraction of the drug problems that exist in comparable countries. Sweden's approach includes, but I am sure is not restricted to, banning the sale and display of implements designed purely for the consumption of drugs.

I think it is rather unfair for Ms Hartland to say that I did not answer her questions; I believe I did answer her questions and provided some evidence for some of the things I was saying. Indeed I have one of the articles Ms Hartland referred to and interpreted as supporting open marijuana use, and I will read the synopsis of the results of this study. This is taken from the *Journal of the American Medical Association*. This study was actually done in Australia. Strangely a lot of the studies of marijuana use by young people seem to be done in Australia even if they are done by foreign research groups. This study was done on twins in Australia. Under 'Results' it states:

Individuals who used cannabis by age 17 years had odds of other drug use, alcohol dependence, and drug use/dependence that were 2.1 to 5.2 times higher than those of their co-twin ...

The synopsis says that whether the twins are monozygotic or dizygotic, which I believe means identical or not identical, makes no difference. When one twin uses marijuana before he or she is 17, he or she is 2.1 to 5.2 times more likely than his or her twin to develop other drug use, alcohol dependence and drug abuse and dependence in later life. I do not believe that article supports the claims Ms Hartland made of it.

Ms Hartland said that more hookahs would be sold if bong were banned under this legislation. However, the bill specifically restricts the number of hookahs that can be displayed to three, so it would seem unlikely that more hookahs would be sold with that restriction in the bill.

Ms Hartland advised me that drug agencies should have been approached. The suggestion that I did not approach experts in drugs is a false one. I spoke, for example, to David Perrin, who would be known to some members, especially opposition members. He is in charge of the Drug Advisory Council of Australia. Furthermore, I had representations from groups of parents of drug addicts, including three women from Sunbury who came to see me in my office and whom I referred to in my last speech.

The government's position as represented by Mr Scheffer seemed to be, 'Yes, marijuana is not good; it is to be discouraged' and so on, but the premise of Mr Murphy's contribution seemed to be quite different. One point Mr Murphy suggested was that the definition of 'bong' in the bill is so broad that it is unenforceable. This is a point that Mr Scheffer also made. However, police officers, looking at something they know to be a bong, would check the definition in the legislation. If they saw something that was clearly not a bong, they

would not be interested in prosecuting even if it technically complied with the definition in the bill. So there is no problem that I see at all with that and indeed no difficulty in enforcement.

I would like to thank my good friend Mrs Peulich for her support of my bill. She said we need to give young people the message that marijuana is not good. That is what this bill is all about in a nutshell. The effectiveness will not be 100 per cent. It will not stop bonges being sold everywhere. There will still be some bonges available somewhere, at least under the counter or whatever, and indeed we know that people will still make their own bonges. But at the moment the message we are giving young people is that laws against marijuana are a joke, and this bill would change that message. The message with this bill would be, 'No, the laws against marijuana and the warnings about marijuana are serious. You should not use it. You may use it if you get away with it — that is up to you — but the state will not sit by while people display hundreds of bonges in shop windows, bonges that have as their sole purpose the consumption of what is supposed to be an illegal substance'.

Mrs Peulich indicated in summary that marijuana is harmful, but she referred to the genetic propensity to use drugs.

Mrs Peulich — One example.

Mr KAVANAGH — One example. Just on that study that I quoted, there is extremely good evidence that propensity to use drugs is not genetic but is caused by other factors, and a major factor is consumption of marijuana before the age of 17.

I also thank Mr Finn for his contribution. Mr Finn said there may be some people who have used marijuana for 30 or 40 years and not suffered harmful effects. That is probably true, because the vast bulk of the marijuana they consumed over those 30 or 40 years was from at least 10 years ago or more, when marijuana had a fraction of the potency it has now. While people might have smoked marijuana for 30 or 40 years without ill effects, the chances of them doing that over the next 30 or 40 years and not having ill effects are vastly less.

Cannabis is harmful. It is 30 times or so more powerful now than it was in the past. Anyone with any experience dealing with those who regularly consume marijuana can see the psychological effects. They are plain as day; they could not be more plain and more obvious. The scientific evidence is that marijuana use leads onto other even more powerful and harmful drugs. This is not only in the study I referred to, but the

women who came to see me told me all of their sons who are now in their early 30s — the three women have four or five sons between them who are drug addicts — will all be dead within two years because of their drug addictions. It is getting to the pointy end. They have been drug addicts for 15 years and they are now getting to the end of that road. They say their sons will all be dead within two years, and they say they all started by using marijuana.

Marijuana is also very physically potent. According to some studies it is five times more powerful than tobacco in producing tumours in the head. Mr Finn referred to that in his contribution. We know that people who take it develop aggressive, irrational behaviour even before they are psychotic. You can see that as a teacher. It is pretty obvious in many parts of Melbourne. Basically it wrecks people. Last night at dinner I was discussing this issue with friends. One of them said to me, 'My friend has been on marijuana for about 15 years. He was a student at Geelong Grammar School. He is now hopeless. He cannot do anything at all. He cannot work. He is incapable of any rational or productive behaviour'.

I understand this bill will have limited practical effects, but it will not have no practical effects. Its provisions will certainly have practical effects. If this bill were passed, I am sure the shop just down the road, for example, which is probably one of a hundred in Victoria that sell bonges, would at least be much more discreet in the display of bonges in the front window. The shop is no more than a 5-minute walk from here. There are more than 200 bonges in the front window and there are 50 or more different types of bonges in the front window, including some which are in the shape of human skulls. I do not understand that, but there are bonges like that in a shop located literally within a few minutes walk of this Parliament. The present laws against cannabis look like a joke. They make marijuana seem innocuous. They produce retail outlets that have a financial interest in getting young people addicted to marijuana.

I was shocked to hear, even after I had introduced this bill, from my brother who told me about his son who when 14 years old, which was only a few years ago, got off a train after school. He and his mates were in their school uniforms. A woman from a shop across the road walked over to them. She said, 'Look, I have a bong shop over the road. Marijuana is a lot of fun. Come over and buy a bong from me'. I do not know whether the shop was selling marijuana; perhaps it was. As a result of the ability to display and sell bonges in public,

people have a financial interest in getting young people to use marijuana.

The passage of this bill would mean the legislation would be in line with that of other states. It is only a partial measure. I would be happy to improve it. The government has claimed there are mistakes in the bill. If the government were genuine, it would have come to me earlier and said, 'We think you ought to amend this part of it and that part of it. Then we can work with you to get this bill passed'. It did not do that. It is just going to appear at the last minute and say, 'No, we think there is a deficiency in the bill'.

I have some insight into this situation as a former teacher who has taught in some of the inner-city areas of Melbourne. It is a big problem. This drug makes it a big problem because its effects are so powerful and harmful not only by itself — that is, the consequences of just smoking marijuana — but there is also the consequence of leading people to take other drugs as well.

As a Parliament we have a duty of care, which is maybe paternalistic, to young people. We are supposed to be wise, experienced and know something about the world. We are supposed to bring our wisdom to young people. Is it not wise to warn people as effectively as we can to not go down that path? Should we not say, 'Do not start something that could end up very badly for you'? Do we not have that duty to warn people like that? I regard the passage of this bill as exactly that kind of warning.

House divided on motion:

Ayes, 16

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

Noes, 20

Barber, Mr	Murphy, Mr
Darveniza, Ms	Pakula, Mr
Eideh, Mr	Pennicuik, Ms
Elasmar, Mr	Pulford, Ms
Hartland, Ms (<i>Teller</i>)	Scheffer, Mr (<i>Teller</i>)
Huppert, Ms	Smith, Mr
Jennings, Mr	Somyurek, Mr
Leane, Mr	Tee, Mr
Madden, Mr	Tierney, Ms
Mikakos, Ms	Viney, Mr

Pairs

Coote, Mrs	Lenders,
Vogels,	Broad, Ms

Motion negatived.

Sitting suspended 6.30 p.m. until 8.03 p.m.

**AMBULANCE SERVICES:
PERFORMANCE**

Mr D. DAVIS (Southern Metropolitan) — I move:

That this house expresses its serious concern at the operation of Ambulance Victoria and the failure of ambulance services to maintain an acceptable standard and response time and notes the worrying number of cases where lives have been put at risk by the mismanagement of both metropolitan and country ambulance services, and therefore —

- (1) calls on the Premier to fix the problems with Victorian ambulance services; and
- (2) requests the Auditor-General to examine the operation and management of Ambulance Victoria.

This is an important motion because increasingly in Victoria our vital ambulance services are being called into question. Case after case has come forward where ambulance services have failed the community. They have failed those in the country and they have failed those in metropolitan Melbourne. It is clear that ambulance services are a vital part of our health system. When an incident occurs or somebody is very sick those ambulance services are required, they are required quickly and they are required reliably. The highly trained paramedics who are involved with and run our ambulance service are needed at the scene where a Victorian is sick or requires assistance.

The key task of an ambulance service is to stabilise the patient and to move them to a hospital or a facility where they can get the quality of treatment that they deserve; whether they require specialist treatment, whether it be in an emergency department or another department or facility that can provide them with the precise care that they need. However, increasingly under this Brumby government the quality of our ambulance services has deteriorated. It is very important today to get on record the history of this government with respect to ambulance services.

In 1999 John Brumby and Labor promised to reduce ambulance response times to 10 minutes. In fact what occurred is that response times in 2005 were pushed out to 15 minutes. Still this government has never met its promised response times. In the whole period this government has been in office it has never met its

response time targets. Increasingly very serious cases are coming forward with very long waits, and where vulnerable Victorians at their time of greatest need do not get the ambulance service that they deserve and require. This government of Premier Brumby and the Minister for Health, Daniel Andrews, has to answer for that failure. It has to answer for the failure to ensure that quality ambulance services are available.

At recent hearings of the Standing Committee on Finance and Public Administration it became very clear that the government has tampered with the ambulance response targets and tampered with them so that they cannot be held to account. The increase in response times in 2005–06 under this government was pre-emptory, a watering down and a dilution of the response times; it was a decision of the government, not a decision of Ambulance Victoria. In evidence to the Standing Committee on Finance and Public Administration the CEO of Ambulance Victoria made it very clear that these diluted response times were imposed on Ambulance Victoria by this Labor government. That is a disgrace. It is a matter that goes directly to the heart of what this government is about: it is about avoiding responsibility, it is about fudging its targets and it is about covering up the diminution of service that has occurred under this government.

The Standing Committee on Finance and Public Administration under its health statistics inquiry has heard evidence about the growth in ambulance ramping times, and data has come into the public realm about the length of time and the number of occasions of ambulance ramping. Steve McGhie from the Ambulance Employees Association put on the public record information about almost 1000 ramping occasions in metropolitan hospitals in a three-month period in 2009. There were 1000 occasions when ambulances were ramped for up to 2 hours or even longer. These are enormous lengths of time when ambulances that should be getting into hospitals are not able to get into those hospitals. Our ambulance services are being blocked when they get to hospital.

Equally the task of getting to the hospital via road is increasingly becoming a very difficult one for our ambulance services. We have seen bypass targets fudged and manipulated by this government. The fact is that the government abolished the old reporting mechanisms that accurately listed the number of occasions when hospital emergency departments went on bypass and diverted ambulances. In 2002, when the government brought in its hospital early warning system (HEWS), a mini bypass, if you will, there was a sudden drop in the reported frequency of official bypasses but an increase in the total time when and

number of occasions on which hospitals were diverting ambulances.

I make the point very strongly that bypass is a major brake on ambulances getting to hospitals. I am not arguing — and I would not let anyone say I am — that bypasses will never and should never occur, but they should be at a minimum. That is why targets are necessary. They should be reserved for only the most extreme occasions when hospitals truly cannot handle the capacity. It is up to the government to ensure that hospitals are in a position to handle ambulances in a timely fashion as they arrive and to deal with the cases that come forward so that Victorians get the quickest attention, can be taken to the nearest hospital on the overwhelming bulk of occasions and succeed in getting the treatment they need in an emergency department.

I make the point that, through difficult FOI processes that have been resisted by this government, the opposition has obtained detailed HEWS data for a number of our key hospitals across metropolitan Melbourne. When these HEWS occasions are added to the bypasses, which gives the total number of diversion occasions, the impact is clear. The Royal Melbourne Hospital's percentage of total days is 9.93 per cent; the Western has 8.97 per cent; Sunshine, 5.15 per cent; Box Hill, 5.75 per cent; Maroondah, 4.03 per cent; and the Angliss, 8.92 per cent. These figures come from bypass and HEWS figures from July through to September 2009. They are far in excess of the government's benchmark of 3 per cent and show that in some cases hospitals are effectively on ambulance diversion for 8 or 9 per cent of days, whatever title this government under Premier Brumby wishes to give to that diversion arrangement.

Today most of all I want to focus on a number of cases. These are not dry statistics, they are not numbers on a page; they are people, families and individuals who have suffered at the hands of this government and its mismanagement of our ambulance services in Victoria. Case 1 is very familiar to the community because of its public profile through the *Sunday Herald Sun*. It is about the 65-minute wait by a five-year-old Gippsland boy for a specialist ambulance that arrived more than an hour after the family's frantic call for help. This is from the *Sunday Herald Sun* of 2 May:

... Ambulance Victoria has come under fire after the MICA unit that could have been the difference between life and death for Gippsland schoolboy Rupert Rafferty took more than an hour to arrive.

...

MICA units carry cardiac drugs and specialist intensive care paramedics trained to administer them.

The 65-minute wait for a MICA (mobile intensive care ambulance) paramedic may well have been what cost Rupert his life. It is not good enough that these situations occur. It is not good enough that health minister Daniel Andrews has now admitted he knew of problems in Victoria's Gippsland ambulance services almost a year before the death of Rupert Rafferty. He had been warned, and tragically he had chosen not to act.

Another recent case, case 2, was also reported in the *Herald Sun*. I quote very briefly from it:

A woman ran to an ambulance station, screaming for help as her husband lay dying in their home 150 metres away.

Marlene Gouge had already called an ambulance after her husband Richard, 78, had a heart attack.

But she said it took the best part of an hour to arrive.

The Maryborough great-grandfather died waiting, becoming the latest in a string of deaths linked to rural ambulance delays.

It is believed the local ambulance was with a non-urgent patient ...

It was therefore unable to respond to three code 1 emergency callouts ...

Mr Gouge's ambulance came from Avoca, 26 kilometres away.

'I was running down the road screaming "Please, somebody help me. Somebody help me", and I was crying', she said.

'I thought, if nobody's going to come soon it's going to be too late'.

These are very sad stories. Where was that ambulance, and why were those ambulance services not able to assist that family in its time of need?

Case 3 is not in the public arena. I will not name the patient, because she does not wish to be named, but I and my office have had contact with this patient in Hartwell. She is a 70-year-old woman who fell on the steps outside a doctor's office. The doctor called an ambulance, which took 40 minutes to arrive, and a second ambulance then had to be called. This woman had broken her ankle, her left knee, her foot and three toes. The question is: why 40 minutes? This was not a distant rural ambulance that was trying to retrieve a patient in great need from a place far up in the mountains. It was in the centre of metropolitan Melbourne, but there was a 40-minute response time.

Case 4 has been referred to in the media and has been the subject of considerable public debate. The report of the story in the *Herald Sun* states:

A sick grandma with heart problems waited 1½ hours for an ambulance as she drifted in and out of consciousness.

Paramedics have blamed the frightening wait on a desperate shortage of paramedics at weekends.

Lorraine Pigram was left in agony while wedged between a toilet and a wall after suffering a heart complaint caused by low blood pressure.

The 73-year-old had previously had a triple bypass ...

Mrs Pigram ... was 'very cold' lying on the bathroom floor.

'I was in a lot of pain' ...

Her son-in-law was the informant, bringing this case to public notice. Of course he is angry about what occurred to his family member; of course he wants justice for his family member; of course there has to be a better way.

I pay tribute to the work of Ed O'Donohue and Brad Battin, our candidate in the Assembly seat of Gembrook, for bringing these matters to community attention, but it is not good enough and it is time Minister Andrews started to listen.

Case 5 was reported in the *Geelong Advertiser*:

A Corio couple waited for an hour for an ambulance on Sunday night as the husband experienced intense abdominal pain.

Janine Nero said her husband Michael was extremely distressed and they didn't know what was wrong ...

'We called about 9.30, quarter to 10,' she said. 'When I rang they said they were a little bit busy but they're on their way.'

'About 45 minutes later, I was worried about my husband because he was getting worse. I rang again ...

'About 15 to 20 minutes after that, they finally arrived.'

...

A spokesman for Ambulance Victoria said operators were busy on the night and would have prioritised calls —

But an hour is too long —

They had a fair bit on at that time —

Said the ambulance spokesperson —

but it was a 44-year-old male complaining of abdominal pain, it was prioritised so it wasn't classed as a code 1 ... A code 1 is something like a cardiac arrest or a car accident ...

said Ambulance Victoria. But I say, a response time of an hour is not good enough.

Case 6 is another East Gippsland case. I quote from a NewsWire report:

Limited emergency coverage in Victoria's east was exposed when it took nearly half an hour for an ambulance to reach a man who had died after ploughing his car into a house.

Police were first on the scene ...

...

The man was pronounced dead shortly after paramedics arrived.

'They frantically tried all stops to get some medical attention but unfortunately the young man died,' Ambulance Employees Australia secretary Steve McGhie told AAP.

There are only two ambulance night shifts in East Gippsland — in Bairnsdale and Lakes Entrance — and both were attending jobs when the accident happened ...

Our ambulance officers do the very best they can. They are underresourced; they do not receive the support they should get from this government. They try their very best to assist the community, but it is not good enough when this government will not support them.

Case 7 is a city case again. I refer to a report in the *Herald Sun* which states:

Paramedics took 38 minutes to come to the aid of a former St Kilda footballer who collapsed with a lethal heart attack.

Retired farmer Laurie Stephenson, 71, died after suffering a heart attack while playing a pennant bowls competition at Maffra on October 23.

...

Ambulance Victoria said its community officers were on the scene within 23 minutes, but it was another 15 minutes before a full-time paramedic crew arrived from Traralgon, 50 kilometres away.

These are cases that might have turned out differently.

Ms Lovell and others in this chamber are very familiar with case 8. I refer to a NewsWire report which states:

A woman ... impaled on a fence post ... waited more than three-quarters of an hour —

In fact it was 47 minutes —

in agony before paramedics arrived at a northern Victorian property.

Ambulance Victoria is investigating why it took 47 minutes on Tuesday night for an ambulance to reach 34-year-old Kim Broadbent of Yarrawonga.

a person impaled on a fence waiting for such a length of time is simply unacceptable.

Case 9 is another case from Gippsland and is equally difficult. The *Sunday Herald Sun* report states:

Last week, the *Sunday Herald Sun* exclusively revealed the tragic plight of five-year-old Gippsland boy Rupert Rafferty, who died after it took 65 minutes for a specialist MICA ... to reach his Briagolong home.

...

A day after Rupert's death, popular high school student, Geordie Duguid died in the neighbouring town of Maffra, after it took 27 minutes for a MICA unit to reach her when she passed out at a party.

Hauntingly, the families knew each other and had to bury their children within days of each other. But young lives are not the only ones being cut short by the ambulance crisis:

Returned serviceman Ronald Cook died in the Royal Melbourne Hospital late last year when an ambulance bungle led to massive delays in getting the pensioner to Melbourne for emergency treatment after an accident.

There is case after case.

Case 10 was reported in the *Geelong Advertiser* under the heading 'Disgraceful ambulance no-show sees bashed teens carted in divvy van'. The article states:

Two bashed and bleeding teenagers were rushed to the Geelong Hospital in the back of a divvy van on Saturday night because no ambulance was available.

Police ferried the pair to hospital after they were kicked and stomped on outside ... nightclub ...

...

The police should never have been put in that position —

Said Mr Len Lowry, father of one of the men. Mr Lowry has blasted the state government and Ambulance Victoria over the bungle, saying the situation was a disgrace. Police should not be required to do this. It is not their particular skill set, and police being forced to act as ambulance officers is not the way the community wants these matters organised.

Another case that I am familiar with where ambulance services have not been up to scratch relates to the case of Adam Cummaudo, a 25-year-old. He had a stroke in March 2007. His wife found him on the floor of their bathroom and called an ambulance at 1.19 a.m., but despite the ambulance arriving reasonably quickly, Mr Cummaudo did not get to hospital until 2.49 a.m. This was a case that the Public Accounts and Estimates Committee heard about the other day, a case in metropolitan Melbourne where a family wants justice and wants answers. They want explanations from the government as to why it took an hour and a half to get from Epping to the Austin Hospital, something that is not much more than a 20-minute drive.

The family were at the hospital before the ambulance, and the family cannot understand the long and

circuitous route taken by the ambulance in this case. There are many inconsistencies in the accounts given by ambulance service personnel on this and there are many inconsistencies in the government's decision to withhold FOI information from Sam Cummaudo, Adam's father, and his family. It is extraordinary that in such a case the family is not entitled to a full and complete explanation. It is not my position to judge the exact cause.

Mr Viney interjected.

Mr D. DAVIS — No, but I am making the point that these are real cases and they are people who have not had the quality of service under this Brumby government that they should have received. The Premier and the Minister for Health, Daniel Andrews, have to accept responsibility. They have never once met their own, weakened, sloppy, watered-down response targets. The former Premier, Jeff Kennett, met his response targets, but they, under this Brumby government, do not meet their response targets and it is not acceptable.

The case of Adam, which has been referred to publicly, is a very difficult case and the coroner has not been able to ascertain absolutely the cause of death. But my point is that whatever the explanation is, an hour and a half from Epping to the Austin Hospital is too long in metropolitan Melbourne. This is not satisfactory; this is not a standard and level of service that the community expects for such a vital service as our ambulance, and I think Mr Sam Cummaudo and his family have every right to full information and full answers in this case.

In another terrible case, described in the *Herald Sun* of 10 May as a 'Two-hour wait for ambos', the article says:

A Victorian man who waited more than 2 hours for an ambulance in South Gippsland has joined a chorus of victims calling for a system overhaul.

Noel Cowie, of Korumburra, collapsed in his home in April after complications related to pneumonia and pleurisy.

Mr Cowie said his neighbour called an ambulance, but he was not picked up for more than 2 hours.

He was told the ambulance came from a Morwell unit.

He was taken to hospital and after complications was later flown to Melbourne.

Again, 2 hours is, quite frankly, simply not acceptable.

In another case that was reported to me by a Liberal candidate, Dee Ryall, who was a witness to this incident — a terrible, high-impact, single-vehicle car accident on a bridge 15 minutes out of Mansfield — it

took the police 20 minutes to attend, and the ambulance took well over 30 minutes to attend. It is one of those situations where the time period is simply too long and the community has every right to ask questions.

At the Public Accounts and Estimates Committee hearing the other day, Minister Andrews flatly and absolutely ruled out any independent investigation into Ambulance Victoria. There were no ifs, no buts, no debate, no contrition and no admission that there could be something wrong. He appears to be blind and to be in denial of the fact that we have a developing crisis in our ambulance services. His failure to act over his period as health minister, and his failure now to recognise that there is a serious need to investigate closely the management of Ambulance Victoria, is a major problem.

The opposition has written to the Auditor-General to ask him to examine the management and performance of Ambulance Victoria. My motion seeks to reinforce that point. There needs to be an independent focus on Ambulance Victoria to lift its standards, to lift its response times, to stop these cases occurring. I make the point here that this has to happen quickly. We need a very close examination of Ambulance Victoria very quickly, because we cannot wait for this to be dealt with. People are at risk, people will die and the community wants a response and they want it quickly.

I would hope the government will eventually listen to this plea from the community. I would hope the government will make the decision to follow on with a proper examination and get to the bottom of what is going on at Ambulance Victoria. We know that Ambulance Victoria is in crisis. We know that there are massive staffing issues. The strong information coming through the ambulance sector at the moment is that there is a budget black hole at Ambulance Victoria in the vicinity of \$20 million to \$30 million, that it is significantly short in its financial position. There appeared to be very little additional money in the recent state budget and the strong information is that the range of the deficit at Ambulance Victoria is in the zone of \$20 million to \$30 million, the most commonly mentioned figure being \$25 million in the red.

We know that these staffing issues, the lack of adequate staff at Ambulance Victoria — I know there are some new trainees coming through but they are yet to be in position; the government has dithered and delayed on bringing additional trainees through — has seen a situation where quite regularly large numbers of ambulance stations are left unattended without officers to cover their rosters.

I pay tribute to Mr O'Donohue for a recent freedom of information request he submitted concerning the Berwick and Pakenham ambulance stations for the period January 2010. He sought details of the number of staff and their qualification levels on the roster. It is clear that from 5 o'clock on 2 January there were no ambulance officers at Berwick ambulance station. It is also clear that at some of the other stations it was the same situation. On 2 January from 6 o'clock there were no ambulance officers at Pakenham station. On 31 January at that station there were no ambulance officers to cover that shift.

The government has changed the rostering arrangements for Ambulance Victoria. It no longer works cooperatively with officers to try to get shifts covered. It no longer puts in place flexible arrangements that enable an ambulance officer in a country centre to come in for a shorter period of time when required and to do that with the cooperation of those people. The government forces them to stay for a full 4-hour shift. In the past there was an arrangement that seemed to operate quite effectively — and I know that was with the support of the union — whereby an ambulance officer in country Victoria could come in for a shorter period to cover a hole in a roster or to fill in when another ambulance officer in the town had been sent on a particular task. The fact is that unless some arrangement is put in place where the government works with the union, works with ambulance officers and works with individual towns rather than imposing things on them, there are going to be additional difficulties, which means the community will get a lesser service.

The problem is that in ambulance matters a lesser service is life threatening. A lesser service, a diminished service, a watered-down, weakened response time that this government should hang its head in shame over, is not good enough, because lives may well be at risk.

I say that the government must hold this review and it must do it quickly. The Auditor-General could do this, but the government needs to act internally before the Auditor-General would report because this is a matter on which the community needs an immediate response. I say the government must face up to its responsibilities. John Brumby must face up to his responsibilities. He is the Premier. In 1999 Labor said in opposition it would have a 10-minute response time; it promised a 10-minute response time. In 2005 and 2006 it pushed the response time out to 15 minutes. It has never once met its diluted or weakened response time. We see the results of that in case after case that

has been reported publicly. The tragic side of this is that the community is at risk.

Mr VINEY (Eastern Victoria) — Firstly, I want to acknowledge in this debate that some awful stories have been published in the media recently where people have lost loved ones in tragic circumstances. In some cases the media has suggested there have been some difficulties with the delivery of ambulance services. I am not in a position to judge whether that is so or whether the media reports are correct or incorrect, as Mr Davis has chosen to do in this debate.

I do not intend to detail and respond to the individual cases Mr Davis feels he is somehow expert in. I would leave the determination of whether service delivery was adequate or inadequate in those cases to people who are far more qualified to investigate these things and form a view on them than, in my view, Mr Davis is. Mr Davis comes to this debate with a political motive in citing these cases. I suspect a political motive is not particularly the most objective and fair means by which one should determine whether or not individual cases are worthy of some judgement of failure. What I will say, because I have not done independent investigations on any of the cases or matters he has raised, is Mr Davis's quotations from the media are somewhat selective.

In the case of the young schoolboy Rupert Rafferty, for example, it is interesting to look at the level of service that was provided. There are questions about whether it got there quickly enough, but I can only go on the media reports. I quote from the *Gippsland Times and Maffra Spectator* of Tuesday, 4 May, where the journalist indicated that one ambulance arrived with a paramedic and a trained volunteer. They called a second ambulance which arrived with two further paramedics. A MICA (mobile intensive care ambulance) vehicle attended and a helicopter attended. The level of service provided in this instance was two ambulances, three trained professional paramedics, one trained volunteer, a MICA paramedic and a helicopter with crew.

There may be difficulties getting to people in rural Victoria in what would normally be adequate time, particularly in places like Briagolong, which is not remote but is a fair distance from major settlements. There may be difficulties in getting services to people in those kinds of areas.

I am not going to make a judgement on whether the time of arrival was adequate because I am not in a position to make that judgement, and nor was Mr Davis. But what I do say is that we need to look at

the level of service provided. Whilst there has been a considerable amount of negative press, what has not been reported is the sidebar on the front page of the *Gippsland Times and Maffra Spectator*. I quote:

The mother of Briagolong schoolboy Rupert Rafferty and her family have come to the defence of Maffra paramedics ...

I will not quote the whole article, but it says the boy's grandmother had only just begun administering CPR when the first ambulance crew arrived. She is quoted as having said:

The next thing I knew there was a paramedic standing behind me ...

I was amazed at how quickly they arrived and how efficient they were at treating Rupert.

We are extremely happy with the service we received from Ambulance Victoria.

They were very gentle and caring with Rupert and we know they did everything they could to save him and we appreciate it.

Ambulance Victoria described the paramedics as being 'devastated' by the outcome. The article quotes Ambulance Victoria spokesman James Howe as saying:

From a clinical perspective they worked really hard on that case.

The article continues:

Mr Howe and Rupert's mother and her family said they were concerned about criticism of paramedics generated by negative press in Melbourne media at the weekend.

I would suggest that you might add to that 'and Mr Davis'.

Let us be very careful when we go into the process of using specific examples. I do not know the details of other specific examples Mr Davis has used, but I know a little bit about that one in my electorate. And the little bit I know about the one in my electorate is quite a different story to the one Mr Davis presented here tonight. It is a disgrace.

Let us look at what has happened in the delivery of ambulance services in Victoria over the recent 10 or 15 years. I was the parliamentary secretary for health on coming to government in November and December 1999, when John Thwaites was the Minister for Health. As the minister he gave me in that role specific responsibility for implementing the Labor government's ambulance policy.

I can advise the house that one of the first things I did to implement the ambulance policy of the Labor Party in government was to call a meeting of the senior representatives of the Department of Human Services, the senior representatives from the two ambulance services — the Metropolitan Ambulance Service and Rural Ambulance Victoria — and the senior representatives of the union. What was apparent to me was that this was the first time these people had been in the same room together for many years. For many years under the Kennett government they had not been able to sit in a room together and talk about the administration of ambulance policy in Victoria.

Mr Drum — Why not?

Mr VINEY — They had not been able to talk because under the administration of the then coalition government, Mr Drum, they were all at one another's throats. They were at one another's throats because of the cuts that had occurred and the failure to manage the service. I say to Mr Davis, 'Do not take my word for it. Look at the 1997 Auditor-General's report on the state of ambulances in Victoria'. Its findings were that the ongoing financial viability of four of the five ambulance services were in decline. There was:

... a declining revenue base, poor strategic and financial planning and a need for major capital funding to address ageing infrastructure, particularly in relation to communication systems that required major technology upgrades. Further findings involved the absence of high-level performance benchmarks necessary to assess the overall performance of the rural ambulance services. Comments were also made about a poor industrial environment and inefficient work practices.

They were the findings in 1997 of the Auditor-General — the Auditor-General that Mr Kennett then very quickly moved to try to nobble because he did not like those kinds of findings and reports.

On coming to government we introduced a number of things. We upgraded ambulance stations across Victoria; we introduced two-officer crewing.

Mr Drum interjected.

Mr VINEY — We introduced two-officer crewing, Mr Drum, something that you might not like. But I can tell you that about six months ago a very good friend of mine, a paramedic, passed away, and I told this story at his funeral. Many years ago I went to visit him in northern Victoria because I detected that something was wrong. When he and I had a beer together he told me the story of two people on a motorbike, a rider and their pillion passenger, who had had an accident, and as a

single officer in the ambulance station he had to choose which one would survive.

That is what we found on coming to government. I can tell you that I was very proud of the fact that 20 years after the incident that he told me about, I was parliamentary secretary and part of a government that was delivering two-officer crewing into ambulance stations in rural Victoria. I will ask the house this question: can anyone tell me how many advanced life support-trained paramedics there were in Victoria before the Bracks government came to office in 1999?

Mr Davis might not understand the structure of ambulance service delivery in Victoria, but there are MICA paramedics who are highly trained, and they need consistent MICA work to maintain their skills. You cannot train all of the paramedics in Victoria to MICA level because they will not get enough work at that level to maintain the standards. What was introduced was the concept of advanced life support (ALS) training.

One could ask the question: how many paramedics in Victoria were trained in advanced life support under the Kennett government? How many were operating in advanced life support under the Kennett government? I can tell you the answer: a big fat zero — not one. We had a declining service with devastated morale, and we invested in it by training every paramedic in Victoria in advanced life support skills. So now there is a much higher level. We have upgraded all the paramedics from being standard paramedics to ALS-trained paramedics, at a level a little below the qualifications needed for a MICA paramedic. All of our paramedics in Victoria are now trained to that level.

Mr Drum interjected.

Mr VINEY — Mr Drum might not want to know about it, but in that first period of government we upgraded 31 ambulance stations — in Bendigo, Latrobe, Geelong, Ballarat, Cowes, Wonthaggi, Lakes Entrance, Moe, Warragul, Colac, Bairnsdale, Kilmore, Seymour, Hamilton, Castlemaine, Benalla, Portland, Maryborough, Mansfield, Swan Hill, Gisborne, Woodend, Kyneton, Avoca, Geelong, Kangaroo Flat, Ballan, Omeo, Mallacoota, Irymple and Mooroopna. All those rural ambulance stations were upgraded in response to that report from the Auditor-General to the Bracks government.

As I said, we introduced two-officer crewing and advanced life support training — just in the first period of government. This government has more than tripled ambulance service funding in Victoria. We have now

invested in 100 new or upgraded stations. We have actually doubled the number of paramedics; we have 1300 extra operational paramedics in Victoria than when we came to government. In this year's budget alone we have added \$6.5 million to maintain new and upgraded professional ambulance services in Kinglake and Whittlesea and have established a new branch in Kinglake; and \$22.4 million to upgrade country call taking and dispatches. That is in this budget alone.

Total funding for ambulance services will grow in 2010–11 by 6.6 per cent to cover increased ambulance staffing costs. This builds on the \$186 million boost to services that was delivered in 2008. We have also integrated the three former services to create a statewide service. We have funded 258 additional paramedics to provide 59 new upgraded services across 48 towns and suburbs throughout Victoria, including, I might say, a new service announced just a week ago in Grantville in my electorate, where we are putting in professional paramedics for the first time. We have funded two new air ambulance helicopters, and for country Victoria 18 new and 40 upgraded ambulance branches and 637 additional paramedics with nearly 1 in 4 in country Victoria MICA trained. We have also more than doubled the number of air ambulance resources, with new emergency air ambulance helicopters in Bendigo and Warrnambool and, for the first time, a dedicated, 24/7 retrieval helicopter to transport critically ill babies, children and adults to specialist care.

Last week we welcomed some of the newest of the 222 recruits who have commenced with Ambulance Victoria this year. This means there are now 2600 paramedics in Victoria. Importantly, more than 1000 of those paramedics now work in rural and regional communities: 1000 of the 2600 paramedics are in country Victoria. The government is continuing to work with Ambulance Victoria to improve services across the state.

I might just refer to some of the issues that Mr Davis raised as a result of what I would say is fairly lazy policy work, which of course is what he is known for — doing little more than quoting cases out of the newspaper. Those quotes he had —

Hon. M. P. Pakula interjected.

Mr VINEY — The four or five selective quotes, as I have pointed out. Awful stories and awful tragedies occur in ambulance service delivery and in hospitals every day. People die in our hospitals and they die waiting for ambulances. They always have, they probably always will, but we have to keep improving

and upgrading our services. It is actually reasonably commonplace for people to die in hospitals.

Can I put it in this context? Paramedics are attending more calls and treating more patients than ever before. Last year paramedics responded to 433 549 emergency cases — half a million ambulance cases a year. Just to put that in context, that is a 67 per cent growth in paramedic call-outs over the last 10 years. This means that on average our paramedics attend to just under 1200 Victorians every day — every single day of the year paramedics are attending to about 1200 Victorians who need their services. I say they deliver outstanding service in every case, and sometimes — —

Honourable members interjecting.

Mr VINEY — I am not disputing that sometimes things will go wrong. In any organisation or environment there has to be a commitment to continuous improvement, and that is the commitment of Ambulance Victoria. That is the commitment of this government in the delivery of health services. It stands in contrast to the commitment of the Kennett government.

In 1200 cases every day our paramedics go out, often treating very ill patients or patients who are in serious trouble. As a parliamentary secretary I have been on the road with them; I went on the road with a MICA unit. Sometimes these paramedics are attending patients who do not want to be attended to. Sometimes they are in really difficult and awful circumstances, and I think we ought to be very appreciative of the work they do rather than use this place to vilify our ambulance paramedics in the way Mr Davis has just done.

In the context of the criticisms made by Mr Davis and the cases Mr Davis selectively used — I think there were about four or maybe five cases that he selectively used, that he selectively quoted in detail — —

Mr D. Davis — Twelve.

Mr VINEY — You might have said there were 12, but you actually talked about 4 or 5 in my memory. And what I would say to — —

Mr D. Davis — Twelve.

Mr VINEY — Okay, 12. I will concede 12. Twelve cases out of 500 000 in the last 12 months.

Honourable members interjecting.

Mr VINEY — Twelve cases in half a million cases in the last 12 months.

Mr Drum — That's 12 lives, big fella.

Mr VINEY — Mr Drum, I have just gone through and talked about the level of service that is provided. Even in the one case that I know about — —

Mr Drum — It is expected.

Mr VINEY — I am not diminishing — —

Mr Drum — Yeah, it is expected.

Mr VINEY — If you had been here, you would have heard that I opened my remarks by talking about how tragic some of these cases are and how awful they are.

Mr Drum — Thank you.

Mr VINEY — You weren't here. You weren't listening.

Mr Drum — Don't talk about '12 cases'.

Mr VINEY — You weren't here and you weren't listening. Don't come in and judge me. So what I would say is that Mr Davis said — —

Mr Drum — Don't talk about '12 cases' as if it doesn't matter. Twelve cases is twelve lives.

Hon. M. P. Pakula — Everybody knows that, Damian. Sometimes when people call the ambulance people die, Damian.

The ACTING PRESIDENT (Ms Huppert) — Order! I ask the house to come to order?

Honourable members interjecting.

The ACTING PRESIDENT (Ms Huppert) — Order! I ask for a little less discussion across the chamber?

Mr VINEY — Thank you very much, Acting President.

Honourable members interjecting.

The ACTING PRESIDENT (Ms Huppert) — Order! Mr Drum! Minister!

Mr VINEY — What I will say is this: there are and have always been some really awful stories about people needing ambulance services and some awful tragedies that occur in people's lives. I am sure many of us could talk about those things from our own experience. What I can say is that from 1999 to 2002 I was a parliamentary secretary specifically responsible

for ambulance services, and in that time we made massive improvements in ambulance service delivery in this state with massive investments. In that time I went on the road with ambulance paramedics and MICA units. In that time I saw the incredible work those men and women do for all Victorians, and I gained enormous respect for them. In that time I helped the leadership of our ambulance services, the leadership of our union and the leadership of the department to come together for the first time in seven years and start to talk about how they could work collaboratively and collectively to deliver excellent service to Victorians.

Mr Drum — Eight years ago.

Mr VINEY — That is what they committed to and that is what they have continuously done since then, Mr Drum. Mr Drum might not like to acknowledge it. They deliver an outstanding service to 500 000 Victorians every year. David Davis has come into the house tonight and been able to find 12 cases, from whatever time period it was, that he has judged to be inadequate. I know of one of those cases. Tonight I have been able to demonstrate to the house that the family directly involved did not draw the conclusion Mr Davis has drawn. The family directly involved has acknowledged how great the service was. Two ambulances, three professional officers and a trained volunteer, plus a MICA unit and a helicopter were provided to try to assist that family and that little boy in my electorate.

Mr Davis has attempted to determine where the fault lies or where the responsibility lies, but he has not been able to do that tonight. Mr Davis says the government should hang its head in shame; I say government members should hold their heads up proudly when we look at this government's commitment and what it has implemented. We have doubled the number of operating officers. We have introduced advanced life-support training. Under the opposition's term in government not one paramedic was trained in ALS. We have introduced two officer crewing. Officers, like my late friend, no longer have to attend a tragedy and choose between victims and determine which one they are going to keep alive. That is what I am proud of. That is why I hold my head high in terms of what this government has done.

I commend the member for Mulgrave in the Assembly who became the parliamentary secretary responsible for ambulance services after me and who subsequently became the Minister for Health. I know of his commitment. I know of John Thwaites's commitment. I know the commitment I had to that service delivery. I know this government has doubled its investment in

ambulances in Victoria. It has upgraded over 100 ambulance stations around the state; it has doubled the number of paramedics; it has introduced ALS training; and it has an absolute commitment to ambulance services. It has brought in two new helicopters — —

Mr Drum interjected.

Hon. M. P. Pakula interjected.

The ACTING PRESIDENT (Ms Huppert) — Order! Mr Drum and the Minister for Public Transport are interjecting again. Mr Viney can continue without their assistance.

Mr VINEY — It is this government that has done those things. It has doubled the service delivery, tripled the investment, doubled the number of paramedics, upgraded 100 stations, introduced ALS and brought in two new helicopters. It has introduced two officer crewing and has increased the amount of resources in the MICA paramedic system. We do not, as Mr Davis suggests, hold our heads in any way in shame; we hold our heads very high because of what we have done for ambulances in Victoria.

I conclude by again expressing my regret and my sympathy to the people who Mr Davis has quoted as having some tragedies in their lives as a result of various medical emergencies. However, I am sure those people are confident the paramedics were well trained and well resourced and that the paramedics did everything they could to deliver a good service trying to assist those people's loved ones.

Ms HARTLAND (Western Metropolitan) — I will speak briefly because the last two speakers have covered a great deal of ground. I agree with Mr Viney, because I remember those years under the Kennett government and I especially remember the situation surrounding ambulance services. I chaired a number of community meetings, and I have seen incredibly distressed ambulance officers who had to attend situations where they simply were not able to give the resources required.

I agree the current government has done a great deal to try to upgrade the standards from that time, but I advise Mr Viney that something is starting to go wrong again. I am not taking things just from a newspaper. I am looking at the evidence from Mr Stephen McGhie, who is the general secretary of Ambulance Employees Australia and for whom I have a very high regard, to the Standing Committee on Finance and Public Administration's inquiry into public hospital performance data. Anybody who reads this evidence

will see there is clearly a serious problem at the moment within both metropolitan and rural ambulance services. I believe it is a reasonable thing to refer this matter to the Auditor-General at this time.

Mr KAVANAGH (Western Victoria) — I do not have a lot to say. Like Mr Viney, I begin by expressing sincere sympathy to those people and their families who have unfortunately not got the results we would hope for for everybody in Victoria.

There are two parts to this motion. Members could interpret the second part as a call to improve the ambulance service. It would be hard to vote against that. The first part of the motion suggests the ambulance service in Victoria is in a very bad way. I do not think that is the case. As government speakers have suggested, there are always going to be failures, mistakes and deficiencies in the system. Nevertheless I think we have a very good system in Victoria.

I have had cause to use the ambulance system quite recently. I found the officers were professional, efficient and compassionate in the way they did their job. I will always be grateful for the way they provided that service to me. More important than that, two of the great things we have, not just in Victoria but probably around Australia, are the wonderful nurses and ambulance officers, who are terrific people and do a wonderful job for the people they help.

Things can always be improved and we should always be aiming to improve things, but on the whole we probably have a pretty good system, and this government probably has put in the resources and improved things. Unfortunately, even though I am appreciative of the coalition's support in the debate we have just had on the bong bill, I could not vote for the first part or against the second part of this bill. Therefore at this stage I intend to abstain.

Debate adjourned on motion of Mrs PETROVICH (Northern Victoria).

Debate adjourned until next day.

UNIVERSITY OF MELBOURNE: FACULTY OF THE VCA AND MUSIC

Mr ATKINSON (Eastern Metropolitan) — I move:

That this house —

- (1) notes the Minister for the Arts confirmed to the Public Accounts and Estimates Committee at a public hearing on 18 May 2010 that the Victorian government would not offer funding support to the

Victorian College of the Arts (VCA) to ensure its long-term future as one of Victoria's pre-eminent arts institutions;

- (2) notes that the minister and the Victorian government have ignored the concerns of this house expressed in a resolution on 16 September 2009, supported by all members, in regard to the continuation of the VCA's specialist performing arts degree courses and practical training educational model;
- (3) recognises that additional funding support is required to support the VCA to maintain its educational model for performing arts students and that the minister's view that any additional funding should exclusively be provided by the federal government ignores the significant contribution the VCA has made and continues to make to the Victorian economy and the performing arts; and
- (4) is dismayed that the minister and the Victorian government have effectively abandoned the VCA and therefore calls on the minister to change his position in regard to further funding support and to match a commitment by the Leader of the Opposition to provide up to \$6 million in funding for the VCA to ensure it continues to offer the highest possible quality education and training for the performing arts.

I do not intend to speak at length to this particular motion because I believe in many ways it is a motion that reaffirms what this house has already determined on a previous occasion. I can understand that the government may be a bit tetchy about the motion and concerned particularly about paragraph (4). My colleagues in the Greens might also be tested a little bit by paragraph (4) because it mentions a commitment that has been made by the Liberal Party and the Leader of the Opposition in the Assembly, Ted Baillieu, in respect of funding for the Victorian College of the Arts. Nonetheless I believe it is important that this house recognises that commitment, and I suggest that government members might well maintain the position they took back in September in recognising the importance of the VCA and its contribution to Victoria.

Some figures I have been provided with indicate that the VCA has made a contribution to Victoria on a number of film and TV productions that have been made in the past four years to the value of around \$214 million to our state economy. That is just in the past four years and, as has been pointed out in respect of the information provided to me about this, around 52 per cent of all drama and documentary productions in Victoria have been written, produced or directed by alumni of the VCA. This college continues to turn out winners. We have seen most recently that at the Cannes film festival there were further wins by people who have been trained at the VCA. That is not to mention a

previous debate where we canvassed some of the other successes of the VCA, productions such as *Jersey Boys*, where most of the people associated with the production are alumni of the VCA.

That \$214 million from film and TV production alone is not the sum total. The direct contribution economically of this college and the people it has trained who have made a contribution, not just in terms of the economics, if you like, but also to the culture and cultural expression of our city and our state, has been very significant. When you take into account the fact that Melbourne in particular is a theatre hub for Australia that attracts visitors from New Zealand and from other states to major productions here, the tourism generated by the theatre productions in this state is also very significant in its economic contribution.

Much of the economic and even the cultural value of the output, if you like, of students who have been through the VCA and learnt their skills and gone on to be very creative and successful performers, and indeed writers, producers and directors and people associated with all the backstage operations of both theatre and film production and so forth, has to a large extent been canvassed in the previous debate. But it is worth reflecting on them again now, because they are at some risk.

Whilst we would have hoped that the motion that was agreed to by this house last September would have provided the government with an indication that across our party political ranks there is recognition that the VCA is a jewel in the crown for this state, government ministers do not seem to have got the message. I do not know whether the problem here is partly that the VCA is simply falling through the cracks of a demarcation situation. When we addressed this issue previously, we were talking particularly about the Minister for the Arts, because clearly the arts minister would have recognised the significant contribution of the VCA to the arts scene here in Victoria.

This motion is directed in effect at Mr Batchelor as the arts minister, but I also recognise that there seems to be an attempt within the government to handball the responsibility for the VCA to the Minister for Skills and Workforce Participation. There has been some correspondence from some of my colleagues, including Heidi Victoria, the member for Bayswater in another place, to the Minister for Arts trying to advocate for greater support for the VCA. There has been an attempt by the government to say, 'Wait a minute. The Minister for the Arts is not responsible for this. It ought to go across to the Minister for Skills and Workforce Participation'.

That is all very well, and I can understand we are talking about vocational training in that sense and it may well be that another minister might also have an interest, but I am not interested in the handballs within government. I am interested to secure the future of the VCA. The Minister for the Arts ought to have a particular interest in the ongoing success of and the ongoing contribution that the VCA makes to both the economy of Victoria and the cultural stamp of this state. The creative arts in this state are so important and integral to what it is to be a Victorian.

But it seems the Minister for the Arts is not that fussed. When asked at the Public Accounts and Estimates Committee hearings about the Victorian college of the arts he was quick to say, 'It is nothing to do with me. I am not interested in that as far as it goes. Yes, I understand it needs some extra money but really that will come from the federal government. It is now controlled by the University of Melbourne; therefore any funding issues ought to be directed to the federal government'.

The opposition's view is that it may well be that there ought to be some funding forthcoming from the federal government to support the VCA and maintain its pre-eminence as a training centre for people in the performing arts, but the Victorian government ought to also have an ongoing responsibility for funding for the VCA in recognition of its unique and crucial position in terms of this state's pre-eminence in theatre, film and television production. We did not become the theatre hub of Australia by accident. We did not become a significant producer of films and television programs by accident. We got there because of the work of the VCA and a great many people who have contributed to the development of these industries over an extended period. Clearly it is important that in this day and age we maintain a facility such as the VCA.

The thing about the VCA, as members will recall from previous debates, is that a lot of the problems with its funding base at the moment have been caused by a philosophical disagreement about its operating structure. The VCA's success has been based on the fact that it has an interactive, skills-development training model. The University of Melbourne has been very keen to convert the VCA to a more general degree model whereby it would be only once students finish the subjects the university deigns it important for a performer to have that they could, right at the end of that, go off and do another one or two years in their chosen skill, whether it is puppetry, music, dance or whatever. We in the opposition ranks believe the traditional model of the VCA has been tried and proven and ought to be supported and retained. We are on

record with that, and we are prepared to put our money where our mouth is in terms of ensuring that model is maintained.

It is crucial that the federal government also recognises its funding responsibilities within our universities, but for us this is not its exclusive domain. We, in opposition, are prepared to commit to contributing to the maintenance of the VCA, and we believe the government ought to recognise its importance and match that offer.

It is interesting that the University of Melbourne has done quite nicely out of this merger, which was also debated in this Parliament and approved by this Parliament, because the University of Melbourne obtained significant assets as part of the merger — VCA properties represent a substantial new asset worth around \$120 million for the University of Melbourne. Part of the problem the VCA faces in its funding is the University of Melbourne, having secured those extra assets, is in a position now where it is trying to charge a significant rental on the use of those assets by the VCA, which actually makes its financial position rather parlous.

We think the government ought to recognise that there is perhaps a need for some dialogue with the University of Melbourne and an expression of concern from this Parliament that in its actions since the merger the university has not lived up to the spirit and the assurances given to this Parliament and ministers of the government at the time the merger was being negotiated when the University of Melbourne was looking to take the VCA under its wing.

We in the opposition have said in other debates that the University of Melbourne has taken over some other organisations as well — and has done quite nicely out of their assets — but has not necessarily preserved the integrity of those organisations and the educational areas it has taken over. We want to preserve the VCA's integrity. We want to make sure the educational model of the college is retained because it is a successful model. We recognise that this is an educational training centre that has a remarkable track record of success, and is continuing to turn out young people who are making a very significant contribution to the advancement of this state. It is making a cultural contribution to Australia and certainly Victoria, and as I said, it is also making a significant economic contribution, which ought not be forgotten.

I urge members to support this motion because it reiterates in many ways the position of this house as expressed in September of last year. It expresses

dismay about the government's apparent attitude at this time, particularly the attitude of the current Minister for the Arts, and it is rather unfortunate that we have had a turnover of ministers as well as this apparent handballing between different ministers as to who is actually responsible. I am frankly not interested in those arguments. Frankly, I am interested purely and simply in the continuation of the quality education in the performing arts that is provided by the VCA, and I want to ensure that the government supports that. A very big step towards that would be for it to match the contribution that has been promised by the Leader of the Opposition in the Assembly, Ted Baillieu, in terms of funding to secure the future of the VCA.

Ms PULFORD (Western Victoria) — I am pleased to rise to speak on Mr Atkinson's motion. It is now some months since we had a lengthy discussion about the relationship between the former Victorian College of the Arts (VCA) and Melbourne University, which evolved over a number of years until the VCA formally and technically became part of the University of Melbourne in the faculty of the VCA and music (VCAM).

The government will oppose Mr Atkinson's motion for a number of reasons. I would not want that to be interpreted as a lack of support for many of the things that Mr Atkinson said in his contribution about the outstanding contribution of VCA students and graduates to the cultural life of Melbourne and Victoria. It is an institution with a long and proud history of excellence in arts teaching, and the work that is done by those who teach at the VCA and the wonderful skills and talents of the students are certainly worthy of all our support. The reasons that the government will oppose Mr Atkinson's motion are because it is a little disingenuous and in a number of respects inaccurate.

Paragraph (1) refers to the Minister for the Arts and discussion at the PAEC (Public Accounts and Estimates Committee) public hearing on 18 May, at which the minister indicated that responsibility for funding tertiary institutions that teach the highest standard of performing arts rests with the federal Minister for Education, Julia Gillard; it is not a responsibility that rests with the Victorian arts minister. It is important to clarify that point.

Paragraph (2) suggests that the minister and the Victorian government have ignored the concerns of the house expressed in September 2009, and that is not accurate either.

Paragraph (3) asks that the house recognise that additional funding support is required to support the

VCA to maintain its educational model. The need for an adequate funding model for the faculty is clearly recognised by all. This is probably the point at which it needs to be said that the \$6 million hole in funding for the VCA was caused by an act of a former federal Liberal Party minister. That \$6 million slash to funding has led us to the discussion we are having this evening.

Finally, the fourth paragraph suggests that the minister and the Victorian government have effectively abandoned the VCA, and again this is not true. Further, the government does not believe that a resolution of this house is the appropriate way to determine funding allocation for anything. That was the point that Mr Atkinson was referring to earlier.

There has been a fair bit going on since we had this debate in September. In the report of the review committee in response to the VCAM discussion paper, the chair, Mr Ziggy Switkowski, makes a point rather elegantly, given the time available. He confirms the VCAM vision by saying:

It is not the place of this review to make the case for the important role of the arts in a civilised society — that is accepted.

I thought that was a lovely and succinct way to express what we all feel. The review committee has made its report public in recent days and has made a number of recommendations to the University of Melbourne. The University of Melbourne has indicated that it will respond in August.

It is important to note that many of the concerns expressed by the Save VCA group have been acknowledged in the work that has been undertaken, and the review committee recommends a number of things, including the establishment of two divisions within the faculty, each with a separate director. It expresses in a number of points the need to maintain elite-level tuition in performance training. It emphasises at a number of points the need for training that supports student employment readiness, which is essential for supporting our arts industry, because while creative endeavours are absolutely important, these very talented students have every right to be employment ready and to be able to work in their chosen fields. Who would not want to do that? Employment readiness and practical rather than theoretical training are essential. I am pleased to see that the review recognises that, because I know that was an essential point of difference between the VCA and Melbourne University when we were talking about this in September.

The review committee received many submissions — in excess of 350 — and some of the key findings

included the observations of students, among them the need for a sufficient budget to maintain teaching standards and practices as they have existed. Observations were made about inadequate internal communications and the need for solutions to be school specific, because they vary significantly.

The review also states that the VCAM is not financially viable on a stand-alone basis. As Mr Atkinson has indicated, there are in addition issues with funding that are compounded by a calculation on rent required to be paid by faculties through an internal Melbourne University funding arrangement. That further compounds the \$6 million hole in the VCA's budget.

The review seeks to answer the question: can the merger between the VCA and the University of Melbourne be made to work? It is the view of the committee that the answer to that is absolutely; yes. The second question it asks is: should the pedagogically different schools of art, film and television, and performing arts stay integrated with the school of music? The recommendation, after consideration of a variety of models, is the notion of 'one faculty, two systems'.

Of course these issues date back quite some years to 2003 when a decision was made. It was 2005 when funding was cut by then federal minister Brendan Nelson. The state Labor government has invested heavily in education and in the arts. Labor governments for all time have supported our arts institutions and teaching.

That the Leader of the Opposition has committed the Liberal Party to funding the \$6 million hole, if elected, is a bit of an exercise in guilt money to patch up the hole that Brendan Nelson left in the funding all those years ago. The government has every reason to believe and expect that Melbourne University will continue to subsidise the former VCA at existing levels into the future. We have every reason to believe and expect that Melbourne University will do this. While the VCA and Melbourne University are quite separate identities and in this discussion we talk about them as separate entities, the legislation that passed this Parliament some time ago has made them one legal entity. However, Melbourne University has at no point sought money from the state government before or since the review. The review acknowledges many of the very real concerns that the Save VCA group have about the future direction in the merged entity.

These are concerns that I certainly have shared because it is so important in the arts that we have a fabulous arts precinct in Victoria, a dynamic and vibrant music

theatre industry and people who have the skills to work in these industries, and that we continue to support and work with our artistic community. A vital part of that needs to be that people can receive the best possible teaching standards for performing arts in Victoria and they do not have to go interstate to do this.

It is important to note that the National Institute of Dramatic Art (NIDA) receives tour funding, which the VCA does not. It is also of interest to note — and I have learnt this in my discussions with people about these issues, again in more recent times — that the model that applies at the Western Australian Academy of Performing Arts, an institution that enjoys a similar high standing and reputation similar to NIDA and that which the VCA has traditionally enjoyed, has a 50-50 state and federal government funding share, but a quite different course structure, with the state government funding component delivered through a TAFE model.

The report proposes separate entities and, importantly, that studio-based training, intensive practice and performance are essential, and that each entity should be in charge of its own budget and curriculum. Again, importantly it notes that music theatre and puppetry courses should be re-evaluated and the introduction of the Melbourne model should be postponed pending a curriculum review. Obviously any curriculum review would need to be very mindful of the importance of specialisation, not generalisation, for performing arts students. The government will work with Melbourne University during the proposed curriculum review and is keen to ascertain the potential to support courses in the TAFE sector through government-industry partnerships and to find opportunities to improve student facilities.

It is also important to acknowledge that, contrary to what has been suggested by members opposite, since December 2009, when Peter Batchelor became Minister for the Arts, he has met with a number of people, including Peter Garrett, the federal arts minister, to discuss this issue and how we can ensure that we have the best possible arts tuition and performing arts tuition in Victoria. Our arts minister has met with Sharman Pretty, with the National Tertiary Education Union, with the Media Entertainment and Arts Alliance, with representatives of Save VCA and with Glenn Davis. The suggestion by members opposite that the government has abandoned anyone is a ridiculous notion, and the government will certainly continue to work with all those who have an interest in making sure that we have a fantastic arts teaching institution in Victoria.

Obviously this report has limited itself a bit in the conclusions it has come to. It talks about the scope of the issues, the time available and needing to prioritise to get things back on track. The report recognises a lot of the issues. Whilst inconclusive on a number of things, it absolutely recognises a lot of the issues that are important. I am pleased that it does recognise these issues, but for me the text of this report is an opportunity and a bit of a circuit breaker. I would hope we can take the best elements of the report, so that the Save VCA group and others in our arts community, who care very much about the future direction of teaching performing arts in Victoria, can work cooperatively in the next few months to the point where Melbourne University responds to the review formally in August.

Victoria has a fantastic arts community and it has a fantastic arts precinct. It is entirely fitting that we have the best possible standards of teaching and a great centre of learning for our performing arts students and that this is something they can do in Victoria. Certainly the government will work with the parties to support that endeavour.

Ms PENNICUIK (Southern Metropolitan) — So much to say, so little time left to say it. I will start by saying that it is difficult to believe we are here again debating a motion to draw to the attention of the government the need to secure funding for the Victorian College of the Arts (VCA) and that the structure that was set up under the 2006 legislation to amalgamate the VCA with the University of Melbourne is not working. The government knows this but is doing nothing about it.

I would like to take the opportunity to thank Bruce Atkinson for moving this motion, as indeed he moved the motion we debated in September last year which all parties agreed to, including the government. We agreed that the situation that was unravelling then with the VCA needed to be fixed.

I know the Leader of the Opposition in the Assembly, Mr Baillieu, has been supportive, the shadow parliamentary secretary for the arts, Mrs Victoria, who is the member for Bayswater in the Assembly, has been supportive, but the Greens have also been supportive of the VCA. I am personally and passionately very concerned. I am quite upset at what I have just heard from Ms Pulford. I have some regard for Ms Pulford, but I think she was pretty well out of her depth in this debate, partly because she has been sent in to defend the indefensible — that is, the lack of action by the state government on this particular issue. It would not be

hard for the state government to take this issue in hand and fix it, but it has not made a move to do that.

Ms Pulford mentioned that the new Minister for the Arts has met with the university, with Sharman Pretty, with the Save VCA group, with the unions — so have I. The only one of the people mentioned by Ms Pulford who I have not met is Peter Garrett, the federal Minister for Environment Protection, Heritage and the Arts. If that is all the minister has been doing, he has been doing no more than I have and probably a lot less than I have.

I would like to take this opportunity before I run out of time to pay tribute also to the people at Save VCA, who have kept this issue live, and they are the teachers, the students past and present and industry figures who are working to keep this issue in the public domain, as it needs to be. Little by little things are whittling away at the VCA and every month brings another diminution of its status as it remains in this quagmire it has gotten into with Melbourne University. Mention must be made also of the thousands of members of the public who have been supporting the VCA campaign.

Mr Atkinson mentioned the \$214 million of economic value the VCA has said film and television productions produced by VCA graduates have brought to the Victorian economy in the last four years. I think that is just directly; there would be much more economic value as well. We also know of the recent accolades at the Cannes Film Festival, and we know that every musical, every theatre production, every concert, every film and television production out of Victoria will involve VCA graduates. The reason Melbourne is the arts capital is largely because of the VCA.

In August last year Mrs Victoria and I shared the stage at a rally on the steps of Parliament House. The fantastic students and teachers of the VCA marched from Southbank, up Bourke Street, all in costume, singing and dancing. It was fantastic. I said at that rally that Melbourne is the arts capital of Australia and it is also the sports capital of Australia, and a few people asked me about it later. They said, 'Why did you say that?'. The reason I said that is because the two things can exist together. They are both good.

Members will be aware that I am a member of the Public Accounts and Estimates Committee, and I was present when the minister said very flatly that there would be no support from the Victorian government for the VCA. He was completely unmoved on that particular point. I was there and was a witness to that. I have also made my way around the budget papers in the last few weeks, and I notice there is support for the

Victorian Institute of Sport. In fact in budget paper 3 there is a target measure for this year of more than 350 athletes on Victorian Institute of Sport scholarships. On top of that, there is a target of 55 per cent of VIS scholarship holders on national teams and squads. Would it not be good if we had that sort of a target for the VCA as well? That is the problem.

A lot of money is spent on sport, and I am not necessarily begrudging that. We have the rectangular stadium, we have the southern stand, we have Melbourne Park. We had the golf — did we hear enough about the golf? — \$34 million was spent on the golf. The government could put an amount of money into the VCA, and Ms Pulford mentioned the Western Australian Academy of Performing Arts model, but there is also the National Institute of Dramatic Art model and there could be the VCA model. The problem with the model we have at the moment, which is the Melbourne University model, is everything is left for the university to decide. Unfortunately I agree with what Mr Atkinson is saying in his motion, that the government has abandoned the VCA.

Ms Pulford made the astonishing statement that it is inaccurate to say it is a Victorian responsibility. She may be technically correct, but I would debate that. The problem is in 2006 the government, when it passed the amalgamation bill, made a promise to the Victorian community, to the students and the teachers at the VCA that the VCA would not suffer a financial loss as a result of the merger and that it would retain its uniqueness.

Six schools make up the VCA: the school of arts, the school of music, the school of drama, the school of dance, the school of film and television, and the school of production. They have been around for various lengths of time but they started between 1972 and 2001. Until early this year the VCA was the only institute of its kind in the world that had that structure, and it is a multidisciplinary structure where they work together.

Ms Pulford said it is not the government's responsibility, but it is its responsibility. The government made it its responsibility by making that commitment and it has not fulfilled that commitment. Everything that Ms Pulford said was just words. Actions speak louder than words, and there has been no action from this government of any note or of any concrete effect in terms of assisting the VCA and retaining the Victorian College of the Arts as the practical school of the arts it has always been in the atelier tradition that it is based on rather than turning it into a degree course at the University of Melbourne.

The University of Melbourne is a gargantuan institution, and it is quite happy to swallow up the VCA. It has taken possession of the VCA buildings at Southbank and is now charging rent for them. It did not pay for them; it just acquired them. I think Mr Atkinson mentioned a figure of a hundred and something million; I think they are worth more like twice that amount and the university has the hide to charge the VCA rent.

Ms Pulford mentioned the report that was released on the 13th of this month. I have read that report. I would love to know what was the cost of this review, chaired by Mr Switkowski, who I am sure does not come cheaply. It is 16 pages long, and it provides no joy or direction or path forward for the VCA as we have all known and loved it.

I had concerns with the composition of the committee, which I raised with the minister by way of an adjournment matter in April this year. I also raised with the minister the concern about the rent, to which he responded that that was a matter for the review. The review is so vague and general and just repeats what we know the problems are. It says, 'Yes, there is a funding shortfall'. It mentions on page 13 a need for ongoing financial support 'from the university, state and federal governments and industry', but it shows no way forward for that.

I am extremely disappointed with this report, given that there were 371 submissions by people who are very passionate and knowledgeable and given that so much information was put before this review committee. The names of the members who prepared the report are on page 7 and it looks as if they are fine people. However, they were too representative of the university. The Save VCA group makes the same points in its response to the review, that it was very university focused, and that is the problem with it. There is no joy coming from this review. I am very disappointed with it. I do not think it takes us forward anywhere.

The government made a commitment to keep the VCA pretty well as we know and love it, and it is doing nothing about that. It really needs to become more proactive. It cannot just be left to the university and the outcomes of this review. I am sorry to say I am so disappointed with it, but you cannot have a review that costs I do not how much — I will find out how much — has 371 submissions, a number of hearings and a number of meetings and just comes out with a 16-page document that is not even referenced and does not provide any backup or analysis in any depth. That information may be elsewhere, but it has not been made public in this report for the people of Victoria to get their teeth into and to think about where things might

go. I just cannot believe it. I am really so disappointed with what has come out of that review. It only makes the obligation on the Victorian government to do something even stronger.

I will be supporting Mr Atkinson's motion, particularly point 1, because I was there at the meeting, and I saw the stony face of the minister. He was completely unmoved about the requirement of the Victorian government to do something. I agree that the motion we debated here in September has been ignored. I do not agree with Ms Pulford, who said that this is not the place for raising these issues or the lack of funding of the VCA. That was a ludicrous statement. This is exactly the right place to do it.

The only point of difference I have with the motion is that I am not wedded to the figure of \$6 million in point 4, that Mr Baillieu has said \$6 million so the Victorian government should also pop up with \$6 million, which seems to be the figure of the day. That is the rent charged by Melbourne University to VCA. The Victorian government needs to knock a few heads together, including some heads of its own members, and preserve the VCA as it committed to do in 2006.

Mr ATKINSON (Eastern Metropolitan) — I want to thank Ms Pennicuik for her remarks. I also want to acknowledge that Mrs Petrovich had a significant contribution to make to this debate and is also very committed to the VCA but, because of time, she has elected not to speak on this occasion. It is unfortunate that this debate, which is important because of the significance of the VCA, has had to be concertinaed into a fairly short time.

Like Ms Pennicuik and Mrs Petrovich, I actually had quite a bit of information that I would have liked to have brought to the table, but it has not been possible in the context of tonight. I am very keen to acknowledge that the Greens have certainly shown considerable support for the VCA right through the process of the examination of its activities and the integration with the University of Melbourne.

I too reiterate just one important point that Ms Pennicuik made in her contribution to the debate. It is a very important rebuttal of what Ms Pulford said in the debate tonight. One of the key things the Switkowski report — and I agree with the proposition that has been put to the house that it was inadequate in many respects — did was to say that there is a need for state funding, and that is what this motion really seeks to underpin.

Motion agreed to.

Business interrupted pursuant to standing orders.**ADJOURNMENT**

The PRESIDENT — Order! The question is:

That the house do now adjourn.

Ambulance services: Shepparton

Ms LOVELL (Northern Victoria) — The matter I wish to raise for the attention of the Minister for Health is about Labor's broken 1999 election promise to expand MICA (mobile intensive care ambulances) unit coverage in Shepparton. Labor promised to do this during the first term of a Labor government, but 11 years later Shepparton remains without a 24-hour MICA service. In fact local paramedics have informed me that not only has Shepparton's MICA service not been expanded but the night-shift coverage of ambulance services in Shepparton remains the same as it was in 1984.

My request is for the minister to finally deliver on this 11-year promise and provide 24-hour MICA coverage to Shepparton and the Goulburn Valley so that the region finally has access to the emergency health services it needs and deserves. Specialised MICA paramedics posted to the Shepparton region service an area from Nalinga in the east to Rushworth and Kyabram in the west and as far north as Cobram and south to Nagambie. In recent months these towns and all those in between, including Shepparton and Mooroopna, have been left without MICA coverage at all hours of the day and night, and in March this year the region was without MICA coverage for more than 200 hours.

The Goulburn Valley region is in desperate need of 24-hour MICA coverage, and a recent accident involving a cyclist put the system's inadequacies in the spotlight. When Tatura mum Jodie Ridges was hit by a car while riding her bike near Mooroopna she was left waiting for more than 40 minutes for a helicopter and specialist care to arrive from Bendigo, because the procedure she needed could only be delivered by a MICA paramedic, and unfortunately there was not one on duty locally. Obviously the assistance Ms Ridges required could have been delivered much earlier had a MICA team been available in the Goulburn Valley. It is this specialist, early care that can make all the difference to people who are critically injured.

Over the past 11 years Shepparton's need for additional ambulance services has been completely overlooked, despite Labor's 1999 election commitment to, as it said,

'fix the ambulance service'. Something is very wrong in Victoria when critically injured patients are not getting the specialist care they need because the lazy state Labor government has broken its promise to expand MICA unit coverage in Shepparton. It is time the minister finally delivered on this 11-year-old promise by providing 24-hour MICA coverage to Shepparton and the Goulburn Valley so the region finally has access to the emergency health services it needs and deserves.

Colac Otway Performing Arts and Cultural Centre: funding

Ms TIERNEY (Western Victoria) — My adjournment matter is for the Minister for Regional and Rural Development, Jacinta Allan. It is in regard to the Colac Otway Performing Arts and Cultural Centre (COPACC).

Through discussions with the Colac Otway Shire Council I am aware of an application currently with the Minister for Regional and Rural Development for funding from the Regional Infrastructure Development Fund to upgrade the Colac Otway Performing Arts and Cultural Centre. At present COPACC comprises a main auditorium, a cinema, foyer area, administration spaces, meeting rooms and technical and storage spaces. A small commercial cinema is also operated from this facility. It is a large multipurpose venue, the largest in the shire, which holds a variety of functions, including school functions, conferences, weddings, corporate functions and fundraising events. This facility is well supported in the community with organisations such as Colac Area Health, Corangamite Catchment Management Authority, Colac Otway shire schools, arts and theatre groups, and neighbourhood renewal.

The upgrade is for new theatre equipment, such as lighting and power outlets; fire protection and climate control systems; repainting and floor treatment; and the purchase of combination staging and tiered seating. The upgrade would allow COPACC to keep pace with the demands of the community. It is the only venue in the area that can provide for a sit-down dinner and dance function for over 300 people. It is well used, but it is also in need of an upgrade.

This project will also create a number of local jobs for the region, which is one of the positive aspects of the Regional Infrastructure Development Fund. On a number of occasions recently I have joined the mayor of Colac Otway Shire Council, Cr Lyn Russell, to launch and open a number of projects in the shire. I know the shire is very committed to this COPACC

project and will want to source local builders, architects and painters for the project.

If this project is funded, the positive flow-ons for the Colac Otway shire economy and community would be vast, and many groups, both community and corporate, would benefit. It would also ensure the proper upkeep of one of the shire's most important assets. I take this opportunity to register my strong support for this proposal and call on the minister to make an announcement on this project as soon as possible.

Rail: Melton station

Ms HARTLAND (Western Metropolitan) — My adjournment matter today is addressed to the Minister for Public Transport.

Last year the Shire of Melton wrote to V/Line about its concern around the insufficient and unsafe car parking facilities at the Melton railway station. While V/Line acknowledged the problems, including formal and informal car parking running at about 97 per cent of capacity during weekdays, it claimed it did not currently have the funding available to make improvements.

Patronage at the Melton station increased 45 per cent from 2004–05 to 2008–09 and is continuing to grow. The car park survey which provided the 97 per cent capacity figures was conducted last year, so it can be expected that the pressure on facilities is only continuing to grow.

The Greens want immediate action to electrify the Melton train line, which the government's own report stated was economically viable if patronage numbers continued to grow by just 4.6 per cent. Part of that electrification would be the upgrading of stations on the line, including Melton, Rockbank, Deer Park, Ardeer and a new Caroline Springs station.

My request of the minister is to make funding available to properly staff the Melton station and facilitate the upgrade of parking facilities, lighting and security surveillance. Even better, he could take a lead from the Greens policy and electrify the Melton and Bacchus Marsh train line.

Schools: Torquay

Mr KOCH (Western Victoria) — My issue is for the Minister for Education and relates to the Brumby government's role in continually denying the community of Torquay a stand-alone years 7–12 secondary college.

Torquay is one of the state's fastest growing rural cities and with a population exceeding 14 500 it is the only rural city in Victoria of this size without complete secondary education. Recently parents from the Torquay P–9 College formed an action group to discuss and promote education in Torquay.

Rather than support that initiative, the member for South Barwon in the Assembly, Michael Crutchfield, advised parents there was no need for them to be involved in local education. Strangely, I have been advised he told the parents there was no need to meet amongst themselves on this issue. Some parents have lost confidence in their local member when he has told them, unashamedly, not to become involved in their children's education.

Over 50 people attended the group's first meeting. I have been advised that those in attendance overwhelmingly agreed that the construction of a new 7–12 secondary college on a greenfield site is the best option for the town. This is consistent with coalition policy as announced last July in Torquay 2009 by the shadow Minister for Education, Martin Dixon. School staff have informed parents that they have been muzzled on this issue. However, they have encouraged parents to pursue the best option for their children's education.

It is important to establish a clear separation between primary and secondary education. Parents of younger children in particular are sensitive to this. Research examining the optimal structure of school campuses recommends that a clear separation should exist between primary and secondary campuses to enable students to properly develop and socialise. Exporting children to Geelong to finish their education completely erodes the local identity of Torquay students by encouraging them to build social and recreational networks in larger centres like Geelong.

Given traffic congestion at the current site on Grossmans Road, full secondary education in Torquay is better suited to a stand-alone, greenfield site at an identified separate location in Torquay. Adding more students to an already stressed location would be a disaster for parents, students and traffic management. It is imperative parents are empowered to contribute to the process that will decide their children's future, rather than be excluded by a local member intent on a heavy-handed approach.

My request of Minister Pike is: why will the government, after years of promises, not fund a stand-alone years 7–12 secondary college in Torquay? This is the only rural city in Victoria facing this

education void. The government knows that the community is pursuing a stand-alone secondary college, and yet it continues to deny it that facility.

Sport and recreation: community code of conduct

Ms DARVENIZA (Northern Victoria) — I wish to raise a matter for the attention of the Minister for Sport, Recreation and Youth Affairs, James Merlino. The matter I wish to raise concerns the new education campaign that is being targeted at bad behaviour and ugly parent syndrome that exists in grassroots sport and that will be rolled out to Victoria's 16 000 grassroots sporting clubs and associations. This campaign is known as the Victorian Code of Conduct for Community Sport.

We all know Victorians love their sport and that local sports clubs are at the very heart of our communities. They bring families together and build strong, happy and healthy communities, and we encourage physical activity whenever we can. These sporting clubs are particularly important for rural and regional Victoria.

Overwhelmingly the majority of clubs and the parents and participants who are involved in these clubs do the right thing. But the new code of conduct will strongly reinforce the message to that small minority of players, spectators, parents, coaches or club officials that their bad behaviour, their abuse or ugly parent syndrome, has no place in sport.

I understand there will be a campaign that includes education kits containing DVDs as well as posters and other resources and that code-of-conduct ambassadors are being appointed as part of this strategy. The code of conduct is very much directed at behaviours such as violent and abusive behaviour, vilification, discrimination, sexual harassment or intimidation, victimisation and failure to maintain a safe environment.

Sporting associations and clubs have a responsibility now to adhere to and enforce the code through their sport's new organisation — and with specific penalties. Associations and clubs that do not address breaches of the code will not be eligible for funding from Sport and Recreation Victoria and will run the risk of losing existing funding. Given this, I specifically ask that the minister and his department provide the necessary support, particularly to rural and regional clubs, including those in smaller and more isolated areas — of which there are many, for example, in my electorate of Northern Victoria — so that every club has the education and support to be able to implement this

important code of conduct which is going to support and reinforce sport, which we love so much.

Rail: Laverton station

Mr FINN (Western Metropolitan) — I wish to raise a matter for the attention of the Minister for Public Transport. It concerns the new Laverton station, the one that was opened just in time for the Altona by-election earlier this year. The house might recall that I spoke earlier this year about ramps being replaced with shiny new lifts, forcing those who cannot wait for the lift to belt down the stairs and run the risk of coming to grief in a crumpled heap at the bottom of those stairs. However, the real problems start when the lifts break down, and this is becoming an all-too-common occurrence. It happens so often, in fact, that some commuters have taken to calling the station ahead to check if the lifts are working and if they are doing what they should be doing.

Members can imagine that people in wheelchairs, mums with prams, the elderly and the frail, faced with the prospect of not being able to access the platforms, are in real strife. It is a bit hard to catch the train if you cannot get onto the platform.

It is hard enough for those trying to get to town, but what happens when the lift servicing platforms 2 and 3 turns up its toes? Those people coming from the city then cannot get off the platform! In that situation commuters are advised to wait for the next train, to catch it to Aircraft station, to wait for the next train coming the other way, get on that train and get off when the train reaches Laverton — where, hopefully, the lift will be working on platform 1. At best this is a 40-minute-plus round trip, and if the lift is not working, the travellers are in for a very long and cold night. This is a farcical and totally unsatisfactory situation and something that thousands of commuters who travel through Laverton every day are rapidly becoming sick of.

It seems only fair that if the government is prepared to take credit for a new station during the vote-gathering season, it should take some responsibility for the station's shortcomings out of election time.

I ask the minister to ensure that lifts are properly maintained at the Laverton station or, if he cannot do that, to bring back the ramps, which would allow those with mobility problems to get to the trains without having to worry about getting down some rather steep stairs. At this time locals in the Laverton area and those who use the Laverton station — who, as I say, constitute quite a number — need certainty. They need

to know if they can get to the train, and they need to know if they can get home after a long day at the office.

Davey Street–Nepean Highway, Frankston: traffic camera

Mr RICH-PHILLIPS (South Eastern Metropolitan) — I wish to raise a matter for the attention of the Minister for Police and Emergency Services. It relates to the integrity of the new red-light speed camera in Frankston at the intersection of Davey Street and Nepean Highway. This camera was installed a number of months ago and, we understand, is in a state of testing. However, over the last couple of weeks it has been continually flashing as motorists have driven through that intersection, and it has given rise to concern in the Frankston community about whether it is in fact operating and whether it is malfunctioning. It is constantly flashing and has done so during a number of periods over the last three or four weeks.

A story in the *Herald Sun* today called into question the integrity of the operation of speed cameras in Victoria, reporting that a senior Victoria Police officer, assistant commissioner Luke Cornelius, had by way of affidavit several years ago suggested pressure had been brought to bear by the government to bring prosecutions where faulty cameras had been pinging motorists for offences. This will further undermine the confidence of the community of Frankston in the integrity of the new speed camera installed down there.

Unfortunately some public comments were made by the Department of Justice and representatives of Victoria Police indicating that where motorists had been speeding, they would have been identified by that camera, though they would not have been subject to a penalty. This has caused further concern in the community, given the apparent errors associated with that camera.

I ask the Minister for Police and Emergency Services to publicly release the testing data and the commissioning certification for that camera to put beyond any doubt its current status and the question of when it will come into operation to restore the community's confidence in the integrity of those speed cameras in Frankston.

Princes Freeway: construction works

Mr O'DONOHUE (Eastern Victoria) — I raise a matter this evening for the attention of the Minister for Roads and Ports. In July 2009 Akron Roads was awarded a contract to supply and install guard fencing and wire-rope safety barriers, shoulder sealing and associated work on the Princes Freeway east from Nar

Nar Goon to the Bunyip River. That contract was worth \$3.056 million.

Work began on the contract late last year. As the President would be aware, in February this year Akron Roads went into receivership. All works on this project and several other projects that Akron Roads was contracted to deliver for VicRoads were halted. As I understand it, most of those other projects have now been re-contracted out to other companies and works have recommenced.

Despite several conversations with VicRoads officials in recent months, it appears that works along the Princes Freeway east between Nar Nar Goon and the Bunyip River still have not been re-contracted and have not progressed since February. Whilst it is disappointing this project is still yet to be completed, there is also a safety issue as there are partially completed works next to the freeway that are yet to be completed — wire rope barrier fencing has been erected but there is no wire rope to connect it. I have several other safety concerns.

The action I seek is for the minister to take control of this issue and seek to resolve this outstanding problem as soon as possible so works can recommence on this project.

Planning: green wedge zones

Mrs PETROVICH (Northern Victoria) — My adjournment matter is for the attention of the Minister for Planning. It concerns an issue I have around — —

Mr Finn — Good luck to you.

Mrs PETROVICH — I know it will be interesting. It concerns an issue I have about the green wedge; in particular it concerns clarification around peri-urban areas. The Liberal Party has a proud history in the creation and protection of green wedges. We understand the importance of preserving the lungs of Melbourne as buffer between the urban and non-urban interface and as a carbon sequester, and we continue to be advocates for the protection of this land.

However, there are some significant flaws in the way green wedges are operating. There does not seem to be any consistency regarding the decisions made by councils or the Victorian Civil and Administrative Tribunal about what is allowed in the zone.

My point in case is that of the Pantalica cheese company which was established in zone B of the green wedge in the Sunbury area. This business has developed a beautiful facility growing olives and

processing oil. It also produces wine, pickles locally grown olives and produces a variety of delicatessen items. This family business has invested \$20 million and employs approximately 25 people.

The business contributes to rural activity, adds to landscape character and is an attraction of the Macedon Ranges and Hume region. It operates on sustainability principles using recycled water from its own catchment and composting using its own olive pits. This is a truly innovative business which celebrates the European culture of good food, wine and traditional Italian produce. This family has built a magnificent property and business and would like to enhance what they have already created, but they cannot because of the green wedge conditions.

The action I seek is firstly, for the minister to review this case and examine what solutions are available for an existing business which wishes to enhance rural activity and tourism opportunities currently not possible under this zone. Secondly, I ask that he review the operation of green wedge zones with a view to delivering greater certainty for all stakeholders about what is permitted in green wedges.

Housing: government performance

Mr DRUM (Northern Victoria) — My adjournment matter is for the attention of the Minister for Housing. This Labor state government likes to pat itself on the back regarding issues of homelessness and the associated subject of housing affordability. But its real record does not withstand any substantial scrutiny. The Victorian Labor government has so far released a discussion paper which is designed, it says, to lead to a draft of a strategy paper which will hopefully lead to a strategy — one day! This final strategy was to have been released this month, but we have yet to see even a draft, let alone a finished plan.

I also note that in nine recent media releases from the Minister for Housing he has congratulated himself and the Brumby government for planning to develop many hundreds of affordable housing units. Data released just last week shows that housing in regional Victoria is less affordable under Labor. The Housing Industry Association says regional Victoria has just experienced the second-highest fall in housing affordability in Australia, and it warned us to expect it to become even worse. But there is another and even more urgent aspect of the housing crisis which this government has simply failed to address — that is, the homeless. Again, this government's record is scandalous.

I have been enormously impressed by a community group which sprang up in Eaglehawk after the 7 February 2009 bushfires. It is called Our Place and is run by the extraordinary Rev. Tracey Wolsley. Our Place has harnessed the resources of the community and is trying to help people rebuild their lives. But in doing so it has exposed many deeper and more entrenched needs. Homelessness is clearly one of those areas.

I could name other organisations in my home community, such as the highly successful Horizon House, where ordinary men and women are trying to rescue young homeless people, all too often without a cent of assistance from this state government.

Just days ago we discovered the Labor government is failing young people in more ways. We now know there are 292 at-risk children in our region who do not have case workers assigned to them. We have read that in Victoria last year 23 000 children sought emergency housing help; that is a rise of 9.3 per cent in just one year. This is a national scandal.

This government is failing the homeless in the long term by dragging the chain yet again regarding policy development and in the short term by failing to partner with those trying to desperately help in specific areas.

The government lied in the discussion paper which was released in October last year when it claimed it was leading the nation in tackling homelessness. It proclaimed that its 2002 policy gave Victoria a well-developed and collaborative homeless service. In 1996 there were 17 840 homeless people; in 2001 that number had risen to 20 305. We have worse housing affordability and we have more young people at risk who should be in protection; we are not leading the nation. It just gets worse.

This government has to do two things. I call on the minister to visit Bendigo to meet with the welfare groups, with people like Rev. Tracey Wolsley and organisations such as Horizon House, to fully understand the extent of homelessness in the Bendigo region and see what this government can do to try to arrest this situation both in the short term and long term.

Timber industry: firewood strategy

Mr P. DAVIS (Eastern Victoria) — I am delighted to raise a matter for the attention of, and I know the Treasurer will regret this, the Minister for Environment and Climate Change. The Treasurer has a keen interest in the matter I am about to raise because it relates to the

unacceptably long delay in the production of a firewood strategy regarding public land.

I will trace the history of this long-running proposal. Officers of the Department of Sustainability and Environment briefed the Firewood Association of Australia on 14 January last year about a review of firewood supplies to commercial contractors. In August the department released a discussion paper for public comment. The timber industry strategy released in December undertook to establish a strategy to ensure that firewood from public land remained accessible.

The development of a final strategy for firewood supplies from public land is set out in a page on the department's website where it is recognised that firewood is an important and affordable source of heating and energy for many people and generates income for regional communities. It includes the statement that the state strategy will be finalised early in 2010. At the time the discussion paper was released, I expressed concern that it proposed to continue the present unworkable arrangement that VicForests remain a principal supplier of wood for firewood contractors in the east of the state.

The government has been working for some 16 months now on the firewood strategy which, in effect, is just one component of the broader timber industry strategy. Uncertainty over future arrangements for access to wood on suitable terms remains a concern for contractors who have been left in limbo all this time. It remains a concern for the large numbers of household customers, many of whom are elderly and in need. I understand from inquiries I have made that the firewood strategy has been completed for some time, which would make it appear that either it will be publicly unpalatable and needs to remain hidden or the government is sitting on it, waiting for an opportune time in the lead-up to the election.

I therefore ask that in order to put an end to the present uncertain situation, the minister act to make the strategy publicly available immediately.

Surrey Road, Blackburn North: pedestrian crossing

Mr ATKINSON (Eastern Metropolitan) — I wish to raise a matter for the attention of the Minister for Roads and Ports. It concerns the installation of pedestrian-operated traffic signals on Surrey Road in Blackburn North.

For some years now, Blackburn Primary School, along with the one church in Surrey Road, has been seeking a

more satisfactory arrangement in terms of pedestrian safety for people who are moving between the church and the school properties. The school has a quite extensive program of after-school activities, and the church and the school also have arrangements where they use each other's facilities for a number of activities throughout the week. Obviously that is to be encouraged. It is good use of community facilities and has proved most successful.

The concern that the school in particular — as that is the organisation I have met with most recently — has in regard to pedestrian safety. In recent weeks a woman was knocked over by a vehicle at the corner of Surrey Road and Whitehorse Road and, as I understand, suffered a broken leg.

There are quite a number of near misses associated with pedestrian movements around the school. It is a fairly busy area, particularly given the proximity to Whitehorse Road of much of the pedestrian movement. The school has, as I say, been in touch with VicRoads on quite a number of occasions dating back several years about the need for a crossing.

It is my understanding that in fact Surrey Road meets all the warrants for a new signalised crossing that would allow for greater pedestrian safety, particularly in movements between the community church and Blackburn Primary School. Given the number of people moving between the two facilities, and with parents and others bringing children to school and people travelling south towards the Blackburn shopping centre, I urge the minister as a matter of some urgency to approve a new signalised crossing for Surrey Road that guarantees this pedestrian safety.

Planning: Ashwood development

Mr D. DAVIS (Southern Metropolitan) — My matter on the adjournment tonight is for the attention of the Minister for Housing, but it also concerns the Minister for Planning. It relates to the housing project in Ashwood-Chadstone, the so-called Gateway development. It is described as the largest ever single housing project partnership between the Brumby government and the not-for-profit sector. It was launched today and it includes 200 homes and more than 440 jobs, it is claimed, during the construction phase.

I am very clear about this, that the opposition strongly supports proper housing projects, including public housing projects, and strongly supports the idea that people who do not have homes would be supported by the government. However, there are a number of

concerns about this project, and I have put some of these on the record in this chamber before. One is about the design of the project; another is about its concentration; and a third relates to the lack of consultation on this project.

I would say that the consultation project has been tardy and, frankly, hopeless. The member for Burwood in the other place, Bob Stensholt, is the chair of the community liaison committee for the project, but it is clear that the project has been pushed through very quickly without proper community consultation, and the government and Mr Stensholt and the relevant authorities have been very much at pains to hide the fact that this is no normal housing project. This is not in keeping with Ashwood or Chadstone in general, or indeed the Burwood electorate that Mr Stensholt represents. It is a seven-storey tower with associated structures. This is a high-rise tower construction and it is out of character with the area. The drawings I have seen are monstrous, and they are not supported by most people in the community. Many people have contacted my office. They are furious about the fact that this has been foisted on the community at a fast pace and without proper consultation.

This is an arrogant move. To underline the arrogance, today Mr Stensholt said to the gathered luminaries and others at the opening of the project, 'Anyone who doesn't think this is a good project has got rocks in their head'. Somebody in the audience has passed this to me very quickly, because there is a significant reaction to this sort of arrogant approach of forcing projects on the community.

Public housing is good, as is housing in general, but it has to be sympathetic to and in sync with the area. I ask the minister to ensure that in future such projects comply with that.

Responses

Mr LENDERS (Treasurer) — Thirteen members raised adjournment issues, and I will refer those to the relevant ministers.

I have a written response to an adjournment debate matter from Ms Hartland on 10 March.

The PRESIDENT — Order! The house stands adjourned.

House adjourned 10.32 p. m.