

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE ASSEMBLY**

**FIFTY-FOURTH PARLIAMENT**

**FIRST SESSION**

**21 March 2001**

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**FIFTY-FOURTH PARLIAMENT — FIRST SESSION**

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Asher, Ms Louise	Brighton	LP	Lindell, Ms Jennifer Margaret	Carrum	ALP
Ashley, Mr Gordon Wetzel	Bayswater	LP	Loney, Mr Peter James	Geelong North	ALP
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Batchelor, Mr Peter	Thomastown	ALP	McCall, Ms Andrea Lea	Frankston	LP
Beattie, Ms Elizabeth Jean	Tullamarine	ALP	McIntosh, Mr Andrew John	Kew	LP
Bracks, Mr Stephen Phillip	Williamstown	ALP	Maclellan, Mr Robert Roy Cameron	Pakenham	LP
Brumby, Mr John Mansfield	Broadmeadows	ALP	McNamara, Mr Patrick John <sup>3</sup>	Benalla	NP
Burke, Ms Leonie Therese	Prahran	LP	Maddigan, Mrs Judith Marilyn	Essendon	ALP
Cameron, Mr Robert Graham	Bendigo West	ALP	Maughan, Mr Noel John	Rodney	NP
Campbell, Ms Christine Mary	Pascoe Vale	ALP	Maxfield, Mr Ian John	Narracan	ALP
Carli, Mr Carlo	Coburg	ALP	Mildenhall, Mr Bruce Allan	Footscray	ALP
Clark, Mr Robert William	Box Hill	LP	Mulder, Mr Terence Wynn	Polwarth	LP
Cooper, Mr Robert Fitzgerald	Mornington	LP	Napthine, Dr Denis Vincent	Portland	LP
Davies, Ms Susan Margaret	Gippsland West	Ind	Nardella, Mr Donato Antonio	Melton	ALP
Dean, Dr Robert Logan	Berwick	LP	Overington, Ms Karen Marie	Ballarat West	ALP
Delahunty, Mr Hugh Francis	Wimmera	NP	Pandazopoulos, Mr John	Dandenong	ALP
Delahunty, Ms Mary Elizabeth	Northcote	ALP	Paterson, Mr Alister Irvine	South Barwon	LP
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Haemeyer, Mr André	Yan Yean	ALP	Rowe, Mr Gary James	Cranbourne	LP
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Hardman, Mr Benedict Paul	Seymour	ALP	Savage, Mr Russell Irwin	Mildura	Ind
Helper, Mr Jochen	Ripon	ALP	Seitz, Mr George	Keilor	ALP
Holding, Mr Timothy James	Springvale	ALP	Shardey, Mrs Helen Jean	Caulfield	LP
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Kosky, Ms Lynne Janice	Altona	ALP	Viney, Mr Matthew Shaw	Frankston East	ALP
Kotsiras, Mr Nicholas	Bulleen	LP	Vogels, Mr John Adrian	Warrnambool	LP
Langdon, Mr Craig Anthony Cuffe	Ivanhoe	ALP	Wells, Mr Kimberley Arthur	Wantima	LP
Languiller, Mr Telmo	Sunshine	ALP	Wilson, Mr Ronald Charles	Bennettswood	LP
Leigh, Mr Geoffrey Graeme	Mordialloc	LP	Wynne, Mr Richard William	Richmond	ALP

<sup>1</sup> Resigned 3 November 1999

<sup>2</sup> Elected 11 December 1999

<sup>3</sup> Resigned 12 April 2000

<sup>4</sup> Elected 13 May 2000



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## JOINT SITTING OF PARLIAMENT

### WEDNESDAY, 21 MARCH 2001

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**Wednesday, 21 March 2001**

**The DEPUTY SPEAKER (Mrs Maddigan) took the chair at 9.34 a.m. and read the prayer.**

**ABSENCE OF SPEAKER**

**The DEPUTY SPEAKER** — Order! I wish to advise the house that the Speaker is unwell and will not be in the chamber this morning.

**PETITION**

**The Clerk** — I have received the following petition for presentation to Parliament:

**Rail: Tullamarine link**

To the Honourable the Speaker and members of the Legislative Assembly in Parliament assembled:

The humble petition of we, the undersigned citizens of Victoria, sheweth that:

We strongly oppose the proposal to develop an airport rail link along the Broadmeadows rail corridor to the Melbourne Airport because of unacceptable safety, noise, vibration, environmental, traffic, social, community and other impacts on the communities along the Broadmeadows rail route including those of Kensington, Flemington, Ascot Vale, Moonee Ponds, Essendon, Strathmore, Pascoe Vale, Oak Park, Glenroy, Broadmeadows, Attwood, Meadow Heights and Broadmeadows Valley, among others.

We the petitioners therefore pray that the Broadmeadows Corridor option be excluded from further considerations to develop a high speed airport rail link.

And your petitioners, as in duty bound, will ever pray.

**By Mrs MADDIGAN (Essendon) (27 signatures)**

**MEMBERS STATEMENTS****Land tax: small business**

**Mr CLARK (Box Hill)** — I raise the grave concerns of numerous small businesses and property owners in the Box Hill electorate about the proposed massive increases in land tax currently being considered by the government. Under the proposals land tax on a land value of \$200 000 will jump from \$200 to \$5780 a year, and on \$500 000 it will soar from \$800 to \$14 450.

I have received some feedback about what will happen if the increase goes ahead. A vehicle repairer tells me he will close his business with the loss of 24 staff; a consultancy firm will close laying off 15 staff; an

auctioneer will close and put off 10 staff; and a lawn mower business will close with the loss of 6 jobs. Spectacle makers, flooring providers — the list goes on — estate agents, medical practices, service companies, importers, printers, retailers, building suppliers and auto services all tell me they will be forced to cut staff. Swimming pool repairers, accountants, child care providers and physiotherapists have also told me they will be forced to raise prices. Others, including designers, drafting services, food manufacturers, conveyancers, valuers and towing services, will be forced to move to cheaper and less satisfactory premises.

It is almost unbelievable that any government could blithely contemplate such a massive and sudden impost. Such overnight rewriting of the rule book removes at a stroke the stability and certainty that is essential for investment and employment.

**The DEPUTY SPEAKER** — Order! The honourable member's time has expired.

**Manjit Singh Aujla**

**Mr SEITZ (Keilor)** — I would like to place on record my appreciation and that of the Indian Sikh community for Manjit Singh Aujla, who is a tireless worker in the Sikh community both in my electorate and throughout Melbourne. In his early days, he was a commissioner for affidavits and then a justice of the peace, a marriage celebrant, a voluntary social worker within his community and a religious leader. He is a highly respected person and has spent much of his time working in his own and the broader community in the Taylors Lakes area in which he lives, which is highly commendable. He was involved with the building of the Sikh temple and developing the Sikh community in the area, giving it a feeling of belonging and gathering together.

He has now retired from full-time employment and is spending all his time involved in activities and interpreting services for the Indian community. I place on record my appreciation for the work done by this man. Prior to his involvement, the Indian community in the district surrounding Keilor was unrecognised —

**The DEPUTY SPEAKER** — Order! The honourable member's time has expired.

**Parliament House: banners**

**Mr KILGOUR (Shepparton)** — I raise a matter concerning Parliament House, which concerns me greatly. When I left Parliament House last night I was shocked to see 1-metre-high orange plastic wraps

promoting Harmony Day adorning all the columns at the front of the building. I do not care what cause is being promoted, such things desecrate a beautiful 150-year-old building.

**Mr Holding** interjected.

**Mr KILGOUR** — I would not expect the honourable member for Springvale to understand. It may be Harmony Day today, but will it be Poppy Day tomorrow? Will it be Save the Bats Day the next? Parliament House is a beautiful building. Victorians paid millions of dollars to have it cleaned up, and now there are orange banners on the whole of its front, including the lamps. I do not believe anyone should be allowed to put up banners on this building. It is the place where Parliament sits and laws are made, and it should be treated with respect instead of like a circus. It is bad enough having the circus on that side of the house not listening to what is going on, but now this place is starting to look like a circus!

It is important to ensure that Parliament House is seen by the public as a place where the laws of Victoria are made. It should not be used by any outside group to promote any cause whatever.

### **Ashburton Primary School**

**Mr STENSHOLT** (Burwood) — Last week I again visited one of the great schools in my electorate, Ashburton Primary School. Some 479 children attend 19 classes at the school, including 81 in prep. Average class sizes this year are down to 25.2 pupils. Ashburton is one of the schools that has benefited from the support of the Bracks government.

I was privileged to address the school assembly, together with the principal, Carol Kessels, and the deputy principal, Ruth Minehan, and to discuss issues affecting the school. On Sunday I attended the school annual fair, which despite the threat of rain was a great success and raised over \$30 000. I pay tribute to the organisers: Fiona Hopwood, Carol Oliver and Steve Abram.

I look forward to meeting the new school council and examining ways to ensure the long-term development and success of the school, which does a great job for local children.

### **Land tax: small business**

**Mr WILSON** (Bennettswood) — Under the Bracks government's land tax proposal small businesses in Bennettswood will be forced to pay the same rate of tax as large multinational corporations in Melbourne's

central business district. The proposed flat rate of land tax of 2.89 per cent will result in a blow-out in the cost of doing business in my electorate.

Small business people in my electorate are rightly concerned about the proposed tax increases. A business on a property with a site value of \$200 000 will have its land tax increased from \$200 to \$5780. Maggie Timms, of Maggie Timms Hair Design in Bennettswood, has said that the proposed new tax of \$2890 compared with the current tax of \$100 would be a killer for her business. As Mrs Timms said, 'An extra cost of this type makes it even harder for small business people to make ends meet'. David Lau, the proprietor of Gwok Hing Restaurant in Mount Waverley, said that a land tax increase would be detrimental to his business. Mr Lau said, 'An increase in land tax of this magnitude will make it even tougher for small business'.

The proposed land tax increase comes on top of huge increases in Workcover costs. The Bracks Labor government is anti-small business.

### **Bendigo: AAPT call centre**

**Ms ALLAN** (Bendigo East) — Last Friday, the honourable member for Bendigo West and I joined the Premier for the opening of an important building in Bendigo — the Australian headquarters of the AAPT call centre. It was an important event, because it has meant the creation of 400 new jobs in Bendigo in just 12 months. Between the time AAPT first contacted the government in January 2000, following which in March of last year the Premier and the Treasurer announced the move to Bendigo, and last Friday, 400 new jobs have been created in Bendigo.

The group director of AAPT, John Matic, said he expects there to be 1000 workers in the Bendigo headquarters within a decade. Some 400 jobs equates to about \$12 million a year for the Bendigo economy, and 1000 new jobs will mean a \$30 million boost each year. It was all part of the Bracks government's regional call centre attraction policy, which was an important plank in Labor's election campaign. It has meant success for the Bendigo community in the first six months of the Bracks government coming to office.

I commend the local council and the local builders, Morey and Hurford, for delivering a building under budget and on time.

**The DEPUTY SPEAKER** — Order! The honourable member's time has expired.

### Land tax: small business

**Mr SPRY** (Bellarine) — I, too, express deep concerns about the implications of the so-called Harvey tax reform report to the government. In a raft of recommendations the Treasurer has ruled out changes to domestic tax imposts but he refuses to rule out the implications of land tax increases of a flat rate of 2.89 per cent. That is a serious inhibition on residential property investment. I have been given a list of taxes that are already imposed on investment property owners. They include stamp duty, council rates, water rates, insurance, maintenance, solicitors fees, title costs, and body corporate costs. Now there is the threat of additional land tax.

Mr Michael McLarnon of Ocean Grove has written to me in the following terms:

I have recently qualified for further residential investment loans to purchase two separate properties in the Geelong region, each having four rental units.

This has indefinitely halted due to the increased exposure to land tax.

The possibility of the proposed land tax will have a huge impact on rent rates throughout Victoria and it will be most felt by low-income earners.

### Patterson River Secondary College

**Ms LINDELL** (Carrum) — I invite the house to join me in congratulating one of the very fine schools in my electorate, the Patterson River Secondary College. As part of their welcoming service for their new year 7 students, one of their local Aboriginal people did a traditional welcome for the students. The area where the Patterson River Secondary College is located is traditional Bunurong people's land.

Phil Nicholson, the local Aboriginal person who came along, simply and clearly outlined to the year 7 students that he was very proud of his Irish grandfather but also very proud of his Aboriginal grandmother. He could track his Irish ancestry back many hundreds of years but there was very little known or still existing of his grandmother's culture and heritage. It was a very moving and fitting service in an area that once was home to the Bunurong tribe, who were the seaside dwellers from Mordialloc to Frankston. I commend the principal of the college, Bob Stephens, and the teacher who instigated the welcome, Henry Kelsall.

### Land tax: small business

**Mr PLOWMAN** (Benambra) — The Bracks government's proposed 2.89 per cent land tax is going

to hit not only metropolitan areas but also country areas of this state. This morning a major valuer in Wodonga discussed the issue with me and said that the businesses that will be affected are the smaller ones in country towns, such as veterinary clinics, stock and station agents, produce stores, merchandise outlets — all those businesses that are vital for smaller rural communities.

The other concern I have about country areas is the implications of the proposed tax on housing developments for low-income people. Country people cannot afford the tax. The Bracks government cannot see the cost implication of it on that section of the community. The rural community is home to many low-income people; investment is drying up; the tax will make it even harder for them.

I condemn the Bracks government. It is not only anti-small business but certainly anti-country areas of the state and those low-income earners living there.

### Margaret and Jim Spinks

**Mr HARDMAN** (Seymour) — I wish to speak about Margaret and Jim Spinks, two wonderful people in my electorate, who have spent 26 years working for the community of Seymour in a voluntary capacity. As district superintendent and acting district superintendent of St John Ambulance Australia (Vic.) for part of this time Margaret has spent approximately 7900 volunteer hours and Jim 7300 volunteer hours serving the community. That is a lot of volunteer hours.

They retired last Monday night, although Margaret, who is 70, has not retired from volunteering altogether; she will work in a volunteer capacity at the local hostel and nursing home. As a 70-year-old she believes working with these people makes her feel young!

Margaret and Jim trained me in workplace level 2 first aid. I still remember the five things under the initials DRABC — danger, response, airway, breathing and cardiac — that most honourable members would or should know about saving people's lives. I commend Margaret and Jim and wish them well for the future.

**The DEPUTY SPEAKER** — Order! The honourable member for Bulleen has 60 seconds.

### Land tax: small business

**Mr KOTSIRAS** (Bulleen) — I condemn the Bracks government for attempting to destroy the small business sector in Bulleen. Under the new plans, which the government has refused to rule out, all Victorian small businesses will be forced to pay land tax — many for the first time. In my electorate a small newsagent

who currently pays \$141 a year will now have to pay more than \$4000, an increase of more than 2800 per cent. The owner advises me that this will place a great strain on his business. I call upon the government to ensure that this does not happen.

**The DEPUTY SPEAKER** — Order! The honourable member's time has expired, as has the time for members statements.

### LAND TAX: SMALL BUSINESS

**The DEPUTY SPEAKER** — Order! The Speaker has accepted a statement from the honourable member for Brighton proposing the following matter of public importance for discussion:

That this house condemns the state government for refusing to rule out the State Business Taxation Review Committee recommendation of a \$1 billion increase in land tax which will destroy small business and small investors in Victoria.

**Ms ASHER (Brighton)** — The government has a strong track record in attacking small business. It has made changes to the Workcover system and introduced a Fair Employment Bill. By considering a \$1 billion increase in land tax, which will be borne by small business and small investors, it now proposes the biggest tax slug of them all!

The government should be condemned for failing to rule out the proposal. I call on the Treasurer to immediately rule it out in the interests of improving confidence in the small business sector. The government's proposal is simple: it wishes to introduce \$1 billion worth of business stamp duty concessions. To pay for those it wishes to raise land tax revenue by \$1 billion, and to do that it proposes to abolish the threshold for land tax and to introduce a flat rate of 2.89 per cent.

This will impact directly on the small business sector and on the small investor. According to the government's own report, to receive a benefit from the proposal a person would have to have a property portfolio worth \$3.8 million. This is a direct attack on the smaller sector.

The Treasurer will be called to account on why small business and small investors should fund tax cuts for the big end of town. An honourable member during the 90-second member statements has already mentioned an example. Currently, in the case of land worth \$200 000 the tax is \$200; under the new system that tax will be \$5780 a year, and the government is claiming that after this report a stamp duty concession of \$8660

will be received. However, these businesses will pay the \$5780 land tax every single year.

To indicate how serious it is, let me quote from letters received in my office. A letter sent to me from Kevron Plastics Pty Ltd and signed by K. N. Chambers, the managing director, describes the proposed tax measure as insane. In another letter signed by Mr Chambers addressed to the Minister for Manufacturing Industry he says:

Our land tax bill for 1999–2000 was \$234. If the Bracks government adopts the report's recommendation on this matter, our land tax will rise to \$7080 per year!

This is an absolutely extortionate increase, which cannot be justified by any means.

The letter goes on to say:

Whilst we appreciate the report proposes to abolish other taxes, notably in our case the \$2500 per annum stamp duty on our annual general insurance premiums, the net result is we will be \$5000 per annum worse off!

I quote from a letter from Fox, Hay and Co. Pty Ltd, addressed to the Treasurer and signed by B. C. Fox, the managing director:

At our new premises the last land tax paid was \$1790 per annum. With the new proposed single flat rate of business land tax of 2.89 per cent of unimproved value our present land tax of \$1790 per annum would rise to \$25 663.20 per annum.

The reduction of payroll tax does not affect us or many other small businesses. An increase in land tax of such magnitude will completely stifle small business and remove any incentive to invest further or indeed to remain in business. We would seriously consider closing our doors, resulting in our staff joining the ever increasing ranks of the unemployed.

If this bill is passed in its present form the future for small business in this state looks very bleak.

Those letters forwarded to the opposition for its information indicate how much small business resents the consideration of this proposal.

Other than the Bracks Labor government, who supports the proposal? Coles Myer and the Australian Bankers Association put in submissions to this effect. The Property Council supports the submissions — —

**Mr Lenders** interjected.

**The DEPUTY SPEAKER** — Order! The honourable member for Dandenong North will have his turn shortly.

**Ms ASHER** — As I indicated earlier, in order to benefit from this proposal you have to have a property portfolio worth \$3.8 million. Every other land tax

holder will pay more land tax. I understand the Property Council's argument about large-scale investment in Victoria and aggregation. However, the solution to the problem is not to tax the small person but to look at the fiscal management of Victoria by the Bracks Labor government. The fundamental problem with this report is of the Treasurer's own making. On one hand he has indicated that he is prepared to give only \$100 million in tax cuts on 1 July. On the other hand, in the first year of the Bracks Labor government its first budget increased expenditure by almost \$900 million. In effect the government is saying, 'Expenditure is up nearly \$900 million, but we might give you a belated tax cut of \$100 million'. That is the problem, on top of the \$1 billion surplus. This is the government's priority. It is prepared to give only \$100 million in tax cuts. What does \$100 million buy? Not much. It costs \$125 million to bring in a 0.25 per cent cut in payroll tax. The government has forced this by its own priorities — that is, its own expenditure-driven fiscal policy at the expense of tax cuts.

The key issue is that the Treasurer has seriously mismanaged politically the handling of this report. Firstly, he indicated that it was an independent report. The problem with that statement is that this Treasurer's predecessor set it up, this Treasurer launched it and he then blocked freedom of information access to it. His fingerprints are all over the report.

Secondly, John Harvey, the chair of the committee, has gone public on this issue. He is sick of the Treasurer calling it an independent report. On radio 3AW on 9 March John Harvey made it very clear that the \$4000 gaming levy, for example, is a government proposal.

John Harvey is reported as saying:

... the government was looking at this question anyway. It's commissioned reports and that came to our notice as we did our work.

He went on to repeat:

... we took notice of the fact that this was already being looked at [and] said continue your examination, if there's extra revenue there can we please have it for business tax reform?

The committee did not dream up those recommendations on its own. The report has the Treasurer's fingerprints all over it.

Furthermore, the Essential Media Communications consultancy, this body with strong links to Trades Hall, was active in the docks dispute and ran a Workcover campaign in the Mitcham by-election. Why is the

taxpayer paying for a consultancy by Essential Media Communications on this business tax review if it is an independent report? Why is a Labor mates' consultancy on a so-called independent report being paid for by the taxpayer? The answer is that this report has the Treasurer's fingerprints all over it.

Finally, although this is a government-owned report the Treasurer has already ruled out 2 of its 11 recommendations. The first relates to the fire services levy and the second to registration. The opposition is calling on the Treasurer to rule out the gaming levy recommendation as well. He has embraced the report. His fingerprints are all over it. He has been involved in it up to his eyeballs. He has already ruled out two recommendations and he needs to rule out this recommendation as well.

I turn now to the previous government's performance on land tax, because I know government members will wish to refer to it. They will say, with monotonous regularity, that the Kennett government lowered the threshold of land tax from \$200 000 to \$85 000, but I would urge them to look at the policy detail.

Firstly, when that threshold was lowered, the family home was made exempt, which for small business obviously meant it was not aggregated as part of a tax calculation.

Secondly, the scale was smoothed. Under the previous Labor government the scale had three steps when the tax cut in. The Kennett government reform brought in a smoother scale of eight steps. For example, Labor's tax scale at the property value of \$540 000 saw land tax jump from 0.2 per cent to 3 per cent — a 15-fold increase at that level on their old scale. It is fundamental when you look at the threshold issue to remember that at the same time the family home was exempted and the scales were made more progressive. Government members will not draw that to the public's attention.

There are four key differences in the proposal. The first is the amount of money involved. At \$85 000 the former government's regime had businesses paying \$85 in tax. Labor's Harvey proposal has a business located on \$85 000 of land paying \$2456, and that is not even taking into account the equalisation factors. There is a fundamental difference of \$85 on the one hand and almost \$2500 on the other hand.

Secondly, with a threshold of \$85 000 many businesses will pay tax for the first time. Many such businesses are located in country Victoria. The Labor Party regards

those small businesses as cash cows that are just there to fill up its revenue.

Thirdly, the number of taxpayers under this proposal will increase. According to the government's own report there will be more than 250 000 additional taxpayers.

The fundamental difference between the performance of the Kennett government on land tax and the performance of the Bracks government as recommended by the Harvey report is that the Kennett government forecast that revenue from land tax would go down. It made a conscious decision to accept less revenue from land tax in the 1998–99 budget. I urge honourable members to look at the fact that as a consequence of its changes the budget forecasts for land tax had revenue going down. The Bracks government's proposed changes will increase revenue by \$1 billion. That is the fundamental difference. This is a proposal based on revenue raising that will screw small people such as small investors, country businesses and small businesses across Victoria. Honourable members should not forget that when the ALP was last in government it massively increased its reliance on land tax. For two years in a row it artificially restructured the system to bring in 15 months revenue in one year.

The Harvey report proposal contains a number of fundamental injustices. Firstly, it is a \$1 billion land tax slug; it is a grab for revenue.

Secondly, it is a \$1 billion tax slug on small business and on small investors. You have to have \$3.8 million worth of property to get any benefit from this ALP proposal. When the house last debated this issue, the honourable member for Williamstown, who is now the Premier, got upset over land tax reform providing a benefit to people with land worth \$540 000, yet you need property worth \$3.8 million before you benefit from this proposal.

The third injustice is that it is a flat rate. Little businesses in country Victoria and suburban Melbourne will pay the same flat rate as a big bank in Collins Street — 2.89 per cent. That is the modern Labor Party benefiting the big end of town in return for its donations.

The ALP has always had a strong agenda on land tax and will continue to do so. Honourable members should watch out for the family home next. The Treasurer has not ruled that out.

**Mr Nardella** interjected.

**Ms ASHER** — I urge the honourable member for Melton to read the comments of the previous shadow Attorney-General in *Hansard* when the house last debated the issue. I urge him to read the comments of his former leader in the upper house and former good friend, Mr Theophanous. He should read what they said about land tax on the family home and watch out!

The proposal will result in an increase in the number of taxpayers, an increase in the amount of tax paid by existing taxpayers and an increase in government revenue to the tune of \$1 billion. It is unnecessary and is causing fear in the small business community.

**The DEPUTY SPEAKER** — Order! The honourable member's time has expired.

**Mr RYAN** (Leader of the National Party) — I am pleased to join the debate and to support the motion. The Deputy Leader of the Opposition has referred to two aspects of the Harvey business report that have already been ruled out by the Treasurer. Similarly, he should rule out the recommendation on land tax and another recommendation I will touch on during this discussion — that is, the ridiculous notion of the imposition of a levy of \$4000 per gaming machine. Both those elements of the report should go because both would have a direct impact on small business and small investors in Victoria. The motion goes to the heart of the matter.

I turn to examine those two elements. Insofar as land tax is concerned, there is no question that what is intended to be done under the proposal is flawed. The basic notion is to switch from a revenue stream based on stamp duty to one based on land tax. In essence, it would mean an increase of around \$1 billion and result in something in excess of \$1.5 billion being raised by land tax.

In Victoria about 131 000 people now pay land tax. This proposal would see that figure increase to about 277 000. Worse still, it would be done on the basis of a flat rate of 2.89 per cent being applied across the board on the unimproved value of the land. As the report indicates, if the \$85 000 threshold that now exists were abolished and the 2.89 per cent were applied to it, the equivalent amount that would be raised by way of land tax and paid by people who presently do not pay anything would be \$2456.

If honourable members want to look at examples further up the scale, I point out that on the \$200 000 calculation to which the Deputy Leader of the Opposition referred, where \$200 is now being paid, in

excess of \$5000 would be paid under the new arrangement.

The point must also be made that these are recurrent costs, not one-off costs. When the report talks about the benefits that are supposed to be derived from the abolition of another raft of stamp duties, including the fact that that will offset the pain of imposing the land tax, the fallacy is that this is a recurrent cost for small business. From the National Party perspective, the worry is that in country Victoria this will strike not only at those operating small businesses now but at those establishing small businesses in time to come. In short, it will strike at the heart of small business in country Victoria.

Accordingly it will flow on to the small investors, and we will see the same sort of direct impact. The fallacy of all this is highlighted at page 31 of the report's summary document. I will refer quickly to two aspects of what appears under the heading of paragraph 4.4 — 'Effect on retailers'. The body of the paragraph says in part:

Retailers with significant landholdings will gain from the lower land tax rate while small landowners may lose.

What a classic statement that is. Of course they will lose! Unless you have \$3.8 million worth of property you will not win; and the converse of that has to be that if you have less than \$3.8 million worth of property you will lose.

**Mr Nardella** interjected.

**Mr RYAN** — The honourable member for Melton laughs — and there is no doubt about the reasons behind his laughing: firstly, he does not understand; and secondly, he could not give two hoots about issues to do with country Victorians because he could not give two hoots about country Victoria.

The other point on the same page is:

The committee considers that, on efficiency grounds, tax should fall on the owner of the property independently of the tenant. The tax should therefore be absorbed within the gross rent chargeable by the landowner under the lease, rather than as an outgoing shared with the tenant.

What sort of absolute nonsense is that? In either event it will be the operator of the business who pays. You either put it into the rent and the payment is then made, or you charge it as an outgoing and the payment is made that way. Nevertheless, the payment will be made by the small business operator. Therefore I say again: this land tax provision will strike at the heart of small

business operators. It will have a severe impact on small businesses and small investors in Victoria.

By way of a comparison that it is valid to make in the context of this motion, one can look at the proposed \$4000 tax impost on gaming machines, where again small businesses and investors will suffer.

Small investors are writing to me saying that the proposition advanced in this report will impact on them because they are among the 60 000 shareholders, 30 000 of them being Victorians, who have invested heavily in Tabcorp. They have invested heavily as mum and dad investors, and they see this proposition striking at the heart of their investment.

The Treasurer is trying to rewrite history. He is giving the markets great cause for concern. The capital value of Tabcorp is directly under threat. There is the question not only of the capital value of the organisation but of the prospect of the loss of a dividend stream to investors worth about \$28 million a year. Yet the Treasurer in his wisdom, or lack of it, says, 'I will wait until the budget comes out before I respond to these propositions' — that is, the land tax proposition and this associated proposition of the tax on the gaming machines.

The simple fact is that he cannot do it. He must on both counts come out and say that these proposals are to be rejected — and he has to say it now. He is making Nero look like an activist! People cannot sit around and wait for the Treasurer to come to a conclusion about these important matters in his budget speech on or about 15 May.

In the first instance the land tax proposition is causing great concern among small investors and small business operators; and the electronic gaming machines proposition is causing damage in the marketplace this very day, affecting those people who invested in good faith, believing that the contractual arrangements that were structured in the time of the previous government would be observed by this government.

Added to this is the fact that the Treasurer has prior convictions on these matters. He is renowned for having done this sort of thing before. That is making the markets additionally nervous.

We all remember how the current Treasurer sandbagged the float of Tabcorp all those years ago, as a direct result of which about \$125 million was taken off its price. Through his comments he wrote down its value to the people of Victoria. At the time he said he did it constructively.

His other prior conviction is that late last year the government passed legislation that has already taken \$10 million out of the gaming industry through the Community Support Fund to be devoted to drug-related programs. Let me make it clear that we strongly support drug-related programs, and later this day there will be ample opportunity to talk about them, when in a bipartisan sense we will all say, 'Let's attack the drug problem'. However, we will talk about that in more detail later.

But the Treasurer has another prior conviction for rewriting the contractual obligations between the government and the investors in this state in a manner that he thinks best serves the purposes of Treasury's raising money. It is a fundamental issue of sovereign risk, and the markets will not put up with it.

There is great nervousness not only in Victoria but beyond its boundaries about what this Treasurer is intending to do about both these points. What will he do about this land tax proposal? What will he do about the further proposition to apply a \$4000 tax on gaming machines? He should kill off both proposals now. He has done so with 2 of the 11 proposals, and he should do so with these further 2, because in both instances they represent direct attacks on small businesses and small investors in the great state of Victoria.

**Mr LENDERS** (Dandenong North) — It gives me great pleasure to speak on the matter of public importance brought forward by the honourable member for Brighton. I am pleased to join in what is meant to be a debate. Having spent some of my misspent youth in debating, I point out that there are a number of things in debating on which you are assessed.

Firstly, you are assessed on manner — how you present yourself — and the honourable member for Brighton and the leader of the National Party are very persuasive in that regard. You are also assessed on the matter on which you speak, and I will spend a fair bit of my contribution speaking on that point. The third point is method, which is all about making a team case. I will attempt to assess the contribution of those opposite on method, and then mark them out of 100.

I will start on the team case, which in any typical debate is usually worth 20 points. As the adjudicator I would have to say that their team case was significantly lacking. I would expect to see consistency in the contributions from members opposite, not contributions the quality of which vary depending on whether they are made by the real shadow Treasurer, honourable the member for Box Hill; the ultimate leader of the

National Party — the Honourable Roger Hallam in another place; or the official spokespeople.

I will start my contribution on method by quoting comments made by the honourable member for Box Hill as reported in *Hansard* of 12 November 1998. In speaking to the State Taxation (Further Amendment) Bill he referred to changes to the land tax system at the time and said in particular:

The flattening of the scale and broadening of the base were major and beneficial reforms to the land tax system.

Firstly, I rest my case on inconsistency based on what the potential shadow Treasurer is saying to the current shadow Treasurer. Secondly, I refer to the National Party spokesperson on finance, who said on ABC radio on 28 February that the Nationals support the key recommendations of the business tax review. I could go on at some length, but all honourable members know the gist of what I am saying. Those on this side can speculate on whether the Honourable Roger Hallam in another place was forced to forfeit the leadership because of his position on land tax in the National Party room.

Leaving those issues aside, I will briefly touch on the absolute inconsistency shown by the Leader of the Opposition and the deputy leader. They cannot go around this state saying in one breath, 'Cut, cut, cut expenditure' and criticising the government for any cuts it makes while in the next breath saying, 'Don't raise taxes and increase the budget surplus. Make business tax cuts'. It is inconsistent and illogical. They are pulling a cheap populist stunt to have a go at the government.

I will move on to the substance of the debate under the heading of 'matter', because that is the most important consideration. First and foremost, the opposition does not understand that the Harvey review was a review of business taxation commissioned by this government to advise it on the best way to introduce the \$400 million business tax cuts promised in the last budget. Rather than this government presuming in its wisdom that it knew what was best for business, it went to a prominent panel of business people — including representatives of the Victorian Employers Chamber of Commerce and Industry — to seek advice on how to best provide tax relief. The government set the committee's terms of reference, and of the original recommendations the committee made, two were rejected because they were outside the terms of reference.

**Ms Asher** interjected.

**Mr LENDERS** — The Deputy Leader of the Opposition is remarkably inconsistent and will therefore be marked down on her debating score. She whinges, whines and carps about the role the Treasurer played in this review, saying that his fingerprints are all over it and that he has manipulated and controlled it. If the Treasurer were doing all those things, why would he find the need to rule out two recommendations because they were beyond his committee's terms of reference? The Deputy Leader of the Opposition does not understand any of these things.

I turn now to what the Harvey report is about. That report was given to the government following massive consultation with the business community. After ruling out two of the recommendations, the government put the rest out into the community for feedback and comment.

The government is listening. Some of my colleagues on this side of the house who have small business backgrounds or who have been out talking to small business will be enlightening you, Mr Acting Speaker, and other honourable members with some of the feedback they have received about the Harvey tax review.

**The ACTING SPEAKER (Mr Lupton)** — Order! I ask the honourable member for Dandenong North not to incite the house.

**Mr LENDERS** — I am trying to assess in an analytical fashion the team case of those opposite as well as outlining the team case on this side.

In contrast to how this government deals with reports, that very dear and close friend of the Deputy Leader of the Opposition, the federal Treasurer, Mr Costello, who was of great assistance to her in the Brighton preselection ballot, is a role model for how not to deal with tax reviews. The federal Treasurer kept his tax review — the Ralph review — absolutely secret, and he kept his government's plan hidden before suddenly springing it, bit by bit, on the community.

This government, which does not hold Mr Costello in such esteem, knows it needs to go out and talk with the community. The Treasurer has specifically said that he will announce the government's response to the review by the time of the May budget.

Members opposite who believe that the government is not listening to the community's responses to this review and will not be making its response based on what business and the community are saying are living in cloud-cuckoo-land. The government is not about to

rule out any of the recommendations that fall within the terms of reference.

I turn again to the matter of method. I have been perplexed in my short 18 months in this place by the strange relationship between members opposite and the Victorian Employers Chamber of Commerce and Industry. I find it extraordinary — other honourable members on this side probably agree with me — that one moment VECCI is seen as a saintly Joan of Arc figure coming to the rescue of its every economic argument and the next moment it is seen as demonic!

Through Nicole Feely, who has impeccable Liberal Party connections, the Victorian Employers Chamber of Commerce and Industry signed off on the Harvey tax review as a spokesperson for business. I find it extraordinary that whenever VECCI has a comment to make on an issue such as the Fair Employment Bill, it is trotted out as a spokesperson for all small business and we are told we must tug the forelock and listen to it — yet on this issue VECCI is suddenly irrelevant to the opposition.

The opposition needs to get the consistency of its team case right. It is either with VECCI or against it. VECCI is either a spokesperson for or an enemy of small business. Opposition members need to sort out in their own minds where VECCI lies.

I turn now to the shadow Treasurer's role in this matter, and in particular to some of the inconsistencies she has shown. I will come to her score in a moment.

**Mr Holding** interjected.

**Mr LENDERS** — As the honourable member for Springvale says, we have two shadow treasurers — the honourable member for Box Hill, who believes he is the shadow Treasurer, and the honourable member for Brighton, who is the shadow Treasurer. Time will tell.

Turning to the opposition's credibility on taxes and charges, I refer to the shameful years of the Kennett government, when the coalition cabinet had to make an assessment of what it felt about small business, to which the honourable member for Brighton alluded. In a clever debating tactic for which I again give her points for manner, she thought that if she brought the genie out of the bottle early and put it back in it would then go away. However, those members opposite who so piously had a go at the government today over this report also sat around the cabinet table and made the cold-blooded and ruthless decision that 77 000 small businesses could wear an increase in land tax!

**Mr Nardella** — How many?

**Mr LENDERS** — Seventy-seven thousand small businesses! Members opposite, in a cold and ruthless fashion, decided that small business could bear the pain of a decision that they made unashamedly. The honourable member for Box Hill, the de facto shadow Treasurer, is on the parliamentary record as welcoming the flattening and extension of the tax base. Opposition members — who take enormous delight in beating the drum and scaring people in Hansonesque fashion — made that decision. What they choose not to understand is that this government is out there listening. It commissioned the review to get advice and set a time line that it will follow after considering the information coming back to it. This government will not follow the Hansonesque, populist beating of the drum engaged in by members opposite.

The team opposite, including the Leader of the Opposition and the deputy leader, were also sitting around the same cabinet table when the decision was made to effectively reduce the threshold on payroll tax by broadening the base to include superannuation. They increased the number of payroll taxpayers by 2000-plus small businesses by including the superannuation surcharge.

Let's have a discussion on business taxation and on what is good for this state, but members opposite should get off their high horse on small business, given that they widened the land tax net to include an extra 77 000 small businesses. The mob opposite should be ashamed that they widened the payroll tax net to include more than 2000 small businesses by a definitional turnaround — yet now they are criticising us! Let's have a discussion about tax and the Harvey review, but let's not be populist about it.

It is a pity that the Leader of the National Party has gone because I really like the name Ryan, which has a particular appeal to members on this side at the moment. The Ryan by-election in Queensland is the best indication of how communities respond to political parties that do not consult or discuss when dealing with tax matters. The introduction of the business activity statement, which was one of the key factors in the Ryan by-election, was about the federal Liberal Party having a go at small business, which the Howard's Heroes in this chamber did nothing but cheer on.

Members of the Kennett cabinet sat around and happily endorsed the business activity statement (BAS) and everything that went with the GST. They were cheerleaders for it — and that affected small business probably more than anything else that has happened in our lifetimes in this place. It is a tax that crushes small business, destroys their aspirations and adds paperwork.

But at no time were members opposite prepared to move matters of public importance condemning the Howard government for what it did to small business.

The remaining speakers from the Labor side, including the honourable members for Ripon and Frankston East who have massive small business experience, will certainly go through a number of these issues. I will conclude with an assessment of the debate in the case put by those opposite. I give very good marks to both the Leader of the National Party and the Deputy Leader of the Opposition on the manner of their presentation. They are good public speakers; I will not give them a score, but I make no criticism of their manner. However, on matter they were absolutely and sadly woeful. I would mark the two of them together at probably 5 out of 40 — and that is probably being generous — because the substance of their speeches and their understanding of a consultation process was all wrong. If there are to be business tax cuts you actually need to look at where the revenue is coming from and consider such issues. As I said, I give them a dismal 5 out of 40.

The final mark is for method and putting the team case. I give them 5 out of 20 for method; they followed each other in debate, and that was about the limit of the team case. There were inconsistencies between the Liberal and National parties, between the pseudo shadow Treasurer and the real shadow Treasurer and between the National Party spokesman and the leader. If you add the marks together you get 10 out of 100 — which is the leader's recognition rate!

**The ACTING SPEAKER (Mr Lupton)** — Order! I draw the attention of the house to the matter of public importance before the Chair, which is:

That this house condemns the state government for refusing to rule out the State Business Taxation Review Committee recommendation of a \$1 billion increase in land tax which will destroy small business and small investors in Victoria.

I ask honourable members to try to restrict themselves to the matter before the Chair. The Leader of the Opposition.

**Dr NAPHTHINE (Leader of the Opposition)** — Thank you, Mr Acting Speaker; I will certainly speak about the motion before the Chair. I suggest that if the honourable member for Dandenong North claims to have had any education in debating, then the educator needs to go back for retraining — the honourable member for Dandenong North completely failed to demonstrate any debating skills whatsoever.

**The ACTING SPEAKER (Mr Lupton)** — Order! The Leader of the Opposition will speak to the matter before the Chair.

**Dr NAPTHINE** — The honourable member's arguments were inconsistent and absolutely irrelevant to the topic before the Chair. He would get zero out of a hundred for his contribution here today!

**Mr Helper** — On a point of order, Mr Acting Speaker, the Leader of the Opposition is clearly disobeying your previous comments by totally ignoring them.

**The ACTING SPEAKER (Mr Lupton)** — Order! There is no point of order.

**Dr NAPTHINE** — The motion before the house condemns the state government for refusing to rule out the State Business Tax Review Committee's recommendation for a \$1 billion increase in land tax. Why didn't the first Labor Party speaker in this debate address the topic? Why did he not say, 'Yes, we will rule it in', or, 'No, we will not rule it in.'? Why didn't he address the topic?

Fundamental questions have to be asked. Why does the Bracks Labor government hate Victorian small business so much? Why does it want to kick small business to death in this state, particularly in regional and rural Victoria? The honourable member for Brighton outlined very well the overall case concerning the land tax change and the detrimental effect it will have on this state's economy. As the honourable member for Portland I will speak particularly as a representative of regional and rural Victoria and about cases that affect businesses in those areas.

The honourable member for Monbulk will continue that logical argument by talking about the effects on agricultural industries and their service industries, and the honourable member for Caulfield will talk about the effect the change will have on self-funded retirees and other older people in our community. The opposition is making a logical and sensible contribution to this debate, and it is a pity we are not hearing the same from the other side.

The question is: why does the government not rule out this massive increase in land tax which will bring in an extra \$1 billion and which will be taken out of the pockets of Victorians and put into the coffers of the Treasurer? Why will its members not tell the 250 000 people who will have to pay land tax for the first time under Treasurer Brumby's proposal that they will leave them alone? Labor Party members say, 'But this will happen in the fullness of time and the budget

will tell you what we are going to do'. I can tell the house that the proposal is already having an impact in country Victoria — today, last week and the week before — ever since the report came down.

The potential significant damage of this land tax impost is already having a significant effect on country Victoria. It is having a direct effect on sales of businesses in country Victoria. A hotel in Colac was ready to be signed up to be sold, but the potential buyers withdrew from the sale until the land tax issue is resolved. It has had an immediate definite effect. It has had an effect on confidence and potential investment in country Victoria. The Treasurer needs to make a decision on the matter now, because it is having an impact in country Victoria as we speak.

I will give a couple of examples; I will give a tour of country Victoria and the impact the proposed tax is having. Recently I visited and met with business operators in the city of Ararat.

**Mr Helper** — Did you find it?

*Honourable members interjecting.*

**The ACTING SPEAKER (Mr Lupton)** — Order! The honourable members for Springvale and Ripon are being disorderly.

**Dr NAPTHINE** — The honourable member is known as Joe Helpless! He is also known as Joe of No Help to Anybody!

**Mr Helper** — Who wrote that one for you?

*Honourable members interjecting.*

**The ACTING SPEAKER (Mr Lupton)** — Order! The honourable member for Ripon is starting to test the Chair's patience.

**Dr NAPTHINE** — In the township of Ararat I met with people from a number of local businesses. For example, the local proprietors of the Autopro shop, a business in the main street of Ararat, currently pay no land tax on a land value of \$30 000. Under the Labor plan they will pay land tax of \$867 per year. They own a retail business next door that is currently vacant, but that will not exempt them from having to pay nearly another \$1000 a year land tax on that. They are asking why this impost is being imposed on country businesses in Ararat.

In Bairnsdale a service station proprietor on a land value of \$240 000 currently pays \$680 a year in land tax. Under the Labor proposal he would pay \$6936 a

year. A supermarket in Peel Street South, Ballarat, on a land value of \$1.2 million currently pays nearly \$12 000 a year in land tax. Under the Labor proposal it would pay nearly \$36 000 a year in land tax. This is going on throughout regional and rural Victoria.

The people who own businesses in my electorate are absolutely frightened by the Labor government proposal. The milk bar proprietors I have spoken to in Casterton are concerned about having to pay nearly \$1000 in land tax on a land value of \$30 000 when they currently pay zero. They are very concerned about why the Labor Party wants to put that impost on small businesses across the state.

It is not just retail businesses that are concerned; an engineering business in Avoca on a land value of \$85 000 currently pays \$85 a year in land tax. It would be up for nearly \$2500 a year. A manufacturing business in Benalla on \$240 000 worth of land currently pays \$680 a year, yet under the proposal it would pay nearly \$7000. This is a massive impost on small business in regional and rural areas. Many have never paid land tax before.

The other aspect of this crazy proposal of the Labor Party is the shifting of costs from metropolitan to country areas. I refer to page 59 of the business tax report, where it states:

It is also proposed that the metropolitan improvement levy, currently collected by water authorities, is abolished and the needed revenue (around \$70 million a year) collected as land tax and included in the overall land tax rate.

The Labor Party is proposing to give tax relief to people who own \$1 million houses in Albert Park and Williamstown by abolishing the levy that is currently imposed on them by water authorities and having that paid for by the milk bar proprietor in Avoca, the fish and chip shop proprietor in Casterton and business operators in Bairnsdale and Benalla — they will be paying extra tax to give tax relief to \$1 million householders! It is an absolutely disgraceful shift of taxation from city people to the small country businesses, who will pay the additional impost.

In line with the statement of public importance, I call on the Treasurer to rule out this proposal immediately. It is unfair to small business. It is a cost shift from the metropolitan area to the country and from the big end of town to small business. The Liberal Party will continue to stand up for small business, whether it be against massive Workcover increases, against the imposts of the Fair Employment Bill or against the proposed massive increases in land tax.

The proposed increase in land tax would affect small businesses across country Victoria, whether they be retailers, manufacturers, tourism businesses, agricultural service industries or self-funded retirees. It would have a massive impact on country Victoria! It would be a huge cost shift of taxation burden from the city to the country. It is unacceptable to the Liberal Party. It is unacceptable to me. It should be ruled out immediately. It is already having a significant impact on confidence in regional and rural Victoria. It is having a detrimental impact on investment there and is affecting potential sales. It again shows that this government does not care about small business and does not care about country Victoria.

**Mr STENSHOLT** (Burwood) — Government members would definitely rate that speech as a 10 per cent effort! Actually, we are not too sure who the leader is. Perhaps there will be a vote in the parliamentary Liberal caucus.

I rise to contribute to the debate on the important issue of small business and taxation. Unlike the Liberal opposition, the Labor Party actively works with and supports small business in Victoria. The Labor Party is governing for all of Victoria, not just for the big end of town, which was the pattern under the previous government, led by the former honourable member for Burwood. The former Premier rarely consulted small businesses in his electorate. The other day I was talking to the proprietor of a business in Burwood who said I was the first politician who had spoken to him in 27 years. That is a long time. Obviously the previous incumbent was not around!

The government cares about small business people. It talks to them, listens to them and works with them.

**An honourable member** interjected.

**Mr STENSHOLT** — They do not. Let me say a bit about what the government is doing in Burwood, where there are 1700 businesses, the vast majority of which are small businesses. I have set up a business forum in Burwood to provide the local businesspeople with an opportunity to consult and meet with ministers and other government leaders. The Minister for Small Business has visited and talked to local businesses to hear their concerns. It is a big contrast with what happened previously. I actively support small traders, particularly in Ashburton and Burwood Village, where I am a member of their associations.

I will tell the house a little about helping small business in Burwood Village. I arranged for local businesspeople to meet the Premier at a community cabinet meeting

last year. As a result a committee was set up between the traders, the Department of Infrastructure and, because the shopping centre straddles two council borders, the two local councils. I was happy to announce that they would receive \$30 000 from the two councils and the government's Pride of Place program to support the shopping centre. It will be a big fillip for the traders. A headline in this week's *Progress Press* states: 'Big plans to spruce up shops'.

What do local small businesses think of all this? What is their view of the effort put in on their behalf by the Bracks Labor government? The Premier has visited the shopping centre twice, which I think is about as many times as the previous member visited it in the preceding 10 years. An article in the *Progress Press* states:

Burwood Village Traders Association coordinator ... said she was thrilled.

They (traders) feel that they have been recognised after years of neglect ...

The centre is one of the older looking centres in the area ...

There have been years of neglect and it is important to the traders that they are listened to and consulted, which is exactly what the government is doing.

The business taxation review is a good example of that consultation. It is a comprehensive review put out by an independent panel. I talk to businesses to get constructive feedback on taxation because the government is neither a scaremonger nor is it being negative. I talk about the constructive issues dealt with in the review and ask them what they want from the government. I am their representative, just as the Bracks government is the representative of all small businesses in Victoria. It is doing the job properly and appropriately by taking feedback from them on taxation reform, listening to them and working actively for them.

Small business is looking forward to the \$400 million in business taxation cuts and is contributing to the dialogue on the issue. It is interesting to hear the views of the people in the street, particularly the business people, on taxation. The common view is that the Liberal Party, both state and federal, has shown little interest in or understanding of business people's concerns. They remember the record of the previous government; they remember that business taxation went up by 50 per cent while the rate of inflation went up by only 14 per cent. They remember that 77 000 more of them paid land tax when the threshold was lowered from \$200 000 to \$85 000 — 77 000 more were caught in the net. That net was partly knitted by the former Minister for Small Business in the previous

government, who is now the shadow Treasurer. She is one of the architects — like Madam Defarge — of that particular effort on small business. Seventy-seven seems to be a good number: I note from press releases overnight that 77 per cent of small businesses in New South Wales are not happy about taxation changes there — I am sure that adds up to more than 77 000. Business people in New South Wales are not particularly happy about federal tax reform.

It is difficult to talk to locals about what the Labor Party is doing — they are quite happy with the Bracks Labor government. Rather, they talk about what the federal government has done — the Liberals' mates at the big end of town, particularly their mate Costello. The enemy of small business in Victoria is Peter Costello, a great friend of the shadow Treasurer.

Few businesses in my electorate, let alone in the federal electorate of Higgins, which covers part of my electorate, have good words for Goldilocks, our federal Treasurer. They see the situation as one of Goldilocks and the three bears: recession, panic and retreat. As Costello and his mate John Howard flip-flop and backflip all the way down High Street and Toorak Road, small businesses are becoming completely overburdened by the federal tax issue, the business activity statement (BAS) and the implications of becoming tax collectors. They deeply resent not only the fact that 77 000 more of them had to pay land tax when the threshold was lowered, but also that they now have to collect tax on behalf of the federal government.

The Liberals have no credibility when it comes to taxation on small business. The locker is empty: small business has abandoned the Liberal Party in droves because it has no respect for it, and the Liberal Party knows it. The main concern of small business is the crushing burden of the BAS and the GST. I can empathise with them from my recent experience running a small consultancy for a couple of years. I thank my lucky stars I have not had to grapple with the BAS and all that.

I return to the taxation review. As was said earlier, it is an independent review with a wide range of recommendations for payroll tax and stamp and other duties. It is the first review in 18 years. Independent people have led the review and provided a comprehensive and challenging report that details all the taxes paid by business in Victoria. It is led by people from Pricewaterhousecoopers and the Victorian Employers Chamber of Commerce and Industry — although I note a particular person is no longer with VECCI.

Good government is all about communication: getting a review written by experts in business taxation and putting it out there for consultation, independent advice and feedback. Given the record of the previous government, I do not know whether the Liberal Party knows what communication means. The government is seeking views on a whole range of taxation measures through consultation. The proper role of government is to consult. That is something new in this place; it was introduced only recently by the Bracks Labor government, which is governing for all Victorians.

The government is consulting and will deal with taxation in the next budget. The shadow Treasurer does not understand that such matters should be dealt with in the budget, and it will be dealt with in the budget as a matter of good governance. That is how the system works: not by scaremongering, but by considered and constructive input into forming sensible fiscal policy. The government will consider that input for all Victorians — —

**The ACTING SPEAKER (Mr Lupton)** — Order! The honourable member's time has expired.

**Mr McARTHUR (Monbulk)** — It is a pleasure to follow the mediocre performance given by the honourable member for Burwood, who demonstrated his complete ignorance of the impact of this disastrous proposal on small business in his electorate. He also demonstrated the wider ignorance of this Bracks Labor government of the impact it will have on the Victorian society, the social fabric in rural and regional areas, on small business and on employment.

The appalling suggestion is that the land tax threshold should be abolished and that a flat rate of land tax should be introduced for all businesses in Victoria. Let us consider what that will mean.

This proposal, apparently supported by the Treasurer, absolutely abolishes the current threshold on land tax, thereby bringing every small business in Victoria, whether it is in an inner city suburb or in the smallest country town, into the land tax net. Further, it introduces a flat rate of tax and gets rid of the existing progressive rate. That will have an appalling impact because it will transfer the burden of land tax from the big end of town, the multinationals, onto the small independent operators and family businesses.

The honourable members for Dandenong North and Burwood referred to the lowering of the threshold during the term of the previous government. It was reduced from \$200 000 to \$85 000, but the progressive scale was maintained.

The impact of that reduction of the threshold brought those businesses with a land value of \$85 000 to \$200 000 into the net. What does an \$85 000 business pay in land tax a year? I will tell you; it pays the massive amount of \$85. What does a business with a land value of \$200 000 pay each year? The answer is \$200. Although 60 000 or 70 000 more businesses were brought into the net, they came in at a rate of between \$85 and \$200 a year — an average of \$140 or \$150 a year across 70 000 businesses — a total tax take of some \$14 million a year.

What does the Bracks government propose? A flat rate with no threshold — more than \$1 billion of additional land tax each year from now on in perpetuity on every business, on every street, in every town, across Victoria.

I want to look particularly at the impact on agriculture. As all honourable members know, agriculture is principally made up of small, family-operated businesses, some of which are successful but others are struggling. Those farm businesses depend for their viability and future on access to a wide range of service industries, including stock and station agencies and veterinary clinics. They also need access to professional services in offices operated by accountants, doctors and lawyers. They need close-by access to machinery sales and service; they need viable abattoirs across regional Victoria and viable and operating saleyards within reach; they need access to packing sheds and processing plants for their crops and produce; and they need access to transport operators to cart away their produce or livestock or bring in their inputs whether it be other livestock, fertilisers or feed. What will happen if John Brumby's proposal goes through? Every one of those sales, service and support industries will pay land tax — every one — almost all of them for the first time!

I now look at what that might do. The burden of this increased tax on those businesses can operate only in a restricted number of ways. Firstly, it can push up the costs of the business, which must then be passed on to its customers, who are the farmers and residents of small country towns. If the costs cannot be passed on, it may — —

**Mr Lenders** — What does the VFF think about this?

**Mr McARTHUR** — The VFF is dead against it. If the costs cannot be passed on, the viability of that service industry may be threatened, and it will reduce the number of jobs in those industries and in country towns.

I turn now to a couple of examples. A caravan park in Gippsland that provides accommodation and services to, among others, farm workers, has a land value of \$1.2 million. Currently it pays land tax of some \$10 900. Under John Brumby's proposal it will pay land tax of \$34 700, an increase of some \$23 800.

A farm equipment supplier in Gippsland has eight sites across Gippsland with a total land value of some \$749 500. On the aggregation system the current land tax payable on that land-holding, which services all of those small towns in country Victoria, is \$2305 a year. Under John Brumby's proposal it will pay \$21 675, an increase of \$19 370. That will cost someone their job. It will cost a family in East or West Gippsland their father or mother's job — it could cost someone their house.

There are hardware shops all across Gippsland because farmers and country people use and need access to hardware shops. A hardware shop in Inverloch with a land value of \$109 000 currently pays land tax of \$110 a year. In future it will pay \$3150.10, an increase of \$3040 a year. A further example: a hardware shop in Grantville with a land value of \$174 000 currently pays land tax of \$174 a year. What will its owners pay next year under John Brumby's proposal? The answer is \$5028.60, and it will pay that every year thereafter.

A veterinary operation in Mansfield in the electorate of the honourable member for Benalla with a site value of \$64 000 currently pays no land tax. However, that well-respected vet providing services across north-eastern Victoria will pay \$1849.60 in land tax next year. Plunketts, a winery at Avenel in the Seymour electorate currently employing some 30 people, has a site value of \$41 500. Its land tax will rise from zero to \$1199.35. This proposal will cause damage right across rural Victoria.

Midfield Meats is already in trouble, and it refuses to expand because of the Labor Party's Workcover policy. Its site value is \$650 000, and its current land tax is \$1430 a year, which will go to \$18 785. That will be a big help to Midfield and a big help to jobs in western Victoria!

I turn now to examine the family farm exemption that currently exists. How wide is the exemption? Does it apply to a winery on the farm? I doubt it. Does it apply to packing sheds on the farm? I do not think so. Does it apply to a farm investing in wind generation to provide clean, green energy to sell on to the grid? I doubt it. Will it apply to farm-stay tourism operations? No, I do not think it will. The operators will pay land tax. Will it apply to a farm-based engineering business? No way,

José! Will it apply to an agricultural contractor who uses his farm to store equipment? No.

How long will the exemption last? What does the Department of Natural Resources and Environment say about the current land tax exemption? DNRE's submission to this independent review states:

The outcome of land tax on conserving native vegetation no longer reflects community expectations.

It also says:

Clearing blocks of native vegetation, draining wetlands and completing other 'improvements' so that they can be classified as farmland may eliminate the need to pay any increase in land tax associated with the site value increase and may also have serious implications for conservation of habitat.

It goes on to say:

This submission recommends changes to the Land Tax Act 1958 to correct conflicts — —

**The ACTING SPEAKER (Mr Lupton)** — Order! The honourable member's time has expired!

**Mr LONEY** (Geelong North) — The honourable member for Monbulk commenced his contribution by talking about mediocrity and then comprehensively failed to reach even that standard.

His behaviour shows that not much changes here. We know that real estate agents subscribe to the property sale theory of the three Ls: location, location, location. It seems our current opposition subscribes to the theory of the three Hs: hypocrisy, hypocrisy, hypocrisy. Throughout the contribution opposition members have demonstrated an absolute commitment to hypocrisy, which is probably the only commitment the house has ever seen from the opposition. It is not committed to anything else, including its leader!

A number of opposition speakers voiced their support for reduced taxes and small business and said that theirs was the natural party of business and that they know better about these things. It seems that they know better than business itself, but we will let that go for the moment. When they come in here saying these things it is important to take a quick look at their record because it is not too distant — certainly not as distant as most Victorians would like it to be.

What was the record of the former coalition government over those seven long, dark years of negativity that prevailed in this state? Our now anti-tax opposition had a different view when it was in government. It increased taxes from \$6.2 billion to

\$9.5 billion — that is, a 50 per cent increase in the tax impost on Victorians.

**Mr Nardella** — How much?

**Mr LONEY** — Fifty per cent!

**Mr Nardella** — Five times its popularity.

**Mr Helper** interjected.

**Mr LONEY** — That is probably correct, and the honourable member for Ripon would certainly know how popular the opposition is outside Melbourne.

It is also important to have a look at what the former government did on similar issues. We know its stance on land tax. The house heard an attempted defence of the previous government's increase in land tax by the honourable member for Monbulk saying, 'The way we did it was a good thing'. The former coalition's 'good thing' added about \$50 million to the tax on Victorian small business during its four-year term of government. The honourable member wants to argue by saying, in effect, 'Our \$50 million tax was a good thing, but if a report comes up talking about it while we are in opposition, it is a bad thing'.

The opposition's entire argument can be viewed as stemming from the short walk from this side of the house to the other in that it has forgotten what it did in government and wants everyone else to forget about it as well, but Victorians have longer memories than that and they will judge the opposition accordingly.

I listened carefully to the honourable member for Monbulk when he said that his big difficulty with this piece of legislation is its effect on the farming community. A couple of weeks ago I met with the Victorian Farmers Federation (VFF). The federation has probably engaged in more talk with members of the farming community and listened to people involved with agriculture than has the honourable member for Monbulk. The VFF said it supported the package and wanted the government to implement the business tax reductions. It put out a press release supporting the process and the recommendations, but it must have missed the honourable member for Monbulk.

What about the Victorian Employers Chamber of Commerce and Industry? We usually hear a lot from opposition members about VECCI on other matters, but has it been raised by them today?

**Government Members** — No!

**Mr LONEY** — I wonder why? Probably because VECCI supported this process, gave it the big tick, said it was proper consultation and that this is the way the government should proceed about reviewing business tax in Victoria. VECCI was a part of the process — of the independent Harvey panel — but 'independent' is a word we also have not heard much of from that side, and that does not surprise me.

During the seven years in government they demonstrated they had no concept of independence or what it means to be independent. Everything was government. Even now they have difficulty coping with an independent process. Opposition members cannot see it in any terms other than their own flawed ideologies and practices. It is a bit too much for them even to say the word 'independent', so we hear nothing about that. It is important, because the rest of the community understands that notion. There are 30-odd opposition members who do not understand it, but the rest of the Victorian community does — this report was produced by an independent panel that made recommendations it believed should be made. A process of consultation will take place and the government will respond by stating which proposals it is prepared to take on and implement. That is consultation. That is working with the community and business groups.

From my observation of the past seven years I completely understand that to opposition members that is an incomprehensible concept. It never took place when they were in office and they do not understand it. I am not surprised at the way they have rabbitied on today. I suppose we should feel sorry for them because they cannot deal with such a sophisticated concept. Perhaps opposition members need a bit of education and professional development on those issues.

The opposition has also demonstrated today that it does not stand for anything on the issue of business taxation. It stands against things but does not stand for anything. Opposition members have no ideas themselves. Not one idea has been put forward by the opposition. Where is its business tax package? Government members remember the last time it tried to produce one was around 1993, when the Premier and a former minister for small business, Vin Heffernan, said they would produce a package in six weeks. It is getting towards eight years now and still it has not appeared. Opposition members have no ideas on this issue and no package. They are just Howard's Heroes, trotting along behind the goods and services tax.

**Mrs SHARDEY** (Caulfield) — What a contribution that was. I did not hear the words 'land tax' once during

the honourable member's contribution, so that issue went totally unnoticed and uncommented on for the most part.

At a time when there is talk of an economic downturn and when the Labor Party continually talks about a shortage of affordable housing stock, I am appalled that the government has not ruled out introducing a flat rate of land tax with no threshold, because such a system would have enormous impact on property investors, self-funded retirees, tenants and those seeking affordable housing. The introduction of such a tax would make property investment most unattractive and would lead to an increase in rentals for private sector housing tenants, a reduction in private sector rental stock and increased pressure on public sector housing.

If one looks at the business tax review recommendations, one can see how it would apply. A flat rate of land tax at 2.89 per cent would be levied on business property with no threshold and retention of the system of unimproved valuations. I refer to the definition of 'business use property' in the Harvey report. It states:

To determine which tax rate should apply, the committee proposes that property for business use, including investment residential property which generates rental income, would be taxed at a flat rate.

...

Under this test, business purposes would include a business activity or an investment ... In this sense, the test would be broader than a distinction between residential and non-residential.

When one looks at the state of the Victorian economy, one would think that such an action would be the last thing a government would want to contemplate.

To assess the current status of the economy I refer to the comments of Ed Shann, who is well known by government members for his work with Access Economics. An article he wrote for the *Herald Sun* of 17 March states:

Victorian demand is weak due to failing private investment ... the final demand figures fell in both the September and December quarters of 2000, seasonally adjusted ...

Dwelling construction fell 27.4 per cent in the two quarters ...

The Bracks government has been slow to gear up public investment despite the evidence a year ago that private construction activity was likely to be weak.

It is taking too long to spend the \$1 billion provided in the last budget to encourage private infrastructure spending.

Not only that, but the introduction of the land tax proposal flies in the face of the policy the ALP took to the last election. I will quote from that policy, because it addresses affordable private rental. It states:

The shortage of affordable rental accommodation has increased the incidence of exploitation in the rental market and is forcing many families into substandard accommodation.

In responding to the rental crisis, Labor will ... work to develop incentives that encourage private landlords to provide affordable stock for public or community management; develop a planning framework, with local government, that encourages the construction of affordable housing stock by private developers; and, advocate that the federal government reshape existing tax incentives available through negative gearing and depreciation allowances to provide more appropriate investment incentives for affordable housing in the private rental market.

Labor talked about working with the private sector to develop more private rental housing stock, encouraging the federal government to give more incentives for people to invest in the private rental market by way of investing in property, but what has it done? It has taken direct action to discourage particularly self-funded retirees from investing in this sector.

It is not as though the government has not been put on notice. The Real Estate Institute of Victoria has strongly opposed the introduction of a flat land tax of 2.89 per cent with no threshold. I refer the government to the comments of the REIV on this tax:

Any gains for the property industry in the form of abolition of stamp duty on business property conveyances are wiped out by the imposition of a flat 2.89 per cent land tax rate and the removal of the tax-free threshold.

Under the proposed changes to the land tax system, an investor who owns a property valued at \$150 000 will be forced to pay \$4335 per year in land tax, that's \$83 per week, up from the current \$150 per year. This will either mean that rents will rise or property prices will fall or a combination of both, meaning that property will be a less attractive investment.

There are considerable economic multiplier effects attached to investment in the residential property market. Using input-output multipliers published by ABS, it is estimated that a \$1 million investment in residential property generates 12 full-time equivalent jobs and supports \$2.1 million through the economy.

The increase in land tax will adversely affect the residential rental market as property owners calculate their rental as a rate of return on investment. By increasing land tax, the cost of investment increases and the rate of return required by investors will therefore be higher. It follows that the residential rental market will be directly affected either in the form of a direct increase in residential rents or conversely a softening of property prices to reflect the higher cost investment.

Should residential rents increase this will have a direct impact on inflation and will reduce the level of disposable income in the economy. The REIV is most concerned that this change would have the greatest impact at the lower end of the market where people can least afford a rent increase and where investors are primarily single (entry level) property investors.

This is the advice of the largest peak body involved in the housing market and in investments by self-funded retirees, particularly investments in property, which provide rental properties for Victorians.

Under this appalling proposal Victorian investors, many of whom are self-funded retirees, will be worse off than those in any other state in Australia. I will quote some of the figures that have been provided so we can understand the position it will put Victorian investors in.

The current rate of land tax on a \$100 000 investment is \$100, and that will increase to \$2890. On a \$250 000 investment, the current tax is \$300, and that will increase to \$7225. On an investment of \$500 000, the current tax of \$800 will go up to \$14 450. Under the proposed regime Victoria will be charging the highest level of land tax of every state for every category across the country.

There are more than 2 million retirees in Australia. We know that at retirement nearly 40 per cent of men and 20 per cent of women rely on investment retirement schemes as their main source of income, and governments continue to push for retirement-based superannuation rather than government benefits.

Because of this ill-conceived proposal, self-funded retirees will leave the property market in droves. The number of land tax payers will increase from 146 000, as assessed by the business tax review document, to 377 000. The tax take from this proposal will move from approximately \$475 million to \$1.5 billion.

As we know, the previous government reduced land tax rates along with benefits especially targeted at medium-sized businesses resulting in savings to business of more than \$30 million a year.

While this government proposes taking action to stymie the housing investment market and the investments of self-funded retirees, we should note that our federal coalition colleagues have taken a positive step to stimulate the housing market by increasing the first home owner subsidy to \$14 000.

**The ACTING SPEAKER (Ms Davies)** — Order! The honourable member's time has expired.

**Mr HELPER (Ripon)** — Listening to this debate, I have been amazed at how quickly and how much we can learn in a short time. I was a small business proprietor before entering Parliament. I would have thought that when an opposition proposed a debate on a matter of public importance, first and foremost its members would contribute to it by raising issues of relevance.

Secondly, I would have thought that the matter proposed would be a genuine matter of public importance. Alas, I have been disillusioned! All we have heard so far is the bleating of an irrelevant opposition, led by a 10 per cent leader. The matter of public importance is totally off the mark. It is about a process. It says the government should not consult on the Harvey report, that it should rule out the report's recommendations before the community has had the opportunity to have an input. The matter of public importance has been put together by a gaggle of process junkies who dislike the way the process is applied.

This matter of public importance also serves to further demonstrate the gross hypocrisy for which members of this opposition have become famous. They are like lambs when it comes to their federal mates and the business activity statements imposed on small business. They would have been the bane of my life if I had not succeeded in entering Parliament and escaping having to operate a small business under the Howard government.

I remember one day leaning on my counter after spending a short time counting the till — as always there was not a great amount of money in it! — and thinking, 'What would it be like if I do not succeed in entering Parliament and have to deal with the implementation of the GST?'

It would have meant trying to find an extra day a week when I was already trading six and a half days a week. It would have meant supposedly saying thank you for a \$200 incentive to cover the cost of introducing a new taxation system — an absolute and gross insult to the small business community — —

**The ACTING SPEAKER (Ms Davies)** — Order! I remind the honourable member of the matter of public importance before the house and ask him to come back to it.

**Mr HELPER** — I appreciate your guidance, Madam Acting Speaker, but the reason I raise these issues will become evident in a moment. The introduction of the business activity statements and the federal government's taxation changes have been an

absolute and total disaster for small business in Victoria, as they have been for small business across the whole of Australia. But these lambs opposite become bleating wethers when it comes to consultation here in Victoria.

Let's keep in mind what this matter of public importance is about — that is, whether the government should consult about recommendations made by an independent panel, which had broad-ranging and excellent representatives on it —

**Mrs Shardey** — On a point of order, Madam Acting Speaker, it appears that the honourable member is under a delusion as to what this matter of public importance is about. It is about the government's refusal to put aside the recommendation on land tax. It does not mention the word 'consultation' at all.

**The ACTING SPEAKER (Ms Davies)** — Order! The honourable member should not misuse the opportunity to put a point of order in that fashion. There is no point of order.

**Mr HELPER** — The honourable member for Caulfield would have been thrown out of small business! As a former small business proprietor I have tried to imagine how I would have reacted to the process put forward by this government. I would have been impressed by a government that was talking to the small business community about taxation changes that it may or may not introduce. That is a concept that the opposition is incapable of understanding. One can compare the government's approach to the secret but planned back-door introduction of the federal government's tax changes.

When the heat is applied to coalition members in Western Australia, Queensland and the federal electorate of Ryan, they start doing backflips — again with an absolute lack of consultation. As a result, and maybe it will sink in one day, they are not enjoying the political fruit they would have expected to come from their backflips.

I want to dwell on the scare campaign about the Harvey report that has been launched by the opposition, including the visit by the 10 per cent Leader of the Opposition to Ararat to try to drum up some scaremongering.

**Mr Mulder** interjected.

**Mr HELPER** — It was certainly more than the Leader of the Opposition succeeded in doing.

**Mr Plowman** interjected.

**The ACTING SPEAKER (Ms Davies)** — Order! The honourable member for Polwarth should wait his turn, as should the honourable member for Benambra.

**Mr HELPER** — The feedback I received from the Ararat business community, with which I have good and solid links, is that before the visit the opposition leader had a 10 per cent recognition rating and after his visit he had a 10 per cent relevance rating, given his feeble attempts to drum up a scare campaign.

**Mrs Shardey** — On a point of order on relevance, Madam Acting Speaker, the honourable member is still not referring to the matter of public importance that has been raised. He has not yet mentioned the topic of land tax, so I ask you to draw him back to the issue.

**Mr HELPER** — The point of order raised by the opposition is interesting, Acting Speaker. I find it difficult to see the relevance of the opposition leader drumming up a scare campaign about land tax. However, I await your ruling.

**The ACTING SPEAKER (Ms Davies)** — Order! A fair amount of leeway has been given to speakers in this debate. I do not uphold the point of order, but I ask the honourable member to take heed of the topic he should be talking about.

**Mr HELPER** — I turn to those who are for and against the proposals in the Harvey report. Among those in favour are, clearly, the Victorian Employers Chamber of Commerce and Industry, which was closely involved in drawing up the report; the Victorian Farmers Federation — and like the honourable member for Geelong, I remember the meeting at which the VFF gave a clear and large tick to the Harvey report and urged the government to implement it in its entirety; the Australian Industry Group, which is obviously impressed not only with the recommendations but also with the process of consultation; and, until now, significant components of the National Party.

I refer to a Western Victoria ABC radio transcript of 28 February, which quotes the newsreader as saying:

... The National Party wants the state government to adopt the key recommendations of the business tax review.

...

... The National's spokesman on finance and gaming, Roger Hallam, says the measures will work in concert with the GST —

I have some disagreement with that —

to reduce the tax take on business.

It is not surprising that the National Party has not yet managed to reach a unified position on this. The Leader of the National Party was somewhat less supportive of the report's recommendations than the National Party's spokesperson on finance and gaming, no less.

I dismiss the matter of public importance brought forward by the opposition and regret, for the sake of politics in Victoria, that it again demonstrates the opposition's hypocrisy.

**Mrs FYFFE (Evelyn)** — I am pleased to speak on the matter of public importance.

**Mr Pandazopoulos** interjected.

**Mrs FYFFE** — I am pleased the Minister for Major Projects and Tourism has interjected about grape grazing, because in answer to a question without notice he commented on how well tourism is doing in Victoria now compared with the situation under the previous government. The Yarra Valley Grape Grazing Festival — this may not seem relevant to the matter of public importance but it will end up being so — was started in 1988 when Victoria had a Labor government. The then Labor government's interest in tourism was so intense that it would not give even 1 cent to support it, so grape grazing had to survive without any help at all from the relevant minister. When the Kennett government came in — —

**Mr Lenders** — On a point of order, Acting Speaker, while it is interesting to listen to the honourable member for Evelyn speak about tourism, given your earlier guidance that the matter of public importance is about land tax, I suggest she is straying a little far and I urge you to bring her back to the issue.

**The ACTING SPEAKER (Ms Davies)** — Order! I have just mentioned that honourable members have been given a fair amount of leeway during this debate; however, I remind the honourable member to take note of the topic.

**Mrs FYFFE** — What I was saying before the point of order was raised is relevant to the land tax issue, because although the previous Labor government gave no support for grape grazing, when the Kennett government came in it saw the value of tourism and invested in and encouraged the development of tourism accommodation. Grape grazing was a good investment given the range of tourism accommodation now available in the Yarra Valley.

Under the land tax proposal that investment will not continue. I will give some examples of how land tax will affect tourist accommodation, which will in turn

affect regional festivals such as the grape grazing festival. A self-funded retiree with a guest cottage on a separate parcel of land at Daylesford that is valued at \$130 000 would currently pay \$130 in land tax. Under the proposed scheme that self-funded retiree would pay \$3750 — an extra \$3620 dollars per year.

A lot of what has been said by members on the government benches is untainted by reality. They have no conception of what small businesses operate on and what profit margins they have. Small business tourism accommodation, whether it be B & Bs or self-contained cottages on farms or in towns, is occupied on average for only four nights per week over 48 weeks per year. In the example I used, the proposed increase would be \$73 per week.

The operators of a small tourism accommodation business who have been renting their property at \$140 per couple per night will have the option of increasing those rental fees or cutting back on their gross profit margin. The market will not stand increases in fees.

If the Minister for Major Projects and Tourism, who was proudly talking about how well tourism is doing, were to go to the smaller functions he is invited to attend but does not, he would find out how difficult things are in many areas of regional Victoria. Victoria offers more than just the big 4 and 5-star accommodation venues and the huge festivals; it also has lots of little accommodation venues and small festivals that will be dramatically affected by these proposals.

There will be market resistance to operators of B & Bs increasing the current rate of \$140 per night per room. If you divide \$140 into the \$3620 increase, the result shows that the room would have to be let out for 26 nights to cover the increased payment. The reality is that there are other associated costs for the operator, so it would have to be more than 26 nights. A room rented out at \$140 per night results in an average gross profit of only \$70, so operators will have to rent their B & B accommodation, whether it be in a guest house or attached to a farmhouse, for an extra 51 nights — or three months — just to pay the extra land tax. That represents 13 weeks — three months — of extra trading. The true small business people will be affected by this government's lack of reality.

I will give another example. A self-funded retiree who invests in a house at Rosebud with a site value of \$100 000 currently pays \$100 per year in land tax. The retiree rents out the property during peak holidays, long weekends, and so on. There are only four weeks in the

peak holiday time at Rosebud when they can get good rent — and for a three-bedroom house they would get \$1000 a week. You do not have to be Einstein to realise how the increase in land tax will affect such investors. The tax will increase by \$2890, and they will lose money on their investment. Retirees will stop being self-funded and independent and will be better off putting their money in the bank.

People who lost so much in the recession we had to have and who lost businesses because of the mismanagement of the former state Labor government have since struggled to buy their homes, and many of them now operate B & Bs so they can have their independence and maintain their private income. This land tax increase will destroy that.

How on earth will farm-stay tourist accommodation be valued? Will it be valued on the dollar turnover of the business? People pay to stay in a cottage or in a room attached to a farmhouse because it is part of the farm. The farm is the main marketing arm of those tourism businesses, and it is the farm that attracts people. How will farm stays be valued? Will they be based on the total dollar turnover of the business or on a certain part of the farm area?

Wineries have been encouraged to expand into restaurants and accommodation places. The reason those facilities are so popular and are doing so well is that they are in the midst of vineyards. The vineyard is the tourist attraction and is marketed in all the advertising and promotions of such businesses. Will the whole vineyard be included in the valuation under the proposal? Will it increase their land tax to tens of thousands of dollars? If so, there will then be no winery-based tourism, restaurants and accommodation businesses, because the majority of wineries would much rather just make wine. The damage that will do to rural businesses is absolutely appalling. Contrary to what this government believes — which, from what its members have said this morning, is totally untainted by reality — small business operates on very small profit margins, which are quickly eroded.

When looking at getting investment into this state the government should look at New South Wales and its theme parks. In New South Wales there is a cut-off point for land tax at \$205 000 and a 1.7 per cent flat rate — two-thirds of what is proposed here. So how much more investment will we get in this state? We are not seeing much coming in now, and it looks like there will be even less.

Much of the talk this morning has been about the most wide-ranging of issues and very little has related to land

tax. If the proposal is adopted by the government ongoing damage will occur to small tourist businesses. Many small rural regional towns will not have tourists, many small shops will close, many small farms will not be able to continue to operate because they will have had to look for another source of income — many areas of rural and regional Victoria will be devastated. Yet in response to a question in this house the Minister for Major Projects and Tourism said something like, 'The Treasurer will do what is best for Victoria'. He did not say, 'I will urge the Treasurer to support and protect the tourism industry'.

Although the tourism industry is the saviour of many rural and regional areas of Victoria, I advise the minister that it is not the panacea that will cure all ills, and it will not solve everything. Tourism happens after a lot of hard work has been done by courageous people who start small businesses that help their regional towns. If this proposal is accepted, every pie shop, cake shop, bread shop and person employed in tourism in rural and regional Victoria will be damaged.

**Mr NARDELLA** (Melton) — I commence my contribution to the debate on the motion before the house by referring to the record of the honourable member for Brighton — she is actually in the house, which is terrific — who has an atrocious track record as a former Minister for Small Business in supporting small businesses from 1996 to 1999. I will give three examples of situations that were experienced by small businesses during that time.

The first example relates to retail tenancy legislation. The honourable member for Brighton says the government is not about assisting and does not care about small business, but in 1997 or 1998 the retail tenancy legislation passed through this house and the other place.

**An honourable member** interjected.

**Mr NARDELLA** — It has a lot to do with it, because claims are made by honourable members on the other side that the government does not care about small business. When the record is put straight, which is what I am doing, they do not like it.

At that time there was a lot of debate, especially among those involved, about the security of tenancy of small retailers in shopping centres who do it hard, because they build up their businesses and could have everything quickly taken away by the big proprietors. The former minister had to be dragged kicking and screaming to a meeting in Collins Street with all the

small retailers because she did not want to listen — and she is still not listening.

**Mr McArthur** — On a point of order, Madam Acting Speaker, I draw your attention and the attention of the honourable member for Melton to the matter currently before the house, which is:

That this house condemns the state government for refusing to rule out the State Business Taxation Review Committee recommendation of a \$1 billion increase in land tax — —

**The ACTING SPEAKER (Ms Davies)** — Order! Will the honourable member refer to his point of order!

**Mr McArthur** — In referring to the point of order, Madam Acting Speaker, I am explaining to you and the house what the matter is that is currently before the Chair. I ask you to draw it to the attention of the member speaking and to advise him that he should restrain himself and confine his remarks to those things that are relevant to the matter before the house. Certainly retail tenancies are completely outside the ambit of the wording of the matter of public importance currently being debated.

**Mr NARDELLA** — On the point of order, Honourable Acting Speaker, the premise of the opposition in arguments it has put to the house today is that the government does not care about small businesses and that its record stinks. That is not the case, and through this debate on a matter of public importance I am rebutting those arguments.

**The ACTING SPEAKER (Ms Davies)** — Order! I have heard enough on the point of order. A fair amount of leeway has been given to honourable members in the debate, but I ask the honourable member to come back to the issue of the matter of public importance.

**Mr NARDELLA** — Thank you, Honourable Acting Speaker. In a number of instances the previous government did not look after small businesses whatsoever. I know it galls honourable members on the other side when I bring out the facts, but they are true, and I will continue to do so time and again.

I refer specifically to the land tax issue, the subject before the house. When she was the Minister for Small Business, the honourable member for Brighton cheered on the then Treasurer when the threshold was reduced from \$200 000 to \$85 000. At that time she did not care about and had no concern for small business. That measure put in place by the Kennett government in 1997 brought into the net an additional 77 000 small businesses — and they were small businesses, because

the lowering of the threshold to \$85 000 essentially affected small businesses.

There have been claims that the State Business Taxation Review Committee review will not deal with payroll tax. The record of the previous government is woeful in that the former honourable member for Brighton introduced the superannuation surcharge into the payroll tax. Small businesses in my electorate are saying, 'These are extra imposts on us, these are extra costs, which means we do not employ extra people'. With this review the government is trying to rectify the policies of the previous government.

What are opposition members scared of? They are scared of consultation, about going out into their community and talking about business tax changes and about this review. The last taxation review in this state occurred in 1983, not under the Kennett government — not one iota of a review was undertaken in its seven years in office — but under the previous Labor government. It has taken 18 years to get it reviewed again.

The Harvey report is an independent report made following a review that involved consultations throughout Victoria. It is about reducing the tax burden on all businesses in Victoria, especially small business. A number of key principles are involved.

On two occasions I called together the people who run small businesses in Melton and talked to them about the Harvey review. The honourable member for Dandenong North, the parliamentary secretary to the Treasurer, came to the first meeting. The business people in the Melton electorate were very clear about the problems they saw in the Harvey tax review and the issues for their own businesses. Those matters will be communicated directly to the Treasurer and I shall explain them to the house. Part of the consultative process is that it is open, with people putting their views and explaining their problems.

The business people of Melton raised with the honourable member for Dandenong North and me a number of important matters. They revolved around the land tax issue. People at the meeting made it clear to us that land tax is a problem. Currently a number of them do not pay land tax, but under the proposals of the independent Harvey review they will be liable to pay land tax and they have a problem with that. Part of the consultative process should be to let everyone know what the issues are. The government should not institute a consultative process and then immediately say, as members of the opposition have, 'We can't have

the review; we must cut it off. We cannot or are not allowed to talk to small business owners'.

The business people of Melton raised a number of other interesting issues for our consideration, including the payroll tax threshold. That was not discussed by the honourable member for Brighton but it is certainly a very important issue for the people who run small businesses in Melton. They brought to our attention the ability to pay taxes or to pay regular components of taxes, especially after the debacle of the federal government's business activity statement and the GST. As I said, they talked about the effects of the proposed land tax. They said that outstanding accounts have blown out because of the GST.

The Harvey report is important to the government. The government is considering it in the context of the budget and the two principles of a more competitive environment and growing and creating jobs and businesses in Victoria and improved simplicity and transparency. It should be supported because consultative processes are open processes, and that is what the government is undertaking — not the scaremongering or the falsehoods or lies that the opposition is currently peddling. I suggest they wait until the budget.

**The ACTING SPEAKER (Ms Davies)** — Order! The honourable member's time has expired.

**Mr MULDER (Polwarth)** — I raise my concerns on behalf of small business people and property owners in the regional and rural districts of Victoria. Before us, in a report the recommendations of which the government seems very happy to adopt, is a Clayton's business tax cut for Victoria. Obviously the report is about finding ways and means of funding tax cuts in Victoria. It is quite clear to people out in rural and regional Victoria that small business will be used to fund government tax cuts in this state.

It is very interesting to read Labor's policy on small business, which states:

Labor has an ethos of fairness, initiative and equality of opportunity. A Bracks Labor government will be unashamedly pro small business.

A Bracks Labor government believes in the benefits of strong competition — but competition which is fair, rather than stacked in favour of big players and those with political clout. Labor is committed to evening up the odds for small and medium businesses.

**An honourable member** interjected.

**Mr MULDER** — It is false; it is also interesting. Liberal members of Parliament want to know why,

whenever there is an issue relating to small business, whether it be Workcover, the Fair Employment Bill — and now land tax — it is left to us to go out and sell that message to the business community. It happened in Ballarat and Bendigo where we asked small business operators whether any of their Labor members of Parliament had been out to discuss the Fair Employment Bill with them.

**Mrs Fyffe** — They never see them in Ballarat!

**Mr MULDER** — No! I spoke to the operator of a video store in Buninyong and explained what was happening with the Fair Employment Bill. At the end of that particular conversation, the question was asked: when will members of the Labor Party be coming out to put their point of view? There is no doubt that the Premier and the rest of the government will have to put a rocket under the members representing the Labor government in rural Victoria to come clean and explain some of the legislation issues and their impact on small business.

Page 55 of the review contains the extraordinary statement that land tax:

... cannot in theory be passed on as a higher rent to a lessee because the rent a lessee is willing to pay reflects demand, and this is not affected by land tax.

The report is saying that an investor in rural or regional Victoria in a property valued at about \$80 000 is prepared to cop something in the order of a 25 per cent reduction in income.

Another issue not addressed in the report is what will happen to owner-occupiers in rural and regional areas — that is, people who own the butcher's or baker's shops in the main street of a town. The proposal is a direct tax slug on them; there is no way they can circumnavigate it. Many businesses in rural and regional Victoria are owned by their operators.

The report also does not cover what will happen to investment in rural and regional Victoria. The proposed land tax system will ensure that future investors steer clear of rural and regional Victoria. The land tax recommendation has the ability to create shanty towns. Investors will look to go to a hub where they are sure of getting a high rate of return because occupiers of premises can absorb land tax increases. Therefore there will be a great disincentive to invest in rural and regional Victoria.

That is why Labor members are not out there telling the story. That is why, when it comes to Workcover, the Fair Employment Bill or land tax, they crawl under a

rock. They are not game to face small business. It is always left to members of the Liberal Party to tell the story. Otherwise the consultation process would be taking place. It is not taking place because it is being relayed to us in that manner every time we go out and speak to people in small business.

As for some of the other implications of the proposed land tax, it was very interesting to hear the honourable member for Ripon say that the Victorian Farmers Federation has ticked off on the land tax. I wonder whether the full implications were explained to the federation, including that land that is now used for primary production is exempt. What about the wife who runs a sewing business from home to support the family? What about the trucking company or the fellow who carts a bit of gravel, superphosphate or sand from his property where he also has primary production? In my area several ice-cream makers run small operations from their farms — that is, on a primary production site. What portion of the site will be used for assessing land tax? What about the sour dough bread maker at Illawarra, the bed and breakfast operators referred to by the honourable member for Evelyn or a family who operates a fencing business from home to supplement the income of their primary production? Was the issue raised with the VFF, given that the honourable member for Ripon has said that it is happy to sign off on it?

I refer also to the mobile hair dresser who is the wife of a farmer and is operating from a home where primary production is being carried out. How do all those people fit into the recommendations on land tax? Who will determine how land tax will apply to people who operate such businesses?

The honourable member for Melton said that on several occasions he has discussed this particular issue with people in small business but he has not said what those people are saying about it. Are members of the government trying to tell us that people in small business are happy about the proposal? They seem to have spent an awful lot of time in their contributions in skirting around the issue and not getting to the point of what people in small business are saying about land tax in Victoria.

Members of the Liberal Party are getting the message very loudly and clearly that nobody out there wants the land tax. It is obvious from the comments from across the chamber that there will be support for the recommendation, that the government is very keen to introduce land tax and to catch all Victoria's small business operators in the land tax grab that will cause an enormous amount of hardship throughout rural and regional Victoria.

It is interesting that within one and a half years of coming to government the Labor Party has increased Workcover premiums, tried to impose fair employment legislation that would have shut down business around the state and now wants to introduce a land tax for small businesses.

The government claims it is pro-small business. I would like to see one piece of legislation that it has introduced to assist small business in Victoria. If the government is so pro-small business, it should go out and tell small business operators what it has done for them, how it has improved their situation and what it intends to do for them in the future. The government is doing absolutely nothing for small business. That situation is typical of the sloppy work of government members and their inability to assist small business. It is no wonder the government hides from the consultation process and will not go out and talk to small businesses or come into the house with recommendations designed to assist them.

In all electorates, including my own, ministers are cutting ribbons and hanging off the coat-tails of the previous government and the work it did. I have not seen a single initiative from the present government, certainly not for my electorate, that gives me any indication of hope for the future prosperity of the state. It has done absolutely nothing in almost two years, but believe me, the projects are running out and eyes are on the government to say when it is going to start delivering for small business. It had better do it quickly, because the previous government's projects have almost come to an end. There are not many more Kennett initiatives that the Labor government can cut ribbons on.

The government is running short of time and projects, and cannot get into catch-up mode because it does not happen that quickly. I could point at a number of projects that government ministers have had their hands on in my electorate where they have attempted to get projects up and absolutely failed because of incompetence. The government cannot deliver on projects and is still running on the work of the previous government. I say to the government, 'Your time is arriving and the opposition will hold you to account on all your previous claims to assist small business and drive tourism'.

It is all the former government's work. Government members have not done a single thing. They are complacent and lazy and they are sitting back. No work has been done for rural and regional Victoria and time is running out for them.

**The ACTING SPEAKER (Mr Kilgour)** — Order! The honourable member's time has expired.

**Mr VINEY** (Frankston East) — It is difficult to follow in the debate someone who lectures from the pulpit in a time-is-nigh kind of speech. It was a hectoring speech about time running out and it reminded me of the fire-and-brimstone pulpit lectures of many years ago.

I join the debate to congratulate the government on its commitment to openness and consultation. It has consulted with and listened to the business community, and has involved it in decisions about the future of business taxation.

I come from a small business background, having run a company in Seaford for 10 years. I am also involved with the Australian Institute of Company Directors. The business community is widely appreciative of its inclusion by a government that is developing its policy to business taxation and ultimately to delivering its commitment to the reduction of business taxation.

The government's approach is in stark contrast to the efforts of the previous government. In her contribution the honourable member for Evelyn discussed issues associated with tourism, yet she served on the board of Tourism Victoria when the Kennett government widened the land tax net to include a further 77 000 businesses. Where was the honourable member for Evelyn then? Apparently as the advocate and representative of the tourism industry on the board of Tourism Victoria she was silent on the matter, as indeed must have been the honourable member for Brighton, who was the previous Liberal government's Minister for Small Business and Minister for Tourism.

The honourable member for Brighton is the proposer of the matter of public importance that is before the house today, yet as the small business and tourism minister she must have sat at the cabinet table when the Kennett government widened the business tax net on land tax. The seven years in office of that government saw an increase in total taxation revenue from \$6.2 billion to \$9.5 billion, well above the rise in the consumer price index.

The matter of public importance being debated today comes from an opposition that sat silent when the federal government introduced the goods and services tax and the business activity statement, known as the GST and the BAS: two lots of three letters that have come to be absolutely abhorred by the business community. Australia is now entering the GST recession and must deal with the BAS collection and

accounting system that is a nightmare for small business. Members of the opposition sat mute during the whole process of the introduction of the GST. They geed up the Prime Minister and became Howard's Heroes, pushing for that kind of taxation reform.

Opposition members have clearly not learned anything about the principles of consultation and establishing a group such as the State Business Tax Review Committee, which had an independent function to perform under its terms of reference. It was instructed to have a look at the state of business taxation in Victoria. Who were the people on that committee? John Harvey of Pricewaterhousecoopers was the chairman. The other members were: Nicole Feely, chief executive officer of the Victorian Employers Chamber of Commerce and Industry; Professor John Freebairn, professor of economics at the University of Melbourne; David Pollard, Commissioner for State Revenue; and Kathleen Townsend, director of Executive Solutions Pty Ltd. Those eminent people in the business community undertook on the government's behalf to look at business taxation in Victoria with clear terms of reference. The government has introduced that style of operation, which contrasts with the style of the past seven years, and is welcome in the business community.

It was an open review involving widespread consultation throughout the community, which the honourable member for Polwarth seems to have overlooked. There was wide consultation and extensive submissions were made by people from throughout rural and regional Victoria and from Melbourne. This open review came from a government that is prepared and happy to listen to people's comments and to consider them in the context of ongoing government policy.

Part of the Harvey report, which is the subject of this matter of public importance, considers the tax system that Victoria inherited. The report's overview states:

The Victorian economy is at a crossroad. Increasing globalisation, the immense power of information technology to deliver productivity gains in all parts of the economy, and the long-term decline of manufacturing in Australia, particularly in Victoria, make it imperative that the state begins the new decade with an appropriate taxation system.

...

In preparing for its future, therefore, Victoria needs to be smart about its system of state taxes.

The opposition will struggle with that. The overview further states:

The taxes that Victoria has inherited are not fully conducive to these ends . . . Some of them have severe unintended consequences . . . above all, the array of state taxes in Victoria is hopelessly complex.

One of the key objectives of this business tax review was to simplify the Victorian tax system and assist businesses in dealing with it.

The review report also refers to the incredible complexities of the commonwealth taxation system and its impact, particularly the GST and the BAS, on the business community. The objective of simplifying the tax system is to offset the complexities of the GST and BAS systems, which have struck small businesses.

At page 13 the report overview states:

Businesses which made submissions to the committee generally argued for fewer taxes, easier compliance and lower tax rates. Changes of this sort would partly compensate for the complexities of the changing commonwealth tax system.

That is one of the objectives of the independent review, which the government welcomes and is proud of initiating.

My work as the member for Frankston East has involved extensive consultations with the business community in the Frankston area, which is made up mainly of small businesses. I can assure the house that the taxation issue discussed among small business people is not that dealt with by the Harvey business tax review, which they recognise is an attempt to simplify the system, but rather the incredible impact of the GST and the work they have to do constantly during their operations for the business activity statement. The GST has reduced their cash flows, increased their compliance costs and had an incredible dampening effect on the local economy.

The changes are bringing on an unnecessary GST-driven recession. It will be the Prime Minister's second recession. His first occurred when he was Treasurer and his second will occur while he is Prime Minister — and he will be removed from office as a result of it.

**The ACTING SPEAKER (Mr Kilgour)** — Order! The honourable member's time has expired.

**Mr MAUGHAN (Rodney)** — I am pleased to participate in the debate on the matter of public importance and to strongly support the statement that this house condemns the government for refusing to rule out the state business taxation review recommendation of a \$1 billion increase in land tax.

The proposal is causing great concern in country Victoria, particularly for small business. It will have an adverse effect on small businesses and the agricultural industries, particularly in small country towns, and it will flow on to jobs.

The State Business Tax Review Committee essentially recommended that there should be a \$1 billion increase in land tax in Victoria. The government stands condemned because it has not made any attempt to put that recommendation off the agenda. It is still running, and one can only assume that the government is hell bent on implementing it. It is bad enough to increase taxes across the board, but it concerns me more that an additional 250 000 taxpayers will be caught up in paying land tax.

The government has been silent on the issue. Many people have no idea of the additional costs that will be imposed on them by this government in the not-too-distant future. The government professes to be concerned about small business and country Victoria, yet it whacks them with massive increases not only in workers compensation insurance but also in land tax. It will catch many people who do not pay land tax but who will now have to pay it for the first time. Others who are already paying land tax will have to pay significant increases.

As I have said, the role of government is to create an environment of confidence in which those who have money may invest in a range of enterprises and, at the end of the day, receive a return on their investment and make a profit. The government should create an environment that encourages investment in order to create the jobs that generate the wealth that governments need to pay for health, education and community services and the drug initiatives that the house will be speaking about later.

The government's proposal goes against that principle. In not stopping this land tax initiative it is deferring rather than encouraging investment. I know of many investors who are waiting to see what will happen. One in particular has been slugged with a land tax bill of \$25 000 a year for the past two years. An increase on that will put him out of business.

**Mr Nardella** — He must have a bit of land.

**Mr MAUGHAN** — He does not have a bit of land, and I will speak with the honourable member for Melton about that later. It is government land owned by Victrack. Nonetheless, he has been hit with a land tax bill because in its wisdom or otherwise the State Revenue Office has decreed that Victrack owns some

\$200 million or \$300 million worth of property, which ensures he is taxed at the higher rate of 5 cents in the dollar. Although this particular investor has created 65 jobs, he is paying land tax at the maximum rate — the same as the big end of town. If he owned the property freehold he would be paying only one-fifth of that amount.

That is only one business, and I will refer the matter to the Treasurer in the adjournment debate tonight. It is an anomaly that 65 jobs are at risk because of his massive land tax bill of \$25 000 last year and \$25 000 this year. If the proposal goes through that tax bill will increase.

The proposal is having a negative effect on small business in country Victoria. Owners of properties below a capital improved value of \$85 000 who currently pay no land tax will suddenly find they must pay \$1445 a year. Some 250 000 people, many of whom live in country Victoria and who currently pay nothing, will receive bills of \$1445. People whose properties are valued at the cut-off point of \$85 000 and who currently pay \$85 a year will have to pay \$2457, which is a massive increase.

Higher up the scale — and this is typical of many small businesses — people who operate groceries or welding shops or farm machinery businesses with site values of \$150 000 and who currently pay \$150 will pay \$4335 under the government's proposal. Many of those businesses are battling to survive. They have had to find \$3000 or \$4000 to cover their increased Workcover premiums, and having to find a further \$4000 will prove to be too much. Even if they do not go out of business they will not be encouraged to employ more people. In the view of the National Party many of them will reduce their costs by reducing staff so they can remain in business.

In the electorate of Rodney thousands of small businesses such as milk bars and food outlets are doing it hard and have little to play around with. Although tourism is doing well in the Echuca area, it mainly comprises small businesses such as souvenir shops, accommodation, tours and motels. They vary from those with a site value of \$100 000 to motels that are worth \$1 million or more.

The operator of a motel with an unimproved value of \$500 000 who currently pays \$800 will pay \$14 450 under the proposal. Echuca–Moama has some 35 to 40 large motels. Their operators currently pay \$6000, which will rise to \$28 900 — a massive increase. With a further drop in confidence it will be hard for those operators to find an additional \$25 000 or \$30 000 to pay their land tax.

My heart is in agriculture, which is important to the electorate of Rodney, as is dairying. Some 3000 dairy farmers in Rodney milk 350 000 cows and produce \$300 million worth of milk. The average dairy farm has land with an unimproved value of \$250 000. Dairy farmers are doing it hard after dairy deregulation and the adjustments in the market. They are good farmers, but their costs will rise from \$300 to \$7225. They do not know that now, and when it comes it will be difficult for them to cope with. They are coping with Workcover premiums, but they are doing it hard.

Service businesses such as machinery dealers, welding shops, produce merchants, fuel suppliers and transport operators will all be caught by this additional burden of land tax. They will pass their costs on to the agricultural industries, which have to compete on a corrupted world market. The proposed measure will make the food-processing factories — the Bonlacs, the Murray Goulburns, the Heinzes, the Krafts, the Nestlés — less competitive as they go out to sell in the market.

This is the government that talked about being friendly to business and bringing a better deal for country Victoria. Since coming to office all the government has done is increase the costs associated with Workcover, land tax and other systems — I could go on and on. What has it done to give a positive incentive to small business to go out and employ people, to create wealth?

**Mr Nardella** — We got elected!

**Mr MAUGHAN** — Yes, you were elected, but you will not be there much longer if you do not deliver on the very things you said you would do — that is, provide a better deal for country Victoria.

Victoria needs what the commonwealth government is delivering in terms of — —

**The ACTING SPEAKER (Mr Kilgour)** — Order! The honourable member's time has expired, and so too has the time for raising matters of public importance.

## BUSINESS OF THE HOUSE

### Filming of proceedings

**The ACTING SPEAKER (Mr Kilgour)** — Order! I wish to advise the house that the Speaker has approved the filming of the drug education and prevention debate, which will take place in this chamber at 3.00 p.m. today. The debate will be broadcast live to Queen's Hall to provide additional viewing access for the public. There will be three cameras in the chamber: one located in the Hansard

box, one behind the lower gallery on the left-hand side of the chamber and one behind the lower gallery on the right-hand side of the chamber. Additional lighting will also be used.

## PARLIAMENTARY PRECINCTS BILL

### *Introduction and first reading*

**Mr BRACKS (Premier)** — I move:

That I have leave to bring in a bill to provide for the control, management and security of the Parliamentary precincts, to repeal certain provisions in the Unlawful Assemblies and Processions Act 1958, to amend the Parliamentary Committees Act 1968 and the Road Safety Act 1986 and for other purposes.

**Mr PERTON (Doncaster)** — I ask the Premier to provide a brief explanation of the purpose and contents of the bill.

**Mr BRACKS (Premier)** (*By leave*) — This piece of legislation has long been sought by the Presiding Officers, particularly the President of the Legislative Council, who wanted to ensure that the rules for the Presiding Officers were updated ready for the joint sitting of the federal Parliament which will occur in these parliamentary precincts for the centenary of Federation celebrations.

The bill effectively does that. It establishes the right balance between the roles and responsibilities of the parliamentary precincts and the Presiding Officers of those precincts. It also sets out the right protocols between the Presiding Officers and the police and clarifies those matters concerning overlap and distinction between the responsibility of the police and of the Presiding Officers respectively.

**Motion agreed to.**

**Read first time.**

## STATE OWNED ENTERPRISES (AMENDMENT) BILL

### *Introduction and first reading*

**Mr BRUMBY (Treasurer)** — I move:

That I have leave to bring in a bill to amend the State Owned Enterprises Act 1992 as a consequence of the introduction of a national tax equivalent regime and for other purposes.

**Ms ASHER (Brighton)** — I ask the Treasurer for a brief explanation of the contents of the bill.

**Mr BRUMBY (Treasurer)** (*By leave*) — The legislation effectively brings our State Owned Enterprises Act under the national tax equivalent regime. This is to do with the payment of tax equivalent payments. We have been doing that in Victoria for the best part of the last five years for government business enterprises, but as part of the intergovernmental agreement all of the states have signed up to a common national approach to the payment of tax equivalents.

The government is endorsing that approach. The practical effect of this legislation in terms of dividends or tax equivalent payments is nil and has no effect on those government business enterprises, but it brings us in line with the national legislation.

**Motion agreed to.**

**Read first time.**

## CITY OF MELBOURNE BILL

### *Introduction and first reading*

**Mr CAMERON (Minister for Local Government)** — I move:

That I have leave to bring in a bill to alter the electoral structure of the City of Melbourne, to provide for the direct election of a Lord Mayor and a Deputy Lord Mayor, to facilitate an early election of the members of the Melbourne City Council and for other purposes.

**Mr PERTON (Doncaster)** — I ask the minister to explain the purpose and contents of the bill.

**Mr CAMERON (Minister for Local Government)** (*By leave*) — The purpose of the bill is to bring about early elections in the City of Melbourne, to provide for the direct election of a mayoral team and of other councillors on the basis of proportional representation and for other purposes.

**Motion agreed to.**

**Read first time.**

## ENVIRONMENT PROTECTION (LIVEABLE NEIGHBOURHOODS) BILL

### *Second reading*

**Debate resumed from 2 November 2000; motion of Ms GARBUTT (Minister for Environment and Conservation).**

**Government amendments circulated by  
Mr PANDAZOPOULOS (Minister for Gaming)  
pursuant to sessional orders.**

**Mr PERTON (Doncaster)** — The bill has had a tortured origin. The fact that this morning the government has circulated amendments that the opposition has not seen before, despite several requests, is an indication that the legislation is ramshackle and badly drafted and ought not to have been introduced in the way it has been.

The opposition will not oppose the bill because the government has wrapped up a number of vague and fluffy concepts with some important provisions. Those are the new provisions for environmental audits. To put it bluntly, our non-opposition to the bill does not reflect any cheer or joy at its contents, but we recognise that it contains important components that many sectors of industry and local government believe should be passed.

Clause 3 inserts the principle of accountability in proposed section 1L (1), which states:

The aspirations of the people of Victoria for environmental quality should drive environmental improvement.

In her second-reading speech the minister said:

Our Greener Cities policy recognises that people are becoming increasingly aware of the importance of their environment to their quality of life. In particular, improving the liveability of local neighbourhoods is a key theme in Greener Cities.

It may be a key theme, but the contents of the bill are by no means set out in the ALP's policies.

The legislation has been a model of bad consultation — in fact there has been no consultation whatsoever with the Victorian public. Those matters could have been referred to a parliamentary committee or to the Environment Conservation Council, but instead the legislation has been wholly drafted within the bowels of the Environment Protection Authority by EPA officers.

To the extent there has been consultation on the contents of the bill it has been hopelessly inadequate. I refer to one example. The Municipal Association of Victoria informed me that it had two days to consider the bill before its introduction. Honourable members know enough about drafting to know that the MAV was informed of the bill and brought into the process only after the bill had obviously been approved by cabinet, drafted by parliamentary counsel, and was ready to go.

Other organisations also were not consulted but informed. For instance, the Housing Industry Association (HIA) was brought in in much the same way as the MAV. It then wrote to Minister Garbutt by letter dated 15 November, but the minister, as she has done with much correspondence, failed to respond to the HIA, which represents people who produce billions of dollars of infrastructure every year in Victoria and whose work is vital to the state and the implementation of the bill.

A range of other organisations have written to me but I will not take the time of the house to name them all. The reality is that, as the minister stated in the second-reading speech, this is extremely important legislation on which there has been no consultation with the public or with the organisations that will have to live with the regulations and implement them.

It is not the first time this has happened. Honourable members will recall that the last EPA legislation was introduced in exactly the same way. The organisations that were to be regulated by the bill were brought in only hours before the bill was introduced and essentially told by the EPA what the contents would be. In that case the opposition said it would act to amend the legislation and again, at a minute to midnight, essentially, the EPA finally announced to the people who were to be regulated by the bill that it would adopt some of their criticisms and that amendments would be brought into the house at the last moment.

The same thing has happened in this case. After very good consultation in which my friend and colleague Andrea Coote, an honourable member for Monash Province in the other place, has taken an active role at a meeting with the MAV and the HIA, the opposition said it would block part 3 of the legislation if the government was not prepared to accommodate the concerns of the MAV and the HIA. What happened? Last Monday afternoon, the day before the bill was to be debated in the house, the EPA called in the MAV and the HIA and said it would introduce house amendments to pick up their concerns. What sort of agency is it? What sort of legislative process is this?

Important environmental legislation, which is said to be in accordance with the aspirations of Victorians, has been produced in secret by inexperienced drafting officers from the EPA, with no consultation or public advertisement and then brought into the house. After the opposition said it would act to meet those concerns, the EPA quickly had a meeting and doctored up some amendments, and they are introduced today.

The contempt shown for the Parliament by the EPA and this minister is demonstrated by the fact that the opposition has been asking the minister's office for these amendments but has not been shown them. They were introduced at the beginning of the debate. As the shadow minister I am meant to speak about the amendments without having seen them before I commence my contribution. It is an utter disgrace. The minister is an utter disgrace; she is incompetent, and one really has to call into question the competence of the EPA.

This is not the first time such a thing has happened. It happened when we were in government, too. Regulations that were quite inappropriate were introduced by the EPA when I was chairman of the Scrutiny of Acts and Regulations Committee. The EPA did not back away until the Scrutiny of Acts and Regulations Committee indicated it would take a resolute approach to the regulations. In those circumstances the EPA had to enter into an accord with the now Australian Industry Group. In this case also the amendments are being introduced pursuant to a memorandum of understanding between the MAV and the Victorian Local Governance Association through a house amendment.

The amendments that the opposition wanted are being introduced — that is, that the guidelines relating to the neighbourhood environment improvement plans ought to be subject to consultation. I understand the house amendment will be made subject to the Subordinate Legislation Act. That appears to be the case, but certainly between the luncheon break and when the debate resumes I will have to take some advice on the contents of those amendments.

When the minister was the Labor Party's spokesman for the environment she said she would improve consultation and would introduce legislation only after consultation with the public. So far she has introduced five pieces of legislation on which there has been no consultation — certainly no public consultation, but just the most cursory discussions with the groups that will need to implement the legislation; just a 'Here's what we are introducing into the house'. It is not good enough, and the opposition will continue to scrutinise this bill.

What are the purposes of the bill? The first is to amend the Environment Protection Act to empower the Environment Protection Authority to develop economic measures to provide incentives to avoid or minimise harm to the environment. It also provides for the EPA to develop and approve neighbourhood environment improvement plans (NEIPs); amends the principal act

to allow the issuing of pollution abatement notices in relation to requirements in NEIPs; makes new provisions for environmental audits; provides for voluntary or directed NEIPs; and amends the principal act to clarify offences relating to industrial waste, water pollution and powers of officers to take film and make recordings of investigations.

I will take each of those purposes in order, and probably the easiest place to start is in relation to environmental audits. It is appropriate that I quote the Municipal Association of Victoria on this matter. Its view is that the audit provisions are very important and need to be passed as soon as possible. It gave the opposition an example. Last year an invalid audit certificate was issued and that mistake has made it obvious to local government bodies and to the opposition that this part of the act must be strengthened and that the process must be made watertight. Indeed, in a letter it sent to the opposition the Stonnington City Council wrote that it supports the amendment on the audit provisions and also supports:

... improvements to recognise the growing trend towards producing corporate environment reports. The loophole that, at present, allows an environmental auditor to issue a certificate or statement of environmental audit without completing an environmental report would be closed.

That is essentially the attitude of industry to these matters. For instance, a couple of questions have been raised by the Victorian Chamber of Mines. Its query is as follows:

The proposal to formalise the process of accredited environmental auditors makes sense although with such a formal process the cost of these elite consultants will become far too expensive for small businesses to handle. There should also be provision for companies to have one of their own staff accredited to undertake the audits, (although, this would generally only be done by large companies). Clause 53T(3) implies that an environmental auditor must pay a fee after completing each audit. This can't be correct. This will mean that industry has to pay for the auditor and a fee to the EPA for the audit (what value do the EPA add?).

I ask the Minister for Housing, who is at the table, or the parliamentary secretary to the Minister for Environment and Conservation, to make a note of that, so that perhaps that question can be answered during the committee stage of this bill, during a second-reading contribution or in the minister's response. Essentially the opposition is permitting this bill to proceed at this stage to allow the environmental audit provisions to proceed. To date there has been little or no commentary on the sixth purpose of the bill — clarifying offences relating to industrial waste, water pollution and powers of officers to take film and make recordings of investigations.

Next I will take the house to the principles of environment protection. This area of the bill has troubled most people who have read it. There is no objection to a set of purposes and principles being introduced into the Environment Protection Act. Indeed, that will help to give better guidance to both the EPA and the courts when they are interpreting the provisions of the act. However, these provisions are actually a hotchpotch of principles that have been taken from a wide range of international instruments. It is by no means clear and no explanation is given in the second-reading speech or in the explanatory notes as to which of these clauses has come from which international agreement, and which of the headings has been altered by the Environment Protection Authority.

Some of the principles are quite longstanding. They include the 1992 Intergovernmental Agreement on the Environment and the National Strategy for Ecologically Sustainable Development, as well as others that during the middle to late 1990s emerged from initiatives of the Australian and New Zealand Environment and Conservation Council, such as waste management policies. It would be a lot easier if there had been a process whereby the principles had been advertised, the public could have commented on them, organisations could have commented on them, absences in this bill could have been questioned, and the minister could have responded.

I give a commitment that when the opposition is elected to government at the next election and is reviewing legislation like this, it will have a public process for reviewing the acts concerned. If people believe the principles ought to be extended or ought to be better drafted, that will be appropriate. The environmental movement would appreciate that commonsense approach because this has essentially been drafted by young drafting officers. My suspicion is that more senior officers have read it, that it sounded good and that they perhaps added a little bit here and there but basically ticked it off. My suspicion is that there has been little input at all from the minister's office itself.

Indeed, when I asked the briefing officers for a clear explanation as to where a number of these provisions had come from, it was not clear, and it was clear that some of them had been drafted internally. A senior business figure in Victoria has made the comment:

The principles of environmental protection are sensible motherhood type statements most of us would agree with ... Most of the principles appear to be based on the intergovernmental convention agreed I think in 1992. But why has the government left out the principle relating to the need to retain international competitiveness? Don't they see this as important?

The failure by the government, or the Environment Protection Authority as the drafting agency, to include the principle relating to the need to retain international competitiveness is of great concern, but hardly surprising given the nature of this government.

As I indicated, the consultation by the government has been hopelessly inadequate on this matter. The opposition sent out letters to a wide range of people and received almost 150 responses. In the time available to the house it is not possible for me to cover all of those, but one experienced drafting officer has pointed to a number of strangely phrased provisions and queried whether, if there had been a public process in Victoria, some of these provisions would have remained phrased in the way they have been phrased. For instance, proposed section 1G(2) states:

Producers of goods and services should produce competitively priced goods and services that satisfy human needs and improve quality of life ...

The gentleman who wrote to me said he is a father of a six-year-old. Does that imply that companies should not be producing Pokémons or the various games that tend to waste the time of children and the community? It would be useful, whether in the minister's response or in some part of the second-reading debate, that some explanation be given to the community as to precisely what the government means by proposed section 1G(2). As the bill is likely to go into committee, that question may need to be asked at that time.

The same correspondent — a very experienced drafting officer — has written the following in respect of proposed section 1L:

This is unmitigated BS.

Perhaps I should not elaborate on that.

It is a statement of ideological preference, rather than a principle of efficient/effective ecological management. If the value of a 'recovered energy' option is greater than one of 're-use' or 'recycling', say, on what grounds should we prohibit it? I have a real example to hand, in which burning old tyres for energy for cement kilns was to be ruled out by EPA regs so that they could be crumbled into playground padding, of lower value. Where was the benefit? EPA officers could explain it only in ideological terms — until they got to the part about the ... agreement they'd done to encourage the plant that would recycle the tyres to locate in Victoria by agreeing to pass such regulations.

In other words, it was not a matter of environmental principles but of the Environment Protection Authority, engaged in industry development of its preference, introducing laws to suit not just an ideological preference but also a set of agreements it had entered into.

I have already referred to proposed section 1L, which states that:

The aspirations of the people of Victoria for environmental quality should drive environmental improvement.

That is indeed the case, but the only way that can be done is by involving the people of Victoria in law making and policy making. To have legislation drafted inside the EPA, driven by officers of the EPA rather than the interested and active members of the Victorian public, is to my mind very foolish indeed.

The Liberal Party will not vote against those principles. As I quoted earlier, it has been said they are to some extent motherhood principles, but some are so vague and badly drafted they are almost meaningless in the context of a modern Victorian economy. I repeat that when we have been elected and are reviewing this legislation, those principles will be re-examined in the light of what the public, industry and the environment movement think about them. As that is likely to be in 2003–04, it will be rewritten in the language of 2003–04 — that is, in the plain English of Australians rather than in this mishmash of paragraphs drawn from many different international documents.

I will now refer to the area of neighbourhood environment improvement plans (NEIPs), which is the part of the bill that has caused the greatest confusion and concern. If I could summarise the nearly 120 comments I have received on those plans, the question to be asked would be, ‘What is the demonstrated need for these NEIPs?’. It is by no means clear from the second-reading speech or from any of the government documents what is intended.

I ask the minister in her second-reading summary, or her parliamentary secretary, to explain if it is intended, for instance, to reduce the number of petrol-driven cars in inner city suburbs like Footscray, Port Melbourne or Richmond by introducing regulations that would allow one motor vehicle only per household. Is it intended to prohibit the use of wood-fired stoves in Footscray and Richmond in the inner city or in country towns such as Ballarat, Daylesford or Hepburn Springs? If that is the intention of the government, let it say so explicitly. However, the government has not been forthcoming with examples of the matters the bill is intended to address and how it will address them.

The people of Victoria are right to expect the bleakest outcome from the regulations that will be applied and the neighbourhood environment improvement plans that will be introduced under them. That part of the bill caused representatives of local government the greatest concern, because local government must implement the

regulations and be the driving force behind the initiation and preparation of the documents. However, no resources have been promised to local government by the Minister for Local Government, the EPA or the Minister for Environment and Conservation to enable local government to implement the regulations. The confusion was great.

It might be best for me to tell the house what the Municipal Association of Victoria told the Liberal Party. As I said earlier, the association had only two days to consider the bill before the minister took it to Parliament. It was unsure of what that portion of the bill is trying to achieve and concerned that it will require stakeholders to both prepare a plan and implement it, and the plan could or might be flawed.

The MAV is concerned that the relationship between the liveable neighbourhoods and other planning issues will be blurred and it does not know who will have precedence. It suggested that the bill be held over and a workshop established between all interested parties and a resolution reached before the bill is passed through the Parliament.

When the Housing Industry Association looked at the issue it said there was significant confusion over what a liveable neighbourhood plan actually means. Bearing in mind the attitudes of the MAV and the HIA, it was the intention of the opposition to block part 3. However, as I said, at a moment to midnight the government called in the HIA and the MAV and said it would move amendments. I suspect you have not seen those amendments before now, Mr Acting Speaker, despite your status in the third party, and all the Liberal Party received was an outline of house amendments to be proposed by the Minister for Environment and Conservation.

The most important of those is said to be house amendment 1, which will make the guidelines referred to in part 3 a disallowable instrument subject to the Subordinate Legislation Act. In regard to house amendment 2 the document I have, which I am trying to match up to the document tabled on behalf of the minister, states the following:

MAV was concerned that there was no formal process for a local council to seek review or negotiation of an EPA direction to prepare a NEIP, short of appeal to the Victorian Civil and Administrative Tribunal. It was agreed that this would be resolved if there was a statutory requirement on EPA to consult a local council prior to issuing such a direction.

The house amendment which has been prepared would formally require EPA to consult with a protection agency

prior to issuing a direction to the protection agency to submit a proposal to develop a NEIP.

That appears to be no. 1 on the sheet before the house. That is a matter to be taken up in committee. However, in essence, the 1-minute-to-midnight surrender by the government to the needs and desires of municipal government and the Housing Industry Association has taken away some of the administrative pain of the NEIP system, but it still leaves strong questions about why those NEIPs are needed, what useful purpose they will serve and how they will work.

Everyone believes neighbourhood communities should work to improve their local environment, but the convoluted system being imposed by the EPA on local government, which was never flagged in the government's election policy, is to my mind not the way to do it.

The opposition will monitor the situation. My friend the shadow minister for planning and environment will be assisting me in the task of monitoring the operation of the NEIPs, and when we are elected to government after the next election it will be a matter of assessing how they have operated and engaging in some genuine consultation with the people likely to be affected by them.

**The ACTING SPEAKER (Mr Kilgour)** — Order! This would be a good time to break for lunch. The honourable member for Doncaster will have the call when the matter is next before the Chair.

**Sitting suspended 1.00 p.m. until 2.04 p.m.**

## DISTINGUISHED VISITOR

**The SPEAKER** — Order! It gives me great pleasure to welcome to the Legislative Assembly the Honourable Carolyn Pickles, the Leader of the Opposition in the Legislative Council in South Australia.

## QUESTIONS WITHOUT NOTICE

### Rail: regional links

**Dr NAPHTHINE** (Leader of the Opposition) — Welcome back to the chair, Mr Speaker; I wish you a speedy recovery from your illness.

I refer the Premier to his commitment to build high-speed rail links to Victoria's regions during Labor's first term in government. Given that we are almost halfway through the government's first term and

that not one spike has been driven nor one sleeper laid in any of the four projects, I ask: will the Premier now reiterate his promise that these trains will be up and running during the government's first term of office?

**Mr BRACKS** (Premier) — A central and important commitment of this government is the building of four regional fast rail lines — from Ballarat to Melbourne; from Bendigo to Melbourne; from Geelong to Melbourne; and from the Latrobe Valley to Melbourne. They will cut traffic times, lead to increases in population, increase employment and have a great effect on the state as a whole, spreading the economic benefits to the whole of Victoria.

We spent the first year undertaking the feasibility — —

**Dr Naphtine** interjected.

**The SPEAKER** — Order! The Leader of the Opposition!

**Mr BRACKS** — We have spent the first year undertaking a feasibility study of these projects. We spent the first half of this year, as we have identified previously and publicly, seeking registrations of interest from private sector contributors to the state-funded and backed projects here in Victoria. We anticipate, as we always have, that at the end of this year or the start of next year we will be starting these projects.

### Hospitals: funding

**Ms ALLAN** (Bendigo East) — I refer the Minister for Health to the government's commitment to boost funding for Victorian hospitals. Will the minister inform the house of the latest action to better equip our hospitals?

**Mr THWAITES** (Minister for Health) — Honourable Speaker, you will be aware that, unlike the other side, the Bracks government is committed to significantly boosting capital works in our public hospitals and health system. Unlike the previous government, we are not selling off hospitals, we are not selling — —

*Honourable members interjecting.*

**The SPEAKER** — Order! The honourable member for Frankston!

*Honourable members interjecting.*

**The SPEAKER** — Order! The honourable member for Mornington!

**Mr THWAITES** — For example, instead of selling the Austin hospital we are putting \$320 million into building a new hospital. Already this year I have announced more than \$40 million in equipment grants for our hospitals. Today I am pleased to announce a further \$11.4 million for hospitals across the state, including the hospital in the Leader of the Opposition's electorate. These grants cover the big ticket items of equipment that hospitals could not readily purchase on their own. I should say that we are committed — unlike the previous government — to ensuring that a fair share of the dollar goes into country areas.

I point out that this year the Department of Human Services is spending about \$124 million on capital works in the country, compared to some \$88 million or \$85 million under the previous government — that is a 40 per cent increase in expenditure in country areas. This equipment is very important in improving the quality of care in our public hospital system.

*Honourable members interjecting.*

**The SPEAKER** — Order! The honourable member for Mornington.

**Mr THWAITES** — Presumably the Leader of the Opposition does not care about improving hospital equipment. We are putting an additional \$2 million into the Austin hospital to replace the old PET camera. We are also putting \$850 000 into the Royal Melbourne Hospital towards the purchase of a new gamma camera.

There are also the hospitals around the suburbs. The honourable member for Frankston East does a tremendous job for his hospital, where we are putting in \$321 000 for extra ultrasound equipment. Maroondah Hospital — we do not know who the member is out there! — will get \$300 000 for an extra ultrasound machine.

Many of our country hospitals are doing very well. The honourable member for Bendigo East will be pleased to know that the Bendigo Health Care Group is getting \$200 000 towards extra cardiology equipment. The honourable member for Ballarat will be impressed with the allocation of \$203 000 for anaesthetic equipment. I am sure the honourable member for Swan Hill has an interest in his hospital, which will get some \$200 000 towards the replacement of pathology equipment.

The government is committed to a strong public hospital system, not to selling it off, and is building extra quality of care into its hospital systems by providing the finest, most up-to-date equipment.

### Schools: funding

**Mr RYAN** (Leader of the National Party) — I refer the Minister for Education to the fact that country schools are struggling to implement the new school global budgets, and I ask: will the minister reaffirm her commitment that no school will be financially worse off because of her flawed funding formula?

**Ms DELAHUNTY** (Minister for Education) — Since the Bracks government came to power it has invested an extra \$600 million in schools across the state. As the honourable member would know, the government started from a very low base. Victoria was the lowest funding state per head of population.

*Honourable members interjecting.*

**Ms DELAHUNTY** — The opposition does not want to hear this, but that is where the government started. It meant that many country schools could not get specialist teachers. The government inherited country schools that did not have maths, LOTE or history teachers. That was the legacy left by the previous government.

The Bracks government has set about redressing that imbalance. It has restored shared specialist teachers and implemented a teachers agreement that gives small schools the opportunity to attract and keep the top teachers. The school global budgets give little schools that up to now have been competing against the big metropolitan schools an opportunity to attract and keep top teachers. Isn't that a fair go for country schools? Don't our schools want to have a fair go at attracting top teachers?

Since 1999 school global budgets have increased by 13.4 per cent, and in the Gippsland region they have increased by 13.1 per cent. All schools will now have a chance to attract and keep top teachers.

*Opposition members interjecting.*

**Ms DELAHUNTY** — It is interesting that honourable members are interjecting, but what are they saying about the Kemp agenda, which is moving public funds not into the government schools but into resource-rich private schools?

**Mr Ryan** — I raise a point of order, Mr Speaker, on the question of relevance. The minister is clearly debating the issue. I asked her a question about global budgets, and I would ask you to have her return to the issue, particularly the 500-plus schools that are trying to get transitional funding.

**The SPEAKER** — Order! I do not uphold the point of order. I will not allow the Leader of the National Party to repeat his question and ask a further one. However, I point out to the minister that she must not debate the question but come back to answering it.

**Ms DELAHUNTY** — You are quite right, Honourable Speaker. Our country schools have a right to a fair go at funds from the state and federal governments. The federal government's funding formula is providing an increase —

**Mr Ryan** — I renew the point of order, Mr Speaker, and ask you to direct the minister to accord with the ruling you have already made.

**The SPEAKER** — Order! The minister hardly had an opportunity to continue her answer. I do not uphold the point of order.

**Ms DELAHUNTY** — The question was about school global budgets.

*Honourable members interjecting.*

**Mr McArthur** interjected.

**The SPEAKER** — Order! The honourable member for Monbulk!

**Ms DELAHUNTY** — In 2001 an extra \$140 million has gone into school global budgets. When the Liberal–National coalition left office many schools were either closed or begging for funds. The coalition has no ideas, no plans and no place in the education debate.

### **Housing: Victory Boulevard estate**

**Mr STENSHOLT** (Burwood) — I refer the Minister for Housing to the government's commitment to revitalise Victoria's ageing public housing stock, and I ask: will the minister inform the house when works will commence on the Victory Boulevard public housing estate in Ashburton and what further action the government is taking to address the need for more social housing in the eastern suburbs of Melbourne?

**Ms PIKE** (Minister for Housing) — Over the next three years the government will spend \$27 million to provide additional social housing in Melbourne's east and in particular will address concerns in Ashburton, Ashwood and Chadstone.

I am pleased that the government has decided to spend \$8.5 million not only to redevelop the Victory Boulevard estate in Ashburton but also to purchase additional social housing in the area. This

redevelopment has been shaped by local community participation. Local people have been working together to plan for the future of their community. They have come up with a very creative plan — and it has come at a good time. While the building industry is facing a downturn, this initiative will create many opportunities through the construction of new public and private homes. There will be flow-on benefits for the community, including shops and other small businesses, as well as opportunities for people to work on the projects.

This is another step by the government to improve the quality of public housing in Victoria. I remind the house that public housing in these sorts of estates was sadly neglected by the previous government. In fact, a lot of energy was put into mechanisms to sell off many of Victoria's high-rise estates. The initiative is a further demonstration of the government's commitment to strengthening and building communities and enabling people to find solutions within their own communities to fulfil their social and housing needs. It represents a strong commitment to Melbourne's eastern suburbs.

I put on the record my gratitude to the honourable member for Burwood for the role he played as the chair of this committee and for facilitating an excellent process that will lead to an excellent outcome.

### **Rail: Tullamarine link**

**Mr LEIGH** (Mordialloc) — I draw the attention of the Minister for Transport to the campaign by the Treasurer to stop the airport rail link travelling along the Broadmeadows route and to comments by his cabinet colleague, the Minister for Community Services, that she would oppose construction along this route so long as she has breath in her body. I further draw his attention to the fact that the Minister for Community Services handed out protest pamphlets at local railway stations, leading to 300 submissions against the Broadmeadows route being made to the Department of Infrastructure.

Given the action by his colleague, will the Minister for Transport now admit that the government's consultative process is a farce and that the only route under real consideration is the more expensive Albion route?

**Ms Asher** interjected.

**Mr BATCHELOR** (Minister for Transport) — What are you squawking about now?

**The SPEAKER** — Order! The Minister for Transport will answer the question rather than inviting interjections.

**Mr BATCHELOR** — The government was elected on a promise to examine the most appropriate route for a transit link to Melbourne Airport. The concept is widely supported across the community. Work undertaken by the Department of Infrastructure has shown that there is support for it both in the broader community and along the corridors where the two possible transit routes have been identified. When the people in those corridors are asked what their attitude is to a transit link coming through their area, the majority of them support it, and it is widely supported in the broader community.

By stark contrast to the previous government, this government is prepared to look at the issues surrounding the planning of new projects. The government is currently undertaking a planning process that involves community consultation. I invite all honourable members opposite to look at what is happening, because they may learn something. When they had the opportunity in government they failed to understand that consulting with local communities is worth while because it creates ideas and identifies the issues that are important to them.

I remind you, Honourable Speaker, of this government's success in undertaking a community consultation process on the extension of the Eastern Freeway. The government is not afraid to go out and talk to local communities, and it will continue to do that.

When the government came to office it was left with a shambles of a consultation process on the airport transit link. The previous government had appointed a panel but had restricted the task it was allowed to do. When the government came to office it received a report identifying the concerns of the previous panel. The panel made a number of interesting points. Firstly, it said it needed wider terms of reference to further examine the social and other impacts of a transit link along the Broadmeadows corridor and requested that it also be allowed to examine the planning implications of the Albion corridor.

After receiving that report the Bracks government allowed the planning process to continue to address those issues. That is now happening, and all honourable members on this side of the house support the approach of identifying the appropriate corridor through which a transit link should run. Once the government identifies those planning issues and considers the recommendations, it intends to make the proposals public so it can call for expressions of interest on the route and mode of operation of the airport transit link.

**Dr Napthine** interjected.

**Mr BATCHELOR** — Are you opposed to its operation by the private sector?

**Dr Napthine** interjected.

**The SPEAKER** — Order! The honourable Leader of the Opposition!

**Mr BATCHELOR** — To clarify the issue: the government will take it to the private sector and seek its involvement in the implementation of government policy.

**Mr Doyle** interjected.

**The SPEAKER** — Order! The honourable member for Malvern!

**Police: chief commissioner**

**Ms ALLEN** (Benalla) — Will the Minister for Police and Emergency Services inform the house of the details of the appointment of Christine Nixon to the post of Chief Commissioner of Victoria Police and to the opportunities and challenges facing the new commissioner?

**Mr HAERMEYER** (Minister for Police and Emergency Services) — Last week the Premier and I were pleased to announce the appointment of Ms Christine Nixon as the new Chief Commissioner of Victoria Police to succeed Mr Neil Comrie. Ms Nixon will commence her duties on 23 April. She comes to Victoria with an exceptional combination of leadership skills and extensive police operational and management experience together with impeccable integrity. The process by which she was appointed was exhaustive and transparent, and applications were considered from a high-quality field. However, the decision was unanimous and clear cut from both the independent short-listing committee, which included Mr Mick Palmer of the Australian Federal Police, and the ministerial selection panel.

I was disappointed to hear the comments of the honourable member for Wantirna on the news that night. Upon being questioned he conceded that Ms Nixon was, perhaps, the best applicant, but he was still dumbfounded that a Victorian was not chosen. That statement is not 'dumbfounded'; it is just dumb!

*Honourable members interjecting.*

**The SPEAKER** — Order! The house will come to order!

**Mr HAERMEYER** — What he is saying is that the panel should have chosen the second, third or fourth best option, which makes no sense at all. Ms Nixon served the New South Wales police force with great distinction for 28 years and is currently an assistant commissioner in that state. She has a strong tradition in policing as her father was also an assistant commissioner in New South Wales.

During her career she has undertaken some tough operational roles together with major and challenging managerial roles. She has had experience with the London metropolitan police and has qualifications including a Bachelor of Arts from Macquarie University and a Master in Public Policy from Harvard University.

To both panels she showed a vision for the future of the Victoria Police as well as the leadership skills to implement them. She confronts some major challenges in her new role. As honourable members are aware, the Victoria Police through the Police Association is about to embark upon an enterprise bargaining agreement over the next three years. The Police Association has a valid role to extract the best possible deal for its members. The government and Victoria Police have a role to play in negotiating an arrangement that is both fair to the members of the force and also economically and financially responsible. That will not be an easy task, and Ms Nixon's human and industrial relations expertise will stand her in good stead.

She must also take on consideration and implementation of the Johnson review, which made wide-ranging and significant recommendations concerning the Victoria Police. She needs to assist the government to rebuild the police force as it attempts to recruit 800 additional police over the term of the Parliament. She must also assist in undoing some of the attrition and morale issues that stem from the deliberate cutbacks undertaken by the former government. She must also improve conditions that lead to the force's workers compensation claims, which have been disappointing in recent years. The government believes they relate to many of the stress issues that stem from cutbacks to the Victoria Police during the Kennett years.

The Victoria Police ads currently seeking to recruit an additional 2500 recruits to the force are based on the theme 'New century for a new force'.

**An opposition member** interjected.

**Mr HAERMEYER** — How is it going? There have been 23 000 responses to the ad, so the response has

been fantastic. A new century for a new force, and Ms Nixon is very much the leader for that new force.

In conclusion, I thank the outgoing Chief Commissioner of Police, Mr Neil Comrie. He retired as chief commissioner on 10 March after a distinguished career of 34 years in the Victoria Police, including eight years as chief commissioner. He has a family history in the Victoria Police spanning more than 100 years. He leaves the force in excellent shape. His legacy of local priority policing, the attention he gave to improved ethical standards in the force and the implementation of Project Beacon, which retrained the entire police force after the unfortunate spate of police shootings in the early to mid-90s, will be his enduring legacies.

He leaves the force with Victoria remaining the safest state in Australia and continuing to have the most highly regarded police force in the country. I place on record my appreciation, the government's appreciation and the appreciation of the Victorian people for the job Mr Comrie has done in his eight years as Chief Commissioner of the Victoria Police.

### **Police: logging protests**

**Mr WELLS** (Wantirna) — On this World Forestry Day I refer the Minister for Police and Emergency Services to the current protests in government-approved logging areas near Trentham. Why were police instructed at 2.00 p.m. yesterday not to intervene, thus allowing forest protesters to block timber workers from exercising their lawful right to work?

**Mr HAERMEYER** (Minister for Police and Emergency Services) — A long-established tradition and principle operates between a government and a police force called operational independence. I need to point out to the honourable member for Wantirna that it is not appropriate for the government to direct members of the police in any way as to who they should or should not arrest or attempt to influence the way they discharge the responsibility of the office of constable.

**Mr Cooper** interjected.

**The SPEAKER** — Order! The honourable member for Mornington!

**Mr HAERMEYER** — So far as the forestry operations are concerned, there is an established memorandum of understanding between the police and the Department of Natural Resources and Environment (DNRE). This deals with the Wildlife Act of 1975, the Forests Act of 1958 and the Conservation, Forests and Land Act of 1987.

Those acts are the responsibility of the DNRE. Protocols operating between the police and the DNRE mean that the DNRE is responsible for the discharge of the act. However, the police will assist in any arrest or in any way required by the DNRE to ensure that the provisions of the act are carried out, implemented and given effect to.

Unfortunately some of the loggers, who are certainly out there doing their rightful job, have contacted Victoria Police instead of the DNRE. The issue of the misunderstanding was resolved this morning. Senior police met with logging protesters to explain the protocols, and there will be a further meeting to enhance that understanding later this week.

I hope it is a case of the loggers having a better understanding of who to go to in those circumstances. Victoria Police will certainly assist DNRE officers as required, but in the first instance the DNRE is the body to be contacted.

### **Gaming: problem gambling**

**Mr LENDERS** (Dandenong North) — I refer the Minister for Community Services to the important Gamblers Help service that provides advice to problem gamblers. Will the minister inform the house of the status of the G-line number and the demand for telephone support for problem gamblers?

**Ms CAMPBELL** (Minister for Community Services) — In November the government launched its hard-hitting and truthful advertising campaign ‘Think of what you’re really gambling with’ with an easy to recall telephone number — 1800 156789. The old advertised G-line was also available for people to phone and receive support. Both numbers were operating.

Timely access to appropriate support services and counselling is the primary focus of the government’s problem gambling communications strategy. Gamblers Help offers gamblers telephone counselling, information and a referral service. It plays an absolutely pivotal support role for problem gamblers.

The Bracks government invested \$1.8 million in its summer offensive and an additional \$6.1 million to assist problem gamblers primarily through telephone and face-to-face counselling. Support has been provided with the 1800 number. Previously, assistance was given through the old G-line number. However, I was appalled to find that under the Kennett government contract with G-line, while it allocated money for advertising, it did not ensure that it held that telephone number for any future contract. Millions of dollars of

taxpayers’ funds were invested in a counselling line that would become redundant once a contract was no longer used.

The Bracks government has worked to ensure continuity of service for problem gamblers so they can either ring Gamblers Help or the old telephone number. This has been made possible by ensuring that Turning Point, the current operator of support services, has access to the old telephone number and by working closely with the Western Australian government. G-Line Western Australia walked out of its contract and the Western Australian government was able to provide us with that telephone counselling line.

The Bracks government has secured that number. We are ensuring that there is a redirection of calls to the old number, that this government delivers on its commitment and that problem gamblers receive help when they need it, with whatever number they call. Were Turning Point’s contract to end, as was the case in the previous contract, with it not being renewed as the contract deliverer, the Department of Human Services has secured that telephone number, and all the money invested in advertising it will be useful in the long term.

### **Treasurer: answer**

**Ms ASHER** (Brighton) — I note that the Treasurer made a personal explanation to the house in the dead of night last night for misleading the house during question time. I refer to Australian Bureau of Statistics data on private new capital expenditure released yesterday, which shows that on any indicator — actual, seasonally adjusted or trend — private sector capital investment fell between December 1999 and December 2000, which is the exact opposite of what the Treasurer advised the house yesterday. Will the Treasurer admit that what he told the house yesterday was a lie?

**Mr BRUMBY** (Treasurer) — Yesterday the honourable member for Brighton asked me a question in Parliament, to which she has again referred now. Following the asking of that question I sought advice from my department on it and on my answer. I will provide to the house the advice I received from my department, but I will read the following paragraphs, because they respond to the question asked by the honourable member. My department advised as follows:

Purpose: To provide you with information about a question without notice asked on 20 March by the member for Brighton.

Issues/Comments.

The question referred to 'ABS data on state business investment' and went on to assert that Victorian business investment has declined in every quarter since the election of the Bracks Labor government.

There is no data series published by the ABS titled state business investment.

The usual source of business investment data published by the ABS is private gross fixed capital expenditure published in the Australian National Accounts: Quarterly State Details. The December quarter issue was published on 9 March. These data are the most reliable and the broadest source of information on business investment.

These data show private gross fixed capital expenditure on a trend basis in the December quarter 2000 was 2.9 per cent higher than in the same quarter in 1999.

**Ms Asher** — On a point of order on the issue of relevance, Mr Speaker, I indicated in my question today that I asked a question about private new capital expenditure. I invite the Treasurer to look at any estimate contained in here, actual, trend or seasonally adjusted, which are all down.

**The SPEAKER** — Order! I will not allow the Deputy Leader of the Opposition to continue with the point of order as she is clearly attempting to make a point in debate.

**Mr McArthur** — On a point of order, Mr Speaker, during the earlier part of his answer the Treasurer stated that he had received a briefing and quoted from it to the house. I ask that he make that document available.

**The SPEAKER** — Order! Was the Treasurer quoting from a document?

**Mr BRUMBY** — I am quoting from a document headed 'Minister for State and Regional Development'.

**The SPEAKER** — Order! As the minister is quoting from a document he is required to make it available to the house.

**Mr BRUMBY** — At the beginning of my answer I said I was happy to make it available. The document states:

These data show private fixed capital expenditure on a trend basis in the December quarter 2000 was 2.9 per cent higher than the same quarter in 1999. The data also show that there was a decline between the September quarter 2000 and the December quarter 2000 of \$227 million (2.7 per cent).

As I said to the house yesterday, the December-on-December figures are up and the December-on-September quarter figures were down. That is exactly what I said yesterday.

**Dr Napthine** — On a point of order, Mr Speaker, the *Hansard* record of yesterday's proceedings shows that the Treasurer said:

If you compare the December 2000 figure with the December 1999 figure, you can see that private sector capital investment is actually up, not down.

The figures in the Australian Bureau of Statistics (ABS) report on private capital expenditure — —

*Honourable members interjecting.*

**The SPEAKER** — Order! The house will come to order. Behaviour of the kind that was — —

**Mr Maxfield** interjected.

**The SPEAKER** — Order! The honourable member for Narracan shall refrain from behaving in that manner. There is no point of order. The Leader of the Opposition is clearly attempting to make a point in debate.

**Mr BRUMBY** — As I said at the beginning of my answer, I am more than happy to table the briefing note, which confirms that the data to which I referred and the ABS state final demand data is the accurate data. I am also happy to table for the benefit of the house the ABS Australian national account quarterly state details for December 2000, which show that total private fixed capital formation investment in the December quarter 2000–01 was \$8.174 billion compared with \$7.94 billion in the previous December quarter — —

**Ms Asher** — On a point of order, Mr Speaker, on the issue of relevance, and again of misrepresentation, the Treasurer made it clear yesterday, and the *Hansard* record shows, that he was talking about private sector capital investment, which refers exactly to the ABS figures that were released yesterday. He is trying to squirm out of it. He is again — —

**The SPEAKER** — Order! The Deputy Leader of the Opposition raised a point of relevance and then proceeded to spoil it by attempting to quote and to refer to yesterday's *Hansard*. I shall prevent her from doing so. I remind the Treasurer of his obligation to be relevant to the question that was posed today.

**Mr BRUMBY** — The most important statistic was the one contained in today's *Herald Sun* — that is, the 1074 Labor Party supporters who voted to keep Dennis Napthine in his job!

*Honourable members interjecting.*

**The SPEAKER** — Order! The house will come to order. I remind all honourable members, including the Treasurer, that the requirement is that the document be handed to the Clerk.

**Mr McArthur** — On a point of order, Mr Speaker, as were other honourable members, I was watching the Treasurer after you ruled that he should make the document available, because, as he said, he was quoting from it. The Treasurer had in his hand a red file of documents as well as those sheets that he has handed across the table. I ask you to direct him to make it all available.

**Mr Batchelor** — On a point of order, Mr Speaker, the Treasurer was quoting from a document, which he tabled. This is the second time the opposition has tried to use this confidence trick of claiming that documents that were handed over were not the relevant documents. It should not be tolerated on this occasion or in the future. It is an abuse of standing orders for the opposition to make claims that are palpably not true.

**Dr Napthine** — On the point of order, Mr Speaker, the tradition in this house has been that when it has been asked that documents be tabled the whole file has been determined to be part of the documents. That decision was made with respect to a former member for Polwarth, the Honourable Ian Smith, on a previous occasion in this house. It was ruled that just removing part of the file and handing that over was insufficient and that if a minister had at the table a group of documents that were part of a file the whole file would be handed over as part of the agreement to table the documents. I think that is the point the honourable member for Monbulk is making, and I would suggest, Sir, that you rule in that way.

**The SPEAKER** — Order! I will hear no further on the point of order. I have indicated to the house on a number of occasions the requirements for making documents available. On this occasion the Treasurer was quoting from a document that he indicated he would make available to the house. When the Treasurer handed the document over to the Leader of the Opposition the Chair took action and reminded the house of the requirement to hand the document to the Clerk.

On the point of order raised by the honourable member for Monbulk, the honourable member queries whether a file attached to the document should also be made available and says there are numerous previous rulings that indicate that if a document is attached to a file the file should be made available. On this occasion it appeared to the Chair that the Treasurer was quoting

from the one document. To satisfy all queries I will examine the *Hansard* report of the Treasurer's quoting of the document and if necessary report further to the house.

### Melbourne Food and Wine Festival

**Mr HELPER** (Ripon) — I refer the Minister for State and Regional Development to the food and wine festival being held in Victoria this week and ask whether he will inform the house — —

**The SPEAKER** — Order! It is with reluctance that I interrupt the flow of the honourable member's question. I ask the Deputy Leader of the Opposition to present the document to the Clerk.

*Honourable members interjecting.*

**The SPEAKER** — Order! The house will come to order!

**Mr HELPER** — As I was saying, I refer the Minister for State and Regional Development to the food and wine festival being held in Victoria this week and ask whether he will inform the house of the importance of this industry to the Victorian economy?

**Mr BRUMBY** (Minister for State and Regional Development) — I am happy to advise the house about the Melbourne Food and Wine Festival, which is being held in Melbourne from 16 March to 4 April. This year the festival is bigger and better than ever. It will include more than 100 events and will attract thousands of interstate visitors. Eight overseas journalists are coming to Victoria to cover this event. It is a sensational event for Victoria, sensational for our tourism industry, and a wonderful event to promote Victorian food and wine generally.

We estimate that the festival will inject somewhere between \$8 million and \$10 million into the Victorian economy, so it is a significant tourism contribution, and I know it is one that delights the tourism minister. This year the government is contributing \$290 000 towards the festival. It is a substantial contribution, but one of the things we have required this year as part of the government contribution is a much stronger regional focus. For example, last year only three regional events were included in the Taste of Victoria activities. This year as part of the Taste of Victoria activities there will be 14 regional events, and 21 regions and towns across Victoria will be involved in the general food and wine festival. This again shows that the Bracks government does not govern just for Melbourne, it governs for the whole of Victoria.

Talking about the whole of Victoria, I would have thought the National Party might have shown some interest in this, but its members are too focused on the other big issues that are around at the moment. But in terms of the food industry in general, I am delighted to inform the house that in the past year food and fibre exports from Victoria reached \$6.7 billion — this is something that is a real passion of the Minister for Agriculture — a 28 per cent increase on the previous year. Victorian exports of food and fibre have gone up to \$6.7 billion. What this means is that in the past year we have seen something like \$500 million of new investment in the food industry in our state.

Just yesterday morning I was out in Melton with the honourable member for Melton concerning a new investment there by a Japanese company, Saizeriya, which in Japan supplies the largest chain of Italian restaurants in the world. It is the first time the company has ever sourced product from outside Japan, and it is doing it in Victoria, in Melton. It is a \$50 million investment providing 200 jobs, and 100 per cent of the product will be exported overseas. I believe if we get this right we will see more such investment in the future.

One of the policies of the former government that we did adopt was the target of \$12 billion of food and fibre exports by 2010. If we achieve that target — and we are on track — it will mean something like 150 000 new jobs for Victorians. Unlike the former government, we are actually putting in place the export programs, the development programs, the infrastructure programs and the support that is needed for industry to get the export numbers up and to get into overseas markets.

Finally, I want to mention the important part played by our wine industry. We have in Victoria more wine regions than any other state. We have 340 wineries and 2000 grape growers. This year our exports from wine alone will approach \$200 million, so again it is a great news story. The honourable member for Ripon, who asked this question, is aware of the importance of the magnificent food and wine industry in the Pyrenees. Taste of Victoria and food and wine festival events are being held in the Pyrenees district, which again shows the commitment of the Bracks government.

We are not just about Melbourne, important as it is; on this side of the house we have a real commitment to growing the whole of the state, and we are doing it through this festival, of which we are proud to be a part.

**Mr Cooper** — On a point of order,  
Mr Speaker —

**The SPEAKER** — Order! As it is approaching 3 o'clock I will have to interrupt the business of the house. Unless the honourable member for Mornington can conclude his remarks in the 30 seconds available, I suggest he take the point of order when we resume.

**Mr Cooper** — I think I can do it in 30 seconds, Mr Speaker. In regard to your earlier ruling, I draw your attention to Speaker Coghill's ruling on 16 May 1991, which appears at page 72 of 'Rulings from the Chair', on the procedure to be adopted where it is alleged that material was concealed or mutilated. The reference sets out the procedure followed by Speaker Coghill in that matter, and I suggest to you, Sir, that you should follow the same procedure with the matter regarding the documents the opposition alleges the Treasurer did not table.

**The SPEAKER** — Order! I will take that on board when examining the matter further.

**Sitting suspended 3.00 p.m. until 5.44 p.m.**

## DRUGS: EDUCATION AND PREVENTION STRATEGIES

**Mr BRACKS (Premier)** — I move:

That this house takes note of the addresses of Mr Neil Comrie, Dr David Penington and the other expert advisers.

As we have heard, and as we all know, drug abuse rips families and communities apart. As parents and as people associated with carers, we know that everything possible is done to protect our children from getting hooked up with and involved in drugs. But we cannot protect our children unless we fight this problem together, and that is why we have come together today. I again congratulate Mr Neil Comrie, Dr David Penington and the other experts on taking that initiative, and I thank them for their contributions today.

We are fortunate in Victoria to have such a wide range of experts to contribute to the debate on how to tackle illicit drug use as a government and as a whole community. These people are not only experts in their field but also passionate about the cause, as they should be.

The government wants that passion to spread across all sectors of the community in order to tackle this problem, and in particular to prevent the use of illicit drugs, to educate young people about the dangers of drug use, to save lives and to provide effective treatment for those who are caught up in the web of drug use and dependence.

The government also wants to make sure that the full force of the law is brought to bear on individuals who traffic drugs and perpetrate this problem on the Victorian community. That is why the government has introduced the maximum penalty of life imprisonment for those who peddle large quantities of drugs to our young people. It is an important symbol of the government's determination to ensure, as I said, that the full force of the law is brought to bear on those who are responsible for this misery.

The government is determined to make a difference in each of the identified areas of prevention, rehabilitation, enforcement and saving lives. Every step the government has taken over the past 18 months has focused on those four areas. The government welcomes the contributions made today on all these areas, specifically those on prevention and education strategies to assist and support the next generation of young Victorians.

We are stepping up our commitments in each of these areas, and we are calling for an equally big effort from everyone involved in this problem — that is, parents, educators, police, health professionals and community organisations, among others.

On behalf of the Parliament and the people of Victoria I place on the record the government's appreciation of the work done by Dr Penington and the Drug Policy Expert Committee, which has led us to this point. I also congratulate Mr Neil Comrie on his initiative in suggesting today's joint sitting.

As a consequence, these initiatives have largely enjoyed bipartisan support. I think the differences between the parties have been overstated. If you were to list the issues surrounding prevention, treatment, saving lives and enforcement, you would probably find 90 per cent agreement across all political parties in the house. However, the media focus is always on the differences, as we would expect as politicians. If we aggregate the efforts of previous governments and the efforts of this government, we find that they enjoy predominantly bipartisan support. The range of initiatives taken by this government on other fronts are outlined in the resource material provided to every member of Parliament in the joint sitting.

I want to focus on prevention, which has been a topic of today's contributions, before going to other parts of our strategy. In concert with the rest of the community — and as a fundamental starting point — the government is determined to do all it can to prevent young people from using drugs in the first place. If we can achieve that together, there is no doubt that it will be a fantastic

achievement for the state of Victoria. We join with the rest of the community and with all those who made contributions today in saying that if we can prevent young people from starting, it will be fantastic — and that is what we want to do.

As Dr Penington pointed out, we now know a lot about the drug problem — probably more than we have shared with the community and more than politicians in most other jurisdictions in Australia or around the world.

A lack of proper family support and a lack of education, as well as unemployment, low incomes, homelessness and social exclusion are all identified in drug experts' reports as factors that place people at risk. As we have heard today, young people need to be connected. They need to have a sense of belonging and a sense of their place in the world; and they need to be supported in whatever choice they make, even if it is the wrong choice. In those cases they need the support of the community and to have people around them to assist them in making better choices in the future.

That is why we are investing in education, training and jobs for our young people. Since coming to office we have put 2000 new staff back into Victorian schools. I note the call for welfare and nurse support in our schools to get in there early and detect problems with drug use. We have taken action on that. We have placed a student welfare coordinator in every secondary school in Victoria and employed school nurses who can detect the early warning signs and give practical advice to students. I welcome the call from Mr Neil Comrie for that to occur. With that support staff now in schools we can better identify the training they need to better identify those problems in the future.

An additional \$65 million will be provided over three years to prevent early school leaving and to boost young people's participation in education and training, which is also important. Ensuring that young people are active, involved and training for or in work is important in preventing drug use.

We have also invested \$158 million in a targeted jobs package — our community jobs program — to create 32 000 new job opportunities, traineeships and apprenticeships over the next four years. The Minister for Post Compulsory Education, Training and Employment told me before that that program is already bearing fruit, with a lot of long-term unemployed young people coming to us and saying how beneficial it has been in their lives.

Of course school and work are important, but this is about more than school and work. It is about ensuring that parents are able to properly support their children and feel confident about discussing drug use with them. That is why we have invested in parent support programs and massively expanded the availability of drug information nights for parents, including my launching yesterday, with the Minister for Health, the Family Drug Helpline. As a result of people who have regrettably experienced deaths in their families coming forward and wanting to do something, 35 parents are now trained to answer calls from other parents who are going through similar circumstances.

This will be backed up by a major public awareness campaign linking parents and others needing help to an 1800 telephone number. As part of this campaign, we will be alerting young people to the risks of excessive drug use, including excessive cannabis use.

Today I can announce, as part of the historic joint sitting, that the government has committed an extra \$2.4 million to this campaign, which will commence in June this year. It will focus specifically on education and support programs and on advertising to assist in minimising drug use, including cannabis use.

Neil Comrie spoke about the importance of having a comprehensive strategy to prevent the next generation from engaging in illicit drug use through education, early intervention and prevention and diversion. I and the government endorse this approach, which is central to our drugs strategy.

However, much more can be done. I note the call by Mr Andy Hamilton for the government to employ specific objectives and targets to improve public health, and especially the health of our young people. Those targets are part of our drug programs. Last year I set four clear targets to guide the government's drugs strategy over the next three years. Those targets require that every government school has an effective — following the contributions today I emphasise the word 'effective' — drug education program that is comprehensive, enduring and long lasting. I note the calls against programs that are short lived and have had to be regenerated.

Secondly, at least 7000 minor drug offenders will be diverted every year from the courts to compulsory treatment. Each year at least 50 per cent of seriously dependent heroin users will be linked to drug treatments, and the waiting list for drug withdrawal and detox services will be cut to less than 10 days. We have clear targets, and we would of course welcome the

opportunity to set new targets for any future prevention initiatives that come out of this summit.

Since the conclusion of the work of the Drug Policy Expert Committee under the leadership of Dr Penington, the government has been mindful of the need to set up a more permanent body to oversee the implementation of the government's drug strategy and to take forward some of the prevention strategies. Today we heard several calls asking for that to happen — one by Mr Neil Comrie for a statutory authority to take that responsibility; and one by Dr David Penington for a drugs council reporting to the Premier.

I can give an undertaking that the government will establish a Premier's drug prevention council after consultation with the experts who presented contributions today. The form, terms of reference and the conduct of that, as Mr Neil Comrie indicated today, need to be determined by agreement across the chamber and in the community over the coming months. We intend to seek agreement on the structure and conduct of that drug prevention council.

The council should have a primary focus on drug education and prevention. That has been emphasised today, and we will make recommendations on new directions and priorities, as well as, as I said, scrutinising and oversighting the existing policies.

I and I think all Victorians want to harness a wide range of expertise for this effort, including educators, communications experts and practitioners in the drug and alcohol field. This council will be properly resourced and charged with the responsibility of coming up with new strategies for preventing illicit drug use among our young people. It will also provide advice on what needs to be done to ensure the effectiveness of our existing drug education and prevention programs. It will address issues such as the accreditation of such programs, which was addressed by Mr Neil Comrie. The council will report to the Parliament on an annual basis through the Drugs and Crime Prevention Committee, and it will also report directly to me as Premier, as has been recommended.

I have been impressed by the array of people who want to become involved in tackling the drug problem. If one looks back over the past year, one sees that they have ranged from the Australian Medical Association, the Victorian Law Institute and the Institute of Australian Engineers to business people across the community.

I am also pleased to announce that the government will work with the new drug prevention council to establish

links with business, philanthropists and the community so it can contribute resources and skills to the new drug prevention programs that we undertake as well as the existing ones.

In the past too many of our strategies have focused on the enormous pressures generated by increasing drug use in the community. This new body will ensure that there is a longer term focus and that we harness the energy and the skills of the community to work with our young people and prevent them from using drugs.

As part of this long-term approach I am also pleased to announce today to the Parliament that the short-term funding previously provided under the Turning the Tide program will now become part of the core recurrent funding under the drugs strategy, which I think will be welcomed by all those involved in rehabilitation and support for those people who find themselves in such circumstances. Together with the additional \$77 million that will be provided over the next three years, it will result in a near doubling of the funding available to tackle drug abuse since we came to office.

I conclude on this point: no-one, and certainly no-one in the government, underestimates the size of the task ahead of us. But no-one should underestimate the significance of the drugs strategy the government has put in place. I reiterate that we have doubled the resources that have been contributed to the drug strategy in Victoria. It is a product of an enormous amount of work by people in the past, including Dr Penington and his committee over the past 12 months. I am heartened by the response we have had from all sections of the community.

We have committed \$5 million to local drug prevention strategies so this model can be extended to municipalities and local authorities around Victoria. We know that local communities have imaginative grass-roots ideas on how to prevent people from using and becoming hooked on drugs. It is clear that the additional commitments the government has made are yielding tangible results.

As a result of the efforts of the police, the supply of heroin has shrunk in recent months. We heard Neil Comrie quote the impressive drug statistics from last year. More drug offenders than ever before are now being referred for proper treatment.

As a result of doubling the number of rehabilitation beds available the government has cut the waiting time for drug withdrawal and detoxification services to 10 days or less. The advancements that have been made in the former treatment available means there is a high

rate of success in turning lives around. These are all improvements, but we must all work even harder to reduce illicit drug use in the next generation. I believe the contributions we have heard today will assist us enormously in that process.

I am particularly heartened by the widespread acceptance that this is not someone else's problem, because it is our problem, and that is a message that should also come out of what we are doing today. We must tackle it together. The government is providing a massive increase in funding and showing leadership on drugs, but it takes more than that — it takes effort and commitment from right across the community and from both sides of politics. Each and every one of us needs to get behind the strategies, to think about new ideas and to work together to turn this tragedy around.

I welcome the contributions made today. I think we have achieved an enormous amount already, but with these new initiatives we can do even better in the future.

**Dr NAPHTHINE** (Leader of the Opposition) — We come here today to tackle a problem that confronts every community and every government — how to stop the damage caused by illicit drugs, and indeed many legal drugs in our society. I commence by thanking the former Chief Commissioner of Police, Mr Neil Comrie. Not only would we as a society be the poorer without his efforts over the recent years in his role as chief commissioner, but also we would be the poorer without his recent efforts, which have stimulated this drug discussion today.

I also take this opportunity to thank the other speakers for their positive and significant contributions. The time has come for us to put aside our differences and focus on stopping future generations from being trapped in the web of drug abuse.

The Victorian community is united in its desire to strengthen the key areas of education, prevention and early intervention for those at risk. This is what Mr Comrie and other speakers have challenged Parliament to consider, and it is why we have been presented with this unique opportunity today. As we all know, the scourge of drugs has increasingly spread throughout our communities over the past 10 to 20 years. It has directly affected thousands of people, particularly young people, and has indirectly affected many families and individuals. I challenge anyone to name an individual in Victoria who has not been affected by the drug problem in our society.

Many people are the silent victims of drug abuse, and we must ensure that the voices of drug users, their

families and everyone affected by this terrible drug trade are heard here today. Tactics and strategies used in the past have sometimes been successful and sometimes not so successful. We have to build on the successes of the past as we look to the future. As we look well into the future we need to ensure we assess what has been successful in the past and build on it. We must consider new strategies. We must look here, interstate and overseas, and ensure we focus on the real issue before us today. The challenge that has been put before us today is to help future generations say no to drugs so that they do not become caught up in the tide of drugs.

Today we can take some solace in the fact that the heroin toll this year stands at 11, whereas at the same time last year it stood at 64 — an 80 per cent reduction. We must acknowledge the efforts of the police and the other authorities that have been involved in reducing the availability of heroin in the community, thereby reducing its use by young people at risk. However, while we continue with those efforts, we must also continue to focus on prevention strategies, because in the long term they are the most important means of protecting our young people.

Mr Comrie has challenged us all to come to some real decisions, and in a bipartisan way look to the future in tackling this blight on our society. The Liberal Party offers the government its full support in doing just that. In the past Liberal members have championed the expansion of treatment facilities, resources for law enforcement and a number of the justice strategies. We have also been very strong in our commitment to the expansion of efforts to prevent our children and young adults from falling into the trap of drugs in the first place.

Last year the Liberal Party consulted widely on the issue of drugs in the community and produced a comprehensive program entitled A Safer Way, which dealt with a whole range of issues in the drug debate. I wish to speak briefly to some of those before I move on to the major issues before us today. The blueprint in our strategy was based around prevention through education, early intervention and more effective coordination of efforts to stop people falling into the drug trap. It included better treatment through the opening of 500 extra detox and rehabilitation beds, new powers for authorities to provide compulsory treatment of overdose victims, law enforcement and justice through an expanded and specialised police force, stiffer penalties for drug pushers, and specialist judicial programs to confiscate all assets of drug pushers.

At the same time Liberals said no to injecting rooms. We firmly stand by that decision. We said at the time that this would send the wrong signal to young people, and if we are talking about education for young people we cannot send mixed messages. If we are saying to young people that drugs are harmful and dangerous, we cannot send them a mixed message that they are okay in certain situations. We must be consistent, and the Liberal Party will continue to be consistent on that point.

In the long run there is a need to focus not on differences but on areas where both sides of politics agree — and we both agree on the need to have more coordinated and effective prevention, early intervention and diversion strategies. We need to provide young people with education and information, but most importantly we need to provide them with hope for the future so that they have self-esteem, a positive view on life and generally can go forward with confidence without having to resort to high-risk behaviours, including the abuse of drugs and alcohol.

Today we need to put the focus very much on education, early intervention and a diversionary approach, and that involves a comprehensive community approach. It is not merely an issue that we take up through schools and education. It is not an issue that we can any longer say is solely the responsibility of families. As we have heard today, many families are dysfunctional and do not provide the right support for young people. It is a complex problem that needs to be given attention in all three areas — in the schools through our education system; in the community through sporting and community groups, and through the general community environment in sending a message that provides hope and opportunity for young people; and in our support for the family environment.

We certainly need to look again at how we provide drug education, particularly to young people in the senior years of primary school — the 8 to 12-year-olds. Although in many secondary schools we have sound education programs that can be improved and can be extended across all secondary schools, the important group is the 8 to 12-year-olds in primary schools. Recently I met some of them at Christ the King Primary School in Braybrook. Those young people are full of hope and life. When you ask them what they say are the things that should be done to improve their neighbourhood and community they say, 'Get the syringes out of the playground and stop the drug pushers being in our local shopping centres'. That is what they are saying in grades 5 and 6, which sends us a message that it is that level at primary school where we need to increase our efforts.

We need to provide support for families right from the time of the birth of their children to assist them in providing a more positive environment for those children to grow up in. We need to give support through the kindergarten and early primary school years and onwards into the secondary school, TAFE and university years.

Programs need to be geared towards the needs of young people and their communities. Although there needs to be some sort of model to deal with these drug education programs that has been evaluated and is effective, we must recognise that the programs need to be tailored to suit different areas — Springvale versus Box Hill versus Hamilton versus Portland — different societies and different communities.

That is why I suggest that the government has a positive look at a program entitled Communities that Care, which has been evaluated in other countries and which is being adopted in a number of communities in Victoria. The Communities that Care program works on evaluating the strengths and weaknesses of a young person's environment, including improving the young person's connectedness to their family, school, community and peers, using that connectedness to increase their resilience, and ensuring through that increased resilience that they are at less risk of succumbing to some of the challenges of adolescence, such as drug taking, premature school leaving, high-risk promiscuity, drug and alcohol abuse and other high-risk behaviours that young people find themselves involved in.

I wholeheartedly endorse taking a whole-of-government and whole-of-community approach to dealing with the issues of early intervention and prevention through the community, the family and our education system.

Mr Comrie called for the establishment of an independent statutory authority that reported to the Parliament. The Liberal Party wholeheartedly endorses his call and urges the government to take up the issue immediately following today's joint sitting.

I suggest that the independent authority report directly to the Parliament through the all-party Drugs and Crime Prevention Committee. The authority should have the imprimatur and resources to scour the world for the best strategies in education, early intervention and prevention; to undertake the necessary research; to complement that research through new and innovative strategies; to tackle problems that lead to drug abuse; to assist in the development of school drug strategies such as the one at Heatherhill Secondary College; and in

particular, to develop drug strategies for primary schools across the state. The authority should also be able to coordinate and lead the many arms of government and the non-government agencies that are involved in these programs across the state.

Clearly, the authority should be given the brief and the resources to undertake serious research on the issue to ensure that Victoria's programs are the best and most effective in the world. As well as reporting regularly through an all-party parliamentary committee, the new authority should report to a joint sitting of the Victorian Parliament on an annual basis. That would be a good way to keep all members of Parliament up to date with its activities while allowing the community to share in and comment on its decision-making processes. Having the authority report to a joint sitting of Parliament on a regular basis would be a positive step towards ensuring that the momentum of today's joint sitting is not lost.

We have talked about the drug problem for many years. Last year I said it should be the first priority of all honourable members to do everything they can to prevent young people from using illegal drugs in the first place. Let us put in place a plan that can tackle the problem through education and prevention strategies that help young people to say no to drugs.

It should not be a matter of resources: the resources that are needed to deal with the issue have to be made available. It is not a matter of a lack of community awareness or support: the community demands such a response from its elected representatives. Today must be about much more than a summit. It must be about putting in place a genuine plan of action to address this issue.

The question we must ask ourselves is whether we are doing everything we can to save future generations from drug abuse. If the answer is no, we are not doing enough. We simply must not allow this unique opportunity to pass us by. This debate must lead immediately to concrete decisions to establish the authority and give it the imprimatur to get on with the job of implementing positive drug education and early intervention and diversion strategies for the sake of future generations of Victorians.

**Mr RYAN** (Leader of the National Party) — I support the motion moved by the Premier and seconded by the Leader of the Opposition. In so doing, I sound a note of warning. Given the contributions made by the various speakers, let there be no doubt that we need to achieve practical outcomes from this debate.

These issues have been talked about for a long time in a variety of forums, most recently in August last year, when a debate on the drugs issue came before the chamber. We need to make sure that this time we get something practical out of the debate as well as a process to put it in place.

We must concentrate on the areas in which there is agreement between the parties. As the Premier said, during the previous debate on drugs the focus was on those things that divided us rather than on those things on which we agree. The reality is that we have agreement on a vast range of issues that contribute to the terrible drug problem Victoria faces.

Apart from endorsing the notion that we must have a practical outcome to put before the people of Victoria, we must ensure that in doing so we concentrate on and give effect to those issues on which there is agreement across the chamber to achieve the results we all seek.

I will not dwell on the problem itself. In saying that I do not intend to diminish the extent of the problem; on the contrary, my doing so is intended to highlight the fact that we are all conversant with the difficulties we face. One of the great virtues of having those eminent speakers address us was that each contributed to the discussion in a way that represented their unique involvement in the issue over the years.

I again make the plea that we ensure that country Victoria is remembered in this debate. The focus of the debate has understandably tended to concentrate in and around metropolitan Melbourne. While travelling in country Victoria over the past few days I spoke to a lady who is a counsellor of young mothers in a large town. She told me she counsels a number of young mothers who are dealing in heroin not only to support their own drug habit but also to fund their daily needs in the so-called family environment in which they find themselves.

I raise that in addition to the other matters raised by the experts because I recognise the gravity of the problem we are looking to accommodate. The most compelling message to come out of what we heard is that we owe it to the young people of Victoria to find solutions and put practical measures in place to facilitate them.

I pay tribute to the Honourable Ron Best, a member in another place, who, as the National Party spokesperson on health, has done an enormous amount of work in developing a model that I now wish to put before the Parliament — it is the day for doing so — as an example of how committed the National Party is to achieving practical outcomes. The Honourable Ron

Best has been involved with Dr Rob Moodie and Vichealth over many years. That organisation has made a great contribution to Victoria, and the proposals that Mr Best has advanced are based on his experience with Vichealth.

In putting those proposals before the Parliament I am saying that we need to cut to the chase. While I respect the aims the Premier has advanced for the entity he has described, I would hate us to fail to deal with the issue that moved Neil Comrie to address us today on his proposition for an authority that reports to Parliament. We need to get down to taws and achieve practical outcomes.

The National Party has in mind an authority along the following lines. It would comprise representatives from the broad community — for example, the police, justice, health and education sectors, church groups, the welfare sector, local government, the community and government departments — as well as representatives from this chamber. The authority would need that sort of broad perspective.

It would be a central focus for the programs that are already running, as well as acting as a mechanism to develop new programs, be they from within Australia or overseas. Among the material distributed to all honourable members today were the two booklets I am now holding — one entitled *Prevention of Drug Abuse in Victoria* and the other entitled *Drug Treatment and Rehabilitation in Victoria*. The programs outlined in those booklets, which are laudable and worthy, are being implemented.

The previous government was responsible for many of the programs, and the current government, to its great credit, has pursued a lot of those programs and has added to them, so in that bipartisan sense these documents are representative of a lot of work done by the people in this chamber.

But the key point in the context of this discussion is this: one of the documents, the prevention document, mentions 34 individual programs. The other one, the drug treatment and rehabilitation program document, mentions 20 individual programs. One of the 34 programs referred to in the first document comprises 16 individual programs within itself, so just in these two documents there is a total of 54 programs, plus the additional 16.

I think what Neil Comrie and others are saying to us is that there needs to be a mechanism of an overarching body that can take the various programs and evaluate and manage them in a way that gets the best outcomes.

I must say that I do not know whether that would be done by an authority that sits right outside government — because I think there is an issue about quarantining the funding delivered in the programs by government departments and lifting it out of there into the hands of a new authority — as opposed to having the enterprise I have described, which would have a capacity to coordinate those existing government programs within the budget and to do the other work I have described.

Let me leave that aside for the moment. I believe that what Mr Comrie is talking about is the notion of something that has an overriding capacity to organise the way these programs are delivered, and to do it in a coordinated manner to get the best outcomes.

I think it ought be in the form of some sort of institute. In his inimitable fashion the Honourable Ron Best of the other place has even named it VICTORY — which is an acronym for the Victorian institute for the care and treatment of rehabilitating youth, which I did not think was a bad effort in all the circumstances. But the main thrust of the notion was to have that sort of a body to give those sorts of outcomes.

The focus of the enterprise, in whatever form it might take in the general scheme of things, would be on a variety of things: the question of early intervention; the issue of prevention, which Mr Comrie has highlighted again and again and which has been spoken about by so many of the other speakers as being pivotal; education, rehabilitation; detoxification; the policing issues, which of course are very important; the diversion programs; the correction systems and the programs being delivered in those systems; and the support programs for those who have come out of the system, whether by having come out of corrections or by having gone through one of the programs delivered by either a government or non-government agency, to avoid the situation we see today where many people who emerge from this process are effectively dumped on the street and their system of support falls away.

Today we heard about the tragedy described by David Brunt in his contribution in which he said so tellingly how the young lad had been supported by the system for three months but a week later he was dead. They are tragedies we have to avoid, and when I talk about the necessity for support programs that is what I have in mind.

I believe the organisation that is established needs to be a legislated entity and to have the powers that are needed for the purpose of giving it the sort of focus I have described. Obviously it will need direct

government funding, and in that sense it differs from the Transport Accident Commission (TAC) and the accident compensation authority model, because they are funded directly by those who are, in a sense, the beneficiaries or who are obligated under the respective schemes.

Car owners pay registration fees that fund the TAC; employers pay premiums for the purpose of funding the accident compensation authority. However, with this organisation it will be different; it will need to draw funds from the government and also from the private sector in a way that has been generally described here today. It will need to deal with existing programs and to be responsible for developing additional programs.

Victoria has under the current government a Growing Victoria fund of \$1 billion. Funding wise, if we are fair dinkum about this — to use an expression used by Peter Wearne — why shouldn't \$100 million of that be allocated straight across to such an enterprise by way of what I would term in reality in this day and age seed funding for the problem, if we are to really come to grips with it? Or should it come out of the Community Support Fund in circumstances where the legislation, as it stands, would enable funding to be derived from that source for the purpose I am now describing?

I give an undertaking to the house that the National Party will cooperate fully with the government, with the opposition and with the independent members of Parliament with a view to getting the outcome everybody here seeks. For the first time in my nine years in this place I really think we are at the cusp of an opportunity. For the first time since I have been grappling with this, in my years in the law before I came to Parliament let alone in my time in this chamber, we have a chance that we must not let go by.

I endorse the motion before the house, and I will finish where I started. We have a clear obligation to all Victorians to ensure that we get practical outcomes that can be delivered in a way that Neil Comrie had in mind when he started the process that has led us all here today and that the other people who came with him to speak on and support this issue have put before us. We have a responsibility — the 88 of us who comprise the Legislative Assembly of the state of Victoria. If we do not get this right, then be it on our own heads, because at the end of the day the responsibility is very much owed to our young people who are the lifeblood of our future.

**Mr THWAITES** (Minister for Health) — One thing that is clear from today's special sitting is that the drug problem is a joint community problem and that we have

to tackle it together. We certainly have bipartisan support for that motion, and that goes beyond Parliament right through to the community — the schools, the families and the young people.

However, I do not think we can underestimate the task. This is not a problem that is faced only in Victoria or even only in Australia — this is a worldwide problem. We are facing a situation where increasing quantities of illicit drugs are being grown in Asia and are coming into Australia and continuing to provide a major supply. Of course what we have to be about is reducing the demand for that supply.

The focus of attention today has been upon prevention and reducing the demand from our young people and some of our older people for those drugs.

I would like to compliment the speakers today. I would particularly like to acknowledge the huge role that Dr Penington and his committee have played, not just in the past year but over a number of years, in providing expert advice on drug issues.

A disappointing thing is that some people have been saying in the media that this is just a talkfest — that there is too much talking and that there ought to be action. The reality is that there has been a great deal of action. Not only has there been the work done by Dr Penington to produce a report, but there has been action based upon that report. That action has seen an increase of something like 80 per cent in funding for drug programs and is seeing a doubling in the number of treatment and rehabilitation beds.

We are now seeing an improvement in waiting times for things like counselling and access to withdrawal beds. We acknowledge there are waiting lists — we want to reduce them — but there are certainly improvements. I think we owe a debt of gratitude to Dr Penington and his committee, and indeed all the people working out there in the field such as David Brunt from the Salvation Army. I was very pleased to launch with Major Brunt and the Salvation Army new beds that it is providing with government resources for homeless people, a group which has been ignored so often before and which, together with people with mental illness, is often particularly afflicted by drugs. So there is a very positive message.

The Penington committee indicated — and we all know — that the one area that has been underdone is prevention. There has not been enough done in the past. I think the Penington committee report of November indicated that only 2 per cent of the budget had gone into prevention. The government is proposing to boost

that to 13 per cent. That will provide the resources for the sorts of programs we are talking about today — prevention programs to give resilience to our young people and to protect them so it is less likely that they will become involved with drugs.

There are three aspects of prevention. The first is primary prevention to prevent people from getting into drugs in the first place. The second is secondary prevention — which I want to talk more about after dinner — to protect those young people who are experimenting, and we know that all young people do. Probably everyone here has experimented in one way or other with licit or illicit drugs. The third is tertiary prevention, which relates to those who are seriously dependent and how we can help them. After dinner I would like to refer more to what we can do about secondary prevention.

**Sitting suspended 6.30 p.m. until 8.02 p.m.**

**Mr THWAITES** — Before the suspension of the sitting I was referring to the excellent work done by the Penington committee in advising on prevention of drug abuse. If the advice of the Penington committee were to be summarised, it was that parents, families and communities must be mobilised to work together on the prevention of drug abuse. The core areas that were identified and that the government has been adopting as its prevention policies are: community strengthening, community drug education, and drug education initiatives targeted at specific groups in the community.

As I said earlier, there are three types of prevention. The first is primary prevention, which is about keeping children protected so that they do not take up drugs in the first place. One of the key aspects of that and one of the lessons we learn is that keeping children at school is vital to ensuring that they have the resilience and personal esteem to resist taking drugs. That is an area that the Minister for Education will talk about further. The government is committed to that area and has committed a huge amount of resources to keeping kids at school and to providing the support they need, through additional welfare support, through school nurses and a range of other programs.

I will talk a bit about secondary prevention, which is vital. It relates to doing whatever we can to ensure that young people who experiment with drugs do not go on to drug dependence. As I said, the reality is that a huge proportion of young people will experiment with drugs. All the research indicates that most young people have tried tobacco, marijuana or alcohol. We have to do what we can to ensure that that does not develop into a dependence. A key plank of what the government will

be doing is a major community education program and a media campaign directed at young people to try to stop them taking that step into dependence.

The commonwealth government will soon be launching a major drug advertising campaign. This government will subsequently launch a media and public education campaign which will be complementary to that commonwealth campaign. It is important, though, that the campaign works. We have to be realistic about the matter. Telling young people to just say no does not work. What young people want us to do is to just tell the truth. They want to know the truth about drugs. They want real, not misleading, information. There is research that indicates that if we put too many resources into scare campaigns, we may have exactly the opposite effect of that intended — we may encourage some young people to take risks because of the style of advertising used. We should not think that the simple adoption of road safety or TAC-style advertising will necessarily reduce the number of young people moving to drug dependence.

That is why the campaign the government will be launching will be very well targeted, based on evidence and research. It will target firstly the peers of young people who may be moving to drug dependence. Next it will target other young people who may be able to assist the young people experimenting with drugs to ensure that they do not go on to dependence. The best way of doing that is to give accurate and true information.

One of the drugs that is relevant is marijuana. Many young people do not realise the health risks associated with taking marijuana. We must be honest with young people about it and not try to give information that they know is patently false. That is why we will be directing the campaign principally towards the peers of young people to protect those who are experimenting with drugs.

We will also be directing the campaign to their families so that families with young members who are experimenting with drugs have true and accurate information. We will be ensuring that those families also get access to information about how their children can get treatment. Currently many parents in that situation do not know where to get help or treatment for their children. That leads to anxiety and a lack of access to rehabilitation. Through the campaign the government will be ensuring that parents, peers and friends of young people in that situation have access to the information they need to prevent further drug abuse.

**Mr HONEYWOOD** (Warrandyte) — I come to this debate, like many parliamentary colleagues, with a limited knowledge base that I am pleased to admit has been somewhat enhanced by this afternoon's keynote speakers. Unlike my colleague Dr John Ross in another place I have not embarked on intensive academic study of drug programs around the world; unlike my colleague the honourable member for Footscray I am not involved in brokering drug program implementation and service delivery within and between language-other-than-English communities in the area I represent; and unlike the Honourable Wendy Smith in another place I have not yet initiated and coordinated activity camps for young people at risk.

What I bring to the debate is a view that each parliamentarian should be strongly representative of particular drug education and prevention programs for and on behalf of the communities we are honoured to represent. The decline of local communities and their ability to find local solutions to significant social problems has been well documented.

I wish for a moment to refer to a book entitled *It Takes a Village — And Other Lessons Children Teach Us*, which was on the New York bestseller list for many years. One only has to look at the contents of the book to see some key indicators of what faces local communities in finding the solutions they need to drug education situations. It includes sections headed 'No family is an island', 'Every child needs a champion', 'Child care is not a spectator sport', 'Children are citizens too' and 'Let us build a village worthy of our children'. They are all key indicators of what disturbs many local communities in establishing local solutions to local problems after 20 years of decline in local communities. Whether it be that particular worthy book or Jim Stynes recently arguing, 'What if we all believed in the old African proverb "It takes a whole village to raise a child"? Would this mean we would all take responsibility to turn a challenge into an opportunity?'

Right around Victoria local communities are attempting to come up with ways to handle their own drug education challenges. For example, the honourable member for Seymour would be well aware that Seymour Technical High School had a problem with drug dealers going inside the school grounds. The Minister for Post Compulsory Education, Training and Employment has also visited the school. It has attempted to deal with the problem by installing video cameras in the toilets for both boys and girls. When I first heard of it I thought, 'How can this be?' However, it has been an effective deterrent for a local problem of drug dealing that was difficult to supervise. I am sure the honourable member for Seymour would regard the

holistic approach the school has taken to the problems in its community as worthy of support.

Equally, how many parliamentarians would be aware that in New South Wales four schools now have random drug testing for targeted students, with the consent of parents? It is not a solution I would be attracted to, but it is a way in which some communities are trying to face up to the difficulties involved in this problem.

On a more positive note, the Honourable Ken Smith, a member for South Eastern Province in another place, and I recently visited the Blackwood Annexe of Drouin Secondary College and had a barbecue lunch with young people at risk, under the supervision of the coordinator, David Hayes. Late last year the honourable member for Polwarth arranged for me to visit Colac Alternative School.

In each case regional communities have devised locally relevant programs to support and underpin young people at risk. These schools provide six months of virtually one-on-one involvement and mentoring for young people who are at risk of committing suicide and becoming addicted to drugs, and who in some cases have been rejected by their families and their mainstream school. Often after the six months of special programs, involving camps and special activities, these young people are well and truly equipped with the confidence to go back into another mainstream school. These are positive examples of locally relevant solutions to the terrible challenge we all face.

We should not throw out the wonderful programs devised by local communities for local communities when there is talk of having one centralised authority. Having said that there is great merit in Mr Comrie's suggestion of a special authority to look after this key issue. Why do we need a central authority? Mr Comrie noted that the drug programs are often caught up in the vagaries of yearly funding. One has only to look at the Life Education Victoria program that takes drug education to 210 000 primary schoolchildren each year. It receives approximately \$300 000 a year in state government funding, but local communities raise \$1.4 million a year separately to help pay for the 23 mobile classrooms and 32 trained educators who implement that fantastic program for young kids.

Life Education Victoria is an excellent program but it reaches only half of Victoria's government primary school children. It currently finds itself on a drip-feed, relying on a yearly budget allocation, whereas up until last year it had a three-yearly funding guarantee. This is

the very problem highlighted by Mr Comrie — that the vagaries of yearly budget allocations often do not give surety to communities that are trying to deal with drug education programs in their own way.

Apart from Life Education Victoria, I recently had the privilege of addressing a program for leaders of the future that was organised through the good offices of the honourable member for Glen Waverley. The youth leaders program highlighted approximately 40 young people in years 10 and 11, who fed back to me as shadow spokesperson on education some of the problems they had with the current curriculum and the way in which personal health, hygiene and drug education are dealt with, particularly in government high schools.

The feedback was that the curriculum content is boring. I know the Minister for Education will be listening to this and will probably be heartily agreeing. All too often the curriculum is also taught by teachers who do not have any professional development in the methodology of teaching personal health and drug education. That is not to blame the teachers — they do an outstanding job — but unfortunately there has been little increase in professional development budgets. There has been only a \$9.3 million to \$9.6 million total allocation for professional development for teachers for the coming year — a \$300 000 increase, which barely makes up for inflation.

The current curriculum content appears to be inappropriate. It does not change between years 7 and 9, so it is not geared to the particular needs of students in different age groups, and the teachers do not have the necessary professional development skills. Some of the young people said that the school welfare coordinators were 'out of touch and unapproachable'. We need to ensure that a central authority on the one hand supports local solutions to local needs but on the other hand can coordinate and underpin good statewide programs in this crucial area.

They are some of the suggestions I would make. I would support an authority that operates at arms length from the government instead of the compromise thrown up by the Premier this afternoon, involving yet another advisory council.

**Ms DELAHUNTY** (Minister for Education) — I am delighted to participate in this debate, which is perhaps one of the most significant since the call to ban opium smoking was made in this chamber in 1884.

I thank the community leaders who gave their time and expertise to enable us to share their perspective on what

can be done to try to solve the scourge that is the drug problem. I thank them for their wisdom and their blunt advice, which was built on sustained research — not just prejudice — and life experience. As members of Parliament we often hear the *cri de coeur* from a section of the lost generation, their parents and loved ones. We heard today that part of the solution lies in a partnership with other sections of the community. As parliamentarians — and as a government — we can show leadership in the debate, but unless we have complete partnerships we have no hope of making a big dent in the problem.

I congratulate the Minister for Health on the leadership he showed during the joint sitting and on driving the drug strategy on behalf of the Bracks government. The speeches, questions and responses we heard today confirmed that the government is on the right track. The government does not pretend to have all the answers, but certainly its multifaceted approach is supported by the experts we heard today.

There was a consistent theme in all today's speeches. The emphasis was on prevention and on the role of schools in trying to stop young people dabbling in heroin, in particular, and as a result taking the spiral dive. The government appreciates that schools are at the front line of prevention. It also understands that in this greedy culture in which we all live the other institutions that used to support young people as they passed from childhood into adulthood have started to falter. It may be the fault of the churches or of families — many young people do not have families to support them — or it may be that the other community organisations that in the past supported young people and offered them assistance during their rites of passage have now fragmented and dissipated.

As Minister for Education, and as a parent, I accept responsibility for the role schools play in preventing young people dabbling in heroin and other illicit drugs. But the government cannot do it alone. It is false to suggest that schools alone will be able to fix the problem. Schools accept their responsibility, but they cannot do enough on their own. As one of the speakers said, how do you mend a broken heart? It takes all the ingenuity of many organisations and community groups to deal with the pain and distress that drives many young people into drug abuse.

We will take on our responsibility, but we will do it in a way that invites both parents and community leaders to acknowledge that one size does not fit all. We need a variety of drug education programs and strategies in our schools to discover what works for one particular group of students. A centrally imposed solution will not work;

indeed, that would be an insult to the parents, teachers and students.

I wish to share with the house some of the success stories of the individual drug strategies we have seen and are seeing in our schools. I repeat, the strategies are designed by individual schools with the support of the education department and other community groups and institutions.

For example, Craigieburn Secondary College has identified local drug issues and developed effective strategies that work for its community. It has a peer drug education program and a parent drug education forum. In a tiny close-knit rural community, Boort Secondary College approaches the drug issue not just as a school issue but as a whole community issue. In consultation with other community groups it has set up a series of programs to build up resilience in young people, particularly those in the challenging middle years, including the transition phase from primary to secondary. I refer to two programs at Boort Secondary College — the year 9 Building Blokes program and the Girls Standing Strong program.

In metropolitan Melbourne, Williamstown Primary School has developed the social skills programs called Willy Kids are Friendly Kids. The program is part of an integrated whole-school approach to developing resilience and social skills in young people to enable them to resist the delusion of being able to solve their problems through drugs.

We also heard Archbishop Pell refer to the percentage of Catholic schools that are doing terrific work as part of their pastoral care programs. St Judes, a Catholic primary school in Langwarrin, has an integrated social skills program that is supported through its connections with the police schools involvement program, which was mentioned by Mr Comrie. In particular, it is focusing on issues of grief and loss. We often try to protect our children from grief and loss, but sometimes that is not the best approach.

Age-relevant drug education needs to be embedded in the school experience. The curriculum guidelines already include drug education as a core component of the health curriculum. Other opportunities exist through science, English and in the study of society and the environment program to examine the ramifications of drug abuse.

Young people need information about drug-related risks they can believe in and trust. When dealing with drug education you have to allay the fears of parents, particularly in primary schools. Great anxiety exists

among parents of primary school children about what is appropriate education. The government is working with parents through Parent Link.

As the Premier said, the government set a target in 2000 that all schools would develop an effective drug education program involving individual school drug education strategies; long-term action plans built around community responses; a focus on prevention; a whole-school approach; information; the involvement of parents, a loved one or carer of a child, absolutely; and community links.

I recommend that all honourable members who regularly visit schools in their electorates examine the Get Wise program begun by the former government. It is an example of a fantastic drug initiative developed by one government and acknowledged by a successive one — the Bracks Labor government — as effective. I agree with the Premier when he said earlier today that sometimes the community and the media overstate the differences between the parties on solutions to the drugs problem. Get Wise is a good example of a program with bipartisan support. It was drafted in consultation with parents and principals, and the working party also included the Victoria Police, the principals associations, the Catholic Education Office and Parents Victoria.

I draw the attention of honourable members to the Get Wise program. It is based on the community and provides up-to-date information about illicit drugs and their consequences. It is factual not glamorous, and it will be analysed and evaluated. The fact that a drug program has been effective or has been operating for some years does not mean it is continuing to deliver.

In conclusion, as a parent and a mother I accept my responsibility as Minister for Education, together with my government colleagues, for producing solutions in concert with other community groups. However, schools cannot provide all the answers. The government will work in partnership with others and solutions will be found, but it is glib to assume that schools alone have all the answers.

**Mr DOYLE** (Malvern) — Like many earlier speakers I also thank our guests at Parliament today for their contributions. I have a positive feeling about the goodwill and collective resolve of Parliament to face up to this difficult issue.

I wish to focus on a single point, and make a particular plea to the government when it is considering how to proceed. When members of Parliament think about the drugs issue and what drives it, they should think about the government front bench and who is involved. At a

quick reckoning I wrote down the ministers who would be involved and who would have departmental responsibility in the drugs question. They include the Premier; the Minister for Health and the Minister for Education, whose contributions we have just heard; the Minister for Community Services; the Minister for Police and Emergency Services, who is also the Minister for Corrections; the Attorney-General and ministers in the justice area; The Minister for Post Compulsory Education and Training, the Minister for Local Government and the Minister for Housing, who may not be immediate candidates on the first thought but who may be involved in the wider issues; and many others, not forgetting, as we never can, those central funding ministries of treasury and finance.

Consider not just all of those ministries but the agencies, professionals and communities who are dealing with drugs issues, such as hospitals, schools, municipal councils, local communities, police, health and legal professionals, teachers and public servants. Then consider the government agencies, non-government agencies and volunteers who are also dealing with the drugs issue.

I have been struck for a long time by the thought that the drug problem touches every aspect of governance and every aspect of our society. A couple of speakers said today in a salutary and sobering manner that we do not have a central effective mechanism to respond to that breadth of concern and range of responsibilities. In the course of any debate, when would the range of ministers to which I have referred — the Premier and the ministers responsible for health, education, community services, emergency services, police, corrections, justice, local government, post-compulsory education, housing, treasury and finance — sit down together and focus in a coherent way on the drug problem? The answer is that they would never come together as a committee.

**Ms Delahunty** interjected.

**Mr DOYLE** — I take up the well-meaning interjection. If that were working as well as could be expected there would be no need for us to be here today. All we would need would be a litany from either side about what was already being done and not about how much was left to be done. I hope that is not what is suggested.

As Neil Comrie bluntly said, the political process is of no use to us; it is a fragmented system and that fragmented system of ministries militates against good coordination. With the best will in the world — and I accept that the ministers do meet together like that —

when you consider the turf protection that goes on, the bureaucratic paralysis, the different priorities of ministries, the lack of communication much less cooperation between those ministries, and the budget constraints of each one, you can see that the system is not working as we would hope. Otherwise, what are we doing here? The system is not working, and nowhere in the world have they found an answer to that.

Professor Margaret Hamilton recently evinced concern at what she called 'government by perpetual inquiry', and that is one of our concerns arising out of today's debate. In Victoria we have had the Premier's Drug Advisory Council, which, with bipartisan support implemented more than 50 recommendations, all of which were steps forward. In 1996 it became the Drug Policy Expert Committee and produced stage 1 and 2 reports. New South Wales and Western Australia have gone down similar tracks.

Surely the time for consultative committees and more talk is over. Today's debate must not be a politicians' talkfest. It must not be about our congratulating ourselves on what we do, because we know we do some good work. But if it were enough, what would we be doing here? Instead of congratulating ourselves we have to look at how we can stop the debate becoming a politicians' talkfest and frittering away the chance to take further action or change policy.

There is a clear choice before us, about which I make a plea to the government. On the one hand we have the proposal that Neil Comrie made for an authority, and I will come back to that; on the other hand, in response to that we have the Premier's proposal for a drug prevention council. They are different in nature and intent, and they will be different in effect.

Rob Moodie of Vichealth, the honourable member for Footscray and I visited the United States of America, the United Kingdom, Sweden, the Netherlands, Germany, Switzerland and New South Wales and Western Australia to look at approaches that ranged from the overly cautious to the starkly provocative. The important central message we gained from all those jurisdictions was the need to properly coordinate efforts and resources.

Neil Comrie's suggestion was for an independent, statutory and well-resourced authority, not an advisory committee or another talkfest. He argued for its having a hypothecated budget, and I understand the difficulties inherent in that from the government perspective. In particular, he asked for a body that could initiate and coordinate action, especially in education and early intervention.

I understand that ministers do not wish to give up their authority over their particular patches. However, if we believe this is our no. 1 social problem, surely the time has come to think not about each minister continuing to protect their patch in education, health, policing, justice or whatever other sector is touched by the drugs issue but about going beyond the artificial constraints of ministries and bureaucracies. Nothing less should come out of our debate today. We need not talk but action!

I would not advocate a committee structure ad nauseam, but if we were to have an authority based on the need for action, we would also need a rigorous, intellectual and practical group to evaluate its efforts and tell us about its successes and failures.

Unfortunately, the Premier's proposal is for another consultative committee that reports to the Premier, again leaving the search for solutions with a disparate collection of ministries and ministers protecting their turf, which has not served us well in the past. Surely it is time to no longer think about a consultative committee, no matter how expert. Rather, it is time to give some credence to what Neil Comrie was brought here to propose. His central piece of advice was that we should set up an independent, statutory authority that could take action.

Unless we do that I fear that at 9 o'clock tomorrow morning nothing will have changed and we will go on as usual in our partisan way, agreeing on some things and trumpeting other initiatives. If that happens we will go on making the mistakes we have always made because we are unable to transcend the political boundaries that have held us back.

Neil Comrie has shown us a way forward. The choice is clear. My fear is that one more committee reporting to the Premier will be yet another talkfest that does not need to be acted on. Neil Comrie proposed an independent, statutory authority with the budget and the power to take action. We should certainly evaluate that rigorously.

Unless we know what it is that we will be doing differently from 9 o'clock tomorrow morning, why have we all come together and why are we all acknowledging that although we have done much there is much to be done? My plea is: please, no more talk; we need real action.

**Mr HAERMEYER** (Minister for Police and Emergency Services) — I congratulate everybody who has participated in the drug education and prevention debate, because it has been constructive. I speak from

the perspective of someone whose portfolio is at the acute end of the problem.

**Mr Doyle** interjected.

**Mr HAERMEYER** — Three of them, that's right. Eighty per cent of the people in the prison system are there because of drug-related offences. If you looked at the work the police do — on street crime, property crime and violence — you would see that overwhelmingly the crimes are drug related and result from people seeking to obtain money to service their drug habits. As many police officers acknowledge, as indeed did Mr Comrie, law enforcement alone does not work. That is not to say that it is not important — it is extremely important — but as I say, of itself it does not work.

Victoria has done a great job on the law enforcement front. As the former chief commissioner pointed out, last year in Australia 50 per cent of all heroin trafficking arrests were made in Victoria, given the sweeps in Springvale, Footscray, Dandenong and the central business district. Has it fixed the problem? No, it has not.

We need to understand that the problem needs to be tackled on all fronts. We need to ask what we have to do to get those who are hooked on drugs off them and what we have to do to prevent young people becoming new users and then dependent on drugs.

We need to look at a whole variety of interventions and approaches such as early intervention, prevention, education, supply reduction, law enforcement, treatment, rehabilitation — all have been mentioned today. They are all important and all have to be considered.

This state has led the world in its attack on the road toll. Nowhere else in the world has there been that sort of improvement in reduction of the road toll. How did we achieve that? We achieved it through a multipronged approach. I refer to a few of the initiatives that were undertaken: better roads, tough drink-driving laws, speed cameras, seatbelts, speed and red light cameras, education, particularly in schools, improved driver training and policing. We took a multifaceted approach across a number of disciplines and portfolios.

Drugs also have to be tackled on a variety of fronts. I take issue with the point made by the honourable member for Malvern. The government recognises that the assault on the drug problem needs to be a whole-of-government approach, which is why all the critical ministers, so far as any of the factors that input into the drug problem are concerned, have been

working closely together to develop a coordinated approach. The honourable member for Malvern said if that were the case we would not be here today. No matter how well we try to do it, how coordinated we are, there is no panacea to the problem. We will never have the perfect answer. All we can try to do is improve, and we can improve enormously on where we are and where we have been. To say that if all ministers worked in a concerted way there would not be a problem is taking a fairytale view of the situation.

Much has been said today about prevention. So far as I am concerned prevention is the cinderella response to the drug debate. It is about building fences at the top of cliffs rather than parking ambulances at the bottom of them. In the past we have not paid enough attention to prevention, and that is why the package announced earlier this year by the Minister for Health and the Premier contained a significant increase in attention to prevention.

We need to research what works. Certainly early intervention is one factor. As the former Chief Commissioner of Police pointed out, we are able to identify at a fairly early age those who are at risk. It is not just the kids, but also the families, and those families need support. Where you have a kid at risk you very often have a family in trouble. We need to deal with education, and that is not just about schools but about parents, general community awareness, and the attitudes of young people.

Archbishop Pell made a telling point when he said institutions such as families, churches and schools have lost their influence over young people. We need to understand the influence that popular culture has over young people and the role it plays in illicit drug-taking. We cannot develop an approach or response to the drug issue without understanding and working in the context of the popular culture within which some young people who take drugs operate.

Peter Wearne highlighted the links between types of social failure and in particular focused on family breakdown, poverty, alienation, abuse and the links between those factors and illicit drugs. Certainly structural, environmental, social and economic factors have a big impact on some young people who develop an illicit drug dependency. However, we should not overlook the cultural causes.

Many young people are not alienated, they are not abused and they are not deprived. A lot of seemingly normal, middle-class kids from good families take up heroin and other illicit drugs because they think it is cool and because it is offered to them in a social

situation. That is part of the popular culture, as I have discussed. It is about rejection of authority. As Dr Penington pointed out, the 'Just say no' approach does not work and has not worked because of that sort of attitude.

A couple of years ago I attended a seminar where someone pointed out that when they were working with a group of young kids they rephrased the term, 'If you drink and drive you're a bloody idiot' into, 'If you drink and drive you're a bloody legend'. We have to understand the way kids take that sort of finger-waving approach and work around it.

Perhaps there is a need to talk to the people who shape popular culture in this country, whether it is those who work for Nike or Coca Cola or those involved in the music industry, and get their best research, marketing and advertising people to reshape the whole concept of drug taking as uncool. Maybe we need to get the people who are best at getting into the heads of young people, shaping fashion and popular culture, to develop a concept about drugs that says drug-taking is uncool. We would need then to take what we learn from that and use it to develop programs for schools and information for parents and influential institutions so they can better get a message across to young people.

Finally, I want to pick up on some of the things that are taking place across my portfolio. Professor Margaret Hamilton raised the issue of secondary prevention. That is important because we should not simply say that once someone has taken their first hit of heroin they are a lost cause. The reality is that whether it is the first, second, fourth, or the 100th hit, as Professor Hamilton said, we need to make an attempt to prevent those people taking drugs again.

I congratulate the Victoria Police on its initiative of drug diversion programs. We are very much committed to diversion at all levels, whether at the policing, court or prison system level.

**The ACTING SPEAKER (Ms Davies)** — Order! The honourable member's time has expired.

**Mrs ELLIOTT (Mooroolbark)** — I, too, wish to pay tribute to the speakers we heard today, and to the obvious concern and erudition shown in their speeches. Coincidentally, I invited some senior students from secondary schools in my electorate into Parliament for dinner tonight and their views on drug-taking in general and preventive factors were particularly interesting.

I wish to focus tonight on what Rod Moodie called protective factors and to concentrate particularly on an area which received rather scant attention — that is,

those crucial years from conception to age 6 in a child's development. I was reading an article by Norman Swan, who is the science reporter on ABC radio. I cut the article out of a newspaper but cannot remember from which newspaper. The article states:

Thousands of high school students and their families have been surveyed in both the US and Australia, and these studies have found that adolescents who feel connected to their family and school are less likely to smoke tobacco or marijuana, drink, be emotionally distressed, engage in early sex, be exposed to violence or have suicidal thoughts. All this is independent of a family's social class and income.

As long as teenagers perceived that their parents were loving and caring, the same applied even if the parents were separated.

One of the greatest protective factors a child can have is loving parents.

I have been concerned, without a great deal of knowledge, about the apparent rise in non-medically indicated caesarean deliveries of babies. I asked a midwife whom I know if there was any difference in outcomes for children delivered by caesarean section. I realise that sometimes caesarean sections are medically indicated. She said that babies who are delivered by caesarean section rather than vaginally do not get the hormones that come about through a normal delivery and that sets them back slightly from birth, and more than slightly in some cases, and it takes them some time to recover from that. A Canadian study found that brain development in children in their early years influenced their subsequent learning behaviour and health and that stimulation in those very early years developed neural pathways and were a good indicator of later success, happiness and health in life.

I am sorry the Minister for Health has left the chamber because we need to look again at how long new mothers and babies stay in hospital after birth and the need for breastfeeding patterns to be established before mothers and babies go home. It is well known that breastfeeding is one of the strongest ways of bonding a mother to her child and is also one of the most important ways of ensuring later protection against various diseases, so that is one area where we could make a difference in these protective factors.

The second area is the almost universal service of maternal and child health. That is a gateway service accessed by nearly all parents, particularly mothers with their first babies. Maternal and child health nurses are in a unique position not only to provide advice to parents about good parenting but also to pick up indicators of disturbed home life, risk factors for both mothers and children, health problems in mothers and

babies and indications of drug use in parents and the influence of that on small children. One of the factors in A Safer Way — the Liberal Party's strategy on drugs — is to ensure maternal and child health nurses have continuing professional health development so that their professional practices are totally up to date at all times.

The child health nurses need to be accessible, but the ones that I have met have indicated that their profession is ageing — that is, it is having trouble attracting to the service young women — and I think they are all women. They said their professional development is not all it could be and that they are concerned about the future of the service unless conditions are improved and they are able not only to see parents and children at the maternal and child health centres but also to visit parents, particularly mothers, in their homes in order to properly assess where children might be at risk.

The next important and almost universal service — and one which also proofs children against the lure of drugs — is preschool. All children should have access to at least one year of funded preschool. Play groups or children's activity groups will not do — children should have that one year of preschool with a fully qualified teacher. Equally, those children whose parents work should be able to access kindergarten programs within childcare centres so they do not miss out on that year of developmental play that is so important to get them ready for school.

School teachers universally say they can tell the difference between children who have not been to preschool and those who have. Some professionals I have talked to have indicated concern about the number of children who are delivered to childcare very early in the morning, stay there all day and are collected by their parents, fed, and then made ready for bed, thereby having very little time with their parents. That is one of the problems of contemporary society. If parents are to really influence their children's development and provide a warm, loving and caring environment within the constraints and demands of contemporary life where two incomes are almost mandatory for families to survive, we as a society need to look at how parents can be relieved of some of this burden or arrange child care in such a way that it is close to workplaces so parents can see their children during the working day and that mothers breastfeeding their children can continue to do that.

I heard the Minister for Community Services on the radio the other day expressing concern about the fact that rates of breastfeeding are not rising despite initiatives to allow women to feed anywhere at any time

and in any place, and since breastfeeding is so important in that early start, this is a matter of great concern to me as well.

All these things need a whole-of-community approach. We need to show that we value these things as a community and realise that children who have a happy and healthy early childhood from the time they are born with parents who care about them and to whom they feel closely connected are at less risk of experimenting with drugs. Parents who feel confident and skilled in parenting and who do not feel that parenting is a great burden are doing everything that can possibly be done to ensure that, even if their children experiment with drugs later in their lives, they will not become drug takers in the really serious sense. I am not naive enough to think that most young people do not try some form of drugs at some stage, but most of them do not become habitual drug users, and it seems there is an extremely strong connection between the sorts of factors I have described and the fact that most young people do not succumb to the lure of drugs.

One of two of the speakers today, particularly the youth worker, Peter, who works continually with young people, referred to the fact that nearly all the young people they see who are habitual drug takers have incredibly ghastly and awful things in their background — that is, incest, child abuse or physical, emotional or sexual abuse. None of this happens in families that are truly happy, so the universal services that Victoria and Australia have always been so good at providing for children aged nought to six should be reinforced, fully funded and made accessible to any family, mother, father or child.

**Mr VINEY** (Frankston East) — I want to focus on a couple of things in this important debate — firstly, to review the government's initiatives in dealing with our drug problem in Victoria; and secondly, to consider the drug problems in Frankston, particularly the work being done by a range of service providers in the Frankston area. I do so because on occasions such as this sometimes the good work that has been done in the past tends to be overlooked with the focus on the future. That is not to deny the importance of looking at where we should go but to recognise that considerable work has already been done in the short period of this government's time in office.

The government's drug initiatives have several themes: rehabilitation, prevention, enforcement and saving lives. In November 2000 the Premier launched the government's drug initiative of increased funding of \$77 million over three years, \$19 million of which will be allocated in the first year.

The first area of the government's attentions is rehabilitation. It has provided funding for additional treatment services totalling almost \$30 million over three years. It is doubling the number of rehabilitation and treatment beds from 400 to 800. Some of the other initiatives to be funded under the rehabilitation section of the government's initiative include services for families with the family help line, more withdrawal units, residential rehabilitation and supported accommodation programs, enhancing our drug treatment services including programs for homeless people with drug problems, three new dual diagnosis teams for people with drug problems and mental illnesses, three rural methadone treatment services, post-withdrawal linkage support and extended hours capacity in five drug treatment agencies.

The government has also introduced diversion programs in the Children's Court, more post-prison release schemes and, importantly, enhanced treatment programs for Victorian prisoners with drug problems. The speakers spent a lot of time today talking about prevention and the need to strengthen families and the community. The government's community strengthening initiative has allocated \$5 million to that need. The government has allocated \$3.4 million to run a community drug education program using the television, radio and print media to highlight the harm associated with drug use and to provide information about counselling and treatment services.

In enforcement, the government is committed to ensuring that the Victoria Police are adequately resourced to meet the increasing demands of the drug trade. A total of 800 more police will be recruited into the police force, and I am pleased to say that Frankston has seen a considerable number of those. When I was elected as the member for Frankston East there were 44 police officers at the Frankston police station; there are now 68, and Frankston has foot patrols for the first time in many years. Frankston also has an increased number of drug diversion programs, including the Magistrates Court diversion program. A total of \$36.5 million will be allocated to the enforcement of the drug initiatives.

The component of the strategy concerned with saving lives, which has been allocated \$17.5 million, includes drug safety strategies in five targeted municipalities, mobile overdose response services, mobile drug safety workers for outreach street-based programs and increased resources for our ambulance service. Those initiatives have already been undertaken by the government as part of its campaign to deal with the drug problem in Victoria. The government will need to increase its focus on prevention, and as I outlined

earlier, part of the proposed program will include a drug education program.

I turn now to look more particularly at some of the drug issues in Frankston and the work being done by the Frankston City Council and a number of other agencies. The problem in Frankston has been documented by Melissa Gaddie, my parliamentary intern last year, in a report that is available for members in the parliamentary library if they wish to peruse it. Melissa is now a part-time member of my electorate office staff. Her report is entitled *Local Community Forum to Help Address the Drug Issue in Frankston*. The report notes that in the period from June 1998 to June 2000 there were 184 non-fatal overdoses from heroin in the Frankston area, which was the seventh highest figure in the metropolitan area.

The average age of heroin users in Frankston is decreasing due to the ease of access of heroin on the street market. In the Frankston area 50 per cent of young males who overdose on heroin are between the ages of 21 and 30; among females the under 21-year-olds are most likely to overdose; 74 per cent of overdose victims were males; and there were 24 fatal drug overdoses from May 1998 to August 2000, 19 of which occurred within the private sphere, which highlights the dangers of people using heroin in isolation.

The young people in Frankston nominate drugs as one of their key issues of concern. Over one-third of youths interviewed in a survey entitled 'Focus on youth of Frankston' nominated drugs and drug abuse as a major issue in Frankston. They were concerned about the behaviour of users, crime, violence, health and environmental issues.

I recently attended a forum of about 100 young people in Frankston, and when they broke up into groups to identify their key issues of concern each nominated drugs as either the first or second issue.

The problem of drugs is well identified and documented in Frankston. Today we had an expert drug committee in the house comprising eminent people. We have some eminent people in Frankston, whom we brought together for the purpose of the forum I just mentioned. That forum was the subject of Melissa Gaddie's report. People who work every day with the drug problem in Frankston, including Sharon O'Reilly of the Peninsula Drug and Alcohol Service, Sean Swift of the Southern HIV/AIDS Resource and Prevention Service (SHARPS), Mick Williams, the superintendent of police based at Frankston, and all the principals and staff of our various schools, have been talking with

people like myself and representatives of the Frankston council about how to deal with the drug problems in Frankston. As a result of that discussion, the Frankston council has come up with its *Community Safety Plan*, which is a comprehensive document that looks at a whole range of issues on public safety in Frankston.

Under the leadership of the mayor of Frankston, Cr Mark Conroy, the council has addressed a range of issues, including drug trade occurring near the railway station and in the Young Street precinct, which has been the cause of some concern. The council's initiatives include playing piped music; conducting a safety audit; even allocating a cleaner to take care of and pay attention to that precinct every day, which has made a significant difference to the area; and having an increased police presence.

As I have mentioned, the council has also taken up a number of initiatives which have unfortunately received criticism from people such as the honourable member for Frankston. I hope that in the spirit of bipartisanship that sort of criticism will not continue. Those initiatives include such things as a Chupa Chup program in which drugs users are encouraged to exchange needles for a free Chupa Chup, which I know is regarded by some people as being somewhat silly, but it works and has increased the number of drug users taking needles to the exchange. They also include the increasing of fines for people who do not dispose of needles properly, because the council has added extensive safe disposal bins throughout the city.

I congratulate the people at the council and the service providers in the Frankston area whom I mentioned earlier for their continuing work and effort. They are our local Frankston experts, and I look forward to working continuously with them over the next few years to deal with the problems in Frankston and take advantage of the government's extensive initiatives and funding in this area.

**Mr WELLS** (Wantirna) — It gives me great pleasure to join the debate on the drug motion. Neil Comrie set the scene when he said that the most significant social issue facing our community is the drug issue. As a parent of three very young children, that bothers me greatly.

Other facts that Mr Comrie mentioned that also concern me were that there has been a sevenfold increase in heroin addiction from 1991 to 1999, that in 1986 the average age of people starting to use heroin was 26.1 years and that in 1998 — just 12 years later — the average age had plummeted to 17.5 years. This is a real concern to anyone who has teenage children.

A further fact that concerns me is that 70 per cent of crime is in some way related to drugs. It would be nice to think that if you were to get rid of the drug issue the crime rate would fall by 70 per cent; unfortunately there is a greed factor in there as well, so that would not quite be the case.

Mr Comrie also stated that some heroin addicts are having to find \$400 a day to pay for their addiction, which means they are getting involved in crime. He also mentioned that being an island, Australia receives many shipping containers from Asia, the Middle East and other countries, and that it is impossible to check every single container for drugs because the country would come to a standstill if that were to occur.

Much emphasis has been placed on the demand side of the drug issue, and I can understand that. However, I would like to talk about the supply side of the issue.

To date the police in Victoria have done a very good job. The toll from heroin overdoses published in the *Herald Sun* on this day last year was 64; today it is 11. Some people would say the reason for this is the current heroin drought; I would have thought some of the credit should be given to the police for the amount of great work they have done. As Mr Comrie mentioned, half the heroin trafficking arrests in this country were made by Victorian police.

There is a need to control the supply of illicit drugs entering the community and to establish adequate treatment facilities and programs to assist addicts. Increased emphasis must also be given to programs that lead to a reduction in demand for drugs.

In opposition it is easy to make a lot of promises, but through its Combating Drugs — A Safer Way program last year the Liberal opposition made it clear that it would put an extra 250 uniformed police and detectives out on the street to combat the drug problem. That was a strong commitment, and it is something we would have followed through to ensure that the supply lines were cut. It bothers me that although the debate has been going since 3 o'clock this afternoon, to my knowledge no-one has mentioned the police schools involvement program. I would have thought that would be one of the issues members would be pushing, especially the Minister for Police and Emergency Services, from whom we heard a couple of minutes ago.

I refer to an extract from the Victoria Police web site, which states:

The police schools involvement program, also referred to as the Police in Schools program, is an initiative designed to

combat rising crime rates, drug and alcohol abuse by children and the alienation of police from the community.

In the program a policeman or policewoman from the local police station goes into a school to talk with children about the abuse of drugs or alcohol. That raises a lot of other social issues, especially in situations where the parents of those children are addicts themselves. When talking about what can be done it is crucial to state that one of the things the government needs to commit to with bipartisan support is a strengthening of the Police in Schools program.

The importance of education has been mentioned by Dr Moodie and other speakers. As part of an education program to lower the road toll, a former Liberal government introduced the tremendously successful Declare War on 1034 campaign. Last year the road toll was 406 — so 600 people a year are alive thanks to that campaign.

There has also been talk about cigarette smoking. When I was in grade 6 I remember a model being brought around to display how cigarette smoke ruins your lungs. As other speakers have mentioned, the number of smokers has plummeted.

I agree with the notion put forward by Mr Comrie that we need to start with early intervention programs, but that can also be done through the successful Police in Schools program. I believe it would be helpful to people in rural and regional Victoria, who can feel isolated. In the city there are a number of programs that young people can avail themselves of, but similar services are not available in the country. With their early intervention through the Police in Schools program, police officers can take direct action and assist with what needs to be done.

Unfortunately the program is not being treated as seriously as it could be. For example, I have received information that no-one has been running the Bendigo Police in Schools program for over 12 months. Unfortunately, the position is not being advertised. Schools in that large regional area are not being adequately serviced by the local police. I can think of no better way to address that need than to advertise and quickly fill the position.

The other program which I will briefly talk about but which no-one else has mentioned is the Freeza program, which was set up by the previous Kennett government. It was administered by the then Minister for Community Services, now the Leader of the Opposition, who did an excellent job. The program was designed to enable young people between 14 and

18 years of age to have a great time without the fear of having drugs or alcohol rammed down their throats.

Under the program events were strictly run and subject to the tightest security in the state. There was no way known that drugs or alcohol could get in. I hope that the government will look at the two programs I have mentioned, the Police in Schools and Freeza programs, and ensure that they are fully funded, because they reduce the need for young people to have drugs or alcohol in order to have a good time.

In conclusion, I hope today's debate will not turn out to be a talkfest. The opposition will be watching with great interest to see what conclusions the government draws from this debate.

**Mr MILDENHALL** (Footscray) — As this debate takes place things are still fairly grim on the streets of Footscray. The past few years have seen what in other situations and with different social meanings would have amounted to a national tragedy. Since 1997 72 full body bags have been carried away from Footscray following deaths from heroin overdose or abuse — and that includes 56 in the past two years, 1999 and 2000. At its peak the operators of the needle program in the centre of Footscray were distributing over 1700 needles a day and having over 1200 contacts a week. From those indicators members can see that represents an enormous amount of activity and an enormous amount of dealing — and a consequent death toll that is the equivalent of two Port Arthur massacres and more.

Because of the divisive nature of the drug debate the community's reaction has been mixed. When they are surveyed most people say they hate the physical manifestations of it, including the appearance in the street of dealers and dishevelled, chaotic users. They just want it to go away.

The actions of the new Bracks government in doubling the number of police in Footscray have been warmly welcomed by the community. Although the success of the police in displacing a proportion of the drug dealing in Footscray has added to the misery of the Kensington and surrounding communities, it also has met with a deal of local satisfaction.

The recently published *Burden of Disease* report, which compares a range of local social indicators, demonstrates the critical interaction between heroin abuse and other social dysfunctions. We basically have Melbourne's — or Victoria's — worst figures for mental disorder, heroin abuse, alcohol abuse and depression. These things are not unconnected; they go hand in hand with extremely high levels of

unemployment, family breakdowns, health problems and homelessness. They all contribute to people's low self-esteem and lead them to desperate situations. Such people are either addicted to gambling, as they hope that luck will find them and provide the answer to their problems, or to heroin or alcohol, as they seek oblivion through substance abuse.

In addressing the drugs crisis, the government has instituted programs that have forged new and effective relationships with the local community as it tries to deal with these issues. But it is insufficient, as Mr Comrie would have it, for the drug programs to be simply better connected. The critical things that make the difference in my community are the connections I talked about between employment, housing, personal progress, successful education and increased self-esteem, particularly among our young people.

The critical connections that need to be made are those between the education system, the employment and training system and the housing sector, as well as those who support families remaining intact.

The burden of disease report showed those critical connections. I would like to see any committee that is established as a result of today's discussions use material of the burden of disease type to conduct community audits to find out how strong and effective those connections are, how families are going and how critical self-esteem among young people at risk, and at risk of alienation, is being addressed. Those who find themselves on the slippery slope to a destructive and chaotic lifestyle and who make up the dreadful death toll also need to be connected with if we are to prevent further social disaster.

Many honourable members do not like the idea of needle and syringe programs but the truth of the matter is that they are the critical connection with other services for street users. General practitioners reject street users when they look for help and chemists refuse to serve them. When they go to a hospital they are unable to comprehend the huge waiting lists. The one place where they can walk straight in the door is the needle and syringe program, which connects with over 1000 people each week.

That program must be built on with an initiative that has come out of courageous and innovative work done by the Maribyrnong City Council, together with the community health centre, the hospital and others. Out of the local strategy came the idea of a primary health service for street users. From their connections with the needle and syringe programs those in desperate need will be able to meet health workers and counsellors.

There is a vital need for such services because the syringe programs have only enough resources to hand out and collect syringes. We need to add value to the connection the people running syringe programs have with users. Apart from the underresourced youth workers, they are the only people who see users on the streets.

A strategy needs to be developed to find connections for people who are in desperate need of services. A survey of street users in Footscray, generously funded by Dame Elizabeth Murdoch, found that over 90 per cent wanted to get off drugs. Users need to find a welcoming path, a sympathetic ear and a responsive agency to get to that point. Unfortunately many of our traditional mainstream services are not capable of providing that pathway.

As a suggestion I point to the two high-priority areas that would provide a practical strategy: a statewide coordinating committee, and the local partnerships, which should be microversions of those essential connections.

**Mr DELAHUNTY** (Wimmera) — As National Party spokesman on youth affairs and as a strong advocate for the Wimmera electorate, I thank Parliament for the opportunity to speak in the drug education and prevention debate.

This has been my first opportunity to be involved in a joint sitting of Parliament, and I congratulate the government and all parliamentarians on it. I also congratulate the eight speakers. I found Mr Neil Comrie, Dr David Penington, Dr Rob Moodie, Major David Brunt, Archbishop Pell, Professor Margaret Hamilton, Mr Andy Hamilton and Mr Peter Wearne very informative and thought provoking in their many suggestions to address the curse of drug taking in Victoria. Each speaker left me with a lasting message that I hope all of us can take up and address.

Dr Penington said that the key question was how to reduce the demand for drugs, and that is a challenge for us all. I was shocked to hear that there are 75 000 dependent users of heroin in Australia. It is an astounding figure.

Mr Comrie, who initiated the joint sitting, is to be congratulated on his presentation. As he said, it is the most significant social issue affecting Victorians, Australians and the world. He believes the key strategies should be in education, early intervention and diversion. I am sure all honourable members would agree with that. The wellbeing of our society is in our hands and it is now time to address the cause of the

drug problem. We must come up with a long-term strategy and I support Mr Comrie in that. We need the new model that he spoke about. He believes an independent authority looking at research and strategic plans should accredit programs, have some legislative powers, and importantly, be independent of politics.

Dr Moodie from Vichealth talked about risks and protective factors and highlighted the family, schooling, the workplace and the community, as did Archbishop Pell. I strongly support the family structure, and it is important that as families and communities we play a leading role in working with youth. As Archbishop Pell said, the community has learned that drink-driving is unacceptable and people must be educated that drug taking is the same.

Peter Wearne was a real highlight. He caught my attention with his dress code, and I found what he said interesting. I congratulate him on making his presentation straight off the cuff, from the heart and from his experience. He talked about lifestyle problems, and importantly, said the media has a significant role to play.

Unfortunately many young people in the Wimmera have to go away for education or work experience, or even for a lifestyle experience.

We do not mind that happening provided we can create the right environment to get them back. They usually go away to Melbourne or to large regional centres where they do not have family or social support. Too often young country people fall into trouble with drugs and get picked up at parks.

I have met with some young people of my electorate and their families; some of them have had lunch with me at Parliament House to explain their concerns. I have some difficulty with this issue given that I have not tried drugs, but I am being informed about this major social problem all the time. Parents in my area have told me that they have experienced a great deal of trouble getting local detoxification, rehabilitation and diversionary programs set up close to their communities so that family and friends are able to work with organisations to get young people off drugs.

There is also the problem in the Wimmera of funding for infrastructure and administration. I am sure that while the debate is going on and goodwill is being passed around this chamber there will be opportunities for community groups in the Wimmera to get funds from the government. The government has highlighted the fact that more money is being made available to address the drug problem, and I hope through this

initiative some of the Wimmera groups will be able to get their hands on some dollars for those programs.

The Palm Lodge Centre, which services a large area of the Wimmera, provides drug and alcohol programs — I emphasise that the centre deals with alcohol because it is also a drug of dependence for many people. The centre has had funding problems in the past, and I congratulate the *Wimmera Mail-Times* and its editor, Danny Lennen, on some of the articles that have appeared in the newspaper. The names of some people used are confidential, but he has been supporting the concerns raised by the community, the local councils and even the Wimmera Law Association, which has written to me about this matter. I congratulate the newspaper on highlighting the concerns of country people. We often think a problem is not in our own backyard, but those articles have highlighted the fact that it is there — although it does not affect large numbers of people as it does in the electorate of the honourable member for Footscray.

In my letter in reply to the president of the Wimmera Law Association I state:

... I strongly believe prevention education, coupled with improved rehabilitation, detoxification and diversion programs are the best ways to reduce the problems of drug and alcohol.

I strongly support —

as the Wimmera representative —

a viable drug and alcohol service continuing to be based and —

importantly —

managed in the Wimmera —

to service the concerns of Wimmera people.

Today I received a copy of a document entitled *An Evaluation Report of the Wimmera Regional School's Peer Drug Education Program*. It states that the program was:

introduced into the Wimmera region in 1996 as a one strategy to address youth binge drinking in the region. The program has since developed into a broader harm minimisation approach in relation to young people's drug use ...

Palm Lodge undertook the first peer drug education program as a community initiative in the Horsham and West Wimmera areas. Schools involved in the initial pilot program were Horsham College, St Brigid's College (Horsham), Murtoa Secondary College, Warracknabeal Secondary College, Nhill Secondary College and Edenhope Secondary College.

All those schools are in my electorate: I did have 52 schools in my electorate, but I now have 50.

Unfortunately, the funding for that program has also been lost to this group. As was said by many speakers in the debate today, too often the government provides funding for these programs but then lets them fall over.

Like the Leader of the National Party, I congratulate the Honourable Ron Best in another place. Members of the National Party are concerned about the issue, and as Mr Comrie said, we need to have an independent authority. As the shadow Minister for Health, the Honourable Ron Best talked about the creation of a new body called the Victorian Institute for the Care and Treatment of Rehabilitating Youth (VICTORY). It will have a similar structure to the Vichealth model and have tripartism representation. Other board members will include people from agencies such as the police and those involved in the law, health, churches, social work, community groups and government departments.

We have heard enough talk on this issue; it is now important to get on with the action. We believe the model is worth considering. The overarching body would coordinate all the existing drug programs, and I congratulate the government on some of the brochures given to honourable members today that highlight the need for prevention and treatment in addressing the drug problem in Victoria. Currently there are many good programs relating to education, prevention, policing and rehabilitation, but they are somewhat disjointed. Some programs have been duplicated and others are short of resources, which means we are not maximising the community investment in the war on drugs.

I have highlighted the concerns in the Wimmera. I strongly support the initiative put forward today, and I hope early action is taken to address the curse of drug-taking in Victoria.

**Mr WYNNE** (Richmond) — I am pleased to contribute to the debate on drug issues. As honourable members would be aware, my electorate shares with the electorates of my colleagues, the honourable members for Footscray and Springvale, the dramatic social impacts of drug trafficking and trading. It has proved to be a terrible social scourge on the whole community. Chaotic drug users, the residents in the electorate and the people seeking to trade lawfully as shopkeepers in the area have all experienced the terrible impact of the drug trade.

Much work has been done by the government to address the social impact of the problem, and during my contribution to the debate I would like to give due consideration to a number of forums in my electorate that have worked cooperatively with the government,

the City of Yarra and the local community to come up with a comprehensive strategy to address the problem.

As honourable members know, the trend for young people to use illicit drugs at an early age is a major social concern both in Victoria and nationally. On average, users born in the 1940s began using heroin after the age of 20 years; those born in the 1970s began using it at 16½ years and those of us who experience the drug trade in a public forum, as we do in our day to day work, every day see younger and younger drug users on the streets.

Recently, my electorate officer assisted in reviving a person who had taken a drug overdose outside the office. Although it was a traumatic experience for him, he assured me that the person concerned was no more than 15 years of age. That is the nature of the drug problem in society today.

The 1996 School Students and Drug Use Survey indicated an increase of 2 per cent from 1992 to 1996 in year 9 boys who had used heroin. The Bracks government has allocated \$10.9 million to the prevention of drug use over a three-year period.

In my electorate of Richmond, the Yarra Drug and Health Forum and the council of the City of Yarra have worked together to produce a comprehensive drug strategy which is a masterpiece of community participation. In my view it is a model that could be reproduced by other municipalities for a range of social issues that confront our communities.

The process is interesting. It follows a recommendation from the stage one report of the Drug Policy Expert Committee established by the Bracks government. The forum was not specifically responding to the Penington report. In a local context it had been on the ground for several years prior to the Penington report in trying to address the drug problem as it related to the community.

The support shown in the community through the Penington inquiry's review of public support for safe injecting facilities is no surprise. The City of Yarra recorded 70 per cent support for safe injecting facilities. Ultimately that strategy did not prevail.

The Penington committee recommended that the development of a local drug strategy must involve key stakeholders. The Yarra Drug and Health Forum included representatives from drug agencies such as the Turning Point Alcohol and Drug Centre and the Youth Substance Abuse Service (YSAS), community health centres, residents, business groups, police, the Department of Education, Employment and Training,

human services and importantly, in my view, the local municipality.

Excellent leadership was received from the City of Yarra. I pay tribute to successive mayors of the city — Steve Watson and, for the past couple of years, John Phillips, who have stood up publicly and stated that the City of Yarra was concerned about the issue and would show leadership. A key issue of this community forum was that it included all the key stakeholders and the council played an important role in that.

From this wide representation task groups were identified and members of the forum chose their interest and expertise areas. The Round Table was then developed to consider and prioritise the recommendations of the task groups. The end result was a local drug strategy which recommended programs in areas of community strengthening, public housing, special interest groups, criminal justice, prevention and community education, with the fundamental keys being treatment, rehabilitation and public and community issues.

The work of the Round Table in the City of Yarra area resulted in the establishment of program priorities at the time of the government's announcement on drug strategy. I was delighted that the Premier announced that strategy in the electorate of Richmond.

I touch briefly on the CCI program — collaboration, care and innovation — a significant program initiative established at the grassroots level. I suspect it was generated by police frustration at simply turning people around through a revolving door at the local police stations.

I pay tribute to two people: Superintendent Ian Winn — no relation — who showed great leadership on behalf of the police in backing the proposal, and Dr John Fitzgerald from the criminology department at Melbourne University, who provided much of the intellectual horsepower in getting the program up and running. He is one of those rare academics who has great standing in the academic community as a criminologist but he gets out on the ground and assists in putting programs in place that provide real benefits to people. He has carefully listened to the debate tonight.

The CCI program was established in 1999 for persons arrested for non-violent drug offences. Clients are met at the police station at the point of release and through close collaboration with the police workers are able to provide appropriate referrals and support to those people. From June to December 2000 the CCI workers dealt with 530 people through the Collingwood and

subsequently Richmond police stations, and 580 services were accessed as a result of this contact.

They have been trying to capture people at the point of their first drug-related offence and get them into some support services. This program is supported by the Department of Justice, it is being reviewed by Dr Fitzgerald, and I will be interested to see the results of that independent work.

Prevention programs are the key. The strategy I mentioned earlier involving the Yarra health and drugs forum is only one example of how the government has put on the ground something very fundamental that is making a difference to people's lives.

It strikes me having heard the contributions by the members of the expert panel that when you have children of your own — and I have a couple of young boys — you have fear for their future. However, this is a wonderful opportunity to recognise that a lot of fundamental work has been done by the Bracks government. It is taking the drugs strategy very seriously and is putting significant resources behind prevention programs, because that is fundamental to their success.

At the end of the day we can reach a bipartisan position on many of the issues. I welcome this evening's debate, but the only way these programs are going to work is if they are initiated in collaboration with local councils and communities, as has already been demonstrated with the success of the Yarra drugs and health forum. It is a real model for the way that we can deliver drug prevention programs at the community level. I thank the house for the opportunity of speaking in the debate.

**Dr DEAN (Berwick)** — I will be as brief as I can so that other members have a chance to speak. With your permission, Acting Speaker, I will read fair portions of my contribution because only in that way can I use the time efficiently and say the things I want to say.

I have no idea where this discussion will end. Unfortunately, in the past similar forums have led to no action whatsoever, and I suspect most Victorians do not hold out much hope. However, as my colleagues will testify, I am the eternal optimist so I intend to use this opportunity to tell it as I see it, because maybe we will take this exercise seriously. I certainly intend to take that approach.

This issue is not about how many deaths we currently have to bear, although that is bad enough. This is about how many young people are every day becoming entangled in drugs and might finish up on the drugs death cart or with destroyed lives. On present figures, in

Australia about 750 people a week will get onto the drugs wagon — that is, 110 a day or 5 an hour. Since we began this debate approximately 30 people have started on the road to addiction. Some of them will die and many more will have at least a portion of their lives destroyed. If we finish at 10.00 p.m., 35 lives will be at risk of being trashed.

Why has this been happening for so long? Why is it getting worse? Why are Victorians at the point of giving up? The answer to those questions is that previous governments, both Liberal and Labor, despite having the best will in the world, have been unable to make a significant impact. Australia is a wealthy, highly educated and motivated, confident and young nation. It is a nation that can solve any problem it faces if it puts its mind to it, whether it be fighting in world wars, winning in the Olympic Games or meeting natural disasters. We can do virtually anything we want, so why can't we have an impact on the drugs problem?

Following a \$40 million, three-year program that was undertaken with all the best intentions, I regret to report that the impact it has had on outcomes in preventing young people taking the drugs path appears to have been little or nothing. Before any Labor member seizes the opportunity to score a point, I say, 'Don't', because they have fared no better.

Last year when I inquired of schools in my electorate I found there were no long-term programs in place, no meaningful attempts being made and no focus points for hitting this problem on the head. That was not the fault of the schools. The responses I received were that once the administrative, seminar and training costs were taken out of any grant for the purpose there was little money left for any specialist approach.

So we now have a choice. We either stop all this talk and write off X number of kids a day, or we do something serious. I have watched jails become packed with young people who have turned to crime because of drugs. The cost to themselves is incalculable. While I am sure that the cost to the community is calculable, I am too scared to calculate it. I know one thing: if you did calculate it and put at least half of it back into preventing kids getting on drugs, you would probably end up saving a fortune, not to mention many young lives. This is all very brave talk, but what can be done? This is a chance for the non-experts, like me, to have a say, so here goes.

Firstly, while children from the entire range of economic and social backgrounds end up on drugs, I am firmly convinced that children who have suffered

difficult family lives are the most vulnerable. This is because drugs are an escape from home, there is no parental influence, kids emulate their parents, or it is just a way of turning a failed life into something meaningful. So the cycle perpetuates itself again and again. Consequently, the most important first step is an intensive early intervention program to fund helping those most at risk to break the cycle. We seem to all agree on this, so why has it not been implemented?

Secondly, we need a program, the purpose of which would be to ensure that when the choice is to take or not take drugs the choice is no. It could involve constant themes every day and in every way, instilled in children from kindergarten until junior school and beyond, that taking drugs amounts to being unsuccessful and being drug free is a sign of success. It could be called indoctrination, but if Chinese children can be taught to love and respect their country from the cradle to their teens, we too can teach our children during that period of development that doing drugs is the wrong path to take.

The message must be that drugs are not hip and will not lead to social acceptance. We have hundreds of incredibly well-paid heroes in all sports that would, and certainly should, invest back some of their massive wealth, gained care of the community's generosity, into ensuring kids get that message.

Thirdly, schools are only one means, albeit important, of ensuring that this message is taken up. The electronic media, the Internet, the whole gamut of technology can be used. If the right advertising can make young people crave a certain hamburger or love certain shoes, I am left in no doubt that the equivalent campaign could have an impact on young minds and turn them off a long-term drug habit.

It is no good doing all this if the message is polluted by another contradictory message that says despite all this we still condone illicit drugs. Hence my opposition to safe injecting rooms and to Dr Penington's 'Let's give up and make it legal' approach. The messages have to be accompanied by a law and order response. That does not mean throwing young people who are experimenting with drugs into jail, but it does mean a response that makes it clear where the community stands.

Of course, the aggressive response to commercial traffickers helps, but it is a bit pointless putting those people in jail and throwing away the key if you do not have at least a measured response to those who are using and thereby destroying their own and others' lives. We need compulsory diversionary programs.

We also have to face up to the old chestnut of dobbing. While we do not condone petty dobbing, advising the school authority of a friend in trouble with drugs is a good thing, not a bad thing. We cannot be serious about stamping out drugs among our young if at the same time we say that the social norm that you don't dob on your mates overrules our attack on this problem.

Law and order plays its part in making it difficult to buy drugs by blitzing areas frequented by traffickers and users. Again, if we want to be serious, the fear of being caught is part of the whole message package.

I believe we have come to a crossroads. We have two choices: we go the Penington route and say prohibition did not work so outlawing illicit drugs will not work here, so let's legalise it all and hope that the health programs work; or we take the programs seriously. If we are honest we will realise a middle course is no longer available.

I am clear that the way I would go is that way. But frankly, if all we do is continue to do what we are doing, we might as well be honest, stop paying lip-service, and accept the status quo or give up. Drugs will continue to flood into the country. They will become as frequently used as alcohol, and being highly addictive we will write off thousands of clever young people. As America's Prohibition period showed, once drugs are legal there is no going back.

I will finish on this note. Some people ask: what is the difference between alcohol and heroin? Prohibition of alcohol was dropped, so should we not drop prohibition of heroin? The difference is that unlike the situation under Prohibition in America, we are not attempting to prohibit something that was legal and we are not attempting to prohibit something that, once taken, becomes highly addictive.

I note that the honourable members for Knox, Glen Waverley, Hawthorn, Frankston, Bellarine and Dromana wished to contribute to the debate but as a consequence of the time available were unable to do so. I feel privileged that I have had the opportunity to make these comments.

**Ms DAVIES** (Gippsland West) — I appreciate the opportunity to speak in support of the concept of a bipartisan approach to the drug problem. Noting some of the comments of the previous speaker, we still have a way to go on that one, but at least the attempt is being made.

I note also Dr Penington's comments during the forum today that there is no one simple and complete answer to this problem. Our adversarial system puts us at a

significant disadvantage when dealing with issues which by their very nature are not simple and are not black and white, matters that are much more complex than the simplicity of some people's wishes would have them be.

The main point I want to make during my brief contribution is that I am uncomfortable with the program approach to treating the drug problem and other related issues. That was very evident in the previous government — fancy programs, fancy names — and it has had a tendency to continue so far under this government.

The principal of Heatherhill Secondary School discussed the problem of the rapid appearance and disappearance of pilot programs that may have taken up much time and energy and been very positive but then disappeared from the horizon without other schools or other communities having the opportunity to experience them. Other speakers discussed the related need for long-term funding of programs, or ideas that had been demonstrably successful, so we need to measure what we do, repeat what is successful, and leave out what is not.

I feel that any focus on prevention being effected through so-called drug education programs in schools is artificial and unreal. As an ex-teacher and as a mother I know that my kids and the students I have taught have always been sceptical of such programs, so I too am sceptical of some of their uses.

The focus of government and community should always be on the whole life, the whole child. We need to look at each child at risk, or each individual in trouble. Our system must have the capacity to allocate resources, treatment or contacts to meet the needs of each individual.

Neil Comrie made a distressing comment today when he said that for some children family or church had little or no influence on their lives and that for some people school is the most stable force in their lives. I genuinely believe that that is our tragedy.

Our target should not be the number of programs for dealing with the drug issue, but that every child and every person in our society needs to be attached. 'Attached' means loved, nurtured, watched over. It means having boundaries set when those boundaries are needed and a person feeling that they are a significant and important human being. 'Attached' means where there are deep hurts that somebody will spend a lot of time and effort helping to heal those hurts. If successful, 'attached' means that we build strengths in our

children, and we build on those protective factors so that they will avoid getting themselves into trouble in the first place.

If we are successful, 'attached' means helping those who, either by way of experiment or even further, get involved in self-harming behaviour such as drug abuse to find another way and ensuring there is somebody to hold their hands and help them do that. It is hard to expect a person in trouble to get themselves out of that sort of trouble on their own.

The best way that we can ensure that every child and every person is attached is to properly support families. The breakdown of our extended families and our villages is the greatest stress point in our society which can leave kids unattached. At the same time, schools are a necessary secondary line of defence to catch those whose families are not managing or cannot manage.

We still have a long way to go. In my area there have been some improvements in the facilities that are available to catch and attach our kids and our young people. However, as regards supported accommodation and supported long-term rehabilitation for adolescents at risk and for people who have gone through detoxification programs, there is a great need for more resources.

**Debate interrupted pursuant to sessional orders.**

**The ACTING SPEAKER (Ms Barker)** — Order! The time for debate on the motion has concluded.

**Motion agreed to.**

## ADJOURNMENT

**The ACTING SPEAKER (Ms Barker)** — Order! Under sessional orders the time for the adjournment of the house has arrived.

### North Ringwood Primary School

**Mr HONEYWOOD (Warrantdyte)** — I request that the Minister for Education take action to provide North Ringwood Primary School with funding for its master plan and that it therefore be included in the Department of Education's list for capital works upgrades.

Under the leadership of principal Barry Archibald, North Ringwood Primary School's teachers, parents and students have done their utmost to raise funds over recent years to improve the school's buildings and surrounds. However, only so much can be done to improve its 1960s-style architecture and the archaic

mod 2 portable classrooms before a proper upgrade is deservedly called for.

In 1995 the school community spent \$5000 of its own hard-raised funds to pay for a draft master plan. Unfortunately, back then the Department of Education stuck by its official projection that school enrolments would not exceed 282. Notwithstanding the official projection, school enrolments have risen to 392 students this year. With new subdivisions coming on stream and with its great reputation for first-class education programs, enrolments will definitely surpass the 400 figure next year.

Without going into too much detail, I point out that the school needs to immediately replace four old mod 2 classrooms with three mod 5 units. The third mod 5 unit will permit the school's small library to be brought up to entitlement size for the much higher enrolments. The new relocatable units would need to be linked to the main buildings with covered walkways, and as North Ringwood primary has exceeded the official 335-student benchmark for a large-sized school, it is also entitled to a proper music room.

I know the minister is aware of the school's genuine and urgent needs, as I have raised them with her prior to this evening, so I request that she do her utmost to support the hardworking school community.

### Copperfield College

**Mr SEITZ (Keilor)** — I raise for the attention of the Minister for Education the \$3 million fire at the Copperfield College junior campus last weekend. That college, which is in a growth area, has a large number of students. It is of concern to me and the community that it has been closed since the weekend.

I know the department is doing whatever it can to make the college safe so the children can return. However, there will always be a need for extra portable classrooms to accommodate the school's curriculum and programs as the damaged buildings are being repaired. I know that may take some time, particularly if a contractor moves on to a site that is not fenced off.

Copperfield College had to build another campus at Sydenham because, as I said, it is in a growth area. There are no empty classrooms in the surrounding districts in which the students could be accommodated for the time being. In these circumstances it is sometimes possible to lease empty buildings and relocate a whole school community or different parts of it, but there do not seem to be any available buildings.

I am concerned, as are many of the parents, that this tragedy is affecting the students' schooling. I ask the minister to ensure that her department does everything humanly possible to speed things up, and if need be to erect portables while the main building is being repaired and made safe for the students' return. I would not want these students to miss out on their education.

I do not know the answer to this problem. As I said, it appears there are no spare classrooms in the surrounding area, even allowing for the possibility of the children being bussed to another location. It is therefore important that we collectively do what we can and that the minister is made aware of the need for the department to take immediate action to make the re-establishment of the college a priority so the students do not miss out.

### **Land tax: Victrack**

**Mr MAUGHAN** (Rodney) — The matter I raise for the attention of the Treasurer concerns land tax assessments for Victrack lessees. By way of background I point out that Victrack is a wholly owned Victorian government business enterprise that owns and manages Victoria's vast public transport infrastructure as well as property valued at \$2.6 billion.

Victrack leases approximately 2100 of these properties, which return \$21 million per annum to the state of Victoria. The leasing of previously vacant Crown land has enabled new businesses to be established throughout the length and breadth of Victoria. The difficulty, however, is that many of these businesses negotiated leases on the understanding that it was Crown land and therefore not subject to either rates or land tax.

I understand that there are in excess of 1000 properties in this particular category. Typical of some of the larger properties is the one I bring to the attention of the Treasurer. It involves a company by the name of King Pin Bowling (Echuca) Pty Ltd, which leases a Victrack property in Annesley Street, Echuca. The lease commenced on 1 January 1999, and my constituent has spent in excess of \$1.5 million on the site and is currently employing 60 people in two businesses.

On 1 March my constituent received from Victrack two invoices for land tax for 1999 and 2000. It was the first time he was aware that land tax was even payable. He was therefore greatly surprised to receive an account for \$51 000, with a further \$25 000 payable in another month or so. This sort of expenditure, as members can imagine, makes that business unviable. The problem is aggregation. The State Revenue Office has

consolidated all of Victrack's properties and levied land tax at a maximum rate of 5 per cent, which is about five times more than it would have been if the property had been assessed on its own merits.

I ask the Treasurer to investigate urgently the aggregation of Victrack's properties with a view to assessing these businesses as if they were single landholdings instead of taxing them at the 5 per cent rate. That is the rate that is applicable to Victrack's aggregated holdings, which run to billions of dollars.

### **Trucks: West Footscray**

**Mr MILDENHALL** (Footscray) — I raise a matter for the attention of the ubiquitous Minister for Transport, whose involvement in a range of projects in my electorate is impressive and constructive. I invite his participation in another project in my electorate.

I ask the minister to introduce traffic control measures to deal with the problems caused by trucks in the residential areas of West Footscray. It has been a problem for more than 10 years. As a result of commitments made in opposition to overcome the absolute neglect of the previous government, I have been working with the minister's office, Vicroads, the Department of Infrastructure, the Environment Protection Authority, the cities of Maribyrnong and Hobsons Bay, the Premier's office and my colleagues in the upper house on a range of initiatives to address the increased negative impact that heavy trucks, particularly those going to and coming from the docks, are having on residential streets.

The range of strategies includes marketing strategies to encourage trucks to go onto the freeways and the ring-road; an analysis of the location of container parks around the metropolitan area; strategies to set up common-user container parks in locations close to the freeways and the ring-road; enhanced statutory planning powers for councils to prevent the ad hoc and unconstrained appearance of container parks and depots across residential areas; and looking at the feasibility of constructing alternative links to those that currently exist between the docks and container parks.

One immediate move would be the placing of a night curfew on trucks using Somerville Road in West Footscray between Geelong Road and High and Whitehall streets in particular, where residents have been complaining for many years about their impact. A night curfew would send an important message that the community is being supported and that there are some constraints on traffic causing this difficult problem.

**The ACTING SPEAKER (Ms Barker)** — Order!  
The honourable member's time has expired.

### Western Port: development

**Mr COOPER (Mornington)** — I was going to refer a matter to the attention of the Premier, but as I understand the Minister for Transport is the minister representing the Minister for Ports in this house, he may be able to provide the response I seek. I will not describe him as ubiquitous, because that has already been done.

I ask the minister to provide an assurance that there is no validity in media reports that his government will not develop Western Port as a major port. The 8 March edition of the *Mornington Mail* reported that:

The chances of Western Port being developed as a major container shipping terminal lessened last week with the state government's release of plans to spend \$7.3 million on the ports of Melbourne and Geelong.

The news appears to dash hopes that new investment in the port of Hastings would boost Western Port's economy.

Although the advantages of developing the 'natural deepwater port' of Hastings were detailed in the Victorian Ports Strategic Study ... last year, Western Port seems now to have been sidelined.

The Minister for Ports, Ms Candy Broad, said results of the six-month port review, headed by Professor Bill Russell, would be released in December.

Ms Broad told the Ports Agenda 2001 industry seminar that expressions of interest would be called to develop the West Gate container terminal.

The VPSS specifically ruled out any need for a terminal at Hastings until at least 2013 if the government decided to invest in the West Gate project and deepen shipping channels.

This media report has caused grave concern in the Hastings district because it will mean that economic growth in the area will stagnate for at least another decade.

As the minister would or should know, the Hastings and Western Port areas are in great need of an economic boost. Investment and development will assist in a significant reduction in unemployment, and the port is seen by most as the key to local economic growth.

If the government intends to kill off port development in Western Port, the news will not be received kindly by the great majority of Hastings and district residents. They will view such a decision as a virtual backhander by the government to their chances of improving the local economy.

I ask the minister for his assurance that Western Port will not be written off by his government and that development of Western Port as a major port facility will proceed in the near future.

### Panel beaters: insurance

**Mr NARDELLA (Melton)** — I ask the Minister for Transport to ask the Minister for Consumer Affairs in the other house to take action to bring together the various parties in the panel beating and insurance industries to mediate the problems that small business panel beaters are experiencing with insurance companies.

Over many years practices by insurance companies in the panel repair industry have caused businesses to go to the wall. A number of insurance companies, especially the RACV, have discriminated against their clients to the detriment of the independent panel beaters when damaged cars are taken to independent panel beaters. Those practices go against competition policy and in many cases are unconscionable conduct under the Trade Practices Act.

When clients take their cars to independent panel beaters an inordinate amount of time is taken for them to be assessed. Further, after the vehicles are assessed and repaired the clients are required to pay for the repairs themselves and then wait over 30 days to be reimbursed. When the repairs cost thousands of dollars, many people cannot afford to pay for them.

Insurance companies do not like damaged cars being taken to independent panel beaters and try by various means to keep them from going there. Insurance companies try to take the damaged vehicles to their own badged panel beaters, sometimes against the wishes of their clients.

The Australian Competition and Consumer Commission has recognised those practices as anticompetitive and unconscionable conduct, but has decided not to take any action. That is wrong. The ACCC should take the issue seriously and take appropriate action against insurance companies that forcefully prevent their clients from using independent panel repair shops.

I have met with panel beaters over a long period, as have a number of my colleagues, including the honourable member for Mitcham. These panel beaters have been driven to the wall and are struggling to keep their heads above water. They work extremely hard, they have great skills, they want to perform professional work for their clients, and more importantly, they want to look after their clients. In

many cases they are not allowed to do that and have to fight for every job they get. The insurance companies have a lot of power, especially when they assess cars before and after they are repaired. The margins are extremely tight and getting tighter.

It is important for the minister to attempt to mediate between the insurance companies and the independent panel beaters.

**The ACTING SPEAKER (Ms Barker)** — Order! The honourable member's time has expired.

### **Drugs: driver testing**

**Mr WELLS** (Wantirna) — I refer the Minister for Police and Emergency Services to the current Victorian police procedures, or lack thereof, in relation to the drug testing of drivers, and ask him to take immediate action to fix the situation. This is another example of the incompetent minister not being able to achieve a result that this Parliament directed should be achieved almost a year ago.

Road carnage in Victoria continues to climb. Victoria had 406 deaths on its roads at the end of last year, which was an increase of 23 on the previous year. As of last night Victoria had 93 fatalities, which is 7 more than for the same period last year. The situation is on the up, not on the down.

Following recommendations made by the Road Safety Committee in its November 1996 report on the effects of drugs other than alcohol on road safety in Victoria, the Road Safety (Amendment) Act of 2000 was enacted to provide Victorian police with the authority to perform drug testing of drivers. That road safety committee was chaired by the honourable member for Forest Hill, who is one member who, when he finally decides to leave this place, can hold his head high in the knowledge that he has made enormous advancements in road safety.

The amendment that was passed in this Parliament on 5 April 2000 provided for new offences relating to driving while impaired by a drug and gave police the power to carry out assessments of drug impairment. That was over one year ago.

I have recently been informed by Victoria Police that it is yet to implement drug testing for drivers and currently does not have any operational procedures in place for testing drivers for drugs.

When a backbencher made inquiries to senior police he was subsequently advised that drug testing for drivers was a sensitive issue. I do not blame the police for one

moment, but I do blame Minister Haermeyer's administration. While his administration is procrastinating, the Victorian road toll is spiralling.

If they look at the figures, honourable members will see that one in four people killed on Victorian roads has illegal drugs in his or her body at the time of death — and one in four has a significant impact on Victorian roads!

I call on the minister to take immediate action to investigate why drug testing has not been started. I also ask for an assurance that it will be implemented within the next month or so, to ensure that the Victorian road toll will be on the way down again.

### **Housing: Doveton estate**

**Mr LENDERS** (Dandenong North) — I raise an issue with the Minister for Housing. Like the Minister for Transport, she is ubiquitous. She is a very good minister and has been doing a lot of good work around the south-eastern suburbs.

I direct the minister's attention to the fact that I have been disturbed to note how the private rental housing market in the Dandenong area has become increasingly unaffordable for the majority of — —

**Mr Leigh** interjected.

**The ACTING SPEAKER (Ms Barker)** — Order! The honourable member for Mordialloc should cease interjecting.

**Mr LENDERS** — I was interested to note that the Office of Housing's recently released rental report for the September 2000 quarter indicates that median rents in the private rental market in the City of Greater Dandenong rose by 7.4 per cent during the preceding year. While that is consistent with the 7.4 per cent increase in median private rents across Victoria, it is an issue of concern to me and an issue about which I seek the attention of the minister.

Metropolitan and regional Victoria appear to be experiencing a crisis in the provision of affordable housing. Accordingly, I have been pleased to note how active the Minister for Housing has been in announcing public housing redevelopments throughout the state. This week we heard her great news for the electorate of Burwood and its wonderful member.

The minister would be aware that the public housing estate in Peace Court, Doveton, has had a lot of media coverage over the years regarding the so-called substandard accommodation provided there, and that

many announcements have been made that the estate would be redeveloped or upgraded. As one can imagine, the expectations of the community in the south-east, in Doveton in particular, have been raised over the years due to those announcements.

A couple of weeks ago I was disturbed to see an article in the *Sunday Age* stating that Doveton was one of Melbourne's at-risk localities, due in part to low property values and unemployment. While it may be fashionable to knock the south-east and our region, people in Dandenong North, Doveton and the surrounding areas have enormous pride in their areas.

I ask the minister to advise the house of action that will be taken to address the issue of the redevelopment and renewal of the Peace Court estate at Doveton and to provide affordable housing to support that battling community, and the battling communities of the south-east generally.

### **Robinsons Road, Frankston: traffic lights**

**Ms McCALL** (Frankston) — The issue I raise is with the iniquitous Minister for Transport. We may as well add another word to the vocabulary. I ask the minister whether he proposes to take action in relation to a longstanding problem in the Frankston electorate — that is, the Robinsons Road traffic lights.

It is an issue I will declare up front because I happen to be vice-president of the Mount Erin Secondary College school council. I propose to read into the record a letter to me from the school principal about the traffic lights.

**An honourable member** interjected.

**Ms McCALL** — Yes, and the shadow Minister for Transport has stood on a dangerous spot. That is very good. The letter states:

I am becoming increasingly dismayed about the lack of information and action in relation to the installation of traffic lights at the Robinsons Road–Frankston–Flinders Road intersection. The risk of death and injury to students and local users increases daily.

My request for better signage in the short term (requested last July) has gone unheeded. There has been no response (even in writing) to the college's request for urgent action under the black spot and other programs.

I have a duty of care to the safety of the 1100 students who attend the college daily, an increasing number of whom have to cross the four lanes of Frankston–Flinders Road in the vicinity of Robinsons Road. As a local resident I witness, almost daily, near misses at this intersection. There continues to be confusion in relation to the give way sign for left turning vehicles into Robinsons Road (right turning vehicles are unaware of the sign). Further, the continued allowance of

U turns across two lanes of traffic travelling at or in excess of 80 kph increases the risk of accidents.

I want the minister to respond to the school principal and to broker some arrangement between Vicroads, the Frankston City Council and his department to ensure there is a level of urgency in the matter. The minister may recall that the Robinsons Road traffic lights and the widening of the Maroondah Highway were a priority under the previous Kennett government.

### **Bendigo Easter Fair**

**Ms ALLAN** (Bendigo East) — I direct to the attention of the Minister for Major Projects and Tourism the action he and his department are taking to promote an important event in Bendigo, the Bendigo Easter Fair. This year marks the 131st Bendigo Easter Fair, and it will be bigger and better than ever.

The fair includes events such as the inaugural Bendigo Easter Fair Chinese lion dancing Australian championships. To mark the celebration of the 150th anniversary of the discovery of gold, the Robe to Bendigo walk will conclude in Bendigo on Easter Saturday. I note that the Treasurer will undertake the Cavendish to Dunkeld leg of this 16-day walk. He will join me and other members of the Bendigo community in the final leg into Bendigo. It is a challenge for other members of Parliament, particularly country members of Parliament whose electorates the walk will pass through, to join in this historic and important event.

Other events occurring in the Easter fair will be the Asian food fair, the unveiling of a memorial board in the Elders room at the Golden Dragon Museum; the awakening of the dragons and the naming of two new dragons; the torchlight procession and the gala parade, which will be better than ever because it will feature all six Chinese dragons that are housed in Bendigo, a phoenix and the Chinese lions. These dragons are part of the centenary of Federation celebrations. It will be a culturally important event to have all six Chinese dragons for the first time parading through Bendigo streets on Easter Monday.

Honourable members will note how important this event is for Bendigo and why it is an opportunity for the Bendigo community to promote itself within Victoria, throughout Australia and even overseas. I am personally a big fan of the Bendigo Easter Fair and am proud to be a supporter of the Bendigo Easter Fair Society. The Bendigo Easter Fair committee has done an excellent job in organising an outstanding program for the 2001 annual fair. I welcome all members of Parliament to Bendigo over the four-day event because a lot will be happening in Bendigo, in particular to

celebrate the 150th anniversary of the discovery of gold and the centenary of Federation, both of which have their birthplace in Bendigo. Bendigo is important because of the discovery of gold there and as the birthplace of democracy in this state, which led to the formation of Australia's federation.

### Heytesbury Pony Club

**Mr VOGELS** (Warrnambool) — I call on the Minister for Environment and Conservation to take immediate action to stop her department selling off for \$19 327 Crown land at present being utilised by the Heytesbury Pony Club. The club has occupied this site as its home base for many years. In fact, it turned a bit of wasteland into one of south-west Victoria's premier pony clubs.

On 5 and 6 May this year the club will host the Pony Club of Victoria state horse trial championships. This event is taking place because of the many hours of volunteerism undertaken mainly by parents of people taking part in the event. I call on the minister to immediately make a statement that this land will not be declared surplus to requirements and, better still, to hand it back free of charge to the pony club for its continued use. The other option would be for the government to donate the cost of this land — \$19 327 — to the club, which could then hand the money back to the Department of Treasury and Finance for purchase of the land.

I asked the parliamentary library to find me some speeches the honourable member for Bundoora made when she was shadow minister for environment and conservation involving the sale of Crown land. I refer to the *Hansard* report of the honourable member for Bundoora. She said:

There is more of the sell-off mania. The Norris Bank Primary School has a pine plantation. It is a community asset; it has been regarded by the community and by the primary school as a community asset, but it is being sold from under people. There was no consultation; it was simply a matter of 'Sell it off!'. People have protested and have written letters —

but no-one is listening! I could go on forever.

*Honourable members interjecting.*

**The ACTING SPEAKER (Ms Barker)** — Order! I am sure the honourable member does not need any encouragement — and his time has expired.

### Responses

**Ms PIKE** (Minister for Housing) — I thank the honourable member for Dandenong North for his

question about housing in his community broadly and affordable housing for low-income Victorians in his community in particular. As he would be aware, the Peace Court estate in Doveton, which is actually in the electorate of the honourable member for Dandenong, was constructed in 1995 and consisted of 132 older-person walk-up units that were vacant for some time and have now been demolished. Eighty-four new older-person units have been constructed in other places in the community so that people can progressively be rehoused. Nevertheless there remains the issue about the future of the site. I know that the honourable members for Dandenong North and Dandenong are both working closely with the community to identify future uses for the site.

In March last year I announced that its future would be determined in consultation with the community. I am very pleased to advise the honourable member that the Office of Housing and the local council have formed a working group to review options for Peace Court and the former Doveton West Primary School site, which honourable members know was closed by the previous government in 1993 with absolutely no plans for its future. It was left and remained vacant.

The group is chaired by Cr Brian Oates from the City of Casey. As with all redevelopment groups, it consists of a number of representatives from the local community, the Office of Housing and the Department of Infrastructure. They will consider how that site, along with the former Doveton West Primary School site, can contribute broadly to the rejuvenation of the Doveton community. We are looking at a new social housing mix with a public and private partnership so that we can get a more appropriate mix of affordable housing in the community. I am looking forward to a report from that committee for future options.

**Mr PANDAZOPOULOS** (Minister for Major Projects and Tourism) — The honourable member for Bendigo East is certainly very vocal about the events in her electorate. I recall her raising last year the need for support for the Bendigo Easter Fair, which is one of the pre-eminent events around Easter in Victoria and is positioning itself extremely well.

That event continues to grow and continues to be valued by different government agencies. The organisers applied to various government agencies for funding, and this year's event is a particularly special one because it is centred on the celebration of the centenary of Federation. As the honourable member said, there are many parts to this event including a children's fiesta, a fireworks display, a tram and transport parade, a street carnival, an arts fringe

exhibition, Australian Chinese lion dancing, the Bendigo East motorfest and many other associated activities. There is a comprehensive range of activities for the locals and visitors. They see the value of this event, which meets the variety of experiences people want.

The fair will be held from 13 to 16 April. It is the 131st continuous festival, so it has a long and growing tradition. The fair has very interesting figures. It provides a \$4 million economic benefit to the local economy. It attracts 200 000 visitors, of which 30 per cent come from outside the region and 10 per cent from interstate. This is an event that many other community events around the state can learn from when it comes to maximising economic impact and benefit.

I am pleased to announce that the Bendigo Easter Fair has benefited from two areas of funding for which I am responsible as Minister for Major Projects and Tourism and Minister assisting the Premier on Multicultural Affairs. The Bendigo Easter Fair applied for \$5000 as part of the country Victoria events program and I am pleased to advise the honourable member for Bendigo East that it will receive all of that \$5000. The organisers also applied for funding from the Victorian Multicultural Commission. The government has given the commission extra funding to encourage it to support community events, not only ethnic community events but also broader community events that promote themes of diversity and multiculturalism. The Bendigo Easter Fair does exactly that and it has received \$2000 worth of sponsorship from the multicultural commission.

That is on top of the \$25 000 from Vichealth, the \$5600 from Arts Victoria and the \$30 000 grant as part of the Centenary of Federation Victoria program, which my colleague the Minister for the Arts has supported. That is a total of \$67 600 worth of state funding from different government agencies because of the diversity of these events. The Bendigo Easter Fair is doing it well and it has received a special boost because of the centenary of Federation celebrations this year. However, it also receives funding because of the diversity of its events and the fact that it is very well organised.

Another event is the Robe to Bendigo walk which is attached to the Bendigo Easter Fair. I know the Treasurer will be attending part of that. I look forward to being at the start of the walk in Robe in South Australia on 31 March. I hope to be in Bendigo — if I am invited to by the Bendigo Easter Fair committee — to join the walkers at the end of their 15-day walk, which has been organised to remind us of the

importance of Chinese migration to this state and how difficult previous governments made it for Chinese miners. Previous Victorian governments disadvantaged Chinese miners by charging ship captains a penalty for bringing them into Victorian ports, so the Chinese were dropped off in South Australia. On its own that event will receive \$14 400 of funding from the 150th anniversary of gold discovery program and \$2000 sponsorship from the Victorian Multicultural Commission.

If that is not good enough, I have approved funding for another event in Bendigo, the celebration of song and gospel music festival, which is receiving \$4000. Congratulations to the Bendigo members and the tourism industry in Bendigo for garnering great support for its local events.

**Ms DELAHUNTY** (Minister for Education) — The honourable member for Warrandyte raised the matter of the master plan prepared in 1996 for the Ringwood North Primary School. The honourable member is quite right; the school provided for that master plan to be funded at its own expense by the school council and school supporters. However, two years later the school was advised that the master plan was out of date and would need to be reviewed in accordance with the current schedule of entitlement and approved long-term enrolments. The honourable member stated that the enrolment has grown from 364 to 390 students at the beginning of this year, but I am advised that the revised master plan has not yet been received by the region.

The department certainly moved a relocatable onto the school site over the last Christmas vacation to assist, but according to the department it has still not received the new master plan. The government acknowledges the hard work of school communities in raising those funds and I will ensure that the application for an upgrade is given serious consideration.

The honourable member for Keilor raised the fairly dramatic consequences of a serious fire last Saturday afternoon at the junior campus of Copperfield College which effectively destroyed all of the essential services at the school. The gymnasium, the change rooms, the canteen, two science rooms, the student welfare office, the nurse's office, the entrance foyer and, most importantly, the power plant were all destroyed by the fire. It was a big fire. The campus is now without power, gas or telecommunications.

**Mr Baillieu** — It sounds like heaven!

**Ms DELAHUNTY** — Sounds like heaven? Because of the occupational health and safety risks the

department has decided not to have any children, staff or teachers on the site until it can be assured that gas, power and telecommunications are all restored. The honourable member will be interested to know that the campus will now reopen on Monday, 26 March, when it is understood that the essential services will be back on line. In the interim an alternative program has been set up for students of the college and the principal reported this morning that 28 students were using it. A telephone tree was conducted yesterday by college staff to let all parents know what the arrangements are for the rest of this week.

I am sure the honourable member for Keilor will join with me in thanking the parents, and in particular the staff and principal, for their efforts at the junior campus of Copperfield College. They have been absolutely outstanding. I assure them that planning for the rebuilding is already in progress. The government wants to ensure that the disruption is minimised, if that is at all possible considering the circumstances, and have the school re-established as soon as possible.

**Mr BRUMBY** (Treasurer) — The honourable member for Rodney raised a matter with me regarding his representations made on behalf of a constituent, Mr Mike Fill, who is the principal of King Pin Bowling (Echuca) Pty Ltd. In the last few days the honourable member has also written to me about the matter.

The issue concerns the assessment of land tax by the State Revenue Office on Victrack and then the on-passing of that land tax to the lessees of Victrack property. The issue is the existing land tax system and the aggregation provisions contained within it. The matter raised by the honourable member is a most interesting one.

I will refer it to the State Revenue Office. Obviously issues of taxation administration are matters for that office, and I will pass this matter on to it for advice. I will also obtain advice from the Department of Treasury and Finance.

This raises the general issue of the aggregation of land tax payments. It is an issue that is referred to in the independent report submitted to the government by John Harvey. The aggregation, with a top rate of 5 per cent, is a matter which the committee referred to in its report and which is at the heart of the matter raised by the honourable member for Rodney. I will examine it, refer it for advice and respond directly to the honourable member.

**Mr BATCHELOR** (Minister for Transport) — The honourable member for Footscray raised with me an

issue that he has been tenaciously pursuing in his electorate.

**Mr Honeywood** interjected.

**Mr BATCHELOR** — The honourable member for Warrandyte may not be aware of the meaning of ‘tenaciously’, but some honourable members pursue matters doggedly and determinedly; the honourable member for Footscray is one of those members. I recommend to the honourable member for Warrandyte that he follow the example of and the work ethic displayed by the honourable member for Footscray over a long period.

**Mr Honeywood** interjected.

**Mr BATCHELOR** — The honourable member for Warrandyte says the honourable member for Footscray should be a minister. He is a hardworking member, unlike the honourable member for Warrandyte, who was dumped as minister by the last electorate test applied in Victoria.

**The ACTING SPEAKER (Ms Barker)** — Order! The minister should ignore interjections.

**Mr Leigh** interjected.

**Mr BATCHELOR** — I have never had and I never will have the privilege of being dumped as a minister.

The honourable member for Footscray raised with me an important issue in his area about truck traffic on Somerville Road, Yarraville. That issue is not really in isolation from the surrounding area but is important for people living on or near Somerville Road, which is an important industrial area. Consequently, a number of trucks choose to use Somerville Road in going about their business. Somerville Road is also in an area where many people choose to raise families.

A number of roads in Yarraville provide an important movement of freight within and through the region. If you look at the road network in the general area you have to acknowledge that Somerville Road east of Geelong Road is not one of those roads that is crucial or central to the movement of freight, while other roads in the area are so classified. Main and arterial roads provide that function. It is important that trucks continue to have access to those roads, but Somerville Road east of Geelong Road is not one to which it is absolutely vital that trucks have access 24 hours a day.

The honourable member for Footscray has been working on the issue for some time and has seen it in the broader context — that is, beyond just the impact on

residential areas of traffic on Somerville Road. He has taken a region-wide approach to the issue and, at the same time, is looking at the particularities of that individual street.

**Mr Leigh** — What are you going to do?

**The ACTING SPEAKER (Ms Barker)** — Order! The honourable member for Mordialloc should cease interjecting across the table and allow the matter raised by the honourable member for Footscray to be answered.

**Mr BATCHELOR** — The honourable member for Mordialloc has been interjecting all night, wanting to know what the government is going to do, and I will come to that.

It is interesting to reflect on the fact that the previous Liberal government did nothing — absolutely nothing! The honourable member for Mordialloc, the shadow Minister for Transport, was part of that government, and he continues its attitude of doing nothing to address problems and issues that are relevant to people in the western and northern suburbs. It is well known that the Liberal Party does not care about suburbs such as Yarraville, and that is why the honourable member for Footscray has pursued this issue for a long time. The Liberal Party hates people who live in suburbs like Yarraville, and if it had not been for the honourable member for Footscray nothing would have happened to alleviate some of the difficulties experienced by the people living on Somerville Road, east of Geelong Road.

At the urging of the honourable member for Footscray the government will do a number of things. It will inform the City of Yarraville that it is not appropriate for that road to be used by trucks at night or at weekends. There are alternate routes for trucks at those times.

**Mr Leigh** interjected.

**Mr BATCHELOR** — The Liberal Party spokesperson on transport is interjecting. It is interesting to note that although the Liberal Party implemented these sorts of restrictions on roads in the bayside suburbs, such as Brighton, it was never prepared to look at the issues affecting roads like Somerville Road, east of Geelong Road, in Yarraville. If it had not been for the honourable member for Footscray the issue would not have been developed to the stage it is at now.

As Minister for Transport, I pay tribute to the honourable member for Footscray for raising this

matter. The government will advise the City of Maribyrnong, through Vicroads, of the announcement I make in Parliament tonight. Vicroads will be giving formal approval to the City of Maribyrnong to install signs on Somerville Road, east of Geelong Road, restricting the times at which trucks can travel along the road to between 8.00 p.m. and 6.00 a.m., Monday to Friday, and between 1.00 p.m. Saturday and 6.00 a.m. Monday. That will provide protection for the people who live along that section of Somerville Road against their road being used by trucks during those important, sensitive and crucial times of the day.

I pay great tribute to the honourable member for Footscray for raising this issue in relation to Somerville Road, east of Geelong Road, and for attempting to resolve the wider issues involving container parks, common-user terminals, alternative routes, education for truck drivers and transport companies, and to bring some harmony to the area. His approach is in stark contrast to that of the previous Kennett government.

The honourable member for Mornington raised with me a matter for the attention of the Minister for Ports in another place concerning Western Port. It arose from a scurrilous report that appeared in the *Mornington Mail*. I can assure the honourable member for Mornington that the Labor Minister for Ports has a long-term strategy for developing ports in Victoria.

The previous government did not care about the port of Hastings or the port of Melbourne. The Minister for Ports has developed a strategy to develop our ports and to ensure that the port of Melbourne maintains its pre-eminent role in delivering port services not only for Melbourne and Victoria but for Australia. The strategy is important for the economic development of the port of Melbourne and also for the supporting role that other ports play in the economic growth of Victoria.

The honourable member for Melton raised with the Minister for Consumer Affairs the difficulties that some panel beaters have been experiencing with insurance companies. It is an important matter, one that has been brought to the attention of the Australian Competition and Consumer Commission. I will direct the matter that has been carefully and thoughtfully raised by the honourable member for Melton to the attention of the minister.

The honourable member for Wantirna asked the Minister for Police and Emergency Services about the testing of people who are suspected of being under the influence of drugs other than alcohol. As all informed members of this chamber would know — perhaps the honourable member for Wantirna does not, but others

would — in 1996, during the regime of the previous Liberal government, the Road Safety Committee tabled a report entitled *The Effects on Drugs (Other than Alcohol) on Road Safety in Victoria*. It made 41 recommendations aimed at reducing harm associated with using drugs while driving and the impact of impaired driving on our roads as a result of using drugs. The Victorian Institute of Forensic Medicine has reported that the proportion of fatalities and injured Victorian drivers in whom drugs other than alcohol were detected has risen from 22 per cent over the four years from 1990 to 1993 to 32 per cent over the two years 1997 and 1998.

There has been a parliamentary inquiry and a period under the former previous Liberal government with no action despite a horrific increase in the number of road accidents. As one of its earliest initiatives on road safety the incoming Labor government put in place a set of arrangements to deal with the impact, assessment, detection and penalties for motorists driving while under the influence of drugs other than alcohol. The government has taken decisive action in this area. Parliament has passed new laws on this matter. The honourable member for Wantirna voted for them. I do not understand why he now seeks to undermine these matters after having voted to implement these Labor Party initiatives.

He related the important role played by the honourable member for Forest Hill in developing those initiatives. Over the years the parliamentary Road Safety Committee has played an important role in developing road safety initiatives, and it continues to do so. I pay tribute to the members of that committee.

Unlike the former government, the Bracks government accepts the bipartisan nature of the committee. The former government got rid of the honourable member for Forest Hill from the Road Safety Committee. He was attacked because of the important role he played in the examination of a sensitive issue.

The honourable member for Frankston raised a matter concerning the traffic lights at Robinsons Road and the impact — —

**Mr Leigh** — It is a dangerous crossing.

**Mr BATCHELOR** — He referred to the impact this dangerous crossing, as the honourable member for Mordialloc says, has on road safety. I advise the honourable member for Frankston that the honourable member for Frankston East, who is a hardworking local member, has already nominated that intersection for treatment under the Blackspot program.

I thank him for bringing the matter to the attention of the government and Vicroads. The Blackspot program is the appropriate way of dealing with these issues. The government implores honourable members from both sides of the house to lodge nominations through formal channels if, through local knowledge, they know of problem areas to which black spot treatment funding could be applied. Vicroads and the local council can then consider the issue and make recommendations to the — —

**Mr Leigh** — On a point of order, Acting Speaker, with the greatest respect to the minister, I have nominated the intersection of the Princes Highway and Springvale Road, but they have not come back to me!

**The ACTING SPEAKER (Ms Barker)** — Order! There is no point of order.

**Mr BATCHELOR** — The honourable member for Mordialloc again displays his ignorance of road safety issues.

I congratulate the honourable member for Frankston East on taking the initiative in nominating the traffic lights on Robinsons Road as a matter for treatment under the Blackspot program. The matter will be evaluated, and I will advise the honourable members for Frankston East and Frankston of the outcome.

The honourable member for Warrnambool raised for the attention of the Minister for Environment and Conservation a matter relating to the Heytesbury Pony Club and the charge allegedly levied against it for the use of land in that area. I will bring that matter to the attention of the minister and ask her to get back to the honourable member for Warrnambool.

**The ACTING SPEAKER (Ms Barker)** — Order! The house stands adjourned until next day.

**House adjourned 11.03 p.m.**

## Wednesday, 21 March 2001

**The SPEAKER (Hon. Alex Andrianopoulos) took the chair at 3.07 p.m.**

### JOINT SITTING OF PARLIAMENT

#### Drugs: education and prevention strategies

**The SPEAKER** — Order! The time has arrived for members of the Legislative Assembly and members of the Legislative Council to sit together to hear addresses by Dr David Penington, Mr Neil Comrie and other expert advisers on drug issues.

**Members of the Legislative Council entered chamber.**

**The SPEAKER** — It gives me great pleasure to welcome Mr President, the Honourable Bruce Chamberlain, and members of the Legislative Council to the Legislative Assembly.

**Serjeant-at-Arms escorted advisers into chamber.**

**The SPEAKER** — It gives me great pleasure to welcome to this joint sitting of the Legislative Assembly and the Legislative Council our esteemed and expert guests, who will speak on drug education and prevention.

I welcome Dr David Penington, the chair of the Drug Policy Expert Committee; Mr Neil Comrie, the former Chief Commissioner of Police; Dr Rob Moodie, the chief executive officer of Vichealth; Major David Brunt, from the Salvation Army; His Grace Archbishop George Pell, from the Catholic archdiocese of Melbourne; Professor Margaret Hamilton, the director of Turning Point; Mr Andy Hamilton, the principal of Heatherhill Secondary College; and Mr Peter Wearne, a youth worker from the Youth Substance Abuse Service.

*Honourable members applauded.*

**The SPEAKER** — The procedure set down for this debate is that I will now invite Dr David Penington, and then Mr Neil Comrie, to address us for 20 minutes, and all other guests to address us for 5 minutes. At the conclusion of that an opportunity will be given to all honourable members to ask questions of the expert witnesses for 30 minutes. Without further ado I now invite Dr David Penington to address this gathering.

**Dr PENINGTON** — Mr Speaker, Mr President, Premier, Leader of the Opposition and members: thank you very much for the privilege of addressing you on a very important issue.

The seriousness of the illicit drug problem and its consequences for the Australian community are not in dispute. After repeated inquiries in this state most of the facts are well established, but still the issue arouses strong feelings, and these get in the way of rational decision making. Some people have firm views and are reluctant to examine the facts.

Until now we have not had consensus across Parliament as to the direction we should take. If common ground can be found, there is a real opportunity to give leadership and to make an impact on the distress being experienced by our community.

Use of substances which alter the mind has been part of human society for thousands of years. I speak of alcohol, opium, cannabis, cocoa or tobacco leaves or, for that matter, the many prescription drugs that are currently widely used to combat anxiety or to relieve tension. Many societies have adjusted by taking steps to deal with the consequence of excessive or harmful use of drugs. Some fundamentalist Islamic societies still prohibit alcohol, as did the United States in 1919 after many years of lobbying by the anti-saloon movement. By 1933 prohibition of alcohol was judged by America to have been a failure but ended only after a highly contentious public debate in which such phrases as 'sending the wrong message' were often used.

International agreement to curb trade in opium dates from the Shanghai conference of 1909 led by President Teddy Roosevelt, with further elaboration and extension many times over the years. Prohibition has been at the core of these treaties led by the United States throughout. It is repeatedly acknowledged by the United Nations drug control program that world production of illicit drugs has mounted inexorably despite the treaties and is currently at an all-time high. It is estimated that international trade in illicit drugs in 1996 was greater than US\$400 billion.

South and South-East Asia are the principal world sources of opium and, hence, heroin. Australia is the nearest wealthy country, with a GDP greater than that of the entire South-East Asian community. We are inevitably at risk.

We would all wish to live in a society free from the effect of drugs. Some cling to the view that there must be a simple answer to achieve this. However, I can assure you that there is no country in the world with a simple, effective answer. In no country does law enforcement prevent entry or use of drugs. In those with a death penalty for trafficking the problem continues. Some countries suppress evidence of use but

have increasing deaths from drug overdose. The key issue is how to reduce the demand for drugs.

In 1985 all Australian states endorsed a federal policy framework. This is still current and has three arms: efforts to reduce the entry or availability of the drugs; strategies to reduce demand through education; and policies to minimise the harm caused to users and to society by the drugs.

The greatest proportion of government expenditure throughout has been on law enforcement, but deaths from heroin overdoses continue to mount. With persons aged between 15 and 44 years there were 1.38 deaths per million in 1964 and 63.5 per million by 1996, and those deaths continue to mount. There are an estimated 75 000 dependent users of heroin in Australia and probably three times that number of intermittent users.

A 1998 commonwealth survey reported 2.7 million Australians — mostly young people — as having used cannabis in the previous 12 months. Brief periods of shortages of heroin and other drugs occur from time to time, but those drugs are generally available in every major city and throughout regional Australia.

Five years ago I warned this house that unless we took a new approach to cannabis, including a realistic and strong health-based campaign against excessive and harmful use, we would see more and more young people move from cannabis to heroin because heroin was becoming cheaper.

Sadly, this is exactly what has happened in the past five years. We are one of the few communities in the world in which the age of initiation into heroin is falling rapidly, now starting with young people in their mid-teens.

In 1996 concern over sending the wrong message led to no change in the approach to cannabis. No effective health-based campaign against abuse was mounted. However, the Victoria Police, led by Neil Comrie, subsequently instituted the cannabis cautioning trial. From this has developed the important national diversion program for all drugs. It has largely taken the offence of possession and use of cannabis away from the courts into the realm of counselling — an important part of what we were seeking.

The excessive and regular use of cannabis undoubtedly causes problems, including the potentiation of latent psychiatric disease. However, when considering the attitudes of young people it must be remembered that the commonwealth's figures on drugs in Australia for 1997 show that there was a total of more than 22 700 deaths. Of these, 18 200 were ascribed to

tobacco use and 3700 to the hazardous and harmful use of alcohol. The remaining 800 or so were attributed to illicit drug use, of which only 1 was ascribed to cannabis.

If we want to influence young people we must talk about cannabis as a health issue, not as a moral crusade. A very important schools drug education program was mounted following the 1996 report called *Turning the Tide*. It developed progressively over three years. It now involves every state and Catholic secondary school in the state and over 85 per cent of the independent schools. Much outstanding work is under way, and it is still developing. The work of the Drug Policy Expert Committee in 1999–2000 covered the full gamut of issues — prevention, law enforcement, treatment, rehabilitation and reintegration of former users into the community. It looked at primary prevention by seeking to reduce drug use, and at secondary prevention by working with some of those 2.7 million young people who have already used drugs despite their legal status, and it also tackled tertiary prevention by working with dependent users with the aim of getting them into whatever type of treatments or rehabilitation that may in time rescue them from drug dependency.

Media interest was confined almost entirely to the proposed trial of supervised injecting facilities — a strategy to deal with an urgent situation in five metropolitan areas. This matter has now been resolved in Parliament and I do not wish to reopen it.

Many other aspects of the drug problem remain critical. Deaths and drug-related crime continue to increase. Early in 1999, the Ross Trust approached me and offered assistance. I saw prevention as the highest priority and support was given to review evidence from around the world of factors contributing to drug use and drug dependency. The project involved behavioural science at the University of Melbourne and the Australian Institute of Family Studies, and later La Trobe University and the Centre for Adolescent Health. It culminated in a workshop held over two days in July 2000 jointly with the Drug Policy Expert Committee, with participants from around Australia and a leading international figure from Sweden, Dr Robin Room, who has had extensive experience in North America and Scandinavia.

Much is known about the causes of drug dependency, including cultural, social, behavioural and even genetic factors. There are stages of transition in life that carry particular risk. There are recognised protective factors. Young people must be monitored and supported. Understanding all of these issues is fundamental to prevention. 'Just say no' campaigns consistently fail. It

is clear that school programs on their own achieve little. Parents and local communities must be mobilised to influence behaviour and to influence peer pressure. Early signs of risk and behaviour disturbance must be tackled and families must be part of any such endeavour.

At the end of August a discussion paper was sent to every school in the state, to every local council, to every parent organisation we could find, to every church and religious group identified, and to youth organisations. It was seen as an important source of information for local government drug action plans across the state. The media took absolutely no interest as it was not controversial, and many are unaware of its existence.

Given the success of the cannabis cautioning program and diversion, legislation on cannabis need not be changed in the near future. Vichealth is currently assisting in the preparation of a strong campaign against the harmful use of cannabis. The use of cannabis for medical purposes by people suffering painful terminal cancer, late-stage AIDS or some neurological conditions with troublesome muscle spasm has been supported by the House of Lords in the United Kingdom and the American Academy of Medicine and has been approved following referenda in a number of states in the United States of America. It need not entail legislation here. As we recommended in our final report last year, police and courts can exercise discretion.

Legalisation of drugs is not a current option while demand is out of control. A trial of prescription heroin for those for whom other forms of treatment have proved ineffective, which had bipartisan support in 1996, is not currently an option. It should be reconsidered after a further review of new treatment approaches.

Our committee was of the view that its work needs to be followed by the establishment of an independent review body to monitor progress. That is in recommendation 5.3. Such a body might be termed a Premier's drug advisory council or even a Victorian drug prevention council. It should have access to information from relevant sources, such as the departments covering health and community services, education, youth affairs, and justice, and also from the police and the Coroner's office. Each of these agencies will need to continue to mount programs within government services.

The new council should maintain close liaison with local government throughout the state and support the preventive initiatives being undertaken in schools and

local communities. It should monitor potential developments for treatment and rehabilitation that are expected to become available in the next few years with the growing knowledge of the reward pathway of the brain and of drugs that can influence addictive behaviour.

Such a council would need to have a chief executive officer and support staff. It would have, desirably, an independent chairperson who had a knowledge and understanding of the issues. It could have legislative status comparable to Vichealth and, like that body, include members of Parliament from both sides of the house in addition to people with appropriate expertise. Like Vichealth, it should report to the Premier and annually to the Parliament.

Mr Speaker, I commend these matters for your consideration.

*Honourable members applauded.*

**The SPEAKER** — I now invite Mr Neil Comrie, the former Chief Commissioner of Police, to address the chamber.

**Mr COMRIE** — Mr Speaker, Mr President, Premier, Leader of the Opposition and members of Parliament: I am honoured to be provided with this unique opportunity to address a joint sitting of Parliament. I certainly understand the significance of such an event and I thank the leaders of the parties for providing this opportunity.

The abuse of illicit drugs has become the most significant social issue confronting our community. There has been a lot of commitment and investment in addressing the problem to date and there are many dedicated people involved doing their best to reduce the impact of drug abuse. Despite this dedication and investment the problem is getting worse.

In 1991, 49 heroin-related deaths occurred in Victoria. In 1999, 359 heroin-related deaths occurred in Victoria — a sevenfold increase in eight years. If we extrapolate these figures it can be seen that we could be facing 2500 deaths by 2007. I am certain everyone here today would agree that that is too horrible a situation to contemplate.

In 1996 the average age of first-time users of heroin was 26.1 years. By 1998 that age had fallen to 17½ years. Non-fatal overdoses attended by the Metropolitan Ambulance Service in 1998 averaged 5 per day; by 2000 they were averaging 11 per day.

There is now a strong body of research that says about 70 per cent of all major crime is drug related. Our community is increasingly becoming victims of the drug problem in one of three ways: they have lost a family member or a friend to drug abuse; they have been the victims of crime committed to support an addiction; or they pay inflated insurance premiums to cover the cost of drug-related crime.

Our community is also confronted with drug trafficking and associated problems and is greatly concerned about the health risk of discarded syringes. As a consequence the community is frightened, angry, frustrated and confused.

It wants strong leadership in dealing with the problem. There has been a great deal of debate about the most effective approach to the drug problem for several years, but little progress has been made in real terms. Clearly the problem continues to worsen. The debate to date has largely focused on symptoms of drug abuse and treatment options. Ongoing debate on supervised injecting facilities, heroin trials and the legalisation or decriminalisation of illicit drugs have been emotive and have resulted in polarised views. Sadly, real progress has been stifled because of these conflicting views. This debate on controversial issues has consumed much time and energy, but the reality is that once addiction occurs it is extremely difficult to overcome. Breaking an addiction will only occur when the individual makes a conscious decision to give drugs away. While addicted the probability is the addict will overdose and may die. He or she may also commit crime to acquire cash to support the addiction which in some cases is as much as \$400 a day. We must acknowledge that at this time we do not have the answers to beat addiction on a substantial scale.

Unless we take some different approach the number of addicts will continue to grow. In simple terms the drug problem is a consequence of the supply and demand cycle. This means that while we have demand we will always have supply to meet that demand. Despite the best endeavours of law enforcement over many years, we simply must concede that we cannot totally prevent the entry of drugs into Australia. This reality is best demonstrated here in Victoria where, despite the fact that Victoria Police last year was responsible for half of the arrests in Australia for heroin trafficking, the problem continues to grow.

International trade would grind to a halt if we thoroughly searched every shipping container entering our ports. At the other end of the scale we have people called mules who swallow heroin-filled condoms overseas, fly to Australia and pass the condoms here.

These desperate measures and massive logistical problems cannot be overcome to reduce supply.

We now have an attractive marketplace for international drug traffickers because our addicts demand supply to feed their addiction. The only means of breaking the cycle of supply and demand is to reduce demand and make Australia an unattractive marketplace for traffickers. Demand will only reduce when people are able to decline the temptation to engage in drug abuse or we can break the cycle of drug abuse in the early stages before addiction takes hold.

The three key strategies in achieving this situation are education, early intervention and diversion. These strategies must support our current commitment to strong law enforcement and treatment programs. They are not alternatives but critical components of a holistic approach to the drug problem.

There is strong anecdotal evidence that children likely to be at risk from drug abuse can be identified during their schooling. It is critical that at-risk children be identified and provided with support and treatment if necessary. Some argue that this is a parental responsibility, which may be valid in some cases, but this argument assumes all parents are responsible and capable and ignores the fact that some children these days have parents who themselves are addicts. Some children have little or no influence in their lives from family or the church. Therefore the school environment is often the only stable environment where at-risk behaviour can be assessed.

To this end we must provide a resource, not necessarily a teacher, in each school who can recognise at-risk behaviour. This person must have access to other support mechanisms to which they can refer the child. Those support mechanisms must be capable of immediate response and be able to provide ongoing support.

Victoria Police has clearly established that early intervention works for those not yet addicted. We introduced cautioning programs supported by assessment and treatment in 1997. The results to date of this program have been most encouraging. An external evaluation of the cautioning program indicated a 73.3 per cent success rate in that in these cases the offenders did not come under police notice again for drug offences during the evaluation period. By diverting about 8000 people per year early in the cycle of drug abuse it is now firmly believed that the majority of these people will break that cycle and not become addicts requiring long-term treatment and rehabilitation.

The benefits to the community of this achievement are substantial: reduced drug-related crime, reduced drug-related deaths, reduced serious health problems, with an associated significant reduction in the costs of residential treatment and rehabilitation.

One case study in Victoria clearly demonstrates the potential for early intervention and diversion programs. A 15-year-old girl was found by police in the early hours of the morning with a heroin-loaded syringe ready to inject. It was discovered that this child was an incest victim, had been the victim of rape on four occasions, had been reported missing on 23 occasions and had attempted suicide four times. She was diverted from the criminal justice system into a system of support and treatment. Her previous bleak outlook has, at last report, improved considerably.

However, getting full value from the diversion program is limited by inadequate access to assessment and treatment services. The value of early intervention and diversion is now recognised nationally, and other jurisdictions have followed Victoria's lead. The federal government has now funded diversion programs, but despite the recognition of the enormous value and potential of early intervention and diversion strategies we simply do not have these services available for all who need them. There are extensive waiting lists at many counselling and treatment services. This is a serious problem, as many cases require an urgent response and effective intervention is more likely where the response is immediate. This immediate response will invariably require follow-up and in some cases long-term support.

Likewise, many children in our schools still do not have access to adequate or appropriate drug education programs. Some of the programs currently presented are of questionable value, and some are based on religious and moral philosophy rather than on real learning value. Victoria Police currently has about 65 school resource officers in the police schools involvement program who attend some 200 schools across the state. We need a broader and more comprehensive program that reaches every child in every school in Victoria.

There is an urgent need to identify an existing education program or develop a new program that effectively educates our children about the dangers of drug abuse. This program must provide our children with the knowledge to enable them to make informed decisions about whether they wish to experiment with drugs. Once they are better informed about the physiological dangers of such abuse they are less likely to go down this path.

We need to look no further than the outstandingly successful road safety education program in Victoria for evidence of what can be achieved. A bipartisan, well-resourced and high-profile education program has provided a much more responsible generation of young drivers insofar as drink-driving and general road safety are concerned. Our community has benefited from the saving of thousands of lives and the prevention of countless serious injuries, as well as a financial saving of billions of dollars in our health system. In 1970 there were 1061 road deaths in Victoria; 30 years later that is down to 400.

Education has played a major role in this life-saving strategy. There is no reason why such an education program for our whole community, but especially for our younger generation, would not have a similar impact. It must be a concerted, coordinated, consistent, high-quality and long-term program that can be progressively evaluated, not a set of ad hoc, uncoordinated and short-term arrangements such as we currently have in place.

In my view a failure to commit ourselves to this program of education, early intervention and diversion would be serious neglect and would result in a heavy price being paid by future generations. We cannot procrastinate about this critical matter any longer, nor can we allow political, moral, religious or other differences to continue to polarise our views and stifle real and meaningful action. Put simply, the wellbeing of our future generations is in our hands today.

While I am prepared to readily concede that the political process in our democratic society has traditionally served us well, the political process is, in my view, no longer appropriate for dealing with the critical issue of drug abuse. The impact of drug abuse now demands a response that rises above political considerations and takes account of community needs and expectations.

I doubt very much whether honourable members of this Parliament would individually have great difficulty in accepting the real opportunities offered to us in combating drug use through education, early intervention and diversion. However, the political process has effectively stifled progress down this path. Instead, we have been using a great deal of our time and energy arguing about treatment models such as supervised injecting facilities, heroin trials and legalisation and decriminalisation.

We have certainly identified the issues we cannot agree on, and we have experienced highly polarised views and emotive debates on these issues. But these debates

are largely about dealing with the symptoms of the problem — how we deal with people after they become addicted. It is now time to direct our attention to the causes of the problem. How do we stop these young people from becoming addicted in the first instance? This is such a basic, non-controversial and non-confrontational question that we have to ask ourselves why we have so far failed to come to grips with it. If we accept this position we must now use this unique and important opportunity we have today to face the challenge.

I firmly believe there is a way forward — a way that can embrace the whole community and provide Parliament with an opportunity to take a leadership role in challenging the drug problem. However, to overcome the restrictive barriers imposed by the political process a new model of managing our response to the drug problem is required. This model must also eliminate existing bureaucratic complexity and substantial coordination problems.

The political process creates a number of problems in managing an effective response to drugs. Party politics sometimes requires members of Parliament to vote against something they personally believe in. The delivery of policy commitments is often restricted to the time frame established for a term of government. Therefore, long-term strategies are difficult to implement and sustain, and there is an expectation that there will be short-term dividends on major policy commitments.

Government priorities often fluctuate as a consequence of political imperatives. What is required now is a long-term strategy whereby both an ongoing commitment and the allocation of vital resources are guaranteed. Given that it has taken 30 years for our drug problem to become entrenched, I consider that we must commit to a 10-year strategy to turn the problem around. For these reasons I believe Parliament is the appropriate body to make this commitment and to oversee the implementation and maintenance of this strategy.

The new strategy must also address the problems created by the present bureaucratic arrangements for addressing the drug problem. In short, these problems are as follows. Several government departments and agencies independently submit annual bids to the expenditure review committee (ERC) for drug-related initiatives. These bids are not effectively coordinated with the broad strategy. Changes to ERC and departmental priorities militate against guaranteed continuity of funding.

Most services provided in early intervention diversion programs are provided by non-government organisations (NGOs), and they depend on certainty of funding to guarantee ongoing service delivery. They do not have that certainty. Annual funding grants by departments to NGOs cause a considerable waste of valuable resources in the preparation and assessment of bids. Therefore, a new approach to managing valuable and scarce resources must have the feature of operating outside the political and standard bureaucratic processes to achieve the major goals established by a 10-year strategy. In my view this requirement could best be met by the creation of a new independent authority that would report directly to Parliament.

There are a number of existing precedents within Australia that could be examined as models for this accountability process. One overseas model provides an excellent basis for consideration — that implemented by the Blair government in the United Kingdom in 1998. That model addresses many of the concerns and barriers to progress that I have spoken about today. A workable model that would offer the best opportunity for success would have the following features.

Firstly, it would undertake research into what information and education programs are effective for different target audiences, such as children, parents, grandparents, teachers and carers. This will ensure young people are empowered through knowledge to make informed life decisions when confronted with the opportunity to be involved with drugs. It will also ensure that those who can influence their decision making and provide them with appropriate information are given the tools, information, confidence and skills to do so.

Secondly, it would undertake research into effective means of identifying young people at risk and establishing effective countermeasures to negate that risk. This body should also undertake research into establishing effective early intervention strategies when young people unfortunately make poorly informed life choices involving the use of drugs. The body should also establish strategic plans for the most effective delivery of education and information programs, the identification of young people at risk, the implementation of risk-reduction programs and the provision of early intervention programs. It should provide those programs either directly or through third-party private or public agencies.

This body should also accredit programs, register third-party agencies and provide a quality assurance and audit function for the use of funds in research and the delivery of programs. There is a need for that

authority to have legislative powers to undertake the functions that are both facilitative and regulatory. There is a need for that authority to be able to acquit public, community and private sector funds to support the programs. This must be done in a way that ensures community and private sector contributions are protected from political and undue bureaucratic interference so that the ongoing confidence of those who are investing in the program is maintained. However, it must also allow government to satisfy the required stewardship accountabilities demanded by Parliament of public expenditure.

There is a need for the authority to be seen as independent of party politics if it is to draw on non-government support and it is to fiercely and objectively provide the most appropriate education, at-risk identification, risk reduction and early intervention programs.

There is a need for all public expenditure on those areas to be acquitted through the authority to ensure a whole-of-government approach for research, planning and delivery functions, and that their implementation is integrated and fully coordinated across the public, community and private sectors.

The model that I propose to best meet the requirements is a statutory authority to be established to report directly to the Premier, but with a similar independent status to that of the Auditor-General or the Ombudsman and with a similar charter of responsibility to the Parliament rather than the office of a particular minister of the Crown. The moneys currently expended through departmental budgets on research, planning and the delivery of awareness and training programs, young people at risk, identification and risk-reduction and early intervention programs should be redirected to the authority as its establishment budget.

The funds should be quarantined from the normal budget process and maintained as a minimum base for a reasonable period — say, 10 years — to enable the authority to realistically address its charter. The authority should be charged with seeking to supplement these base seeding public funds with community support and private sector funds and additional government funding through the normal budgetary process.

I also propose that Parliament establish and nominate appropriate members to a board of directors of the authority to provide the governance, policy and strategic direction and to act as the employer of appropriate staff to ensure the authority meets its charter. The authority should be charged with

undertaking all those functions and be accountable to Parliament through the Premier for performance. Registered providers of awareness and training programs, young people at risk, identification and risk-reduction and early intervention programs should be funded by the authority to deliver accredited programs in accordance with the authority's delivery plans.

The authority would validate and evaluate the performance and utilisation of provided funds. The authority would be subject to the normal rigours faced by a statutory authority, including the Auditor-General, the Financial Management Act, the Public Sector Management and Employment Act and scrutiny by the Ombudsman.

In conclusion, I again express my gratitude for the opportunity to address Parliament on this critical issue. The views and strategies expressed by me today are not recent inventions but are based on my 20 years of direct involvement in dealing with young people who are at risk of serious damage. I have discussed my views and strategies widely with a broad cross-section of the community. I believe there is a very strong body of community support for a new way forward in the fight against drugs.

I know that these proposals will have made some people feel uncomfortable. However, political and personal agendas must be put aside in the best interests of our community, especially for our younger generation, whose future we hold in our hands.

We face one of the biggest and most important challenges of recent times. We must get this right. If we fail to seize upon this unique opportunity to move forward with a fresh approach to the destructive drug problem I believe we will be rightly criticised by future generations for that failure.

If we do take full advantage of this opportunity, while there can be no absolute guarantees of success, we will be able to say that we placed the best interests of our current and future younger generations ahead of any other consideration. I would encourage Parliament to view these proposals as a long-term investment in the wellbeing of young Victorians.

Thank you, Mr Speaker and Mr President, for allowing me to address Parliament on this critical issue. I commend these proposals to Parliament.

*Honourable members applauded.*

**The SPEAKER** — I now invite Dr Rob Moodie, the chief executive officer of Vichealth, to address the Parliament.

**Dr MOODIE** — Mr Speaker, Mr President, Premier, Leader of the Opposition and members of Parliament: as our concern about the deaths and injuries resulting from illicit drugs increases, we do need to remember the lessons we have learnt from some of the major public health successes we have been involved in.

In the early 1950s, 75 per cent of Victorian men smoked cigarettes. That figure is now down to somewhere about 22 per cent. As Mr Comrie said, in 1971 more than 1000 people died on our roads from road trauma; now 600 fewer people die each year, and there are 6000 fewer serious injuries.

How did we do it? We did it by agreeing on a long-term strategy that aligned our collective skills and capacities from a range of different sections and sectors throughout our community. It worked because we put a number of things together. We put together legislative and policy reform; we put together excellent research and surveillance; we mobilised communities; we put it together with front-line service provision and widespread community education.

What should we be doing now with illicit drug use? As explained in the Drug Policy Expert Committee's report, one very effective way of looking at this and trying to understand it is to examine the protective factors and the risk factors that determine whether or not we will be using drugs or whether we will use them harmfully.

Let us look first at the protective factors. They include a culture of cooperation and tolerance in our community, a sense of belonging to family, to school, to your community and your workplace. Good relations within one's family and outside the family are positive achievements for stability and security. On the other hand, risk factors include the availability of drugs; poverty; low attachment to family, to one's community, and to one's school or workplace; poor parenting; family conflict; parental alcohol and drug use; marital instability, and friends engaging in problem behaviours.

Our challenge is to work together to enhance the protective factors and to diminish the risk factors. I guess one of the bright lights when you look at it in this particular scenario is that many of those same protective and risk factors also determine a whole range of other harmful behaviours and health problems in our community such as depression, suicide, road trauma,

alcohol abuse, tobacco addiction, early drop-out from school, crime, homelessness and so on.

Any investment in the prevention of drug use by increasing protective factors also has major benefits in a number of other areas and vice versa. This joint sitting is as much about preventing a whole range of other problem behaviours as it is about the prevention of drug use.

What should we now continue? What should we expand? What should we begin now? Who should be involved? I guess the question is, 'Can any part of the Victorian community afford not to be involved?'. Let us start with schools: primary schools, secondary schools, institutes of technical and further education and universities. They must ensure students are in physically safe and tolerant environments, ones that support students' connectedness, support them staying at school and strengthen the student-teacher relationships.

We now have better and better evidence about how good school programs can work in this regard so that in the long run there is much less need for children and young adults to use drugs inappropriately.

The maternal child health and welfare services support parents of children and young people to prevent problematic drug use. They have a huge role in promoting effective parenting, communication with children and recognising behaviour problems.

Similarly, we must assist our sports, recreation and arts organisations to increase their capacity to allow people to participate, to belong and to have valued social roles. We have to expand the opportunities that business and industry provide for young people to participate in the economy.

Youth, faith and service organisations must provide services to those at risk and provide opportunities for people to contribute and to belong. They also have to be supported by communication strategies as we have done before to actively discourage illicit drug use by informing young people currently not using drugs of the risks and effects. Similarly, we need communication strategies for the families of drug users, residents and traders in high drug use areas, specialists in generalist work and peer education programs to assist users of illicit drugs to reduce overdoses and avoid HIV and hepatitis, and to help them to access social and treatment services.

There was one point where there was an enormous synergy between prevention and treatment. We have to remember what we have learnt about tobacco use and

what we might draw from the experience in Holland, Switzerland and Sweden — that is, that the more people we have who quit and the more people we have under treatment the more effective are our overall prevention efforts.

There are no short-term magic cures available. As Mr Comrie said, we must commit ourselves to the long haul. Successful dope use prevention requires a comprehensive 10 to 30-year investment, which includes all of us, not one that focuses only on our young people. To do this, we must have the right structures to ensure a connected response. We need to consider again what we have learnt from tobacco and road safety, and also from our experience from Vichealth.

We need an independent authority that focuses on prevention, one that provides a forum for real differences to be resolved, and for collective multipartisan strategies to be developed and adhered to. It has to be a structure that has teeth and authority, one that reports to the Premier and Parliament on behalf of the people of Victoria.

The Victoria of the future where drug problems are considerably reduced is an emotionally healthy creative tolerant and economically productive Victoria, but we must give much more to develop this Victoria of the future. Not only must we invest in dollar terms but also as importantly our collective goodwill, our intellect, our capacity to organise and to come together because together we do better.

*Honourable members applauded.*

**The SPEAKER** — I now invite David Brunt from the Salvation Army to address the Parliament.

**Major BRUNT** — Mr Speaker, Mr President, Premier, Leader of the Opposition and members of Parliament, permit me to say at the outset that I am not an academic but rather a person who has worked in this field now for 30 years, in Brisbane, Kings Cross and, for the past five years, in Melbourne. While working as the head of the Salvation Army's drug and alcohol services I still see addicted people on a daily basis.

I recently conducted the funeral of a young man of 22 years of age. He was contacted on the streets of St Kilda by our outreach worker and found his way to our counselling service. He was admitted to a residential rehabilitation program and for the next three months life was rosy. His parents were rejoicing, his health improved and everything seemed forthright and good.

Within a week of leaving the program after receiving all the accolades of his peers this young man was dead. The reason? The drug education services and everything else that we could offer somehow had failed. Because he started his heroin use again at the same level he left several months before, his body would not tolerate it. This young man's death made me rethink everything that we were doing in our services.

There are a number of aspects of the drug problem that we need to look at clearly. Often the opportunity to explore a person's needs and know that help is available is the extent of intervention that is required. Across Victoria many people are able to provide referral options and advice to the numerous community members in their location who choose to seek assistance through telephone or personal contact, such as Lifeline or Direct Line. Only yesterday I was privileged to be here to attend the launch of the family drug help line, which I believe will be a valuable asset to families in crisis.

We also need to offer programs that disseminate information and provide community education to minimise the harm to individuals who continue to follow a lifestyle which puts them at risk. These programs may include HIV/AIDS information, needle exchange programs, sexuality groups, nutritional information and so forth. They need to ensure that more healthy lifestyle choices are available to young people, together with viable future options for anyone who chooses to access them, and that the harm experienced by these individuals is minimised. These programs must operate in a non-judgmental atmosphere which supports young people's rights to make individual choices based on the fullest and most accurate information available. We do not see total abstinence and harm minimisation as opposing forces, but rather a continuum that allows choices to be made. The harm minimisation approach should inform all aspects of treatment.

There is a need for community-based programs that will offer both group and individual approaches to skills development. These programs may cover relapse prevention techniques, social skills, lifestyle changes and support, and recreational options. They can operate from shopfronts and church and community centres right across the state. The drive of local councils to respond with their own drug action plan needs to be commended and supported.

Home withdrawal programs and non-residential counselling programs are increasingly becoming part of community-based programs. The Salvation Army experience embraces these programs alongside

residential programs. The trial of the mobile overdose response service is one innovative approach just beginning in many regions of Victoria.

There is a need for longer term programs that will continue to exist for some people. Residential services must be there to provide those with complex needs some time-out facilities with good staff and role models who can effectively demonstrate interactions, new skills and lifestyle options which are being learnt. This intensive approach, whether offered in a therapeutic community or a residential rehabilitation program, is one which provides models. It is the modelling behaviour that many young people lack which I see today.

Residential rehabilitation programs need to be offered to people who have undergone drug withdrawal programs or other alcohol and drug treatment programs and have not been successful in reducing or overcoming their drug use problems. But that is not enough. There has to be a continuity of care. The residential portion of the program must be followed by this continuation of care within the community and the living environment of the participant, with daily interchanges with others significant to them lending the motivational material to continue with the difficulty of mastering new skills. These programs require highly skilled staff to act as negotiators in advocacy situations and to facilitate growth across the wide range of skill areas involved as young people and others may have additional disabilities and exhibit quite challenging behaviour.

Many studies have been made about matching clients with their needs. I refer to one entitled 'Project Match' in drug treatment. Obviously it is important that any service matches the person and their needs. Many treatment facilities offer a limited range of services appropriate for a limited number of clients. In reality, at the time there may be only a few choices available to the person. Nonetheless, the referral process needs to be handled carefully as many people see it as simply buck-passing.

The young people who I see with substance abuse problems have associated lifestyle problems. They frequently need the help of a number of different services over a period of time. For instance, a person who has serious alcohol and other drug problems and who is sick, homeless and unemployed will often start treatment in a detoxification centre and may then move into a therapeutic community. Movement back into the general community will happen, but it will require financial aid; help in obtaining accommodation; skills in communication, assertiveness and sometimes

parenting; alternative leisure skills; help with establishing a new social network; vocational training; ongoing medical care; and, I believe, spiritual support and direction. A variety of services are available at each of those stages. People will benefit from the support of each one.

Let me conclude by saying that I believe that addiction is best described as a chronic relapsing condition. Many of the people we will see need a number of entry points in detoxification and rehabilitation facilities. That does not mean that programs have failed but rather that the service must be maintained and that easier access for re-entry must be provided.

*Honourable members applauded.*

**The SPEAKER** — I now invite His Grace Archbishop George Pell from the Catholic archdiocese of Melbourne to address the joint sitting.

**Archbishop PELL** — Mr Speaker, Mr President, Premier, Leader of the Opposition and members of Parliament: heroin deaths are only the tip of an iceberg of misery and depression, much but not all of which is caused by other drugs such as alcohol and marijuana. The Australian youth suicide rate, one the highest in the world, is a related but overlapping problem.

This joint sitting of the Victorian houses of Parliament, which it is my privilege to address, is a worthy attempt to spell out a long-term coordinated strategy to reduce demand, especially among young people, by creating significant areas of agreement and consensus among Parliament and the people, leaving to one side contentious issues especially over forms of treatment.

Mr Neil Comrie is to be congratulated on this initiative, and all the major political parties and especially the government are to be commended too for their ready cooperation. I recognise and applaud the willingness of Premier Bracks and the Minister for Health to embrace and develop this initiative. I wish to acknowledge again my gratitude to them for their strong and effective commitment to grapple with this massive problem. For the main game, they are heading in the right direction.

This is not just a problem for the government and the police. Community money as well as government money will be needed. Nor can it be dealt with effectively by handing over the whole load to the schools and the churches; the problem is too big. All community organisations, especially the media and the leaders among our young people at school and work and at university, will need to combine effectively if we are to change youth attitudes to drug usage, just as we

have made drinking and driving unacceptable and as we have improved road safety.

Traditional leaders such as parents, schools and churches have lost authority among the young over the past 40 or 50 years. Magazines, newspapers, television, videos and the Internet are formidable agents of influence that too often imply that greed is good, self-indulgence is natural and high risk-taking is to be glorified. While this escapism and entertainment will not be eliminated and probably not much reduced, it can be partially balanced by explicit advertising. A Victoria-wide consensus would be an invaluable contribution towards a fully resourced national media campaign reinforced by community initiatives to change the culture in Australia towards illicit drugs by cutting down demand.

I will say a word on schools. We often expect too much from schools as the most readily available agencies to combat social ills. But all schools could and should make a contribution to reducing the demand for drugs. Such programs need to be prepared carefully, because some incautious instruction has simply heightened student curiosity.

Knowledge by itself rarely changes behaviour. A spiritual framework in the broadest terms, a vision, a system of meaning, perhaps around the golden rule of treating others as we wish to be treated ourselves, is needed as the context for information and argumentation appropriate to the youngster's level of development. This is easily fitted at a variety of levels into the ongoing health education units and units of moral education and religious education where they exist.

The causes of experimentation and the persistent usage of illicit drugs are complex and care must be taken not to oversimplify so that educators can avoid being seen as simply old fashioned or irrelevant. The building blocks for such a comprehensive education program are already in place to be developed and refined.

Last year the Catholic Church in Melbourne opened the Mary of the Cross Centre to help combat the drug problem. A primary focus is to help the families of users. If family breakdown worsens, it will cancel out the gains of even the best social programs.

This joint sitting is a sign of hope to young people generally and for drug users. It is a particular expression of a widespread popular ambition to curtail the suffering, to improve the situation of the young and the vulnerable. None of us, as we have heard, has a magic wand. There will be no sudden and spectacular

breakthrough. It will be a long haul, but it is always worthwhile to broaden community understanding and to deepen the involvement of more and more people.

I am confident that there are large areas of agreement, that we can build on these, and devise a long-term coordinated strategy to curtail and then reduce demand for drugs.

*Honourable members applauded.*

**The SPEAKER** — I now invite Professor Margaret Hamilton, the director of Turning Point, to address the joint sitting.

**Professor HAMILTON** — Mr Speaker, Mr President, Premier, Leader of the Opposition, members of Parliament and colleagues: one always needs to ask the source of the title 'expert' when a group such as this is introduced to you as experts. For that reason I always try to make a point of explaining my background. I spent 31 years working full time in drugs as a clinician, researcher, teacher, policy thinker and adviser and, from time to time, user of a range of substances — mostly legal, I should add. But I have also spent 20 years as a parent, and that would be the other claim I would put to you for my expertise.

The title 'prevention' could include almost everything we ever do in response to drugs. I do not always find it helpful to say that prevention can be divided into primary, secondary and tertiary, thereby incorporating everything. I think the purpose of today is to try to retain some focus on prevention.

The usual expectation is demand reduction, or what we call primary prevention — that is, preventing the use of illicit drugs in this case or preventing the uptake of those drugs by young people and by adults. This is an attractive and appealing arena; it tugs at the heart strings; it sings to all of our tunes; it is something we can all agree on and over which there is little conflict. I would urge you of the need to look beyond this for obvious reasons.

There remains limited evidence of our sometimes tired approaches to primary prevention. Drug education in schools on its own needs to be very carefully looked at. It is only when it is fully integrated with a whole-of-school approach and linked closely with other community initiatives that it can be found to be in any way protective or preventive in relation to young people's uptake of drugs.

Media campaigns on their own have very limited value in my now extensive experience and, if these are not

paralleled with a platform of other activities, are a great waste of community resources.

We must also remember that many structural changes have been going on in our community over the past 30 years, which include great disparity between wealth and poverty. That was certainly not the case when I was born, or if it was, I was unaware of it. People are now aware of it. We must look to see how in this environment we can enhance community competence and cooperation, not contribute to communities feeling incompetent, unable to respond to things and unable to work together.

I want to mention secondary prevention, because many people believe one hit a junkie makes. Most people who try illicit drugs do not proceed to continued, regular and repeated use of those drugs. Our response to that first, second, third or maybe tenth attempt is important. It is not just a case of early intervention — parents need information about how to constructively respond in a way that will not produce an effect that is likely to lead to ongoing use.

Early responses need to be sheeted home in places where people first present for help. The generic health and welfare services, together with education in our community, is where people with early trouble go and early trouble appears, usually not asking for drug help but in trouble nevertheless. If we continue to look to specialist drug treatment services, which can at best respond only to long-term dependent users, we miss those opportunities for early responses.

So, where should we start? My first claim would be that we have to prevent the community from becoming lost, disempowered, disappointed and disillusioned. We have to stop people feeling left behind. Those of us who are so-called experts have to be much better at taking the community with us, sharing our information, encouraging dialogue, doing our research and ensuring that the community understands it and participates in debate. We must engage in long-term strategic planning that is proactive not reactive to the crisis that appears on the front of the newspaper every morning.

We have to prevent division. We need a cooperative, collaborative, respectful approach to one another's ideas. We must listen to them. We must not compete and just condemn them. We must also be willing to seek evidence, to support specific ideas and not merely go with something because someone has had a good idea. We have to be willing to test and trial new initiatives and to assess and evaluate the responses, including initiatives that hold promise from other places.

We have to stop inefficient spending in our responses. There is not much point constantly saying that we have to increase or improve something if we do not have the work force to ensure that this can be done effectively. When we leave behind education and training, research and information gathering, we do the future generation of services no good.

We have to be willing to tap the community's concern as energy, for these people wish to engage in doing something, anything about drugs, and help to constructively form partnerships to ensure that they are functional responses and not divisive and dysfunctional.

I want to say four more things about prevention. Firstly, when we look at prevention in relation to special groups, I believe the crude gateway theory has been clearly debunked. However, we must recognise the very strong associations between smoking cigarettes and the subsequent uptake of illicit drugs. In the Australian study done last year by the National Drug and Alcohol Research Centre, or NDARC, and the Centre for Adolescent Health in Melbourne, the researchers concluded that cigarette smoking was an important predictor of both initiation and persistence of cannabis use. Further, research by Associate Professor David Hill at the Centre for the Study of Cancer-Related Behaviours showed strong associations between the smoking of cigarettes among parents and the increased likelihood of the children of those smoking parents using cannabis.

Although historically we might have thought there is a big leap between smoking cannabis and injecting heroin, it is not true today. What we now see is the practice of smoking or sometimes the chasing of heroin, so that the transition from that route of administration — that is, smoking — to the smoking of another substance is a small move for a young person to make. They are already smoking cigarettes; cannabis and then smoking of heroin is not so different.

We have found from research done in Sydney that people who persist with the smoking of heroin will move in transition to injecting heroin within 6 to 10 weeks. It should be clear that when we talk about the drug heroin we should also talk about tobacco and alcohol.

Secondly, treatment is a part of prevention. Treatment works. No Australian research compares the dollar return on our investment for, say, certain forms of interdiction or law enforcement with treatment or drug education. The only research of this kind is available in the USA, and it suggests that of all of the expenditures that were studied, which did not include drug

education — that is, treatment, interdiction and policing — treatment gave the best dollar return for that investment.

Why is treatment an important part of prevention? I will not repeat what Dr Moodie has already said, but if you take out the current dependent troubled users you take out the major opposition to your prevention messages. This has been found in a number of European countries.

Further, treatment ensures continuity between primary prevention and working to prevent the next generation of drug users expanding. The children of current drug users are the next generation of drug users if we do not intervene, and their children will be the subsequent generation. Services such as child protection report that 45 per cent of the clients in their care had primary substance abuse problems and a further 13 per cent had secondary problems with substance abuse. What do we do about substance abuse in those systems of care? The situation is similar in mental health, homeless services and juvenile and adult justice systems where the proportion is much higher.

If we offer treatment we know it can work. Treatments have been found to work overseas. A substantial study in Britain — the National Treatment Outcome Research Study, which is ongoing and which we are now copying or repeating in Australia but it is too early to call — found that: statistics on continued illegal drug use after treatment were favourable; there was a clear improvement in the use of heroin, cocaine and other drugs; abstinence rates for illicit opiate use more than doubled; major gains in reduced health risk behaviour such as the sharing of injecting equipment was seen; high rates of criminal behaviour were found prior to treatment among this group; and after treatment there was a marked reduction in the activity of criminals. They estimate that the savings to society in the United Kingdom with a reduced level of criminal behaviour and demand upon the criminal justice system alone was worth more than £5 million a year. I suggest that we should therefore see treatment as an important and fundamental component of prevention.

I have two more quick messages. There are many preventive interventions that we can engage in with drug users. Major Brunt has already alluded to some of them, and I will not repeat them. They are well known, and they are very important. It is not all or nothing with a drug user. There is a hierarchy of harms and a hierarchy of costs. There are many things we can do, even with someone who persists in using, that will reduce the harm and prevent further trouble and cost to the community.

The last thing we need to prevent is imports taking over our local market, and in that regard I refer to the need to retain an Australian approach to drugs. In my treatment service, which also engages in research and policy development, I talk about the need among our clinicians and researchers for patience and persistence in this field. One treatment does not a cure make! Perhaps the message of patience and persistence also applies to policy and program development. I hope we can take two significant characteristics that I regard as fundamental to our history and our character, and then build on those in Australia. They are a humane concern for our fellow citizens, including drug users, and a pragmatic capacity to get together and solve problems.

Thank you for the opportunity to address you all today.

*Honourable members applauded.*

**The SPEAKER** — I now invite Mr Andy Hamilton, the principal of Heatherhill Secondary College, to address us.

**Mr HAMILTON** — Mr Speaker, Mr President, Premier, Leader of the Opposition and members of Parliament: schools can do much to prepare students to face the world of drugs and develop the skills they need to reject them. Many schools like mine have implemented a number of their own programs and have also been involved in government-funded pilot programs, all of which were extensively evaluated and judged to be extremely successful. Nevertheless, funding for all of them has been discontinued. It is this stop-start approach that prevents progress being made.

Let me briefly outline some of these programs. First, the Open Your Mind program was the focus of the Community Relations and Education project initiated by the education department in 1995 to address racism and related issues. A former student recently wrote to me saying:

Do you realise that the Open Your Mind program in 1995 really allowed me to become the person that I am today? Honestly, it was such a great way to get involved in the school community.

This project was terminated in early 1996 when funds were diverted to youth suicide prevention.

Second, the Turning the Tide anti-drug strategy funded the Connect project from 1997 to 1999. One of the highlights of this project was the involvement of students from four local secondary colleges with director Bryan Derrick in the Theatre of the Oppressed, a strand of theatre aimed at influencing and promoting better relationships between students, teachers, families, peers and the wider community.

The performances, each of which was followed by extensive discussion with the audience, were held in schools and other community settings. Issues and experiences presented ranged from teenage pregnancy, drug use, family conflict and racism through to bullying and exploitation of junior employees. ‘Brilliant! Should be adopted by all schools as a method of promoting resilience and student participation’ was one comment made after a performance in October 1999. As with its predecessor, funding ceased soon after.

Third, our school participated as one of 100 pilot schools in the Health Promoting Schools project, a partnership between the Department of Education, Vichealth and Deakin University. Visitors to Heatherhill Secondary College from Asia–Pacific countries for Vichealth’s Summer School for Health promotion over the past two years were very impressed with us as an example of a health-promoting school. This project no longer exists.

Finally, Heatherhill was one of 20 pilot schools in the Student Action Teams project, a joint initiative by the departments of justice and education to work with the Safer Cities and Shires program and to encourage student leadership. Our students were most positive about their participation in this project, and their efforts were recognised when they won the education category of the Fire Awareness Community Service Awards in October 2000.

Many teachers believed that Student Action Teams was a better concept than the traditional student representative councils in schools. Funding, however, for the Student Action Teams initiatives stopped after two years.

Teachers and organisations involved in these exciting initiatives spend many hours in planning, preparing and developing resources and ideas. They then implement the programs, only to have them removed within a short space of time. It makes you wonder why they bother.

Each of the four programs described was evaluated by consultants, and on each occasion it was acknowledged that the program had benefited the students and that they were most positive about their participation in them. Such programs helped develop the protective factors against drug abuse. The strength of them all was the fact that they took a holistic approach to the health and wellbeing of each individual student. The problem appears to be that the positives from such programs are not continued and that other schools have not had the opportunity to benefit from them.

I believe I have clearly demonstrated the ad hoc approach that has been taken in relation to the issues of health promotion and drug prevention over the past five or six years. This approach must cease. We need long-term creative and supportive approaches in the future.

I would urge that the following action be taken by this joint session of Parliament:

- (1) Agreement and commitment to a long-term bipartisan vision for the health and wellbeing of young people as part of the drug prevention strategy.

The current government has developed long-term goals for literacy, numeracy and retention rates, so why not health and wellbeing?

- (2) A commitment to implementing best practice health programs for all schools.
- (3) Long-term funding for successful programs.

Thank you for the opportunity to share my thoughts on the critical issue of drug prevention. Our young people really do matter. We all have a responsibility to make a difference. Thank you.

*Honourable members applauded.*

**The SPEAKER** — I now invite Mr Peter Wearne, a youth worker from the Youth Substance Abuse Service, to address us.

**Mr WEARNE** — I have to get this sort of right — Mr Speaker, Mr President, Premier and Leader of the Opposition: when I look out today I see a lot of familiar faces, both within the gallery and among members of both houses. There have been people who have shared the experience of being on the streets of St Kilda with me late at night — and Louise is having a smile there — talking to young men and women who are prostituting themselves.

The issue that I want to speak about today is really about, firstly, establishing the difference between prevention for young people who will experiment with drugs and young people who will develop problematic use.

Clearly society has changed in the last 20 years. I stand before you — I will reveal my age to you now: I am 43. I got this way naturally; no chemical assistance was required whatsoever, which will probably shock some

of you. I am only a long-suffering St Kilda supporter; this is what it has done to me.

I think about my own life and the enormous privilege that I have had being raised in Victoria, being loved by two parents, being supported by family and being able to gain significant opportunity for employment. Really, I have got nothing I could want for in my life. With many of the young people I work with, that is completely the opposite.

Over the past two days we have had a young man in our residential unit at Youth Substance Abuse Service, known as YSAS, at Gertrude Street regressing through the trauma of sexual abuse. I can only describe what was seen by many of our staff as he relived that abuse in a corner of a room and acted out the effects on him of that abuse which occurred when he was under five years of age — and being shown cigarette burns by a person of 20 years of age that occurred to them when they were under a year old, and having explained to you by over 70 per cent of the young women who come through our service how significant adults in their life used them sexually and abused them physically.

When we talk about prevention for young people who have significant dependency on drugs we are not talking about a drug problem but about a lifestyle and a life problem that has not been addressed by this community.

Many of our jails, many of our homes and many of our welfare organisations are populated by young people who can tell you horror stories. There would not be a person in this room who would not have heard a story like that. You are representatives of this community — you know how the community aches; you know how the community hurts.

So where have we arrived at? We have arrived at a system that is punishing and invalidating many young people who live amongst us. I thought Margaret's words were particularly pertinent. We have to work together as a community to find ways of identifying early these people who are at risk. This is not brain surgery, this is not rocket science — we know who they are. We understand that many of our young people are suffering from mental illnesses, we understand that many of our young people are suffering from depression and we understand that many of our young people are suffering from traumatic events in their lives.

The role of trauma as a significant correlate and causation factor in drug misuse and abuse is well documented. In many cases the young people we withdraw off drugs only re-experience their trauma

once the effect of the drugs they have been taking has gone. The drugs are an adaptive device for them, a self-medicating device.

We have to provide more and more options for these young people. We have to provide housing; we have to provide significant support; we have to provide employment — creative ways of engaging these young people so they feel a part of this community and not separate from this community.

I must say to the members of the media who are here today: you have a significant role in shaping this debate and community attitude. We need to have stories that do not vilify these people but explain why they have become the way they are. These things do not happen by accident; they happen through well-documented events in their lives.

Our former executive officer at YSAS was fond of saying, 'When young people walk through our door, they walk through in two ways: either they walk through with 17 workers attached to them or they walk through with no-one attached to them'.

The issue of consistency in service provision to young people is significant. You can go to case planning meetings and have 20 professionals sitting around a table and ask the question, 'Where is the consistency in response here?'. We need to streamline our responses; we need to act on the social issues that are the causation of these factors in these young people's lives; and we need to support families because they are the principal building block in giving hope to young people. Young people are raised in families but supported by the community, so the community needs to take a hand. We need to provide opportunities. Young people should be going through our education system with a sense of hope and optimism in terms of where they come out the other end.

Youth unemployment in a society like ours is totally unacceptable. There is no reason on God's earth why young people leaving our schools should face unemployment. We need to create wealth, and to create wealth we need to create opportunities for young people to participate in the many institutions and social structures that this society values.

Because you have heard a lot today — and I commend you for sitting through it — I would like to finish on this note. This is a problem that has a solution. Prevention is not about worrying about drugs; it is about creating the social environment within which young people can flourish. It is about enabling families to do for their children what we are doing for our

children. It is about making sure that we do not have a society that favours a few and lets the rest look after themselves. Our social justice principles and our principles of humanity absolutely demand of all of us that we pay attention to this.

I am personally grateful to Neil Comrie for putting my name forward. I will tell you a story. I met Neil over 20 years ago when he was working in an anti-paedophile, anti-sexual abuse squad that worked in the inner south and around Melbourne. I remember standing across the grave from Neil at funerals of 15-year-old children who had died from drug overdoses. I remember seeing the tears in his and everybody else's eyes as we buried children that should never have died. These deaths are preventable if we as a society — and we as people who have compassion and hearts to reach out — are fair dinkum about doing something significant.

Young people will always experiment with drugs. Young people will always take risks. Let's minimise the harm that can come from that. However, in terms of problematic abuse and dependency, there are serious questions being asked of us. We need to support education systems. We need to support employers to employ. We need to support all the structures that are there as safety nets to allow these young people to participate. The last thing we need to do is to validate young people. We do not need to blame them; we need to validate them.

These are the questions I will leave you with. How do you mend a broken heart? How do you fix a trashed life? And how serious are we about making sure that this problem is seen to now and not put off to the future?

*Honourable members applauded.*

**The SPEAKER** — I now invite questions from honourable members to our expert panel.

**Dr NAPHTHINE** (Leader of the Opposition) — My question is to Mr Neil Comrie. I welcome your contribution, including your outline of a model for an independent authority reporting to the Parliament that targets education and early intervention and diversion initiatives. Do you have any thoughts on when this model or authority could be set up?

**Mr COMRIE** — My only response to that would be: as soon as is really possible, but not before appropriate planning and discussion takes place as to how that model might work most effectively. There obviously needs to be time to consider the structure, accountability, mechanisms, performance indicators

and those sorts of things. I really would not like to see us rush in and put in place another ad hoc arrangement. This is too important and it must work. I would like it to come in perhaps after a few months of reflecting on how we do it best.

**Mr NARDELLA** (Melton) — Dr Moodie, are there different levels of prevention that you can expand upon that, for instance, would assist in preventing some people getting themselves into trouble in the future?

**Dr MOODIE** — I think it was alluded to by our last speaker — that a lot of the issues we are talking about in drug use are the same preventive and risk factors that determine a whole lot of other health problems and other problem behaviours. That is why there is a sense that we are not talking about just drug use; we are talking about a whole range of problem behaviours for young people and for us as adults as well. The more we start to address those bigger, more upstream issues which relate to how people connect in their community, in schools, families and workplaces and how they were brought up — as Peter was talking about — in supporting families that do fit in with and complement specific education and drug use, the better. If we are doing only the bit at the end about drug education, that is simply not enough.

We are not dealing with the upstream causes of harmful drug use, suicide, depression, tobacco addiction, early drop-out from school, crime, homelessness, and a whole range of other issues. That is why we can expand all the effort being put on drug use to looking at a whole range of social problems we need to deal with.

**Mr RYAN** (Leader of the National Party) — My question is to Mr Comrie. Although in a sense understandably the focus of today's discussion has been of a metropolitan nature, from a police perspective and based on your former role can I ask you to give the house information on the extent of the drug issues in country Victoria and how you feel they might best be approached?

**Mr COMRIE** — Sadly, I think it is fair to say that drug abuse is not confined to the metropolitan area and now in all of our regional centres in Victoria there is very strong evidence of drug abuse, sometimes at the level of that occurring in suburban Melbourne. I believe — and I think it was Dr Penington who made the point today — that to a large extent these problems have to be identified and addressed at the local level. But they must be supported by an overarching strategy which has a number of key components, one of which is the ability to provide the services where they are required. There is little point in providing a lot of

assessment and treatment services in Melbourne if the people requiring them live in other parts of the state.

**Hon. KAYE DARVENIZA** (Melbourne West) — Major Brunt, prior to being involved in politics, for many years I worked as a nurse in Victoria's health system, including on programs for substance abuse. I am interested in hearing your views on how the treatment system is coping with the drug problem and also what suggestions you have in the next steps for drug treatment.

**Major BRUNT** — There is no doubt that waiting lists are a nightmare for everyone. We need facilities that can respond immediately a person requires help, particularly the need for detoxification or rehabilitation facilities. Having said that, in the past few months the government has brought online additional rehabilitation and detoxification beds. Alongside that we need trials of other pharmaceuticals to see whether they alleviate the situation. Having brought on extra beds and having introduced a number of trials of different chemicals, in 6 to 12 months we may be in a position to monitor those trials and give an answer on their success. However, at this time we are in an awkward situation. We have just opened a 16-bed detoxification unit. In the first three weeks we had more than 100 referrals, so that is the level at which we are working.

**The SPEAKER** — With the indulgence of the house, Professor Hamilton wishes to add to that answer.

**Professor HAMILTON** — It is true that the treatment opportunities have been greatly enhanced recently. As Major Brunt said, it is a little too early to say whether that is sufficient, appropriate or the right spread. I have been examining the heroin drought, which we are researching to see what is happening. Last year between 1 January and 20 March 211 calls were taken by Direct Line, a statewide contact point for people in relation to an initial request to get on to the methadone program. During the equivalent time this year we have received 354 requests. We have certainly not yet satiated the demand for treatment, and until we do some of the expenditure in other areas will need to continue — in jails, in child protection in mental health institutions and so on. It is very difficult to have enough, but it is an issue that the house needs to be aware of.

**Hon. M. A. BIRRELL** (East Yarra) — My question is to Mr Comrie. This bipartisan forum and debate ends at about 10.00 p.m. today. We have heard your constructive suggestion for an independent body that reports to Parliament. We all want to make sure that there are some practical results. If you put yourself

ahead three or four months and look back, what practical extra programs would you like to see begun during that three, four or five-month period so that we can get a sense of what action you would like taken?

**Mr COMRIE** — I do not know I can say with any great authority or expectation that I want to see any programs commenced — that is part of the problem. To a large extent the way the issue has been dealt with is through projectitis — that is, every time we get an issue we put another project in place.

What I am asking for and seeking support for today is a commitment to a bipartisan, long-term strategy for about 10 years, which I believe is the minimum period. To undertake that, the first thing that needs to be done is to come to an agreement on a structure that effectively puts in place the necessary measures to go down that path. I would consider it a remarkable achievement if such a structure were put in place in the next three months.

**Mr TREZISE** (Geelong) — My question is to Professor Hamilton. I note your background in early intervention programs. A number of organisations in Geelong have regularly emphasised to me the role of harm minimisation in dealing with the issue. I am interested in hearing your views on harm minimisation as a strategy.

**Professor HAMILTON** — I am a strong advocate and supporter of Australian-style harm minimisation. There has been a lot of unnecessary disagreement and debate in this country because some people have a misunderstanding of what that means.

Harm minimisation continues to be the fundamental principle that underlies the national drug policy framework to which the Prime Minister and the ministers for health, justice and education federally and in the states and territories have all signed up. It is the fundamental policy principle that we all work toward.

The definition in Australia of harm minimisation can include no drugs or in the treatment world, abstinence from drugs. It is not, as it is sometimes thought of in the United States of America, the equivalent of legalising all drugs. The first thing that is needed in our dialogue is to clarify terms.

The community should humanely do all that it can to reduce the harm not just to individual drug users and their families who feel ashamed, guilty, troubled and in severe strife, but also to the community. We should also try to reduce the harm to those of us who want to use public space or want to feel safe when we go to an event. We should reduce the harm to businesses and

professional organisations who have to operate in a street environment that sometimes includes drug users who are trading.

Harm minimisation provides a constructive framework. How it is implemented and understood at the local level is something that bears great analysis and much dialogue. In my experience I find harm analysis and looking to see whether an intervention is net harm reducing or harm enhancing enormously valuable in responding to knee-jerk reactions. Sometimes our knee-jerk responses seem okay, but when they are looked at from a harm minimisation perspective they can be harm enhancing.

**Mr DOYLE** (Malvern) — My question is directed to Mr Comrie and I ask: what do you believe the appropriate indicators for the evaluation of your proposed independent statutory authority should be and what agency or mechanism would you believe should be responsible for collecting, analysing and evaluating that data? In the most simple words: how do we judge its success or failure and who should do that?

**Mr COMRIE** — There are many mechanical aspects about the proposal that need to be worked through. I have put forward a broad structure that should be constituted through an independent authority reporting through the Premier to Parliament. The normal process of accountability for public funding with the Auditor-General and various other pieces of legislation will need to be complied with.

At the end of the day Parliament itself will need to be satisfied through some reporting mechanism, whether it be an annual report or progressive reports, as to the efficacy of the solution I am putting forward. Those details can be developed once agreement is reached to go down the path of such an authority. Any authority must be held highly accountable for the expenditure of public funds. There is great attraction in such an independent authority drawing on some of the private funds that are currently committed to a whole range of different programs, the real value of which must somehow be questioned. If we can join public and private funds in this approach, the resources available to tackle the problem we are talking about today can be greatly enhanced.

**Mr HOLDING** (Springvale) — My question is to Andy Hamilton. One of the themes that has permeated all the presentations today is the importance the family can play in protecting children who are at risk, as well as the pervasive influence of family breakdown.

In the Springvale area the families that come from non-English-speaking backgrounds face a particular challenge because of the clash of cultures between what happens where they have come from and their experience in Australia. Will you comment on the experience of Heatherhill Secondary College, and other schools if you can, in the use of peer support as a mechanism for overcoming those areas where families are perhaps not providing the level of support they should?

**Mr HAMILTON** — Mr Holding is quite correct in relation to the question of family support. It is a serious problem. There are families which, if they have a concern about their child doing something wrong such as running away from home, will toss that child out of the home and create a problem. If there is any sort of serious misbehaviour the family often wants to wipe the child off the family book, so to speak. There is a great need for family support. It is a problem across all ethnic groups in Springvale. Getting family support on issues such as school councils is an issue. We have people from Anglo Saxon backgrounds on the councils and getting people from different cultures on them is a major problem. It is very serious.

There is a great willingness among young people to work together. In the couple of programs I mentioned there is a tremendous bonding between students from different backgrounds, and they work together to provide that support. We have had a number of crises over the years and students have got together. There is willingness to do that. That sort of program is really worth while.

We have been able to get cooperation between schools. Springvale is an area where the networks between young people are incredible. They all know each other and what everyone is doing, so it is a good way of getting things done. I hope that answers your question.

**Hon. BILL FORWOOD** (Templestowe) — My question is to Mr Comrie, and it deals with the issue of funding. I understand there is widespread support for the use of private funding in your proposed independent statutory authority, but in your contribution you suggested that there be hypothecation of existing funds from existing departments and long-term funding. Will you explore for members the funding models you have in mind to ensure that such an independent statutory authority is properly resourced?

**Mr COMRIE** — As I said during my address, many good things are already occurring in addressing the drug problem. There are very many committed people and quite considerable sums of money have

already been committed to various programs across the state. The real difficulty for us is to be able to say with any authority whether these programs are having any effect, whether they are properly coordinated and whether they work together to have us all headed in one direction. I think the simple and basic answer to that is we cannot say that with any authority at all.

What I am saying is that as a starting point we should quarantine that funding, consider where it is being directed and ensure it is being directed to the areas of highest priority, where we are most likely to get the most significant return. We can then consider other options that might be available for funding. Here I am talking about the private sector. I have spoken to many people in the private sector and they are very keen to make a contribution to some meaningful, long-term strategy. There may also be a third option. Although it is not for me to say, I cannot think of a better source of funding than the Community Support Fund for something as significant as this.

If put together, all of those things could provide a strong base of funding for such an authority to operate for the foreseeable future until we could clarify exactly what we needed to commit down the track. Again, that needs to be done on a long-term basis rather than on a year-to-year ad hoc basis, which unfortunately is very much the situation at the present time.

**Ms DAVIES** (Gippsland West) — My question is to Mr Peter Wearne. Given that so many people who have drug abuse problems are so obviously not in control of their own behaviour and lives, in your experience would compulsory detoxification and compulsory residential rehabilitation in a hopefully supportive environment be useful?

**Mr WEARNE** — I did not think I was going to get a question. Thank you for that, I am really pleased. When we use the term compulsory, we are going down a path that is not in sync with what some people have been through. A young woman went through our residential program about two weeks ago to withdraw from heroin. Through the withdrawal a whole lot of other issues in her life came up — memories, flashbacks and things like that. Her behaviour became so difficult that we had to ask her to leave. One of the myths about detoxification is that it is the end of the problem, but for many people it is just the beginning. All the things that have been dealt with by the drug flood back into the person's mind and life. We have to be careful about having compulsory treatment. Some people will disagree with me, but I think we have to have a range of options for people who want to deal with their drug issue.

We have talked about the harm reduction continuum of maintaining people as safely as possible while they are using right through to the abstinence program option. It is about providing many options. I am not a supporter of compulsory anything. I think we have to provide many interventions and many pathways out. The biggest issue is where does a young person go when they withdraw from a drug. Where do they go? They go straight back to the mess they were in. This is the challenge for the community. What is the six-month, 12-month, two-year, five-year strategy? David spoke about that quite eloquently when he talked about the young man who died. That is not an uncommon event. Young people withdraw, they go back, they use, and they die. Are they any better off than they were when they were on the drug? We have to have a continuum of care that incorporates life skills, family support, reuniting families when possible and other options.

**Mr DELAHUNTY** (Wimmera) — Following on from the Leader of the National Party I address my question to Dr Penington. Many young country people are moving to Melbourne or other large centres for education, work or life experiences, but there is not a lot of family or social support for these people. Are there any figures that identify that country youth is suffering from drug overdosing or death, and does he have a strategy to address these concerns?

**Dr PENINGTON** — Mr Delahunty, I agree with you that there are real problems for country youth. When young people come to the city they do not have the family support that is potentially available to metropolitan young people, and that places them at far greater risk.

There is no simple answer to that. Young people will move around; they have every right to move around. As has been said by others, we have to recognise that any attempt to change the behaviour of a person who has already started using drugs has to take into account the whole situation of that person, including their family. It has to take into account how to get them back into a reasonable social existence and to get them to see the possibility of getting employment and having a useful role in society. That is not an easy task that can be done by any simple quick fix; it has to involve all local communities in our state. That is why I have emphasised again and again that I think any body which is set up must work with local communities.

It is within the local communities where local industry is likely to be willing to make some contribution to strategies to get young people back on track and into employment. That is where we can mobilise an understanding of the issue and deal with it at the local

community level. It will not happen centrally, and I have reservations about having all the money put into a body that is in Melbourne. Services must be provided through government in many areas. They must include health services, community services, the education department and our schools, policing, justice and youth affairs. All these things continue to play a role. Those functions of government must continue.

My view is that we need to have a body that will review whether or not the programs are being successful, and that body should be accountable to Parliament and report to the Premier as required. We need to recognise that the whole set of programs across the whole range of government services is accountable in a way that is producing the outcomes we need. Those outcomes have to be in local communities right across the state.

**Ms OVERINGTON** (Ballarat West) — I am keen to know the views of Archbishop Pell on the strengths of family and community as a means of helping young people turn from drug usage. All speakers today have commented on the value of strengthening families in our community to provide strong support so that our young people have a fall-back position as they move through life. Would you like to comment, Archbishop?

**Archbishop PELL** — My views on this topic may be contentious. I believe, for a start, we should maintain the legal protections for marriage to the extent that that is possible. I find it strange that marriage is one of the few contracts that you can break with impunity, and there is no bad consequence for you if you renounce your responsibilities not just to your partner but to your children. What can be done in the area of the law is limited, and it is a massive problem.

Years ago a President of the United States of America, Lyndon Johnson, introduced a program to bring the black community forward under a program that I loosely call the Great Society plan. Senator Moynihan of New York said he was frightened at the deteriorating situation of black families destroying what President Johnson was attempting to achieve. Now, 30 or 40 years later, the white communities in the United States are deteriorating at the same rate as the black communities had been deteriorating prior to the President's introduction of that program's measures.

I would like to list four or five steps that would immediately and truly help, but perhaps a first step is for everybody to realise how grave the situation is and to appreciate the long-term potential for damage unless we can control and change it in some way. I am sorry that I cannot be more helpful.

**Mr SMITH** (Glen Waverley) — My question is directed to Archbishop Pell. We have heard much today about early intervention and treatment phases to help people at risk. The rehabilitation phase, particularly live-in accommodation, is perhaps the most expensive phase. How do you think that important phase can be expanded and funded?

**Archbishop PELL** — There appear to be two stages of rehabilitation. One is the primary and initial detoxification. The Catholic agencies looked at whether we could be involved, but the recurrent costs seem to be clearly beyond our capacity. However, the second stage that has been mentioned involves trying to provide communities for people who have gone through detoxification — that is, halfway houses — to go back into the community. Many such Christian communities are working in that way in parts of Europe — for example, in Italy. We will be looking at that within the Catholic community to try to provide halfway houses.

As has been pointed out by Peter Wearne and David Brunt, the incidence of relapse is significant and often there is nowhere for people to go after they have completed detoxification. A real need exists in that regard. Community groups such as churches can play a role in that area.

**The SPEAKER** — The time set down for asking questions has expired. I call upon the Premier to move a vote of thanks to our guests.

**Mr BRACKS** (Premier) — Thank you, Mr Speaker. I have pleasure in congratulating the speakers. The session today has been stimulating and I believe we have all learnt something new by listening to the different speakers.

A longstanding and abiding interest of this Parliament is to ensure that it has the right ingredients, the right support and the right mechanisms to make a difference to Victoria's drug crisis. Acknowledging the problem is one thing, but to take steps to remedy it is another. What we have heard today has assisted and supported us enormously and will help in the debates that each of us have in our respective houses.

On behalf of the people of Victoria, the Victorian government and all honourable members, I thank Dr Penington, Mr Neil Comrie, Dr Rob Moodie, Major David Brunt, His Grace Archbishop George Pell, Professor Margaret Hamilton, Mr Andy Hamilton and Mr Peter Wearne. You have all acquitted yourselves extraordinarily well. You deservedly hold the title of experts in your own fields. It may not be directly in all

cases, but in the sum total of experience you have added significantly to the debate in Victoria.

I also congratulate the Speaker on his conduct of this afternoon's proceedings. I notice that he afforded His Grace Archbishop George Pell a greater parliamentary privilege than we have as parliamentarians: when his time expired he was allowed to continue speaking. I have noted his preference in that matter for the future!

On behalf of the Parliament I congratulate the speakers. The experience has been rewarding. Thank you very much.

**Dr NAPHTHINE** (Leader of the Opposition) — I second the Premier's vote of thanks to the speakers, Dr Penington, Mr Neil Comrie, Dr Rob Moodie, Major David Brunt, Archbishop George Pell, Professor Margaret Hamilton, Mr Andy Hamilton and Mr Peter Wearne, for their excellent contributions today. Their words were informative, very thought provoking, constructive and full of ideas, which is important. It is one thing to be a commentator on issues, but it is a step forward to also make constructive suggestions and introduce thoughts that can be built upon.

The speakers have all challenged us as elected members of Parliament in both houses to build on the work that has been done today and to take some significant steps. While initially they may be baby steps, let us turn them into giant strides to make a real difference to the issue of drugs in our society. We have been given a great challenge in dealing with the issues of prevention, early intervention and diversion for the next generation in our society so that in 10 years time we may look back and say that today made a real difference in ensuring that young people did not succumb to a life of drugs and crime which, unfortunately, has already happened to so many.

**Mr RYAN** (Leader of the National Party) — I join with the Premier and the Leader of the Opposition in commending each of the speakers who have addressed us today. One of the great virtues of the range of speakers is that each has contributed something from their own life's experience in a practical and pragmatic way.

I am grateful to them for giving their time to make those contributions. Each speaker left a message for us. With due respect to them all, the final message delivered by Peter Wearne, who spoke about the faith and hope which we owe our young people, was the thread that linked all, and is the one that is most

compelling for us to act upon as parliamentarians. I thank each of the speakers.

**Ms DAVIES** (Gippsland West) — I briefly thank the speakers who came into the house today. I was not in the house during the first of these momentous summits. I hope that party-political sniping may be left behind so that we may do something useful to stop so many of our young people disappearing into the black hole that is a wasted life caused by drug abuse.

**The SPEAKER** — I ask honourable members to agree to the vote of thanks by showing their appreciation.

*Honourable members applauded.*

**The SPEAKER** — I declare it agreed to unanimously!

I thank our guests and ask them to do us the honour of taking their seats in the Speaker's gallery and following the remainder of the debate.

I thank Mr President and members of the Legislative Council for accepting the invitation of the Legislative Assembly to participate in these proceedings.

**Proceedings terminated 5.17 p.m.**

