

## **CHAPTER 7: DEPARTMENT OF JUSTICE**

## 7.1 Police and Emergency Services Transcript

### PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

#### Inquiry into budget estimates 2009–10

Melbourne — 14 May 2009

#### Members

Mr R. Dalla-Riva  
Ms J. Huppert  
Ms J. Munt  
Mr W. Noonan  
Ms S. Pennicuik

Mr G. Rich-Phillips  
Mr R. Scott  
Mr B. Stensholt  
Dr W. Sykes  
Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr B. Cameron, Minister for Police and Emergency Services,

Ms P. Armytage, Secretary, and

Dr R. Kelleher, Executive Director, Police, Emergency Services and Corrections, Department of Justice;  
and

Chief Commissioner S. Overland, Victoria Police.

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearing on the 2009–10 budget estimates for the portfolio of police and emergency services. On behalf of the committee I welcome the Honourable Bob Cameron, MP, Minister for Police and Emergency Services; Ms Penny Armytage, Secretary of the Department of Justice; Chief Commissioner Simon Overland of Victoria Police; and Dr Roslyn Kelleher, Executive Director, Police, Emergency Services and Corrections, Department of Justice. Departmental officers, members of the public and the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing — that is the door — are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee's website.

Following a presentation by the minister, committee members will ask questions related to the budget estimates. Generally the procedure followed will be that relating to questions in the Legislative Assembly. I ask that all mobile telephones be turned off.

I now call on the minister to give a brief presentation of no more than 10 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of police and emergency services.

**Mr CAMERON** — Thank you, Chair and members. I will go over a slideshow and then we will answer questions in the normal way. Given this is an estimates committee, in the event there are other —

**Mr WELLS** — In the normal way? What other way is there?

**The CHAIR** — The process that is normally followed is that of the Legislative Assembly; there are no supplementary questions.

**Mr CAMERON** — And also the way you take it in turns. That is the normal way, the way that has happened on the eight previous occasions when I have been here, Mr Wells.

**Mr WELLS** — Okay. I just wondered if there had been any changes.

**Mr CAMERON** — Or is it nine? Then if there are other issues —

**The CHAIR** — Sorry to interrupt you, Minister. For the cameraman who has just arrived, we are following the rules of Parliament in terms of filming. The rules are that you film and use recordings only of people who are speaking. You should only film those people and not ambit shots of Parliament House. There are strict rules in regard to filming here, and as you know, you should follow them. I note for the record that they have not been fully followed, and I will be speaking to the president of the press gallery in that regard.

**Mr CAMERON** — In the event that we need to follow up particulars, we will correspond with you as we have done on previous occasions.

Overheads shown.

**Mr CAMERON** — We will go to the slideshow. This is the justice budget, and you can see there the way that justice has the different components. In relation to the police and emergency services budget there has been an increase of 6.97 per cent — so 7 per cent — on the current financial year in terms of budget impact.

If we go to the next slide in relation to the police budget you will see the increase in police budget over the course of the years. What you see there is an increase as the police force has also continued to grow. Obviously, you would expect that to occur.

If we go to the next one in relation to police numbers, what we see in the red column is the tapering off of the Liberal policy of reducing police, and we see the increases which have occurred over time. The police are estimating — —

**Mr WELLS** — How many on the street, though?

**The CHAIR** — Without assistance.

**Mr WELLS** — How many operational police have you got — —

**Mr DALLA-RIVA** — If he is going to put that up there — —

**The CHAIR** — Please ignore the interjections, Minister.

**Mr WELLS** — Operational police as compared with other states might be an interesting graph as well.

**The CHAIR** — Through the Chair please, Mr Wells.

**Mr CAMERON** — You will get your chance to answer — —

**Mr WELLS** — Chance to answer, that is right.

**Mr CAMERON** — Or ask questions.

**Mr WELLS** — I will ask questions.

**The CHAIR** — Thank you, Minister.

**Ms MUNT** — That counts as your first question.

**The CHAIR** — I remind all members that we need to focus on the hearings and not on the interjections.

**Mr WELLS** — Are you going to say — —

**The CHAIR** — You are just a serial offender, Mr Wells. Just control yourself.

**Mr WELLS** — No, if it is going to start with making some of those comments — —

**The CHAIR** — Minister.

**Dr SYKES** — Has Koo Wee Rup got one 'p' or two 'p's'?

**Mr CAMERON** — One.

**The CHAIR** — Keep going, Minister.

**Mr CAMERON** — In relation to infrastructure improvements, we have had a large commitment to improving infrastructure. This budget allocates \$32 million for 10 new police stations as well as for the refurbishment of the World Trade Centre being the headquarters of Victoria Police. That has been part of an ongoing program which represents the largest ever police station building program in the state's history.

In relation to policing, our commitment will see over 1750 additional police during the course of this government from when we came to office until June 2010.

If we go to the next one, there are various road safety initiatives in this budget. Some of those are: the 200 moving-mode radar units; extended drug testing; as well as newer road safety technology being used in relation to hand-held lasers — using the latest technologies in those areas as we replace some older equipment; and also screening breath testing as well.

Obviously an issue that we all have a vested interest in is the road toll and trying to drive down that road toll. There is always an interest here, particularly from you Mr Sykes, in relation to the metro and the country road tolls. While last year we saw a low road toll, we did see an increase in the country — and if you care to ask, I

have got I have a slide about that later on. In relation to drug and alcohol testing, we see that also as being extremely important, particularly drugs because this is relatively new and the increases there will be welcome.

In relation to hoons, there will also be initiatives that we will hope to introduce in the course of the next financial year as well.

In relation to the crime rate, there you see — —

**Mr WELLS** — You are kidding!

**Mr CAMERON** — There you see what has happened with crime — —

**Mr WELLS** — That is pathetic.

**Mr CAMERON** — That increase there — —

**Mr RICH-PHILLIPS** — They have given up recording.

**The CHAIR** — Without assistance!

**Mr CAMERON** — During the 1990s and the decrease that was observed over the course of the last 10 years.

**Mr WELLS** — Do you honestly think people are going to believe you?

**The CHAIR** — All right. Thank you.

**Mr CAMERON** — And of course we have a great police force, and they have been doing a great job.

When it comes to emergency services, I think the events of recent months have demonstrated how Victorians have never been so reliant upon the dedication and commitment and the professionalism of all of our emergency service organisations. Here are some figures for the nine months to the end of March: ESTA has handled 1.3 million calls. Obviously if you look at the preceding nine months that is actually a fraction under, but there was the enormous peak that occurred on 7 February, on Black Saturday. Although there has been a 1 per cent decrease, what we have seen with the CFA has been an increase in calls during that time of 10 per cent, and the MFB up 3 per cent but VICSES was down 22 per cent — but you will remember that VICSES had quite a big year the year preceding.

Just in relation to recent initiatives, we are seeing the rollout of the protective clothing to fire services; the CFA tanker replacement — \$137 million during the life of the government, delivering 655 replacement vehicles; and you will remember last year we announced in the budget the CFA radio replacement, and that was because CFA radios would start to be cannibalised in 2012. We announced that so that the planning can be done for radios to be in place by 2012.

If we go to the next slide, in this particular budget we wanted to build on the substantial communications commitment that we had given previously of \$440 million since the statewide integrated public safety communication strategy was endorsed. The key things that have happened there to date have been the mobile metropolitan radio network for Victoria Police, Ambulance Victoria and the MFB; the mobile data network for Victoria Police and Ambulance Victoria, where they use mobile data in vehicles; and the paging system — the emergency alerting system — which was a great transformation for the CFA, AV and VICSES as well. There has been a refreshed state net mobile radio network, that is in country areas, for Victoria Police, AV and DSE.

This budget delivers more on improving communications as well as improvements to paging systems. If we go to the next slide, we bury into there what some of those commitments are. It is funding for CFA, VICSES and Ambulance Victoria to purchase call taking and dispatch from ESTA, freeing up their budgets; improving the statewide radio network to allow the CFA and VICSES to call back to the dispatcher directly — just like in VicPol, who can call back to the dispatcher, the CFA and VICSES will be able to do that in future; and also providing radios for VICSES as part of a better radio network.

If we go to the next slide, there will be additional investment for radio coverage in growth corridors and bushfire-affected areas as well as to cover the former Alexandra district ambulance service — that has gone into

Ambulance Victoria — and obviously that is important to help communications in all of those areas. The budget also has the funds for the CFA operational officers announced previously, and also a commitment of \$21 million to buy new CFA trucks and also 42 ultra-light fire tankers — the slip-ons — and they will commence rollout in December this year. But during the course of this year there will be slip-ons from the CSESP program last year that will come on line as well.

In relation to VICSES, there is a critical asset program as part of the budget which is important. VICSES volunteer units are supported with a \$6.8 million program. At the moment that would be around \$0.8 million a year, so \$0.8 million over four years would be \$3 million or so. So there has been an increase there in relation to the commitment to individual units within the VICSES.

Sixteen extra slip-ons will be coming on this year; that is as a result of the CSESP announcements last year. In relation to communications black spots, work has commenced to deliver coverage of black spot areas — that work will commence this year — and on improving use of the emergency alerting system, the paging system, work is under way at the present time about changes or possible changes to protocols to free up and give greater redundancy. This is particularly important for the SES because at the present time they use non-emergency lines. The emergency line is quick, and non-emergency lines can be slow, so this work will try to make those alterations for the benefit of the SES — and also with the non-emergency lines as well, it is hoped to improve them with the changes to protocols.

So if I can just make the point that recruitment and retention of emergency service volunteers is important. There is a commitment this year for that as well with a campaign, and importantly we have to learn the lessons from Black Saturday. Part of that has been the Department of Justice contributing funding to the bushfire CRC, and what they are doing is a whole lot of work on the houses and buildings that burnt down on 7 February and what the details were around those to help dissect what happened on that day. Because up until lunchtime on 7 February the policies had served Victoria well, but given what occurred on 7 February obviously they are all under the spotlight, and that is why the government has announced the royal commission.

**The CHAIR** — Thank you, Minister. We have got approximately 2 hours for questions on the police and emergency services portfolio. I would like to begin, as I have begun with the Premier and other ministers, with a question regarding the federal funding and the federal grants for your portfolio departments and agencies. What are you receiving in the budget, and can the department provide the committee with a detailed list and description of these grants and the accountability mechanisms that are there and being used with respect to the funding and grants?

**Mr CAMERON** — I can give you an outline. There are not many in this portfolio area. If I could just make commentary, though, in relation to the fire season and the fires as a result of Black Saturday, obviously the commonwealth is making a dollar-for-dollar contribution in relation to those issues, which will be substantial. Treasury is coordinating that on behalf of the state of Victoria and working with the commonwealth Treasury around those things.

If I go more broadly to the programs, though, the commonwealth provides funds to Victoria in support of a national partnership on Disaster Resilience Australia, and that national partnership replaces a number of individual programs that the Office of the Emergency Services Commissioner was administering on behalf of the commonwealth. The aim of that program is to strengthen efforts to combat man-made and natural threats and disasters across Australia. In 2009–10 the commonwealth, through that NP, provided funds for administering two programs: \$1 million for the bushfire mitigation program and \$1.1 million for the national disaster mitigation program.

The bushfire mitigation program funding is provided to assist in bushfire mitigation through the construction, maintenance and signage of fire trail networks to assist local communities to better prepare for bushfires, and the national disaster mitigation program carries out national disaster management studies and strategies. Funding is provided to the OESC, and the states are required to contribute two-thirds of the funds with the commonwealth contributing a maximum of one-third of project costs. All funds are distributed based on a grant application process, with rigorous quarterly and annual reporting against performance outcomes.

**The CHAIR** — Thank you very much. I assume you will provide the details of the accountability mechanisms?

**Mr CAMERON** — Yes. We can provide all of those as follow-up as well, but they are administered on behalf of the commonwealth, and obviously, given that they are their programs, they have accountability mechanisms for their programs.

**The CHAIR** — And any accountability which comes from a sort of central department through to any agencies that are involved in them that you actually put on them yourselves would be useful.

**Mr CAMERON** — Yes. We will follow that up as well.

**Mr WELLS** — Minister, I refer you to budget paper 3, page 34, under ‘Emergency services’:

Funding of \$102 million over four years and \$45 million ... has been provided to ‘Project 000 Response’ — —

**Mr CAMERON** — Hang on.

**Mr WELLS** — And I am sure that you are well aware of 000.

**Mr CAMERON** — Let me open the page. Whereabouts, sorry?

**Mr WELLS** — Down the bottom.

**Dr SYKES** — Last paragraph.

**Mr WELLS** — It may be news, but it is regarding Project 000 Response.

**Mr CAMERON** — Yes.

**Mr WELLS** — Right. In the lead-up to Black Saturday experts had told you more funding was needed for the 000 emergency number, experts had told you Victoria needed a telephone-based warning system and experts had even mapped out the path of the fire on Black Saturday, but it was overlooked. Why did you, as head of Victoria’s emergency response, and your government, as a provider of basic services, ignore your own experts and do absolutely nothing?

**Mr CAMERON** — Are you talking about community information warning systems?

**Mr WELLS** — I am talking about the 000 emergency number.

**Mr CAMERON** — No, you are talking about community information.

**Mr WELLS** — The experts had told you that Victoria needed a telephone-based warning system, and experts had even mapped out the path of the fire. I refer you in addition to the report that you received in August 2008, the review of the 2008 windstorm, which also pointed out the same problems with the 000 system, and nothing was done. So can you please explain to the committee why nothing was done by you in particular and by your government?

**The CHAIR** — Minister, the way the question is framed it is for you to answer, but we really should be asking questions about the budget and the budget estimates rather than — —

**Mr WELLS** — I think, with respect, the effects of Black Saturday will have a significant impact on the forward estimates. The minister does not need any sort of protection. He should be able to answer that question the way it has been framed.

**The CHAIR** — I am not interested in protection or anything, Mr Wells. I am interested in conducting a hearing, as indeed you should be, in respect of the estimates going forward. I always direct ministers to deal with issues insofar as they relate to the estimates, and I expect the minister to do so.

**Mr CAMERON** — Yes. So if you go to the issue of the windstorm, the issue there was about being able to divert people to ring another line rather than 000, because 000 was for the immediate issues around safety and life. But because people were not aware of another line to ring they were ringing 000 with questions about trees being down here or a line being down there — those type of non-life-threatening issues. What the emergency services commissioner recommended was using a line like we do with the bushfire information line. For

example, as a follow-on from that, you will remember in early March of this year when we were expecting an event that did not eventuate quite to the extent that — —

**Mr WELLS** — This is March 2009?

**Mr CAMERON** — Yes, this is a couple of months ago.

**Mr WELLS** — This is after Black Saturday?

**Mr CAMERON** — Yes, this is just a couple of months ago.

**The CHAIR** — Through the Chair, please, Mr Wells.

**Mr CAMERON** — I am telling you — —

**Mr WELLS** — I am asking the question about the lead-up to Black Saturday, not the events after Black Saturday.

**The CHAIR** — I am asking the minister to focus on the funding and the budget estimates. That is what he needs to do.

**Mr CAMERON** — That is right. I am telling you what happened. If you want to raise the windstorm, I will have to tell you what happened. It was about the use of another line. So in relation to issues that could potentially have arisen during the course of the night — remember this is in early March when there was a fear of fire getting away in the night and storms — what it said, and the messages were put out — —

**Mr WELLS** — This is March 2009?

**Mr CAMERON** — Yes, this is a couple of months ago.

**Mr WELLS** — This is after Black Saturday.

**The CHAIR** — Mr Wells, would you allow the minister — —

**Mr WELLS** — We want you to focus on Black Saturday, what happened in February.

**Mr CAMERON** — I am telling you what happened.

**Mr WELLS** — This is after the event.

**The CHAIR** — Mr Wells, could you allow the minister to answer? You have asked your question. If you wish to ask any more questions, go through the Chair, please.

**Mr CAMERON** — As a consequence of the emergency services commissioner's view about wind and the need for other lines, that was picked up, so that in the event that we had other events, we would try and direct people to other information sources. So what occurred — and you will remember there were radio advertisements to say people should ring up the bushfire and storm information line. So the VBIL, the Victorian bushfire information line, was called the bushfire and storm line. That was advertised. So that if people had queries, they would be ringing the VBIL. So it was out in the public's mind as to what to do. That was a key learning as a result of the windstorms, and that was adopted. In relation — —

**Mr WELLS** — Hang on. No, but it wasn't — —

**The CHAIR** — Through the Chair.

**Mr WELLS** — Through the Chair, how can say that was a learning experience when it was not implemented prior to Black Saturday? You are talking about March. We are talking about what happened prior to Black Saturday.

**The CHAIR** — I think that question is really not relating to the estimates.

**Mr WELLS** — How could you possibly be focusing on early March?



**Mr CAMERON** — Because what you are talking about is the learning from the wind event and trying to direct people to another line like the VBIL and that is exactly what we did. We had another large — sorry, there were predictions of a large storm event with also the impact of fire, in early March, and we learnt from what happened and that is what occurred.

**Mr WELLS** — Minister, just a moment. You were given this report in August 2008. Black Saturday happened in early February.

**Mr CAMERON** — Yes.

**Mr WELLS** — Why did you take action in early March, not prior to Black Saturday, when you were told how it was off the index for bushfires?

**Mr CAMERON** — No, but it was.

**Mr WELLS** — No, you did not.

**Mr CAMERON** — You are confusing the issues, Mr Wells. You are confusing community information warning systems with the windstorm report. They are two very different reports. One was about the learnings from windstorm, which we learnt, and that is what you saw occur in early March. The other one — —

**Mr WELLS** — But the question is: why did you not implement those learning things in the report prior to Black Saturday?

**The CHAIR** — Mr Wells, I think we have had the answer.

**Mr WELLS** — Are you saying that they should not have been in place prior to Black Saturday?

**Mr CAMERON** — No. I am quite happy to continue to explore this.

**Mr WELLS** — Are you saying that it should not have been in place prior to Black Saturday?

**Mr CAMERON** — I am quite happy to explore this because Mr Wells is confused about the issue. The windstorm report was about directing other lines, which happened. We did not have another big wind event prior to March. When we did — —

**Mr WELLS** — We did not have a big wind event?

**Mr CAMERON** — We did not have a big — —

**Mr WELLS** — What do you call Black Saturday?

**Mr CAMERON** — That was a fire event.

**Mr WELLS** — Are you saying that Black Saturday was not impacted by the winds on Black Saturday?

**Mr CAMERON** — Mr Wells, we have a Victorian bushfire information line and that is where people know to get information about bushfires. The issue with a wind event is that people do not know where to get information, and that was a key learning out of the wind event. Let us go now, though, to community information warning systems.

**The CHAIR** — Very quickly and relating to the budget estimates because I am not interested in things which the royal commission should be looking at; I am not interested in events of the past.

**Mr WELLS** — No, this is about the actions of the minister — —

**The CHAIR** — Do not interrupt, please.

**Mr WELLS** — This is the actions of the minister that impact on the budget.

**The CHAIR** — I am happy for the minister to talk about the budget, but please do so and get on with it.

**Mr CAMERON** — As you know, Victoria has wanted a national information warning system for some time. We have pushed that. That is included from the highest levels, from the Premier to the Prime Minister, and, as you know, that has now been announced. The only jurisdiction — —

**Mr WELLS** — But it is too late.

**The CHAIR** — Do not interrupt.

**Mr CAMERON** — The only jurisdiction in the nation that was pushing and driving that was Victoria. That is why the Premier, John Brumby, when he became the Premier took the issue up.

**Mr WELLS** — Please!

**Mr CAMERON** — And he got it on the COAG agenda.

**Mr WELLS** — Where was the big push prior to Black Saturday? Where were your actions to put this in place prior to Black Saturday?

**The CHAIR** — Mr Wells.

**Mr CAMERON** — There was a big push and that is why it got on the COAG agenda.

**Mr WELLS** — Hang on — a big push after Black Saturday?

**The CHAIR** — Mr Wells, you have had enough. I think we will move on.

**Mr CAMERON** — You can ask that next time.

**Mr WELLS** — That is an absolutely disgraceful answer.

**Ms MUNT** — Can I have my turn now?

**The CHAIR** — You can have your turn and, Mr Wells, I would like you to control yourself and go through the Chair, please.

**Ms MUNT** — In your initial presentation you touched on funding for IT.

**Mr CAMERON** — Yes.

**Ms MUNT** — As it relates to the forward estimates, could you please outline what you see the challenges for Victoria Police are in IT and how they will be addressed in the coming year?

**Mr CAMERON** — Yes. Thank you very much, Ms Munt. IT has been an ongoing issue in Victoria Police for a long period of time, as you will be aware. Just to give you a bit of history, late last year Chief Commissioner Nixon said that there were procurement and contractual issues with Victoria Police. That is also partly the subject of a criminal investigation, but she alerted me to procurement issues. We had a discussion about that. It was my view that the Auditor-General should be informed. That was also her view, and the Auditor-General was informed. I had a conversation with the Commissioner for Law Enforcement Data Security. I wrote to him and, as a result of that, he has also done a review around governance.

When Chief Commissioner Overland came to his post, the Chief Commissioner made it clear that IT was a key issue for him and he wanted to have a look at the whole IT arrangements, and the CLEDS report, the governance report, would form part of his conversations. The CLEDS has given me a report around governance. He goes back and details ongoing issues since the mid-1990s.

There has been reform. The reform has been slow; it has not been fast enough. He gives ultimately five key recommendations for immediate improvement. The chief commissioner is working through those issues as he also works through the issues about what the entire figuration should be.

What the CLEDS (Commissioner for Law Enforcement Data Security) says is that there should be a person appointed with overall responsibility for information management and security. Obviously it should be a high-level role, given that is what he is suggesting the way the government should go — nominating the

Victoria Police appointee for information management and security as a security executive within the organisation with clear reporting lines and responsibilities.

He says it should retain the central Victoria Police ICT area, focused on delivering ICT support to the organisation but review the in-house and outsource capabilities, including, importantly, the procurement capacities. He talks about reviewing the existing standing committees to identify the appropriate forum for a coordinated approach to information management and security and implementing a program of cultural change through Victoria Police to reinforce the structural and governance arrangements. It broadens out from there.

The chief commissioner has that report as well. It has been sent to him. It has also been sent to the Ombudsman, because the Ombudsman also announced that he wanted to have an inquiry in relation to some of these things. The chief commissioner is considering all of these matters. I might hand over to the chief commissioner.

**Chief Comm. OVERLAND** — I have received the CLEDS report. I think it is a very good report. The recommendations seem sensible and well structured. I have an additional piece of work happening where we have engaged an external consultant to work with our internal IT people to give me some advice on the appropriate operating model for IT and information management across the organisation.

They have been talking to the CLEDS, and KPMG, which undertook the work for the CLEDS. I shortly will receive that report. I think that will then give me a solid platform to make decisions about how to reorganise and restructure.

I think one of the key things is we need to separate out the management of IT — that is, the software and the hardware — from the process of managing information. We need to get the governance arrangements right and the accountability arrangements right there. That seems clear and obvious to me. That will then form part of a broader corporate services review that I have announced, which we will undertake to look at some reorganisation in the corporate services area of the organisation.

I am in the process of making senior appointments into executive director roles. I do not actually have incumbents in those roles at the moment but will have shortly. There will be three of them, and then they will have the responsibility for leading the broader corporate services review. That will include the restructuring, the reorganisation and the implementation of the recommendations coming from the CLEDS but also from the internal review or the external review that I have initiated.

**Ms MUNT** — Do have some sort of time frame in mind for these initiatives to be put in place?

**Chief Comm. OVERLAND** — The CLEDS has suggested time frames within his report. I think I will be able to meet those. This is obviously a priority issue for me. We need to get this right, so I would be planning to be moving on implementation from about midyear and looking to have full implementation within about 12 months.

**Ms MUNT** — That is great. Thank you.

**Mr CAMERON** — You can have a copy of that report, if you want.

**Ms MUNT** — That would be very good.

**The CHAIR** — If you could table the report for the committee — thank you very much, Minister.

**Mr WELLS** — Thank you, Minister. I was fascinated to learn from the previous question that Black Saturday was a firestorm and not a windstorm.

**The CHAIR** — I think we can just get on with the questions without the interplay.

**Mr CAMERON** — Obviously on very high fire danger days like that — what we call the classic fire days — you start with the day extremely hot, a strong wind that gets hotter and hotter. The wind of course is one of the big risks to a situation when there is fire because it will get away so quickly.

**Mr WELLS** — I refer you to budget paper 3, page 34 again — the same page, so you would still have it open — in regards to ‘Project 000 response’. I also refer you to a Victoria Police document ‘Risk Register’, which the chief commissioner would be aware of. This was prepared for you on August 2008. It says:

Risk: inability to ensure emergency response capability remains. Inability of ESTA to respond to emergency/BCP and disaster recovery situation.

That information was first prepared on 13 November 2006 and was prepared as a document in August 2008. Furthermore, in the same document it says:

Insufficient trained deployable staff to provide operational communication support staff to an event, such as major bushfires/ searches/ incident specialist (immediate communications facilities, assistance for planned and unplanned events, such as searches — —

**The CHAIR** — Where are we going with this?

**Mr WELLS** — Hang on! At least give me the courtesy of asking the question.

**The CHAIR** — I am seeing this as a long way away from estimates. It is something that seems more for the royal commission.

**Mr WELLS** — I understand your sensitivity to this, but this is something very important to the opposition.

**The CHAIR** — I am, because I do not see that this estimates hearing — —

**Mr WELLS** — It refers to budget paper 3.

**The CHAIR** — Excuse me; just a second. I just want to be very careful that what we do here today does not affect what is happening in the royal commission.

**Mr WELLS** — No, this has got nothing to do with it. The second part of that document prepared by Victoria Police was about insufficient trained deployable staff to provide operational communication support. You were told in August 2008. Then there was the inability to ensure the CAD emergency communications services. Victoria Police had this information in November 2006.

**The CHAIR** — It does not relate to the estimates.

**Mr WELLS** — It prepared this document for you in August 2008. You knew about the inability of the 000 system that was given to you by Victoria Police.

**The CHAIR** — Could you get on to the question?

**Mr WELLS** — You knew about the insufficient staff being able to provide that information, yet you provided absolutely no support to fix this problem. That is an absolutely disgraceful situation. You failed in your role as a Minister for Police and Emergency Services. Why did you not take action to fix this problem when Victoria Police advised you in 2006, prepared a report in 2008?

**The CHAIR** — I think you need to answer that with regard to the actions in the budget papers.

**Mr CAMERON** — Yes. As you know and as I have outlined, we have put in \$440 million in relation to improvement of communications, and this budget builds on that further. I have already outlined, early on in the slides, the building on of those initiatives. One of those initiatives is with Ambulance Victoria coming into ESTA, so — —

**Mr WELLS** — Minister, you were told in 2006 — —

**The CHAIR** — Let the minister answer the question.

**Mr WELLS** — Victoria Police told you in 2006, and you took no action.

**The CHAIR** — Mr Wells, you are out of order. The minister, to answer?

**Mr CAMERON** — I think what you might be getting at is D24.

**Mr WELLS** — No, hang on. I did say the inability of ESTA to respond to emergencies. So it is part of the overall emergency services that Victoria Police notified you about in November 2006.

**Ms MUNT** — How does that relate to the forward estimates and the budget papers?

**The CHAIR** — It does not relate to the estimates, but the minister can answer as far as it relates to the estimates.

**Mr WELLS** — Black Saturday had an enormous impact on the forward estimates, so I expect the minister should be able to answer these questions.

**The CHAIR** — He is, if you would give him a chance.

**Mr WELLS** — He had this information in 2006, and he did nothing about it.

**Mr CAMERON** — If we are talking about ESTA, we are talking about Victoria Police in the metropolitan region, Mr Wells. What we do in this budget is put \$3 million in to improve our response in the metropolitan area, and that is the response that ESTA does in the metropolitan area. All of the agencies are responded to by ESTA in the metropolitan area, and this budget puts in that \$3 million.

**Mr WELLS** — But, Minister, it is too late. You were given this information in 2006.

**The CHAIR** — You have had your question, Mr Wells. We will move on.

**Mr WELLS** — A report was prepared for you in 2008, and you did absolutely nothing about it in the run-up to 7 February 2009.

**The CHAIR** — Mr Noonan?

**Mr WELLS** — So is there an explanation as to why? The information was given to you.

**The CHAIR** — Mr Wells! You have made your — —

**Mr CAMERON** — I am quite happy to say what happened was that ESTA did provide those services. They used their reserves. In this budget what we are seeing is the government putting in \$3 million.

**Mr DALLA-RIVA** — Yes, but this is after the event.

**Mr WELLS** — But this is after the event. It was your inability to act when you were given information — —

**The CHAIR** — Thank you, Mr Wells!

**Mr DALLA-RIVA** — You were told about it earlier.

**Mr WELLS** — Victoria Police gave you the information, and you did nothing about it.

**Mr CAMERON** — ESTA has responded by using their reserves. Essentially the issue you are getting at there is on Friday and Saturday night there are periods of high demand, particularly with ambulance and with police, and ESTA responded to that by providing those services.

**Mr WELLS** — What about the fire services? You said ambulance and police, what about fire services?

**Mr CAMERON** — Yes, the fire services, but they do not have peaks on Friday and Saturday nights like ambulance services and police do. That is a long and historical thing, Mr Wells.

**The CHAIR** — Mr Noonan?

**Mr WELLS** — So fire services do not have peaks on Friday and Saturday nights? What happened on Black Saturday? You do not call that peak time?

**Mr CAMERON** — That is a peak time, but it is not on a Friday and Saturday night. You are talking about — —

**Mr WELLS** — Black Saturday was Saturday night. How can you say that was not peak time, on a Saturday night?

**Mr CAMERON** — We are talking about the regular movements on a Friday and Saturday night. On Black Saturday ESTA geared up for Black Saturday.

**The CHAIR** — Okay, we have had the answer. Mr Noonan?

**Mr NOONAN** — Minister, I want to ask a question about crime stats, which has aroused some interest down the other end of the table. I note in budget paper 3, at page 144, there are some output targets as part of this budget estimates process. I want to refer to your presentation on the reduction of crime and ask if you could give the committee a general overview of the trends in crime and the success of Victoria Police in reducing crime generally.

**Mr CAMERON** — Thank you very much, Mr Noonan. Obviously Victoria Police does a lot of work about where there are crime problems and being able to deal with that. You have seen on the slide the large reductions that we have seen in crime. That is not to say that there are not problem areas, and Victoria Police gives a big response to those problem areas.

If I could make the point around assaults, for example, Victoria Police, you will be aware, is working through issues there like Operation Razon and the Safe Streets task force.

If we go to crime more generally, in the last financial year, the 2007–08 financial year, what we saw was a 1.9 per cent decrease in the rate of crime in Victoria. That is now 24 per cent below where it was in the 2000–01 period, which the slide that I showed you and was picked up on. That is the lowest point of the rate of crime since the introduction of computerised systems in 1993. Those figures really reflect also the ABS data around where Victoria sits in relation to crime. That obviously is welcome, but that is not to say there are not particular problem areas.

In the 2007–08 crime statistics it says that crimes fell during that year in a number of categories. Homicide was down 15 per cent; assaults were down 0.8 per cent, including a reduction in the rate of non-family violence assaults of 1.2 per cent. Overall crimes against the person were down 0.2 per cent, against property down by 2 per cent, and residential burglary down by 4 per cent. Since 2000–01 we have seen robberies down 30 per cent, the rate of aggravated burglary down 37 per cent, the rate of residential burglary down 47 per cent, theft of vehicles down 25 per cent, and theft of motor vehicles down — —

**Mr WELLS** — What about assaults?

**The CHAIR** — Let the minister answer.

**Mr CAMERON** — I want you to ask me about that.

**Mr WELLS** — What about assaults?

**Mr DALLA-RIVA** — What about Ombudsman's reports?

**Mr WELLS** — You jumped over assaults.

**Mr CAMERON** — I actually mentioned it — —

**Mr WELLS** — No, you mentioned it for last year, but you did not mention the aggregate figures. Tell us about assaults, how much they have increased since 1999–2000.

**The CHAIR** — Minister, just a moment.

**Mr CAMERON** — As I said, there are some — —

**Ms MUNT** — You were not listening.

**Mr WELLS** — No, he has not; he jumped over them.

**The CHAIR** — Minister, just a moment, please, and Mr Wells. We are actually conducting a hearing here. It is not the floor of Parliament where we have interjections and people responding to each other and yelling across the floor. It makes it very difficult for Hansard to keep a record of this. So, Minister, if you could avoid trying to provoke people, and if people could avoid — —

**Mr WELLS** — Just stick to the facts — that is all we need.

**The CHAIR** — If people could avoid — like you are not — interjecting.

**Mr WELLS** — What? I am just asking him to stick to the facts.

**The CHAIR** — Mr Wells, I am speaking as the Chair and you are continually interrupting. I really do think this is not showing a lot of respect to the proceedings. The minister, to continue?

**Mr CAMERON** — Thank you very much. I have detailed those, but I have said there are some problem areas. While assaults may have decreased slightly — the rate of assaults in the last financial year — there is a fair emphasis on assaults, particularly around entertainment precincts.

**Mr WELLS** — What is the increase?

**Mr CAMERON** — I told you in the last financial year there was a decrease of 1.2 per cent in the rate, but there is an emphasis around entertainment precincts. That is why we introduced banning notices.

**Dr SYKES** — The Hummers!

**Mr CAMERON** — Something which you opposed, Mr Wells. Do you remember?

**Mr WELLS** — Which one?

**Mr CAMERON** — The banning notices. You opposed the banning notices in entertainment precincts where police have now issued over 1000.

**Mr WELLS** — You do not have enough police out on the streets. That is what the problem is. You have got too many stuck behind desks.

**Mr CAMERON** — We have seen the Safe Streets task force.

**Mr WELLS** — The lowest operational number of police anywhere in the country is in Victoria.

**Mr CAMERON** — You asked me — —

**Mr WELLS** — According to the ABS.

**The CHAIR** — Without assistance! The minister, to answer the question without assistance.

**Mr CAMERON** — You can ask me about those things if you want.

**Mr WELLS** — The ABS shows that the lowest number of operational police — —

**The CHAIR** (to Mr Wells) — You have had your turn.

**Mr DALLA-RIVA** — He keeps on interjecting.

**The CHAIR** — I have already said we are not into interjections; we are into answers and questions. Have you finished your response yet, Minister?

**Mr CAMERON** — No. Indeed what I want to say on the issue is that entertainment precincts, as I said to you, was a problem. That is why we have increased penalties, for example, for serving drunks on premises. That is why we have more police in this budget to bring it to 11 250 by June of next year. We totally reject Mr Wells's policy of reducing police by 800.

**Mr WELLS** — But Victoria has the lowest number of operational police.

**The CHAIR** — Mr Wells!

**Mr WELLS** — It is down into the low 80 per cents according to the ABS.

**Mr CAMERON** — What we have been about is increasing police, so that has been very helpful.

**The CHAIR** — Mr Wells, the minister is answering the question — but without your assistance.

**Mr WELLS** — He is not really being truthful about that particular answer.

**The CHAIR** — Stop the grandstanding, and please, Minister, get on with the answer.

**Mr CAMERON** — If I could just say, Chair, when Mr Wells's turn comes around I am happy for him to ask about those things. I am happy to point out their policy of decreasing police and our policy of increasing police and where we fit nationally with what the Grants Commission says.

**Mr WELLS** — How does that relate to forward estimates? How come you are not drawing him into line?

**Dr SYKES** — Meanwhile, back to the cheat sheet; keep going!

**Mr WELLS** — We have got one set of rules for Labor and one set of rules for us.

**The CHAIR** — No, we do not actually. Minister, in respect of the estimates, please?

**Mr CAMERON** — Mr Wells, if you want to interject I am happy to counter-interject, but the Chair is probably not happy for either of us to do it.

**The CHAIR** — I would prefer if neither of you interjected. I am not happy for either.

**Mr WELLS** — You have two sets of rules — one for you lot and one for us.

**The CHAIR** — No. That is entirely incorrect. Minister, have you finished answering the question in respect of — —

**Mr CAMERON** — Thank you. There has also been the operation around Operation Razon about licensed premises. I might get the chief commissioner to talk more about that.

**The CHAIR** — All right. In respect of the estimates, please, and the action going forward.

**Chief Comm. OVERLAND** — Thank you, Minister. In respect of Operation Razon, that is really part of the Safer Streets strategy, mainly around licensed precincts in and around the CBD. We have had a significant surge in police numbers out on the streets since about November of last year — anything up to 150 additional police on overtime from additional moneys that were provided to us by government last year; some \$11 million. The evidence is that that is working. Assaults in and around the CBD have plateaued — that is, I think there has been a very, very slight increase — but when compared to other figures, that is a reasonable result.

There has certainly been a very significant increase in the amount of action that police are taking. If you have a look at some of the overall crime statistics over the last 12 months, when you compare this last 12 months with the previous last 12 months, there is a slight increase, but most of that is driven by public order offending. That is reflective of the fact that we are out on the streets and we are taking action — arresting people, dealing with them and using the banning notices. We have a real commitment to continue with this effort.

I was out on the streets myself probably four or five weeks ago talking to our people. They tell me that the strategy is working. We need to find a way to sustain that. We have currently been doing that on overtime with the additional money that has been provided. That is not sustainable moving forward. It is part of the reason why I have been talking to government about bringing forward some of the recruiting in the next financial year so that we have the numbers that we need to sustain efforts such as the Safer Streets program and to get on top of the public order issues there.

But there are also clearly some issues for us around robberies, which have been trending up. They tend to be soft-target robberies, more offending in the street. Simply because people carry mobile phones, iPods and other things late at night, they are a soft target and they tend to be robbed in those circumstances. Clearly we have got



work to do there, although, interestingly, the evidence is in and around the licensed precincts where we have been working it looks like we are displacing some of that robbery offending.

It is clear that people who are of that mind have made a decision that it is too risky to engage in that sort of conduct in those areas, so it has been displaced. Some of that displacement is into the transport system, which is again why we have got a commitment to put additional resources into the transit system to help us get on top of that particular issue.

**Mr RICH-PHILLIPS** — Minister, I would like to ask you about the emergency management capability for which you are providing \$217 million in this year's budget. In the lead-up to Black Saturday the Premier, the Deputy Premier and the fire chiefs all warned that 7 February was going to be a bad day — likely to be the worst since Ash Wednesday. You, in earlier answering Mr Wells, referred to it as a classic fire danger start to the day.

A week after, there was a reported comment by the Emergency Services Commissioner, Bruce Esplin, which said:

Esplin called the Police and Emergency Services Minister Bob Cameron and advised him to come immediately from his Bendigo home to Melbourne.

'I told him we are going to experience losses and we need his leadership,' Esplin says.

The question is: given the expected conditions, why were you not in Melbourne to deal with the emergency situation on that Saturday? Why did it take Bruce Esplin's call to have you come down on Saturday to provide leadership, and what leadership did you provide once you arrived?

**Ms MUNT** — Does that relate to the budget estimates?

**Mr WELLS** — This is a crucial point.

**Ms MUNT** — On which page of the budget papers is that on?

**Mr CAMERON** — I am happy to answer.

**The CHAIR** — I really do not see that as a question related to these estimates.

**Mr RICH-PHILLIPS** — It is related to the estimates.

**Ms MUNT** — Which page? Which line item?

**Mr WELLS** — Are you telling me the responsibility of the Minister for Police and Emergency Services is not relevant.

**The CHAIR** (to Mr Wells) — Can you allow me to finish?

**Mr CAMERON** — Perhaps I will answer it by stating the arrangements that will occur in the next financial year, because they are similar to the existing arrangements. That might be a way to do it.

**The CHAIR** — Thank you, Minister. As I said before, I do not see this committee taking over the role of the royal commission or indeed of questions in the house.

**Mr RICH-PHILLIPS** — Chair, can we just determine if the government is seeking \$200-plus million —

**The CHAIR** — Excuse me. We are here to talk about the budget estimates. Minister, you have suggested a way forward, and I am happy with that.

**Mr CAMERON** — Yes. The way forward next financial year will be the way it has occurred previously, including with both governments, which is that when you have an emergency there is a control agency, the control agency runs the issues and the emergency management arrangements apply. The minister does not have any operational role, and you would not expect a politician to have any operational role.

**Dr SYKES** — You would expect leadership, Minister.

---

**Mr CAMERON** — However, what does happen when you have a major incident is that a response has to occur, and we have to make sure that that occurs, and government, of course, plays a key part in that.

So if we have a day where things happen, the emergency services commissioner will telephone the minister, he will flag that there could be an issue and the minister will then go into town or go to wherever.

**Mr RICH-PHILLIPS** — You knew about this before the day. You did not need the call from Bruce Esplin.

**The CHAIR** — The minister is answering the question.

**Mr CAMERON** — This occurs with every total fire ban day. Generally there is not an issue, but if there is an issue, the minister will come down, because what we have to then do is start the government's response for the next day.

**Mr RICH-PHILLIPS** — Are you saying it came as a surprise to you when you got the call from Bruce Esplin?

**Mr CAMERON** — So, if I could just use as an example something that will occur next financial year, but I will use an example from 7 February. We decided that we were going to have a cabinet meeting. We had to make arrangements for various ministers to go to different places, including the police commissioner, and that was done. I also spoke — as I would next financial year — on the 7th to the opposition and told them what was happening, I spoke to the Leader of the Nationals and told him what was happening, and we put all of those arrangements in overnight.

The commonwealth was also involved during the course of the night. As the scale of the event became more apparent the commonwealth was more actively engaged, and as you know, for example, on the morning of 8 February the Prime Minister was also out and announcing that the army would provide assistance over and above what the army would normally provide. In a normal fire there might be a request for the army to provide some caterpillars, but they went over and above that.

**Mr RICH-PHILLIPS** — Minister, this is all after the event. We are talking about where you were. You knew this was coming, and you chose to be 3 hours away from Melbourne.

**Mr DALLA-RIVA** — Even your boss was saying it was going to be an ugly, ugly day!

**Mr CAMERON** — It was, potentially.

**The CHAIR** — Thank you, Minister.

**Mr RICH-PHILLIPS** — Why did you have to take the phone call?

**Mr WELLS** — Why did you need the phone call from Bruce Esplin to tell you to come down from Bendigo?

**Mr CAMERON** — Because it depends what happens if there is fire. Often with total fire ban days — —

**Mr WELLS** — But the index was 300. It was off the scale!

**Mr CAMERON** — That is what happens.

**Mr WELLS** — Why did you need a phone call from Bruce Esplin?

**Mr CAMERON** — Longstanding arrangements, Mr Wells.

**Mr WELLS** — So you have to wait for the phone call before you take any leadership role?

**Mr CAMERON** — It is a longstanding arrangement that the minister does not interfere in the operations of fire services.

**The CHAIR** — Ms Huppert has the call.

**Ms HUPPERT** — Thank you, Minister. I have a question — —

**Mr CAMERON** — If I can just make the point that it is a longstanding arrangement that the minister does not interfere in the operations, but the minister is — —

**Mr WELLS** — But you waited for a phone call. Surely as a leader in the community you would go down.

**Mr CAMERON** — Yes, and that is what happens to get things going for the next day.

**Mr WELLS** — So you wait at home for the phone call from Bruce Esplin before you take any initiative?

**The CHAIR** — We have had enough on that. Ms Huppert?

**Ms HUPPERT** — I have a question about theft of a motor vehicle, and this follows on from the answer you gave Mr Noonan in his earlier question in relation to crime statistics about various categories of crime. In relation to property crime, could you please outline the measures that will be taken during the forward estimates period to reduce the level of theft from motor vehicles?

**Mr CAMERON** — Theft from motor vehicles poses a problem, particularly opportunistic theft, and it is like the police have said previously — if people did not leave valuables in their cars, then thieves simply would not see them and then steal them in terms of taking advantage of the opportunity. You would not leave your wallet on the dashboard, so please do not leave your Navman, for example, on the dashboard.

If we have a look at what has occurred during the last year, for example, we see with GPS receivers and navigation units a 300 per cent increase in their theft. We have seen decreases with things like handbags and other things, but with those opportunistic things — things for which thieves can get a quick sale — we have seen an increase. We particularly want people to think about taking away the valuable in the first place to avoid that issue.

You might be aware that Victoria Police has entered into an arrangement with VicRoads, and now there is a pamphlet going out when people re-register their car which states, ‘Remove it, lock it or lose it,’ and that is part of getting out that message. But I will ask the chief commissioner if he wants to make some comments about these things.

**The CHAIR** — Particularly regarding your action in the forward estimates and the funding for this particular activity, please, Minister.

**Chief Comm. OVERLAND** — Overall we have done very well over the past four or five years around both theft of motor vehicles and theft from motor vehicles. That is because of a range of measures that have been put in place, but we are obviously going to face increasing challenges here.

The point the minister made is right. If you look at the data, in 2006–07 1600 GPS units were stolen, and in the 2007–08 year that figure was 6700 units stolen. The same applies to laptop computers — it went from a little over 4000 stolen in 2006–07 to nearly 6500 in 2007–08. So we have recently launched a new website, *Victoria Police News*. As part of that there is a portal called ‘My Place’ that will allow people in the community to go in and see what is happening with crime and road toll in their particular area.

The data is at what we call police service area level, which equates to a local government area. We think it is important. It will lead to greater transparency around crime statistics and the road toll because we will be releasing data every three months, and my view is to try and make that data as timely as we can. As we improve I will be looking to release that data on a more regular basis. So there is the transparency issue.

But the other important benefit that will come from that is that it will alert the community to what is happening in their area. If theft from motor vehicle is an issue in their area, they will understand it, but more importantly we will be able to give them good crime prevention advice with respect to taking preventive action themselves. Because all of this crime is preventable; it is absolutely preventable. If people do not leave valuables in cars, they cannot be stolen.

We just need to keep making that point. It is around this issue of mutual responsibility that I have been talking about in my time as chief commissioner, and I intend to continue to talk about it, because whilst there is a lot that we can do, if we actually engage with the community, if we get it working with us, there is so much more that we can achieve. There is a very simple range of measures that can actually help us around the crime

rate. An obvious one is to not leave your GPS units in the car; take them out, lock them in the boot, make sure you rub off the sticky marks that are left on your windscreens. It is really simple, obvious stuff.

Theft of numberplates is obviously also another key issue for us. There were over 10 000 numberplates stolen last year. Again it is around fitting numberplates with one-way screws — it is another very simple way of actually stopping numberplates from being stolen. That will have a flow-on effect across the crime stats, because we know a lot of numberplates are stolen, put on cars, and they will then be used in a petrol drive-off. They will go in, fill up with petrol, they will not pay, they will drive off, but they will have false plates on the car. There is a knock-on effect.

If we can stop the plates from being stolen in the first place, it will help with fraud and petrol drive-offs and a whole series of other things. That is a really important initiative. We are obviously continuing to work with the community and to work with other experts looking at ways where we can actually have an impact on crime.

**The CHAIR** — Thank you very much for that.

**Ms PENNICUIK** — Minister, since January last year there has been a series of gang assaults on Indian students and Indian Australians, particularly in the western suburbs, some of which have resulted in coma, partial blindness, stabbing wounds and death. So far the government's response has been to set up a helpline to assist Indian students. The Federation of Indian Students of Australia has warned that the police have failed to prevent this gang violence against Indian students and the federation is sceptical about the ability of other state government initiatives, such as the helpline, to stop this violence. The minister would be aware there have also been similar problems in the Kensington area, and the Kensington legal centre has been advising about that. What extra resources for the police has the government introduced in the budget to address this violence on trains in particular and across the state more generally?

**Mr CAMERON** — I think the issue that you are getting to, Ms Pennicuk, is that Indians are well known as peaceful and pleasant people, and there are people who are picking them off by taking advantage of them — going up and robbing them of their wallet or their iPod or whatever might be readily available. This is a concern to us. It is a great concern to the police, and the chief commissioner will elaborate on that. There have been operations, and the chief commissioner might want to talk about those. There have been operations in Brimbank, and there have been arrests. Can I just say that peaceful, pleasant people being picked off is the very sort of crime which is ugly and distasteful. It is an issue which police are very conscious of. Chief Commissioner, I might get you to expand on some of those operations and the issues around Indians.

**Chief Comm. OVERLAND** — Thanks, Minister. Thanks for the question. This is obviously an issue of concern. I do want to make the point, though, that a number of these robberies we think are racially motivated but a large number are not; they are opportunistic. It has to do with the way Indian students in particular behave, the areas they live in and how they go about the community. We obviously need to work with them to make them aware of the risks and to also again help them take actions that can prevent making themselves targets. That can mean not having obvious displays of wealth, being careful with phones, iPods, that sort of thing, and thinking about how they move about, particularly on the public transport hubs — if they can move in groups, staying together — those sorts of things. We are having those discussions with them.

In January the Brimbank police service area launched the Police Indian Western Reference Group. The group involves various community organisations and members of the Indian community, who collectively discussed ways to decrease the level of victimisation of Indian students. So there is dialogue going on, and I think that is an important part of it. We also recognise that we need to up the enforcement effort. We have dedicated significant resources to the problem. We have doubled the size of the EMBONA robbery task force. Only last week detectives arrested and charged seven offenders for robbery-related offences. The third of a series of planned operations tackling robberies and antisocial behaviour in the western suburbs earlier this month resulted in police arresting 20 offenders for 19 offences, including intentionally causing injury, possessing controlled weapons and hindering police.

There is also the helpline that you have mentioned. Again, by itself, it is not the total answer, but it is important around getting information out to the community. It really is going to require a mixture of responses, which is about stronger enforcement action. Again we have recognised that, particularly on the transit system. It is why we have got a commitment to put 50 additional resources into the transit system to actually help further reduce crime on the transit system. I do make the point though: our transit system is safe. If you look at it — —

**Ms PENNICUIK** — I do every day.

**Chief Comm. OVERLAND** — The data there says it is safe. I know there is a perception that it is not, and I know clearly there are incidents that happen on it, and they are not acceptable. We need to work hard through some additional resources into the area to reassure people, to make it comfortable for people to use the transport system here in Melbourne. We recognise that as an issue. That is an initiative that we will be taking in the next financial year.

**Ms PENNICUIK** — Are there any extra liaison officers in those communities that I mentioned being employed?

**Chief Comm. OVERLAND** — Particularly in those areas, it is not just Indian students — Brimbank, as I am sure you are aware, has an incredibly diverse cultural mix, as do a number of other key areas. We understand that. We do have community liaison officers. We are looking at increasing the number of liaison officers that we have to engage with these new and emerging communities. I think we have a pretty reasonable relationship with the Indian community and the Indian students. We obviously need to improve that, but it is not just the Indians. As I am sure you are aware, we have got hundreds of different races — ethnic backgrounds — here in Melbourne. There are real challenges around new and emerging communities in some of the areas that we have identified.

A key strategy for us is to really work hard to engage with those communities, to get them to trust police and to get them to work with us. If we are able to do that, we will get better outcomes for them and for the broader community.

**Mr SCOTT** — Minister, I would like to raise the issue of family violence assaults. I note in budget paper 3 on page 336 there is a reference to this. I wonder if you could detail for us what the outcomes have been in this area and what initiatives are undertaken in the budget to tackle this issue.

**Mr CAMERON** — This year we will continue to see police playing a very important role when it comes to family violence. If you look back, we saw a big reform regarding family violence in the Cain years, with the Crimes (Family Violence) Act. But in 2004 we saw Chief Commissioner Nixon change the approach of police to say, ‘Family violence will be treated as a crime. We are going to deal with it vastly differently. We will not just hope that it settles down and ignore it, we are actually going to be up-front and open about it and deal with it’. In the three years since that 2004 code of practice we have seen a 190 per cent increase in the charges laid by police and a 28 per cent increase in intervention order applications. Police have given that a big focus.

Recently we saw a change in the law concerning the way police can handle issues of family violence, particularly late at night. What happened before was frustrating for police — they would have to wait, for example, to get an order as to who was going to be in the home. That would take a long time because you had to be able to find the duty magistrate, which was a convoluted process, whereas police are now able to do that themselves after hours. That has made a big difference. Deputy Chief Commissioner Overland, as he then was, had a key role in terms of these arrangements. We have a tremendous commitment for the next financial year from Chief Commissioner Overland, as he now is, in terms of family violence. I will get the Chief Commissioner to make some comments.

**Chief Comm. OVERLAND** — For instance last year, in the 2007–08 financial year, there were 31 676 family violence incidents attended. There were 7612 charges laid as a result of police attendance at those incidents — that is, charges were laid for 24 per cent of the incidents attended. The total number of intervention orders taken out was 31 556. I think that data reflects the change in emphasis, and the continuing change in emphasis, we are taking in dealing with family violence.

Previously, when an offender was processed for a family violence incident the primary charge was assault. That is approximately 62 per cent of family violence incidents. Property damage constituted the primary charge in approximately 12 per cent of incidents. There has been no significant change in the percentage breakdown of relationships between parties involved; however, there has been approximately a 63 per cent increase in child offenders — that is, where a child is the perpetrator. It has moved from 265 child offenders in 2006–07 to 432 in 2007–08. We need to understand that, and we obviously need to look to start shifting resources to deal with that emerging issue.

The proportion of family violence incidents which involve a repeat attendance by police is approximately 29 per cent. That has remained relatively stable over the last five years. So again, part of our continuing focus is around trying to reduce the number of repeat visits, because it seems to us that is the real measure of success. We also know the more often we are called back to a house the more frustrating it is for our staff, who have to go back to the same premises time after time. It is obviously of concern to the family — it represents some escalation of threat and danger to them — and so we need to work hard to reduce that.

The Family Violence Protection Act 2008, which came into effect in December of 2008, has assisted in that. It has given us important new powers to detain offenders and to deal with them. Over 1000 safety notices have been issued, and approximately 50 per cent of those have been issued on weekends and public holidays. Nearly 60 per cent of those notices have converted into full or interim intervention orders, which is higher than the conversion rate for the complaint and warrant process, which was around about 45 per cent in 2007–08. We have undertaken a comprehensive training scheme, with over 5000 members having been trained in the new legislation. Approximately 83 per cent of operational members who required the training have received it. Again, consistent with the code, we are looking at referring people on — men in particular, who tend to be the offenders in this case — into behavioural management programs. We are also looking at appropriate referrals for women and children.

There is a significant crossover into sexual assault, and we know that, so we have also been looking at improving our response to sexual assault. We have been trialling sexual offence and child abuse investigation teams, and we have had centres operating in Frankston and Mildura. Those centres are being evaluated at the moment. The early evidence has been very, very positive in terms of the improved service to victims coming out of this, and we will be talking to the government about the possible expansion of that program moving forward.

**The CHAIR** — Thank you for that. I am sure I speak on behalf of all members of the committee in commending the initiatives and the work police are doing in this regard, because we all regard it as very important. We all have issues in our communities coming through our doors as well as through yours, and so we appreciate the more intensive effort being made in this regard.

**Chief Comm. OVERLAND** — Thank you, Mr Chair.

**Mr WELLS** — Just to follow up, Chief Commissioner, is there a need for further legislation regarding young offenders and the issue of domestic violence and the young offenders involved in that?

**Chief Comm. OVERLAND** — I think at the moment the legislation available to us is appropriate, but it is obviously a situation we will need to continue to monitor. I think the broader issue is what we do with young offenders and how we treat them. I think simply putting them through the criminal justice system is not a full and complete response, nor is it necessarily appropriate. I think it is about having appropriate referral pathways for them so they can be dealt with. Often there is a reason why these people are behaving in this way, and I think it is important to try to understand that and to help them deal with it.

**Dr SYKES** — Minister, my interest is in the timeliness of response to large-scale emergencies such as national disasters, and I refer to the heading ‘Emergency management capability’ on page 156 of budget paper 3. There is a line item about timeliness. Part of natural disaster management involves the collection of predictive information, the analysis of it and then taking action on that analysis of the predictive information. That action may involve resource allocation or early warning. If we look at Black Saturday, a number of communities had little or no early warning of the impending events, even though that information has been shown to have been available.

I understand that in 1992 there was a launch of the standard emergency warning signal. It was relaunched in 1998 and it was used during the 2003 bushfires, but it was totally silent on Black Saturday. My question is: why was that so? Is it not appropriate to have — even if the system is not perfect — support of an imperfect system so that some people have warning rather than no warning at all, which has led to many tragedies and pain for a lot of people?

**The CHAIR** — Once again, Minister, we do not wish to delve into issues before the royal commission.

**Mr CAMERON** — Yes. This is a matter before the royal commission, but just to go over the history coming out of 2003, that was what was suggested, which Dr Sykes has said. After the 2006 fires there were

suggestions made the other way because of the confusion that it caused, but also during that period of time we saw a difference in relation to the use of the ABC. So coming out of the 2002–03 fires we saw the memorandum of understanding with the ABC and the ABC being used. Operationally those decisions are made, and operationally the decision was made about the use of the ABC.

I know what you are saying, Chairman, about the royal commission, but just in relation to the SEWS nationally, that matter is being examined but they are also waiting for the outcome of the royal commission as well, as I understand it, because that is an issue before it.

**Dr SYKES** — Without crossing into the role of the royal commission, there is a basic principle of management and leadership by the government of the day that you operate with the best available tools you have got. I noted after 7 February, whenever the next high-concern day was — and I cannot remember the date — that there was a use of existing technology through the telephone texting system.

**Mr CAMERON** — Yes.

**Dr SYKES** — But that was after the event. So my question is: are you committing to using current technology and supporting the use of current technology, as the government and as the people that set the direction, pending the development and implementation of best technology and best application of best technology?

**Mr CAMERON** — That is an operational decision about the SEWS, and that obviously is before the royal commission. We will go back to the text message, for example, that occurred in early March. Remember the bureau warned of potential strong winds and a storm arising through the night and the fear of a fire, including the existing fire, spreading substantially. The decision was made to warn people of that by way of pager, because that would be a very unusual thing for that to occur during the night. That was done on a statewide basis. Obviously, the concern of fire in the night and people being totally unaware of the potential of a storm is different to a situation where it is already very hot in the morning and it is very windy. If you get home after work — I think it was on a Monday night — and it seems just a little bit windy, you would be totally unaware of what might occur during the night.

That was trying to use technology to try to alert people to that issue that might occur during the period of time that they were asleep. Obviously being able to use different mediums is important, but what we do hope is that the national community information warning system, which Victoria pushed for and got on the COAG agenda, is implemented. We have now seen the federal legislation passed to enable access to the phone numbers to be implemented. If that is implemented, the warning will be able to be given in a closer geographic area, but it would still have to be worked out operationally what the particular messages would be.

A community information warning system works particularly well for things like a tsunami, because you can isolate all the people who live along the beach or within a mile inland and warn them that a tsunami is coming in 4 hours. Or in a flood, like in Wangaratta — no, not in Wangaratta.

**Dr SYKES** — Benalla got flooded.

**Mr CAMERON** — In Benalla, for example. You could send a message to everyone in Benalla, ‘You’re going to have a flood at 5 o’clock this afternoon, give or take’, because they know roughly how long the water is going to take to get there. In relation to fire, obviously with a rapidly moving fire the message would have to be far more broad. Maybe it will be ‘You should listen to ABC radio’ or something, but that has to be worked through. What we do hope is to have that national information warning system operating before the next fire season.

**Dr SYKES** — Sticking with the budget, what I am interested in is optimising the use of currently available technology pending the implementation of the best that is on offer, because we know that there can be a long gap between a decision taken in principle and the on-ground implementation.

**Mr CAMERON** — I accept that.

**Dr SYKES** — Is there a commitment by the government to ensure that we make the best use of what we have got now? For example, when I was at a community meeting in Eildon that town was under some form of threat — a threat which was unclear, I should say, because of poor passage of information from the combat

authorities to the community — one of the very simple questions that was asked was, ‘Why don’t you ring the fire bell’? There might be an operational decision as to why you do not ring the fire bell, but surely there should be leadership guidance coming from government saying, ‘Use the current technology until we get something better in place’, and if they need funding to get their fire bell greased or oiled, then that should be available.

**Mr CAMERON** — They are operational decisions, and they will be made by the appropriate operational unit.

**Dr SYKES** — But is there a commitment by the government to ensure that the operational arms of the CFA, the police and the SES use existing technology to the full extent, pending the development of improved technology?

**Mr WELLS** — The answer is no.

**Mr CAMERON** — Our commitment is to assist them where we have to. For example, with the paging system, we fully supported that.

**Dr SYKES** — Then there is a funding issue.

**Mr CAMERON** — It is a little bit like the issues around warnings — the Monday night: the fear of the fire, the fire in the night. Funding had to be provided so there could be extensive radio advertising so we could alert people to ring the bushfire information line, which we called at the time the bushfire and wind information line, and those funds were made available.

**Dr SYKES** — So you are saying there is a commitment?

**Mr CAMERON** — Yes, but we are not going to dictate how they may choose to do it, because operationally they will make their own decisions around those things, as you would expect.

**The CHAIR** — Minister, can I refer you to page 33 of budget paper 3, which details initiatives in regard to road safety, and also to page 333, which provides the actual figures for road safety initiatives in the next financial year and the following three out-years. I am just wondering what this is going to cover, particularly in regard to roadside drug testing, in which this committee has had an interest in the past.

**Mr CAMERON** — Obviously road safety and reducing the road toll are something that we all have an interest in.

**The CHAIR** — We need to go to the next level.

**Mr CAMERON** — Trying to push that further is something that has to occur. You raised the issue of drugs. Drugs are involved in quite a proportion of collisions; maybe around 20 per cent, maybe more. Alcohol, of course, is the biggest issue on the drug front. Speed is obviously the biggest issue when it comes to what kills people on the roads, but drugs are a significant proportion. In the past the ability to be detected has been very limited because of the lack of technology around this area. This is a space where we have been a leader. Victoria over the years with successive governments has been a leader in different safety measures, and one of the things Victorians are proud of is that we have successively gone down that path.

In relation to drugs, random drug testing started in late 2004. That was the first of its type in the world, and it put drug drivers on notice that this behaviour is not going to be tolerated. In this budget we have funded an expansion of the drug-driving program from the current 22 000 tests a year to 42 000 tests a year. We have allocated \$10 million to fund this expansion. The drug tests are not cheap. They are not like the .05 tests; there is more of an expense. Ten million dollars might seem a lot, but that is the reason why.

From the start of this program until the end of 2008 Victoria Police had tested 72 000 drivers, and they caught 1257 drug drivers. Police are also — and I might get the chief commissioner to talk about this — targeting areas and learning to target areas better. The reason they want to do that is that people need to recognise that if you want to go out to areas where there may be drugs, the prospects of being caught are all the higher. Chief Commissioner, I might get you to expand on the reasons why you do that and how you determine them.



**The CHAIR** — That would be useful, particularly in respect of some of these party drugs like ecstasy and those sorts of things.

**Chief Comm. OVERLAND** — Thank you very much, Chair, and just to make it clear, driving while impaired by drugs is a factor in around 30 per cent of road deaths in Victoria, so it is significant. The drugs that we test for are cannabis, methamphetamine — commonly known as speed — and ecstasy, and of course there is no legal use for those drugs in Victoria. The minister is right: we have used intelligence to target the drug testing more. With alcohol testing it is much more random, but with the drug testing, I guess really because of the cost of the test and the significance of the problem, we have been more intelligence-driven. We use intelligence to help us to determine where it is best to place the tests.

Interestingly, in the first full year of the program, in 2005, 1 in 44 drivers tested positive to drugs, which is much, much higher than the ratios we see when testing for alcohol. That is reflective of the targeted nature of the activity we are undertaking. The average rate of drivers testing positive over the entire program is 1 in 57, but statistics from January to October 2008 indicate that 1 in 88 is now testing positive. We actually think that is a good thing, because we think the message is starting to get through that if you drive while drug impaired there is a risk that you will be caught.

We are continuing to use targeting. You often hear suggestions that it is mainly in the transport industry. We have targeted the transport industry and we do detect some level of drug driving, but I have to say that we see it across the general population; it is not just the truckies, it is actually people driving cars. Recently I had a personal experience of it when coming home late one night through the Burnley Tunnel and seeing a car literally bounce off the wall — not just changing lanes but actually bouncing off the wall.

**Mr WELLS** — Did you book him?

**Chief Comm. OVERLAND** — Yes.

**Mr WELLS** — Good.

**Chief Comm. OVERLAND** — We pulled him over. I then had to get a TMU unit down there because they actually knew what they were doing with traffic matters. That fellow is now charged and before the court. Again, I expected him to be drunk. He was clearly not alcohol-affected but under the effect of some sort of substance, and he is now charged and before the court.

It is a very significant issue for us. We are very pleased to get the additional money to increase the number of tests that we can conduct. We are very serious about further reductions in the road toll. We have a commitment to reducing deaths on the road to 237. We had a record low last year of 303, and that is cause, I think, for some pleasure on our part but no sense of complacency. It is really important that we continue to focus on this issue; it is really important that we continue to receive support, as we have through things like the drug-testing program, to enable us to keep Victoria's roads as safe as we can.

**Mr RICH-PHILLIPS** — What is the significance of the 237?

**Chief Comm. OVERLAND** — That is the target that has actually been set in the next Arrive Alive 10-year strategy around road toll.

**Mr RICH-PHILLIPS** — Based on?

**Chief Comm. OVERLAND** — We have just found it really, really important to set hard targets that we aim for.

**Mr RICH-PHILLIPS** — I am just wondering where the number comes from, though. Why not 238 or 235? Do you know what the basis of it is?

**Chief Comm. OVERLAND** — Look, it could be any number, but the point is that there is a number that we are now aiming at, and it is a significant reduction from where we are. We had 303 deaths on Victorian roads last year, which is a record low. We are very pleased on that.

**Mr CAMERON** — It was basically seen as a reduction over a period of time. Like the first time it was 20 per cent.

**Chief Comm. OVERLAND** — We know it is really important to have hard targets for us to aim for. It is a way of focusing the organisation, it is a way of focusing our partners, and we have been able to make, I think, really significant gains in this area. But we need to continue to try to drive road toll and road trauma down. We know it is still the most significant risk to our community — it is when you get behind the wheel of your car and go for a drive. That is the most risky thing that you can actually do.

**Mr CAMERON** — That was a 30 per cent reduction over 10 years. You will remember in the first Arrive Alive it was 20 per cent over 5 years; that was exceeded. But then the next one was 30 per cent over the 10 years. Having a target helps drive whoever the people are out there. And that is not only the police, it is the police and the TAC and VicRoads — all of the road safety agencies — and bringing the public along as well.

**Mr DALLA-RIVA** — Minister, before I start, on behalf of this side of the table I would like to congratulate Chief Commissioner Overland on his promotion, and indeed on his first PAEC presentation.

**Chief Comm. OVERLAND** — Thank you.

**Mr DALLA-RIVA** — One of the things that I am always aware of when I am in Parliament is that when we ask questions about police matters we are ruled out of order if the question relates to operational matters, because we are told: ‘That is an operational matter’. I am one of four upper house members in the hearing today, and I am curious because currently the Police Regulation Amendment Bill is before the chamber, and I have carriage of the bill in that house. I have noted some of the comments made by senior police — the commissioner, an assistant commissioner and a former commissioner — and I understand there has been a suggestion in one of the papers that you are about to undertake a campaign to get this bill put through. Given we are not allowed to mention operational matters in the chamber, I am curious about how you can comment on bills that are before the Parliament for discussion by members who are elected by the people of Victoria. The minister may wish to comment on that, given — —

**Mr CAMERON** — I do not want to go into the rules of your house, but if the Chief Commissioner — —

**The CHAIR** — I am not sure that is — —

**Mr DALLA-RIVA** — Just to clarify, it relates to page 145 of budget paper 3 dealing with corruption prevention initiatives. I wonder about the initiative in relation to making comments on legislation in the upper house?

**Ms MUNT** — It is a very long bow to draw.

**The CHAIR** — Just because we can pick a number out of the air. The minister can comment on it, but I really think this is not a matter for this particular forum.

**Mr CAMERON** — Just a quick comment, police often make comments on things. Indeed, Mr Dalla-Riva, the rules in your house — that is the business of your house as far as I am concerned. But in relation to police, they make comments, and you will remember not three-quarters of an hour ago Mr Wells asked the chief commissioner, and the chief commissioner answered, about whether there was a need for a particular type of legislation and what was his particular view about it.

**Mr DALLA-RIVA** — That is in his house. We have legislation before us. I don’t know the rules in your house!

**Mr CAMERON** — Then we’re square!

**Ms MUNT** — I would like to continue the discussion on road safety. I have a personal interest in road safety, having been seriously injured by a drunk driver on my way home from Parliament. In budget paper 3, page 33, under the Arrive Alive 2 strategy, it says:

The 2009–10 budget provides additional funding of \$127 million over four years and \$28 million TEI to support the fight against the road toll through a range of road safety initiatives.

Could you detail for me that range of road safety initiatives, particularly in regard to the prevention of deaths and serious injuries on our roads?

**Mr CAMERON** — Thank you, Ms Munt. I will not refer to the drug arrangements because we have already canvassed that bit, but I will just go to the issue more broadly. As part of the Arrive Alive 2008–17 — that is 30 per cent one that we discussed previously, Mr Rich-Phillips, with the 30 per cent target — there are a range of initiatives that are designed to assist in this area. I will just start where we were. In fact I have a slide. I will show you the road toll over time, if you do not mind.

**Overhead shown.**

**Mr CAMERON** — If you go back to the early 1970s, see the early 1970s, in 1970 there, 1061 deaths on the road. You see that successive governments have pushed the issue of the road toll. We see compulsory seatbelts being introduced; that was an issue with a lot of deaths back then. We see a reduction. Alcohol breath testing; we see the reduction there. The introduction of speed cameras; we have seen a halving of the road toll since then. And then increased camera hours, and we have seen since 2004 the drug initiatives. Obviously the further down you go, the harder it gets. The low-hanging fruit is successively taken away.

I might also show a country-city one, because I know Dr Sykes always has an interest in that. Can we just go back, Roslyn, just in relation to per head of population?

**Overhead shown.**

**Mr CAMERON** — You can see the deaths decreasing as a proportion of the population, but if we go back to the 10 000 cars, you will see a greater decrease. You have got to remember that while we have gone from 1061 in 1970 to 303 last year, there are actually a whole lot more cars on the road. Households normally had one car back then; households these days have — depending on how many kids you have and what age they are — a lot more. So really that is the challenge, and having initiatives in this area becomes extremely important.

**Dr SYKES** — Can you just go back to that country — —

**Overhead shown.**

**Mr CAMERON** — Sorry, the country. There are the country-city figures, and you can see it has jumped around a little bit. But you can see there that there has actually been an increase in the country in the last couple of years. If you go back to 2002 — 186; it has come down. It has gone up and down. I know you have an interest there. But the issue of speed in the country does not penetrate as much as in the city, because the perception of the risk of being caught is not as great in the country as in the city. You will appreciate that, just with the multiplicity of roads that are there.

**Dr SYKES** — So what are the explanations for the difference between the country and city? You are saying speed still remains a significant factor in country vehicle deaths?

**Mr CAMERON** — Speed. I will just put the risk of detection in general, because you know if someone is belting along a B road or a C road and they think the risk of being caught is not high, if they see a car stationary on the side of the road, they will slow down anyway. Whereas if you are in a more highly populated area, cars park along the side of the road.

**Dr SYKES** — That is a general sin. But in terms of the explanations, when you do the analysis of the deaths, what are the — —

**Mr CAMERON** — Because you are talking about these numbers, they will move up and down statistically. But the chief commissioner might like to make some comments about that soon, or make them now and then we will get to the initiatives.

**Chief Comm. OVERLAND** — In terms of the country road toll, it is the same issues: it is speed, it is alcohol, it is fatigue and it is failure to wear seatbelts. The same issues that were killing people 30 years ago are still killing people today, obviously at reduced levels. We see a lot of single-vehicle accidents in the country, normally off road into trees. It is why we have been working with VicRoads. You see a lot of the safety wire now along the side of country roads; it is to prevent cars running off roads into the trees. That is a big issue for us. Motorcycle deaths is another big issue for us in the country, particularly recreational riders on the weekend, normally middle-aged men in their middle-aged crises getting very big bikes, taking them for a spin at speed

and just losing it. Again, you see them off road, either into oncoming vehicles or into trees. So they are the sorts of factors that are continuing to kill people on country roads.

**Mr CAMERON** — And one of the issues that we will see in the country is more moving mobile radar this year. So you have got a police vehicle driving along and just by driving along it will be able to detect the speed of a vehicle that is coming towards it. Normally you do not know what the vehicle is coming towards you from a distance, so that will also help detect. If that makes people think, ‘Oh, my prospects of being caught are higher’, and they slow down, then that is exactly what we want to have, because — you know the Wipe Off 5 campaign — slowing down actually brings about a large reduction.

**The CHAIR** — Minister, since we have had quite a considerable discussion on road safety — you have got your slide there, \$22.4 million, but also in the output initiatives, on page 333, and the asset initiatives, on page 337, there are significantly more funds detailed there. If you could provide for us, on notice if you like, more detailed information in regard to road safety output and asset initiatives for both next financial year and going into the future, because we would like to obviously focus on that in terms of our analysis and reporting later on.

**Mr CAMERON** — Yes. So we will correspond with you about those things?

**The CHAIR** — That would be the best.

**Mr CAMERON** — That would be the best thing. Everyone is agreed? Yes.

**Mr WELLS** — I refer to your slide about police numbers and once again reiterate it is disappointing you do not have a graph showing the number of actual operational police. However, given the situation at Hastings police station today, that things are so bad down in Hastings they are actually having a public protest. The reason they are having a public protest is that they are cutting back the hours from 24 hours to 16 hours. I thought that this was about improving police services. Further, given Assistant Commissioner Paul Evans saying that this is a political beat-up, on radio this morning, is it clear that there are simply not enough police available and in particular available in Hastings, and why are all of a sudden senior Victorian police officers making excuses on behalf of the government?

**The CHAIR** — All right, Minister, so far as it relates to the estimates, please.

**Mr CAMERON** — Well, I do not think they are, quite frankly. Police make their own operational decisions — —

**Mr WELLS** — So why are they making political comment?

**The CHAIR** — The minister is answering.

**Mr CAMERON** — Police make their own decisions — —

**Mr WELLS** — Is this the new direction that Victoria Police are going to take?

**The CHAIR** — Can you not interrupt the minister. The minister to answer, please.

**Mr CAMERON** — Police make up their own mind about the allocation, and since we have been in government we have seen a decrease in crime in Hastings and we have seen an increase in police resources. But it is up to police to determine how those police resources are allocated. I understand this is an issue. The chief commissioner’s office advised me that there were some police down there who wanted to change so that there would be more active patrols — the chief commissioner will be aware of these details more than me, because this is only hearsay — and as a consequence police have made those changes. This relates to the service delivery. But I will hand over to the chief commissioner because he will have more details about Hastings.

**The CHAIR** — Chief Commissioner, relating to the estimates.

**Chief Comm. OVERLAND** — Hastings will continue to provide a 24-hour police service. The initiative that seems to have caused the concern in the community has come from the staff themselves at Hastings. They have determined that, particularly during the winter months, when it is much quieter down at Hastings, it does not make a lot of sense to them to have resources sitting in the police station essentially with nothing to do. So it

is at their suggestion that we will close the police station at night, but we will still have patrols out, so there will still be a van — —

**Mr WELLS** — So the police station will be shut?

**Ms MUNT** — But they will be on the beat.

**Chief Comm. OVERLAND** — The police station will be shut but there still will be a patrol out to respond to calls. In doing that, it will allow us to run additional patrols at other times when they say, or they believe, that the resources are more needed, so, for instance, afternoon shifts. So it is a reshaping of service delivery and it has come at the suggestion of our staff. I think it is a very good suggestion. I guess the point I make is that people are not safe because of police stations. I often get asked about this. I then ask people, 'How often have you been to a police station?'. A lot of people have never been to a police station at all in their life. If they need police services, they ring 000 and if it is an emergency, then we will provide a response. They can still make calls that will be answered more generally and, if it requires a police response, the police response will still come. So there is still a 24-hour service being provided in the area.

I think it is a very sensible initiative that has come from the staff who are working in the area, and I think that we will continue to look at how we refine the service. I think there is too much attention paid to police stations and whether a police station continues to be open or not open or the hours that it operates. The point is that we will continue to provide a 24-hour response right across the state, seven days a week, 365 days of the year. We have a real commitment to doing that.

We have put the vast majority of the additional resources that have come into the organisation into operational roles. I have a real commitment to doing everything I can to increase the number of police who are available for operational roles, but not all operational roles are in police stations. Some operational roles are in task forces that have actually lead to the very significant reductions we have seen around things like theft of motor vehicles. So it is a difficult issue for us because it is about continuing to move resources to change on shifting priorities. That is what we are seeing happening in the local area in Hastings and we will continue to do that right across the state as the issues that we deal with continue to shift.

**Mr WELLS** — So do you stand by your assistant commissioner, Paul Evans, when he says that this is a political beat-up?

**The CHAIR** — I do not think this is an issue for this particular hearing.

**Chief Comm. OVERLAND** — I have not heard those comments so I cannot answer that.

**The CHAIR** — I think it is something for outside this particular hearing.

**Mr CAMERON** — I certainly would not think he was referring to party politics — that is, not Assistant Commissioner Evans. My advice is, on the increase in police in the Mornington PSA, police service area, is that there has been a 43 per cent increase since we came to government.

**Mr WELLS** — I know, but where are they?

**Mr CAMERON** — And there has been a 20 per cent decrease in the rate of crime.

**Mr WELLS** — If you are shutting down a police station, where are they? Where are the operational police?

**Mr CAMERON** — Out on the — —

**The CHAIR** — I think we have had the answers to those questions.

**Mr WELLS** — But you promised a 24-hour police station at Hastings and it is down to 16 hours.

**Mr CAMERON** — That is the very point that the chief commissioner is trying to say. It is about police actually being out on the beat. Police make those determinations and police command has accepted the advice of some of the active police in Hastings who believe it is better to be out on the beat, where people want to see them and where they are needed.

**Mr NOONAN** — I wanted to ask about hoon driving. I will say that I have some experience in my local electorate of Williamstown with this, and, Chief Commissioner, I want to commend Inspector Mick Grainger and his team for the very pro-active and effective work they have done.

My observation with this problem in my local area is that it is a seasonal problem, hoon driving, particularly around the Williamstown beach area, seasonal in the summer. So in relation to hoon driving, I wanted to understand the government's hoon driving initiative and proposed extension announced in the budget, which is outlined on page 34 of budget paper 3, in relation to the vehicle impoundment scheme and any other initiatives in this area.

**Mr CAMERON** — Thank you very much, Mr Noonan, and thank you for your ongoing interest with hoons and the problems they cause. Obviously hoons have the ability not only to kill themselves and to kill other people, but they also cause a list of disquiet in neighbourhoods in terms of the nuisance value of them, the disruption to people's normal running of their households and the way people feel about their neighbourhood.

Up on the screen there is a just little bit of what hoon drivers are picked up for at the present time, so improper use, 41 per cent. That is doing a burn-out. They are the sort of classics. Excessive speed, and then you see the lesser things in terms of percentage, but certainly what we have flagged and what has been flagged in the budget is that we would like to expand the hoon driving scheme this financial year. We want to develop legislation during the course of the financial year, hopefully for early next year. Under those first-time offenders going more than 70 kilometres an hour, we will have the vehicle immediately impounded for three months.

The new laws will also target repeat drink, drug and unauthorised drivers and drivers who speed excessively. Repeat drivers under the influence of alcohol or drugs or who drive while disqualified will now face having their vehicle impounded more broadly under the new regime. Also those who are suspended from driving face the risk of impoundment by a court for up to three months. This legislation, as I say, is being developed. We believe the legislation has been successful. There has been very broad support for the hoon legislation, and we want to see it continue.

Can I just say that with a lot of essentially young blokes — there are a few hoonettes, but they do not come in big numbers. Essentially — —

**The CHAIR** — We call them hoonees.

**Mr CAMERON** — The fact that the vehicle is taken immediately has an enormous effect because it is a here-and-now thing; it is not something which occurs down the track. Did you want to make any comments?

**Chief Comm. OVERLAND** — Perhaps just to elaborate on those last couple of points. The data shows that 97.2 per cent of the offenders are male and 2.8 per cent are female. As of 30 April 2009, there were 7662 vehicles impounded. Of those, 7186 were first-time offenders, 413 were second-time offenders and only 63 were third-time offenders. So I think again it does make the point that this seems to drive home the message about this style of driving.

**The CHAIR** — Do they lose the car the third time?

**Chief Comm. OVERLAND** — On the third occasion they can lose the car. We can apply to the court to have the car forfeited, and we have done that on a number of occasions. I think it actually brings the accountability back where it belongs — to the driver. We know that fines and other things, demerit points, just do not seem to have the sort of impact. Even with demerit points and loss of licence, we know that people continue to drive. The unlicensed driving is a significant issue for us, but the car impoundment really does seem to drive the message home and we think it is a very good initiative.

**Mr NOONAN** — Are there statistics on probationary drivers as well, because if there are many young men, are we seeing a disproportionate number of those who are on probationary licences?

**Chief Comm. OVERLAND** — I can tell you that of the total, that was the 7662, 44.1 per cent held a full licence, 43 per cent held a probationary licence and 7.3 per cent were either unlicensed or disqualified, so that is the data that we have.

**Mr WELLS** — So it is a good policy, Chief Commissioner?

**Chief Comm. OVERLAND** — I think it is a very good policy.

**The CHAIR** — The issue of improper use, could we have a bit more definition of improper use that is 41 per cent?

**Chief Comm. OVERLAND** — Improper use really relates to driving in a way that is dangerous and likely to lead to loss of control of the vehicle, so it is classic burn-outs, so spinning the wheels.

**Mr CAMERON** — Loss of traction.

**Chief Comm. OVERLAND** — Or the other sort of — —

**Mr NOONAN** — Doughnut.

**Chief Comm. OVERLAND** — Is a doughnut, basically going round and round in circles with your tyres smoking.

**Mr NOONAN** — It is a technical term.

**The CHAIR** — You can have your conversations outside. Dr Sykes has the call.

**Dr SYKES** — With your assistance, Chair.

**The CHAIR** — I am trying to assist you as much as I can.

**Dr SYKES** — This question follows on from the discussion I had with the secretary over a cup of coffee. It relates to the issue of domestic violence and the apparent increase in the occurrence of domestic violence in rural Victoria. I say ‘apparent’ because it is anecdotal as provided to me but a lot of it is related to the drought or the 10 or 12 tough years we have been experiencing.

I have had some discussions at a local level with the police and the drought outreach workers. It seems to come down to two aspects. First of all, it is trying to prevent the situation getting to the point of domestic violence, and the second issue is the response. If we can just look at the prevention side for a moment, that is probably outside your area. But given that we do have — —

**Mr CAMERON** — The fact that you have said ‘probably’ means, I suspect, ‘definitely’ — but continue.

**Dr SYKES** — Given that we have a coordinated whole-of-government approach to issues, I would ask that you take on board that the provision of mental health services and the provision of outreach workers to connect people to appropriate services is fundamental, and the funding for that stops on 30 June.

If we go to the response, the issues that have been put to me that do relate to the budget are, first of all, the adequacy of police training to handle people who either have mental health illnesses or are under severe stress. I understand there is a differentiation there. Part of that is a police equivalent of mental health first aid. I understand that goes on, but there is a question about whether it is done often enough and well enough.

The second is the issue of professional backup for the on-the-ground police officers when a situation arises. That is about being able to call out the mental health professionals and get them there and help defuse a situation before you get to unpleasant or disastrous situations where you can have deaths. My question is: are you aware of the situation? What are you doing about it in this budget year?

**Mr CAMERON** — Essentially you raise an issue about the ability to detect issues and the training that goes with that. I might ask the chief commissioner to address those things.

**The CHAIR** — And also to manage the issue.

**Chief Comm. OVERLAND** — Thank you for your question. It is an important issue. It is one I am aware of. When I go out into the country, invariably this is an issue that is raised with me by my staff. To go to the second part of your question first, I think the issue around support services in the country is an issue. We struggle to find appropriate support services. We either refer people on or have to respond to a particular incident.

There are a variety of reasons for that. I guess it is a challenge for most rural remote communities. It is a challenge for a lot of country communities around access to those types of services. I do not think it is different from the general issue that people face.

In relation to my staff, it actually goes to a much broader issue, which is around how we appropriately train and support our staff to deal with the range of issues they face. We have developed a mental health first aid program that we do deliver. I agree with your point: we need to deliver it more broadly and we need to deliver it more regularly. It actually forms part of some broader work that I am having done around the whole issue of use of force — I guess, in a sense, operational training and tactics.

That is driven by a number of issues, both the review work that we have done around police shootings, around current debates and issues around tasers and availability of tasers. I am not satisfied with our training and support for members around that issue. There is a whole series of quite complex issues that we need to think through. There is work happening at the moment, but I envisage that as part of a program that will roll out — it is broader than just the defensive tactics; it is around the whole issue of how we police and how we engage with the community and the sorts of strategies that we use. But I see as integral to that this whole issue of mental health first aid training.

It is a very difficult area for us, though. There are clinicians who struggle to determine whether someone is mentally ill or not. For our people, it is incredibly difficult to know whether someone is just behaving badly or whether they actually have a mental illness. But it is a very significant issue for us right across the board — in the metropolitan area as much as in the country.

But in the country it is a little bit more difficult for us for a couple of reasons. Our members tend to be more isolated, so they tend to be one or two out when responding. The point that you made about the lack of service is definitely an issue for us in particularly rural and remote areas.

**The CHAIR** — Thank you for that.

**Ms HUPPERT** — Minister, I want to return to the topic of police stations. I note that on page 336 in budget paper 3 there is a discussion about the program for upgrading physical assets. I wonder if you could outline for the committee some of the work that is going to be done in this area in the forward estimates period.

**Mr CAMERON** — As you are aware, we have had a big program in relation to police stations — the biggest program in the state's history during the course of the Bracks and Brumby governments. This budget also builds on that with the rebuilding of 10 new police stations and also the work around the World Trade Centre. If I can just go back to those 10, I will give you their locations this year. They will be in Korumburra —

**The CHAIR** — Try to get onto next year as well.

**Mr CAMERON** — They are in the forward estimates period: Korumburra, Lara, Castlemaine, Mortlake, Axedale, Balmoral, Buninyong, Koo Wee Rup, Pyalong and Riddells Creek. Obviously that is important in relation to those communities, in improving those facilities. It is good for the police members. It is also good for the confidence in those areas, particularly with the present economic circumstances. Obviously there will be jobs coming out of the building program which also occurs. If we just go back, it is a very large program. If you go around the state, there are an enormous number of new police stations in every area.

**Mr WELLS** — Pity there are no police in the police stations.

**The CHAIR** — Without the commentary, thank you.

**Dr SYKES** — It reduces the maintenance cost.

**Mr WELLS** — What, not having police in them?

**Mr CAMERON** — Sometimes police are not in the station because they are actually out on the beat.

**Mr WELLS** — Because there are not enough police to go around.

**The CHAIR** — To answer the question, please.



**Mr CAMERON** — There are more front-line police than ever before. Certainly on that front, the Ombudsman had a look around this issue at the invitation of the opposition.

**Mr WELLS** — Tell us about the Ombudsman report on crime stats.

**Mr CAMERON** — What the Ombudsman had to say in relation to crime stats was that Victoria was a very low crime state — that is what the Ombudsman had to say.

**Mr WELLS** — What else did he say about the reliability of those crime stats?

**The CHAIR** — The question is about the — —

**Mr WELLS** — What else did he say about the reliability of the crime stats?

**Mr CAMERON** — You asked me what he also said. I will tell you.

**The CHAIR** — No, Minister, we are about police stations.

**Mr CAMERON** — He also said that there were 1627 extra police, and only 24 of those in support roles.

**Mr WELLS** — Yes, but what did he say about the crime stats?

**The CHAIR** (to Mr Wells) — Thank you, you are not asking the question.

**Mr WELLS** — He has referred to the Ombudsman's report. I just wondered what he said about the crime stats.

**Mr CAMERON** — You ask me when it is your turn next time.

**Mr WELLS** — That 'they could not be trusted'.

**Mr CAMERON** — That is what he had to say. So what we have got to make sure — —

**Mr WELLS** — Crime stats could not be trusted.

**The CHAIR** — Thank you. You will have your turn.

**Mr CAMERON** — What our plan has been, and this budget builds upon it, is actually making sure that there are good facilities for the record number of operational police — —

**Mr WELLS** — Where are they? They are not in Hastings, Rowville, Endeavour Hills, Bellarine and certainly not in Bairnsdale.

**Mr CAMERON** — Police that are out on the beat, like at Hastings. Certainly police do a tremendous job in this area, but I might get the chief commissioner to make some comments about it.

**The CHAIR** — About the police stations.

**Mr WELLS** — Can the chief commissioner comment about the crime stats?

**The CHAIR** — Mr Wells, could you desist from interfering. You are getting a very bad reputation for this.

**Mr WELLS** — I was just wondering if the commissioner could make a comment about it.

**Chief Comm. OVERLAND** — We welcome the money that is being spent in this area. I think it has led to very significant upgrading of our facilities. Some 160 police stations have either been constructed or refurbished over the period. It has led to better facilities for our staff, I think particularly in rural and country areas. We know how important it is for local towns to have police stations and to have pride in their police and their police stations, so it has been great that we have been able to have those facilities constructed, that they are new, they are modern, they are appropriate and they accommodate our people appropriately. As I said, I think particularly for country areas it is an important thing for a town to have a police station in it.

**The CHAIR** — That concludes the presentation on police and emergency services. I thank Chief Commissioner Overland for his attendance.

**Chief Comm. OVERLAND** — Thank you, Chair.

## 7.2 Corrections Transcript

### PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

#### Inquiry into budget estimates 2009–10

Melbourne — 14 May 2009

#### Members

Mr R. Dalla-Riva  
Ms J. Huppert  
Ms J. Munt  
Mr W. Noonan  
Ms S. Pennicuik

Mr G. Rich-Phillips  
Mr R. Scott  
Mr B. Stensholt  
Dr W. Sykes  
Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr B. Cameron, Minister for Corrections,

Ms P. Armytage, Secretary, and

Dr R. Kelleher, Executive Director, Police and Emergency Services and Corrections, Department of Justice; and

Mr R. Wise, Acting Commissioner, Corrections Victoria, Department of Justice.

**The CHAIR** — I welcome the Minister for Corrections, Ms Armytage, Dr Kelleher and Mr Rod Wise, Acting Commissioner, Corrections Victoria. I call on the Minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information relating to the Corrections portfolio, and after that Ms Pennicuk will have the call.

**Overheads shown.**

**Mr CAMERON** — We have a few slides to go over, then questions, and if there is any other information, we will follow that up later, as is the normal course. If we have a look at the corrections system, there are 4052 male and 267 female prisoners, so 4300 in the system at the present time. There are 1420 parolees. That also includes commonwealth parolees, because the commonwealth does not look after their own prisoners and parolees; they effectively contract that out to the states to do. There are also those who are community corrections offenders — over 8000.

**The CHAIR** — I assume the commonwealth pays for these?

**Mr CAMERON** — They do, yes.

**The CHAIR** — Can you include that in your report of the department?

**Mr CAMERON** — Include that, from the discussion we had at the very outset? Yes, we can put that in. When it comes to staff, you can see the numbers there are over 2500. There are 11 public prisons, 2 private prisons and 59 community corrections locations across the state and one transition centre, the Judy Lazarus centre down in West Melbourne.

Just going over things from last year, what we are building on — Better Pathways is a major initiative to address women's offending and reoffending. That includes infrastructure upgrades at the Dame Phyllis Frost Centre and the establishment of a 20-bed inpatient unit, which we call Marmak, at the Dame Phyllis Frost Centre and a range of support programs, employment, child care, housing, a transport subsidy for women on community based orders, sexual assault counselling and services to try to break what are often ongoing issues for women prisoners. If we can break those issues, we will hopefully avoid reoffending as we go forward.

We are also building confidence in corrections. What we saw was more beds in the system at Port Phillip, Dhurringile and Beechworth and also 100 flexible beds across the rest of the system, across the state. There is funding for the next year coming up for 100 flexible beds across the system, to be operational by 2012.

If we just go back to where we were, we opened Wulgunggo Ngalu down near Yarram. That is for young Aboriginal offenders on community-based orders. So they are not in custody as such, but they can opt to go and live there. It is an in-house residential program. It is seen as an important program, but time will tell. The feedback to date has been positive.

Transitional housing is a partnership with the director of housing and the regional housing agencies to access affordable housing across Victoria for exiting prisoners identified as being at high risk of homelessness. With people coming out of prison, one of the key risks for them reoffending comes to the issue of housing.

That is why we see that work occurring. We have seen the first full year of operation of Melaleuca, essentially the prison within a prison at Barwon — a high-security state-of-the-art security facility. We have seen that first full year of operations completed during the current financial year, back in September. Some of the people in there are gangland figures, who you have probably read about in the newspapers during the year.

I turn to some of the work that is done by prisoners, particularly in the low-security prisons but also sometimes from medium security. Obviously it is only related to certain types of prisoners but they have done work helping with the clean up with bushfires or fencing. Dr Sykes is probably aware of some of that up and around his area.

**Dr SYKES** — The community is very grateful for what the fellows from Beechworth have done.

**Mr CAMERON** — That is building on after what occurred after 2006–07, also assistance given after the floods and also in relation to the Landcare work more generally.

The graffiti removal program with Community Corrections — —

---

**The CHAIR** — It has been removed [from the slide]!

**Mr CAMERON** — Community Corrections has been on this slide! It has been removed for some reason. That is really just a program of trying to use community offenders to bring about a public good, particularly working with the likes of councils, and there is a program around that.

There is also work happening around animal care and fostering. That has been expanded a little bit this year; we have a greyhound adoption program. There are other things, like at Beechworth they are looking after eagles, and there have been other initiatives. If prisoners look after animals and pets, for some people it actually has quite a therapeutic thing about the need to look after others. On the face of it you say, 'Why would you do that?', but there is actually a logic to it which is the evidence base.

**The CHAIR** — I think a former member of Parliament, Jan Wilson, is very strongly involved in this program.

**Mr CAMERON** — She is, because she is the chair of the greyhound racing board.

**Dr SYKES** — As an ex-prisoner?

**The CHAIR** — No, the greyhound adoption program. She is great to be one saying how very successful it was.

**Mr CAMERON** — She has been very persistent about that over time with Corrections Victoria. There is the new Ararat prison, as you know, which is being planned for. Expressions of interest closed in early April they are being evaluated and that project is due for completion in 2012. That is the prison next to the prison at Ararat.

If we go to the next slide, with this initiative around demand management, with the detention in home expansion, that is subject to legislative change, but at the moment that is not a statewide program. The objective is to try and make that broader rather than be just the metropolitan unit.

With new accommodation units, I mentioned earlier 100 beds across the system to be operational by 2011, and also some work in relation to infrastructure about flexible accommodation.

If we just have a look at this overhead, they are the prison numbers and the growth there — what was predicted and actual, which is a fraction under the actual.

**Mr RICH-PHILLIPS** — It does not really fit in with the decline in crime, does it?

**The CHAIR** — Seasonal variations.

**Mr CAMERON** — We are tough on crime and this is the graph that shows it. In each of the years you can see in January there is a dip down and then it grows. That is a seasonal thing. It is to do with the courts and when the courts operate, so that is why that occurs. It goes up and down.

You will be aware of measures that have been done around sentencing and the different approaches that are particularly taken in relation to sex offences.

We can have a look at imprisonment rates around Australia; however, Victoria does have a relatively low imprisonment rate around the rest of Australia.

**Mr WELLS** — Yes. Tougher sentencing.

**Dr SYKES** — Soft on crime.

**Mr CAMERON** — That has increased a bit. But as the Liberal Party knows, because they have invited the Ombudsman to report on the Ombudsman's report of that, that Victoria is the low-crime state.

The last graph is the recidivism rates for people who go into prison and reoffend within a couple of years. We have seen that consistently decline. We are the only state to have that decline for a period of six years in a row.

**The CHAIR** — Minister, thank you very much for that, although I do not think we needed the last page.

**Mr CAMERON** — Was there one more?

**Ms MUNT** — Yes; some diary entry on the last page.

**The CHAIR** — We are happy to give that back to you.

**Ms PENNICUIK** — I am interested in the slides showing the increase in prison numbers. Certainly the Minister would be aware that we have raised concerns about that in terms of dealing with offenders and the policy of incarceration as a last resort, particularly young offenders. On your third slide you mentioned transitional housing and you made a few remarks about that. Minister, you would be aware that the Australian Institute of Criminology, in its ex-prisoners housing and homeless paper, described:

... a picture is merging of ex-prisoners in Australia facing significant barriers in attempting to secure accommodation on release from prison.

That report also concluded:

... that imprisonment, even for a short period, is associated with increased homelessness ...

and homelessness in turn is associated with re-incarceration. This report and many others found that accommodation is a major factor in preventing return to prison. I say this, too, in context of we know there is a housing shortage and there is an increasing level of homelessness in the general community. On page 38 of budget paper 3 under 'Reducing homelessness' it says:

Additional assistance will ... be provided for clients in the mental health and justice systems who are homeless or at risk of homelessness.

I presume these are the small programs that are already in existence that do not service all prisoners and are currently underfunded in any case. So my question is: in this budget and going forward, how much money will be provided specifically for accommodation programs for ex-prisoners, both male and female, post-release?

**Mr CAMERON** — You probably overheard the conversation I just had with the secretary.

**Ms PENNICUIK** — No, I didn't, because there is another one going on over here !

**Mr CAMERON** — It is about trying to get a break-up of figures from housing. We will get that information so that we can provide it to the committee. But what you say is right, and as I outlined in the slides, homelessness is a key issue, particularly around reoffending; and transitional housing is important.

That is not to say these things are easy because it is difficult to provide providers and to find accommodation, but it is important and it is one of the key reasons why we see recidivism rates continue to come down; but it is a challenge and I will get the acting commissioner to talk about some of the initiatives at the present time.

**Mr WISE** — This has been a big focus of corrections over a number of years. Indeed, we have had funding over the last few years to increase our stock of transitional housing. The link between homelessness and recidivism is very well-known, so we have invested significantly in it.

We are looking at 78 new housing options over the next three years, to bring them online. We have entered into partnerships with the Office of Housing and a number of housing providers in order to do that, and over the last few years we have also invested heavily in a number of our transitional programs — the Link Out program for men, which provides up to 500 places for men exiting prison; WISP for women exiting prison, and that is another 90 places for women exiting the system and going out into the community; and we just recently introduced the Konnect program for Aboriginal offenders, both male and female.

A huge focus of each of those integrated programs is on finding appropriate housing for people exiting prison. The workers on each of those programs have the opportunity to catch up with the prisoners while they are still in prison, to understand what their needs are and to make arrangements prior to the prisoners' release, and then ensure that appropriate accommodation is provided once the prisoner is released.

So we will continue on with those transitional programs quite clearly, but we will also be able to draw upon a much greater stock of appropriate housing in the community over the next three years.

**Ms PENNICUIK** — To follow up, Chair, the Federal Government has a white paper on homelessness which establishes the policy of no exits into homelessness from custodial settings. Are there any performance indicators being developed to ensure compliance with Victoria's obligations under that partnership?

**Ms ARMYTAGE** — Just in terms of the agreements that there have been historically, in terms of access to housing for exiting prisoners, that is why they have not been the priority target group until now, and that is why we have developed these transition housing options. They are eligible, when they are back in the community, as everybody is to public housing; but in terms of that transition, that first step from exiting prison back into the community is the responsibility of corrections, and that is why our budget increase has been done — to accommodate that fact.

**Ms PENNICUIK** — But I am interested in the performance measures — getting to that agreement of 100 per cent.

**Ms ARMYTAGE** — That is beyond our brief, though.

**Ms PENNICUIK** — But that could be in the budget as an output measure, right?

**Ms ARMYTAGE** — No, it would not be in the state budget in terms of our agreement around the corrections budget; that would be in the accounting budget.

**The CHAIR** — It comes back to the original question I asked in terms of accountability mechanisms.

**Mr SCOTT** — Minister, I would like to draw attention to your presentation where you made reference to the number of female prisoners in the corrections system, and also the Better Pathways program, and I ask: can you advise what is being done to address the specific needs of women offenders through the Better Pathways strategy?

**Mr CAMERON** — Thank you, Mr Scott. This was an initiative of the government. Additional funding now in this budget will take the strategy forward this financial year.

The strategy has been around infrastructure upgrades at the Dame Phyllis Frost Centre, which is the women's prison in Victoria. We have only two women's prisons because of the relatively low number of women prisoners; there is also one in the country at Tarrengower for the lower-risk females, but in terms of the one high and medium-security prison, the establishment there of Marmak — the integrated mental health unit— has been important.

The needs of women around mental health are very significant. They are often people who have been abused; they are vulnerable people, and therefore this has been very important because it can provide 24-hour care.

There has been the Women's Integrated Support Program, which is pre and post transition support for women exiting the prison, and to date 366 women have been through that program. And there have been 10 supported transitional properties for women through the Court Referral and Evaluation for Drug Intervention and Treatment program — the CREDIT program — which is now combined with the bail program, to improve the chances of women being granted bail and successfully completing the CREDIT program during the bail period. In addition there are two transitional properties for indigenous women who are released on bail, who exit prison on parole.

In terms of child-care and transport subsidies, 4500 subsidies approximately have been issued to date. There is also a multicultural liaison officer in the women's prisons, and sexual assault counselling services for women prisoners, and to date more than 116 women prisoners have accessed that; and an independent evaluation of the strategy is under way and will no doubt inform planning for the development of future initiatives to address women's' offending and reoffending. Is there anything you would like to add to that, Mr Wise?

**Mr WISE** — Just to pick up on that last point, although we still have not received the evaluation report, there are certainly some indications that the Better Pathways strategy has already been successful, although in terms of recidivism data it is still too early to assess.

But in terms of the manageability of the prison system, the Better Pathways initiatives have made an enormous impact. Marrmak has taken some of the most problematic women and provided them with the appropriate treatment they require.

I am happy to say that, whereas we had Marrmak full of women at one point, it now has some capacity. We are hoping that the ongoing influence of Marrmak will be that we can return these women with very complex issues back out into the community in a much fitter state so that they do not keep coming back to jail and recycle at a rapid rate. The early indications are very positive, and we will know more shortly.

**Mr RICH-PHILLIPS** — Minister, I would like to ask about the 100 flexible beds, but before I do that, can you clarify — on the slide you said Ararat prison would be finished in 2012?

**Mr CAMERON** — Yes.

**Mr RICH-PHILLIPS** — When will it open to receive prisoners? Will it be 2012?

**Mr CAMERON** — Commissioned in 2012. There is already a prison at Ararat; it is just a prison next to it.

**Mr RICH-PHILLIPS** — The 100 flexible beds, or temporary beds as the budget paper refers to them — you said they will be all available by 2011. Can you tell the committee what the rollout of those 100 beds will be over the forward estimates period, to 2011? Where do you plan to locate them initially; where will they be spread? And what category do they fall into in terms of security? What type of facilities are they — single bed, single units or double units?

**Mr WISE** — The 100 beds that will be rolled out by 2011 will be a unit or units that will be developed. We are looking at a number of options to place them, and we will determine where we can get the best value for our money. One of the options is to place them at Marnongeeet, where there is space inside the walls. There are some opportunities for us to run some critical programs that are important to corrections, around things such as literacy and parenting. That is some early scoping work that we have done. Alternatively we might place them at somewhere like Port Phillip Prison.

**Mr RICH-PHILLIPS** — The expectation is they will be placed together?

**Mr WISE** — They will be placed together — the 100 beds, yes. Most of those beds will be single-cell accommodation. There may be some double bunks to increase the efficiency of those operations.

**Mr RICH-PHILLIPS** — As to the security level?

**Mr WISE** — It would depend on where they are placed, but they will be secure rather than insecure, so they will be behind a wall.

**Mr RICH-PHILLIPS** — That's encouraging!

**Mr CAMERON** — It depends on the nature: if it is low security, it will not be a wall, it will be a fence; if it is medium or high security, it will be thick. There are different categories.

**The CHAIR** — We understand that.

**Mr WISE** — We already have clearly an extensive building program both at Dhurringile and Beechworth prisons, which will introduce significant numbers of minimum-security beds into the system over the next 12 months.

**Mr RICH-PHILLIPS** — The new 100 — will they all be rolled out in 2011 or will they roll out before then?

**Mr WISE** — 2011, all at the one time.



**Ms MUNT** — I note in your presentation the photo of the men at work on a community work site in Moorabbin cleaning graffiti and also that budget paper 3, page 334 details the graffiti prevention and removal strategy. I was wondering if you could detail for us what is actually involved in that program.

Can I also take this opportunity to congratulate the graffiti task force that has been placed at the Moorabbin police station, which is doing wonderful work in actually apprehending graffiti offenders in our local areas.

**Mr CAMERON** — Community Correctional Services (CCS) wants to try and engage people who are involved in community work in meaningful and good work. They do that using a range of organisations. The graffiti program is a key part of that, particularly in trying to engage with organisations like councils in the work they do around graffiti, with, for example, a community-based order where there is work attached. Once offenders have been screened, they are suitable for unpaid community work, and they are selected to do graffiti, then what occurs is that those linkages are made, and often it is an ongoing program.

In this budget, the budget the Treasurer delivered a couple of weeks ago, we have allocated a further \$4.5 million over two years to build on and continue the graffiti clean-up program, of which \$2.6 million has been allocated to corrections to actively engage offenders in the removal of graffiti. The rest of the program relates to groups and organisations applying for a particular grant. What we hope is that we can marry these things up.

Since it began in 2005 the program has involved 10 000 offenders who have completed over 158 000 hours of unpaid community work. They have removed graffiti off 439 000 square metres — that is like 22 Melbourne Cricket Grounds.

**Ms MUNT** — Does that include graffiti offenders themselves being asked to clean off graffiti?

**Mr CAMERON** — Yes, that is right — graffiti offenders themselves but also other offenders.

**Ms MUNT** — Offenders on community work-based orders?

**Mr CAMERON** — Community work or for whatever particular reason. They have removed over 13 000 kilograms of rubbish to make sure the vandalised areas are completely clean and ready for the community. That happens through community work coordinators within Corrections Victoria — that is at 14 CCS locations. And there is a partnership between 28 local government and community partners.

Effectively that is around 30 operational days of graffiti clean-up each week. In addition there are 14 graffiti removal trailers that have got their equipment so that when they go out, they are able to do the work. I think, Rod, that probably covers it.

**Mr WISE** — That probably covers it, yes.

**Ms PENNICUIK** — It is interesting that on page 10 of the budget paper there is a picture of one of Melbourne's laneways featuring some graffiti.

**Mr CAMERON** — We will have a disagreement on this.

**The CHAIR** — There is some work in my area that they can come along and clean up too, Minister, as well.

**Mr WELLS** — Could you bring up the home detention slide, please? While that is happening: one of these graphs is obviously incorrect — crime decreasing, prisoner rates increasing — fascinating.

**Mr CAMERON** — Increased sentence length; you have to factor that in.

**Mr WELLS** — You are not serious!

**The CHAIR** — Your question, please, Mr Wells.

**Mr CAMERON** — Particularly around sex offenders.

**Mr WELLS** — Just on that, are you happy to provide information about increased sentencing?

**Ms ARMYTAGE** — Sentence length?

**Mr CAMERON** — Yes, sentence length.

**Ms ARMYTAGE** — For serious offenders — yes.

**Mr CAMERON** — For serious offenders.

**Mr WELLS** — In comparison to people who have been given a suspended sentence and the like.

In regard to home detention, I am just wondering, over the forward estimates, how many convicted criminals who should have been sent to jail you are expecting to go into the home detention program or this soft option, and how many of these criminals who should have been in jail are you anticipating will break the conditions of home detention, based on past experience?

**The CHAIR** — I think the question probably should be properly rephrased. I am sure you will do that in your mind, Minister. The use of imputation against our court system is something which I certainly do not support as the Chair of this committee.

Overhead shown.

**Mr WELLS** — Hang on, this is the front end — that is a fact. The people who are on home detention are the front end of those who have been convicted and should have a custodial sentence; they have been given the option of home detention. That is a fact.

**The CHAIR** — The minister to answer. It may well be something for the Attorney-General rather than you.

**Mr CAMERON** — That is not quite right, because the courts at the front end have an option either not to impose a custodial sentence or impose a custodial sentence but not necessarily in custody.

**Mr WELLS** — Yes, but that is what the legislation intends — —

**Mr CAMERON** — But that could also occur by way of intensive correction orders. I think you have to put yourself in the mind of the sentencer and what they ultimately have in mind as to what the punishment is going to be — whether it is ultimately in custody or not in custody. I do not think you can undermine the role of the sentencer in the way that that works.

In relation to home detention, we see how that works because it is available in the city, but it is not available in the country. There is a limit to it in the city of — —

**Mr WISE** — Forty.

**Mr CAMERON** — Within 40 kilometres of the CBD. I suppose essentially there is an issue as to why it is available in one part of the state and not available in another part of this state. Technology was the reason, but in reality, ultimately in terms of equity with country people and city people, it is beneficial to do it across the board.

As at 11 May there were 35 current home detention orders in place, with just three from the front end. The rest of them came from the back end — that is, from the parole board. Quite frankly, the parole board will make its own assessment as to who should be on home detention and who should not be on home detention. I have faith in the courts in terms of looking at all of the options available and magistrates and judges deciding who should or should not get home detention.

In terms of breaches, where there is a breach, application can be made for revocation.

**Mr WELLS** — Application can be made, or should be made?

**Mr CAMERON** — Is made.

**Mr WELLS** — Is made?

**Mr WISE** — Is made — breaches, yes.

**Mr CAMERON** — I will just try and find the number of incidents. I understand there have been 21 revocations due to breaches, and the principal reason for those has related to a positive drug test — where they have had to provide a drug sample and they have failed the sample and the parole board as a consequence has said, ‘You had your option, and it is being revoked’.

**Mr WELLS** — And the change?

**Mr CAMERON** — What the change might be in relation to the country — I will have to get you some other material.

**Mr WELLS** — No, ‘subject to legislative changes’.

**Mr CAMERON** — Yes.

**Mr WELLS** — What is that legislative change?

**Mr CAMERON** — One of them will be to address the issue that you mention in relation to the fact that they have to be sentenced to imprisonment before being eligible for home detention. It will be around an option of this should be a stand-alone order — so sentence someone to jail if you are going to send them to jail; give them home detention if you are going to give them home detention; or do whatever else. The other thing will be around the city-country issue. That will address your issue about whether they should have been in prison or not. It will give greater transparency.

**Mr WELLS** — They should have been in prison.

**Ms PENNICUIK** — Could I just ask the minister to repeat the figure.

**The CHAIR** — Which figure were you looking for, Ms Pennicuik?

**Ms PENNICUIK** — The figure on how many home detention orders were revoked due to positive drug tests. You said a figure.

**Mr WELLS** — Twenty-one.

**Mr CAMERON** — There were 21 revocations due to breach, and there were 14 on that.

**Mr NOONAN** — Minister, I wanted to ask you about drugs in prisons, which has not been covered in your presentation. In budget paper 3, page 157, there are output measures in relation to prisoner supervision and support. My question is in regard to prisoner supervision and whether the minister can outline what the government is doing about containing drug use in Victoria’s prisons.

**Mr CAMERON** — Corrections Victoria has this ongoing battle, as you are well aware — and the prisons are continuing to win the battle — against drugs and other contraband. We will get to corrections soon, and Mr Wise will talk about some of the measures, such as what happens when you walk into some prisons and the arrangements that are made there — and that is by use of barrier controls.

The Commissioner will be able to expand on how that works; it is clearly quite technical. The 2007–08 data shows an increased amount of drug seizures from visitors — in other words, they have been detected in advance — and there has been an increase in targeted positive drug test results for prisoners. That is indicative of the improved success of intelligence in identifying drug users within the system. Also there has been a decrease in the number of random positive drug tests from prisoners, which is indicative of a decrease in contraband entering prisons in the first place.

In terms of detection, those ion scanners that I mentioned operate at Barwon Prison and the Melbourne Assessment Prison and the Melbourne Remand Centre, and the Commissioner will outline how that works. MRC — Metropolitan Remand Centre — also uses walk-in security booths and hand-held scanners to detect metal items, narcotic substances and explosives. The Security and Emergency Services Group, intelligence section, works collaboratively with prison management and external agencies such as Victoria Police and they gather intelligence in an effort to intercept contraband and prevent incidents that may threaten the good order and security of prisons. They also use passive alert dogs; they have built them up over the years. They have quite a few now.

At the Dame Phyllis Frost Centre, the Ombudsman's report into contraband entering the Dame Phyllis Frost Centre was tabled in Parliament in June last year. There were 14 recommendations highlighting the need to tighten administrative procedures around seizures and the recording and control of contraband in prisons.

Corrections Victoria accepted those recommendations. The actions undertaken so far have included: enhanced security training for staff, improved monitoring of procedural compliance, and steps to upgrade the security management system in the prison gatehouse to improve visitor surveillance. I might now hand over to the Commissioner for anything else that he would like to add. He could also explain how the ion scanner works — the puffing of the wind.

**Mr WISE** — Certainly, Minister. I think the Minister introduced it by saying it is an ongoing battle against drugs in the prison system. That is true. It is probably unsurprising, given that around about 70 per cent of our prisoners who come into the system are drug users on the outside, and the figure is probably higher for female prisoners. I guess it is not surprising that when they do come in and there is a big community of drug users, that they continue to try to acquire and use drugs.

Our battle is to stop them from getting in and, when they do get in, to detect them and to deter people from using drugs, and then if they are habitual drug users, to treat them so that they have less chance of returning to prison on drug-related offences.

A number of the things that we do are around the front of the prisons, the barrier controls. As the Minister indicated, we have ion scanners at a number of our jails — at Barwon, MAP and the Metropolitan Remand Centre. They do puff compressed air over people entering the prison. That dislodges narcotic particles into the air, which are then sampled by the machine, and the machine will then indicate whether that person has been in recent contact with narcotic substances.

It has proved a very effective way of determining whether someone is likely to be introducing contraband into the prison. If someone registers positive during that process, then we will not permit them a contact visit with the person whom they wish to visit, or alternatively, we ask them to submit to a more stringent search to detect whatever items they might have on their person.

There are other technological things that we do at the front including, at a number of our jails, requiring visitors to undergo an iris scan. We have had incidents in the past of visitors being detected bringing drugs in and then trying to re-enter another prison, perhaps under an assumed name or a different name; the iris scanning process allows us to determine that someone who has been banned from visiting is trying to get in. That has been another very significant weapon to stop drugs coming in.

The Minister outlined a number of those other measures that we have in place, and they are all working well. Indeed the results, I think, are fairly impressive. We do a test ourselves on the percentage of prisoners who test positive to random samples. Only 1.28 per cent at the moment of prisoners across the system have tested positive through that random sampling process, which is an extraordinary effort. There is only one prison that is exceeding its benchmark, and that is by 0.08 per cent, I think, of its target. It should also achieve its target by the end of the year.

**Dr SYKES** — What is your level of confidence in that result? It does seem amazing, based on the drug use coming into the prison and anecdotal claims about the drug use that continues in the prison — do you have a high level of confidence in that result?

**Mr WISE** — I do. The random sampling is truly random and the testing is very rigorous. What we also do in addition to the random sampling, though, is target individuals whom we suspect to be under the influence of drugs or who we might have received intelligence about, who we think are likely to be using drugs at any particular point.

The targeted sampling of those offenders produces a higher rate than the 1.28 per cent. It is closer to 5 or 6 per cent. So there is drug use in our prisons; it would be silly to suggest otherwise. Our intelligence is getting much better at identifying those people who are using. We are constantly trying to establish ways to beat the masking of drug use. But we are very confident that there is a low level of drug use, particularly compared to other jurisdictions nationally and internationally.

**The CHAIR** — Thank you. Mr Dalla-Riva, a final question?

---

**Mr DALLA-RIVA** — Minister, following up from Mr Rich-Phillips's earlier comment about the Ararat prison, I note a reference on page 34 of budget paper 3. I notice it says that the 2009–10 budget allocates \$61 million for the opening of the 350-bed prison in Ararat. Has that prison been built as a part of a PPP?

**Mr WISE** — It is.

**Mr DALLA-RIVA** — You opposed those.

**The CHAIR** — Without the commentary.

**Ms ARMYTAGE** — The capital builds in — —

**Mr CAMERON** — The Government — —

**Mr DALLA-RIVA** — No, I am just curious. Your policy position changes, but anyway — —

**Mr CAMERON** — No, we are talking about a capital build. We have never opposed PPPs with capital — —

**Mr DALLA-RIVA** — We've changed the meaning, have we? That is all right, we just want to get it clear!

**The CHAIR** — Mr Dalla-Riva!

**Mr CAMERON** — I am just telling you; it is the capital — —

**Mr DALLA-RIVA** — No, I just wanted to get it clear, that was all. I needed clarification. So you are now supporting PPPs? Great!

I refer to page 157 of budget paper 3 in relation to — —

**Mr CAMERON** — We have actually said that for years and years, haven't we?

**Mr DALLA-RIVA** — It follows on about the private and public operators. I am just wondering about page 157, the total output cost of prisoner supervision and support — —

**The CHAIR** — Can we have a question and get on with it?

**Mr CAMERON** — The PPP relates to the — —

**Mr DALLA-RIVA** — We both have corrections in opposition.

**Mr CAMERON** — Then you would know — —

**Mr DALLA-RIVA** — We know what your government's position was, so now you have — —

**Mr CAMERON** — We have talked about PPPs for years and years.

**Mr DALLA-RIVA** — I am just trying to get it clear about the total output costs. In terms of the forward estimates, are you able to provide the committee with the breakdown of the cost of keeping prisoners in a private prison as opposed to keeping prisoners in the public system? You can take it on notice if you are not able to provide it here. Have you got it now?

**Mr CAMERON** — Is that the question?

**The CHAIR** — That is the question.

**Mr CAMERON** — We will see what we might have.

**The CHAIR** — I think we have asked this before — last year.

**Mr WELLS** — Yes, it is a standard question.

**Mr CAMERON** — Comparison is difficult because — —

**Mr WELLS** — Maximum to maximum.

**Mr DALLA-RIVA** — Port Phillip to Barwon for example.

**Mr WELLS** — Yes, Port Phillip to Barwon.

**Mr CAMERON** — I will have to provide that; we do not have that split.

**Mr WELLS** — He has got it in front of him.

**Mr CAMERON** — I have not got it in front of me. There is a handwritten note from the Acting Commissioner that comparison is difficult. Different overheads — —

**Mr WELLS** — Between Barwon and Port Phillip.

**Mr CAMERON** — I do not have those numbers. I will have to provide them to you.

**Mr WELLS** — Ask Rod to provide them now. He would have them at his fingertips.

**Mr WISE** — No, I do not. We have got the whole — —

**Mr CAMERON** — We have only got the whole.

**Mr WISE** — Which includes medians.

**Mr CAMERON** — We will get the information that you requested, as we always do. Thank you very much.

**Mr WELLS** — It is a question on notice.

**The CHAIR** — We are going to get it on notice. Thank you very much. That concludes the consideration of the budget estimates for the portfolio of corrections. I thank the minister and departmental officers for their attendance today. Where questions are taken on notice the committee will follow up with you in writing at a later date and request written responses to be provided within 30 days. Thank you.

**Mr CAMERON** — Thank you.

## 7.3 Attorney General Transcript

### PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

#### Inquiry into budget estimates 2009–10

Melbourne — 14 May 2009

#### Members

Mr R. Dalla-Riva  
Ms J. Huppert  
Ms J. Munt  
Mr W. Noonan  
Ms S. Pennicuik

Mr G. Rich-Phillips  
Mr R. Scott  
Mr B. Stensholt  
Dr W. Sykes  
Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr R. Hulls, Attorney-General,  
Ms P. Armytage, Secretary, and  
Mr J. Griffin, Executive Director, Courts, Department of Justice.

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearing on the 2009-10 budget estimates for the portfolio of Attorney-General. On behalf of the committee I welcome the Honourable Rob Hulls, MP, Attorney-General; Ms Penny Armytage, Secretary of the Department of Justice, and Mr John Griffin, executive director, courts, departmental officers; members of the public and media are also welcome.

In accordance with the guidelines for public hearings I remind members of the public that they cannot participate in the committee proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers as requested by the minister or his chief of staff can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council Committee room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days of this hearing.

In accordance with past practice the transcripts and PowerPoint presentations will be placed on the committee's website. Following a presentation by the Attorney-General committee members will ask questions relating to the budget estimates. Generally the procedure followed is that relating to questions in the Legislative Assembly. I ask all mobile telephones be turned off. I now call on the Attorney-General to give a brief presentation of no more than 5 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of Attorney-General.

**Overheads shown.**

**Mr HULLS** — Thanks very much, Chair I have got five or six slides only. I just want to outline some of the key initiatives over the last 12 months.

The first slide deals with justice statement 2, which is the vision for the justice system. It was released October 2008. It has a number of themes. It provides a particular focus on reducing the cost of justice, promoting appropriate dispute resolution, civil justice reform, creating an engaged and unified court system and outlines some 35 projects, from the overhaul of the Crimes Act to addressing systemic discrimination, exploring problem-solving approaches in the criminal justice system, improved family violence, a consolidated Courts Act, a new judicial complaints mechanism and the exploration of youth peer panels.

There are a number of reforms I could focus on, but I want to briefly touch on Alternative Dispute Resolution (ADR). We committed some \$17.8 million in 2008-09 to expand ADR services, in particular the extension of community mediation services, increased diversion of disputes away from magistrates courts, and we are supporting the development of judicial mediation through both funding and supporting legislation. I am also pleased that Justice Louise Otis, former justice of the Quebec Court of Appeal, who only retired some months ago, is out here at the moment conducting a number of master classes for judges in Victoria about judge-led mediation.

We have also committed funds to a whole range of programs including a financial counselling pilot in the County Court; also we will introduce later this year a judicial dispute resolution bill to ensure judicial immunity for judge-led mediation, and we are also expanding ADR services to regional and rural Victoria.

Also in relation to the human rights charter, in the second annual report on the charter, the Human Rights and Equal Opportunity Commission found that the charter is working effectively, and indeed Victoria is making steady progress towards building a culture of human rights right across the community; and there are a whole range of examples where the human rights charter has made a difference to peoples' lives. International experience suggests it does take a number of years to bed down a charter, but the feedback in relation to the first full year has been very positive.

The Criminal Procedure Act is the first of three major pieces of legislation reviewing the Crimes Act, and we think it is a very important piece of legislation in modernising our criminal justice system. A further piece of legislation will be introduced in due course.



In relation to reducing the cost of civil justice the Victorian Law Reform Commission made 150 recommendations in March of last year. An advisory group headed up by Chief Justice Marilyn Warren is now working through each and every one of those recommendations, and further announcements will be made shortly.

In relation to family violence, as we know family violence is the leading cause of death, disability and illness in women aged between 15 and 44, and we have the new Family Violence Act which has come into effect and is making a huge difference. But we are also embarking on an advertising campaign, which you have probably seen at bus stops and the like.

The next slide relates to the fact that with some of the reforms we have introduced, we also have to implement cultural change across the justice system in a whole range of areas — ADR is about that. But also we need to look at the billing practices of lawyers. I have to say that anyone who has come into contact with the legal system would be well aware of the tyranny of the billable hour. For clients, the billable hour is the basis upon which they are charged. They often receive hefty legal bills.

I think there is enormous capacity to change the way charging practices occur in the legal profession on the basis of the quality of the work rather than time spent; and with the way charges are made at the moment there is no incentive to settle matters, because you are getting paid by the hour or by the day, and therefore we need to look at that, and I will be doing that in the not-too-distant future.

The second-last slide deals with some of the initiatives in this year's budget. There is a huge increase to legal aid — an almost \$80 million package in the state budget — to provide ongoing support for key initiatives such as the Neighbourhood Justice Centre, the Sentencing Advisory Council, and family violence programs.

The last slide deals with some of those further initiatives including Sentencing Advisory Council, CISP (Court Integrated Services Program) and the new initiative of a mental health list, which we will be trialling in the Melbourne Magistrates Court.

It is all about trying to address the underlying causes of crime. A person goes to court because they have been charged with, let's say, a break and enter. Why have they broken and entered? Because they have drug and alcohol problems. Why do they have drug and alcohol problems? Because they are homeless. Why are they homeless? Because they are unemployed. Why are they unemployed? Because they come from a broken family. All of those matters need to be addressed in a holistic way, and that is what things such as CISP, the Neighbourhood Justice Centre and the mental health list are all about.

**The CHAIR** — Thank you very much for that, Attorney. As I have asked other ministers, I would like it if you could tell me about any federal grants and programs your portfolio, department and agencies receive in the budget, provide the committee with a detailed list and description of them, including what accountability mechanisms there are in respect of these grants and programs.

**Mr HULLS** — Sure. The situation with my portfolio is that the main federal grant comes in relation to legal aid. The commonwealth provides about \$30 million a year for legal aid, but that funding is tied. That is really the accountability. It can only be used by Victoria Legal Aid (VLA) in relation to commonwealth matters. It is principally used for family law matters but there are stringent accountability mechanisms that apply nationally, and that funding agreement with the commonwealth expired on 31 December. It has been rolled over for 12 months.

In the recent budget the Brumby government announced an additional \$24.7 million in recognition of the pressures that are faced by legal aid. In other words, we have given an almost 50 per cent increase in the base funding levels to VLA, which certainly provides a strong foundation for state funding into the future; and to achieve this I might say in the midst of a financial crisis and a very tough budgetary environment is very pleasing and an indication of the priority the government puts on legal aid.

However, I have to say that now that the federal budget has been delivered, it is clear that the federal government did fail to step up and deliver an appropriate commitment, in my view, to legal aid, and I think this has created an unsustainable state of affairs in relation to federal funding for legal aid, and it cannot continue.

Over 11 years to June 2009, the Victorian government has provided \$540 million to legal aid, including \$160 million out of the Public Purpose Fund, whereas the federal government has provided only \$330 million over the same period.

The view I take is that the federal government has for a long period of time — the previous federal government and this federal government — actually shirked its responsibility in terms of the national legal aid funding effort. The commonwealth has increasingly allocated its shrinking share of total national legal aid funding to other jurisdictions at the expense of Victoria.

There is a chart that shows exactly how Victoria has been duded by the federal government in relation to legal aid funding. It shows that Victoria now has by far the lowest of the eight Australian jurisdictions in relation to federal funding on a per capita basis for legal aid. This shows that we have really a three-way pincer movement: the tying of federal funding to federal matters only, a reduced share of national legal aid spending, and, can I say, a demonstrable bias against Victoria when it comes to legal aid funding, meaning that VLA has had to implement drastic restrictions to funding of matters arising under commonwealth laws, including family law matters in particular.

I have to say that the commonwealth's continued failure means that disadvantaged Victorians are enduring the toughest eligibility requirements in the nation for family law matters.

I think there is now even greater urgency for the federal government to bring forward its negotiations on the national legal agreement and put funding on a much fairer footing. We would get greatly increased federal funding if they funded it on a per capita basis but also if they untied the grants that they currently make so Victoria Legal Aid can use those funds as it deems appropriate, at its discretion.

Negotiations are continuing with the federal government. The state government stepped up to the mark in relation to legal aid, but the federal government has not. I notice, in conclusion, that the law institute put out a media release after the state budget, welcoming our substantial increase to legal aid funding. They put out a media release just yesterday in relation to the federal budget, and they make it quite clear that they believe it was very disappointing that the federal government had not followed the Victorian government's lead and prioritised legal aid funding as a critical access to justice issue. And I have to say I agree with the law institute.

**The CHAIR** — Attorney, does that also mean that some of the Victorian legal aid also covers commonwealth legal matters and cases?

**Mr HULLS** — How legal aid spends its untied funding and its state funding is entirely a matter for it. I do not have the power to direct.

**The CHAIR** — I am not asking that.

**Mr HULLS** — No, but because of the huge demand for funding state matters — that is, people have been charged with offences under state jurisdiction — all state funding is used for state-related matters. That is why there are very tight eligibility criteria for federal matters — because of the reduced funding. Every cent that legal aid gets from the state, it spends on assisting state recipients, but there will never be — and I have made this point before, I think — enough funds to meet the unmet legal demand that exists in the community.

As well as appropriately funding legal aid, we have to look at other ways of meeting that unmet demand. As you know, we outsource something like \$35 million to \$40 million worth of work to the private profession each year, as a government, and we have made it a condition for any firm that wants to do government legal work to commit to a certain percentage of pro bono work as well. That has proved to be not only a great scheme but it has been looked at by other jurisdictions, not just in Australia but overseas as well.

**The CHAIR** — And you are getting more pro bono work coming in?

**Mr HULLS** — We are — I think the latest reports shows that there was something like \$8 million of pro bono work that has been undertaken by those firms doing government work. It is something like that — I will stand corrected on that figure. That is increasing year in, year out.

**The CHAIR** — If you could provide that to us, give us some details, that would be good.

**Mr HULLS** — Yes, I can do that.

**The CHAIR** — Okay. Thank you very much. Mr Dalla-Riva?

**Mr DALLA-RIVA** — My question is obviously to the Attorney-General. Attorney, I want to ask you about the processes of appointments of JPs, which is one of the activities of your portfolio, supported by the Department of Justice and funded by the budget in budget paper 3.

As you know, the quality control of the process of appointments of JPs has been brought under scrutiny — certainly by the recent findings of the Victorian Ombudsman, who found that a person whom you appointed as a JP, Mr Hakki Suleyman, had been convicted in 1989 of intentionally causing injury, being found armed with an offensive weapon, and assault with a weapon. When you were asked about this in Parliament on 19 August last year you claimed that:

People who make an application to become a justice of the peace are screened by the organisation representing JPs, and I endorse the recommendations that come to me.

I ask: do you mean to tell me that you, as the Attorney-General, as the leading legal figure in this state, made one of the government's advisers a justice of the peace even though you knew he had a criminal record for violent assault and weapons offences?

**Mr HULLS** — I will tell you exactly how the process works.

**The CHAIR** — How the process works in particular — I am not sure; it is up to your discretion as to whether you go into past cases.

**Mr HULLS** — I am happy to answer the question.

**Mr WELLS** — It needs to be dealt with. I mean, it is a very important point.

**The CHAIR** — It is not necessarily the forum to do it, but anyway — —.

**Mr HULLS** — I am happy to answer the question, if you want me to.

**Mr DALLA-RIVA** — Yes, please. Can I ask you to bring up the slide because it is relevant to your presentation, Attorney?

**Mr HULLS** — If you want me to answer the question, I am happy to.

**Mr DALLA-RIVA** — Yes, just slide no. 5, I think it was 'Future of the justice system' — if there are some points of issue.

**Mr HULLS** — I am happy to answer the question. This is how the process works for the appointment of a JP. An application form is filled in, and it is sent to the Department of Justice, which makes a general assessment in relation to that application. Often, I might say, an application — a copy of the application is sent to me accompanied by a letter from an MP endorsing a prospective appointee. I have a standard response, and that standard response indicates that an independent assessment panel makes the ultimate recommendation.

The department receives the application. They then send the application to Victoria Police to conduct a criminal record check and also meet with the applicant for interview. So for each applicant for a JP a police record check is undertaken and an interview takes place with the police.

The department then convenes an assessment panel to assess the application and also to assess the information that is provided by the police. In making a decision to recommend individuals, the panel takes into account a whole range of matters, including an applicant's character, their standing in the community and also the availability of JPs in that area: whether or not there is a shortage of JPs or an over-abundance of JPs.

As Attorney-General I then receive a list of the recommended applicants from that panel for appointment as a JP, and I have to say I receive something like 100 per year, and they come in groups. Often I get letters from MPs saying, 'So-and-so has applied to become a JP. They have not heard for 12 months or 6 months; please advise me why it is taking so long to assess their application'. The reason it often take so long is that an

assessment is done once there is a sufficient number of applicants. They do not do them individually, they do them as a group. The recommendations are made to me, at least, as a group.

In relation to Mr Suleyman, the person to whom you referred, he was 1 of 41 applicants who were recommended to me for approval. I do not get a copy of criminal convictions, a criminal record check or the like; that is done before it gets to me. All I get is a recommendation that ‘The following people be appointed as a JP because they have undergone the relevant checks’. I might say that I have received, as I said, something like 100 a year, and many of them are accompanied by letters from MPs. I do not know if anyone here has written to me — I suspect they have. I know that Louise Asher, for instance, has written to me previously endorsing her electorate — —

**Mr WELLS** — Did they have a criminal record?

**Mr DALLA-RIVA** — Did they have a criminal record?

**Mr HULLS** — I do not know the answer to that.

**The CHAIR** — The Attorney-General to answer, please, without assistance.

**Mr HULLS** — I got a letter from Louise Asher recommending that her electorate officer be appointed as a JP.

**Mr DALLA-RIVA** — But hang on, this is about — who was the MP who did the recommendation for Hakki Suleyman?

**Mr HULLS** — I don’t — —

**Mr DALLA-RIVA** — You know who Louise has written about.

**Mr HULLS** — No, what happens is: people will send in their application, but some applicants — —

**Mr DALLA-RIVA** — Have you trawled through the files? Have you had the files trawled through?

**The CHAIR** (to Mr Dalla-Riva) — Without assistance!

**Mr DALLA-RIVA** — You seem to know about the Louise Asher check.

**The CHAIR** — Mr Dalla-Riva!

**Mr DALLA-RIVA** — I find it amazing that he knows about what Louise Asher has written.

**Mr HULLS** — No, this is a letter to me.

**The CHAIR** — Just a moment!

**Members interjecting.**

**Mr HULLS** — The point I am making is that often MPs will write to me — —

**Mr WELLS** — Which MP recommended Hakki Suleyman?

**Mr DALLA-RIVA** — Was it Justin Madden?

**The CHAIR** — Attorney-General, just a second. Can we have one person at a time? We have the Attorney. I must admit I have put them in myself, and in fact one of the — —

**Mr WELLS** — Why doesn’t he answer the one about Hakki Suleyman? Which MP recommended Hakki Suleyman?

**Mr HULLS** — I don’t know — —

**Mr WELLS** — But you remember about Louise Asher. Why didn’t you know about Hakki Suleyman?

**Mr DALLA-RIVA** — Why are you picking out Louise Asher?

**Mr HULLS** — Because I asked my department what the process is, and the process is that MPs sometimes will write, either enclosing an application — —

**Mr WELLS** — So you are not going to tell us?

**Mr HULLS** — Or endorsing an application.

**Mr DALLA-RIVA** — You know!

**Mr HULLS** — Other times an applicant will send it directly to the department. In relation to Mr Suleyman — if you will just let me finish — I repeat: he was 1 of 41 who were recommended to me in the normal way by the department after a police check was undertaken, after an interview with the police was undertaken, after an assessment was made by the independent panel as to whether or not he was a suitable person to be a JP, taking into account all of those criteria. They then presented his name as 1 of 41 to me for endorsement, and it was endorsed.

**Mr WELLS** — You endorsed it?

**The CHAIR** — The Attorney, to answer. Repeat your answer, Attorney.

**Mr HULLS** — I repeat: he was 1 of 41 that came to me for endorsement, based on the recommendations of the panel and indeed the interview with the police, and I signed it off to go to the Governor in Council — absolutely.

However, as we all know, JPs have a duty to uphold the status and reputation of their office and to avoid conduct which diminishes public confidence in or respect for that office. I said, I think, at a press conference shortly after the appointment that I have asked my department to review the appointment of Mr Suleyman in light of the Ombudsman's report; I said that at the time.

**Mr DALLA-RIVA** — With the greatest respect, Mr Clark raised it last year.

**Mr WELLS** — In August last year Bob Clark asked you this question in Parliament, and you knew nothing about it. You waited for the Ombudsman's report.

**Mr DALLA-RIVA** — Have a look, Chair.

**The CHAIR** — I understand what is about. The Attorney-General is answering.

**Mr WELLS** — We want to know why he took no action in August last year.

**The CHAIR** — That is irrelevant to this hearing. This is about the estimates.

#### **Members interjecting.**

**Mr HULLS** — Do you want the full answer or not?

**Mr WELLS** — Yes. I feel like getting into it.

**Mr HULLS** — I asked my department to review the Ombudsman's report, and in light of the Ombudsman's report to advise whether the matters in that report warrant the revocation of Mr Suleyman's appointment as a JP. I do not intend to second-guess the independent panel's recommendation in the first place in relation to any JP, because I believe that the processes undertaken, including police searches, police interview, independent panel interview are appropriate — and then ultimate recommendation to me.

However, since the Ombudsman's report I made it clear the day after that I had asked my department to review that report and advise whether or not matters set out in that report warrant the revocation of Mr Suleyman's appointment as a JP. The department wrote to Mr Suleyman on Monday, 11 May, inviting him to show cause by 4.00 p.m. on Friday, 15 May — that is tomorrow — as to why his appointment should not be

suspended, pending a full investigation of his conduct. A panel, I am advised, will be convened in due course to consider the substantive issue of whether Mr Suleyman's office should be revoked.

Of course I know you would agree that, like every other citizen in Victoria, Mr Suleyman is entitled to a fair hearing, and I will await the outcome of this examination. It is not appropriate for me to make any further comment or actually pre-empt the decision of his future JP status. But he has been given until 4 o'clock tomorrow to show cause, based on the Ombudsman's report, as to whether or not he should be suspended as a JP following the full investigation of that report, and that will take place.

**Mr DALLA-RIVA** — Is it your intention — —

**The CHAIR** — Mr Noonan, please?

**Mr DALLA-RIVA** — Is it your intention, Chair — —

**The CHAIR** — No, we will move on.

**Mr DALLA-RIVA** — I just want to — —

**The CHAIR** — No, if you wish to ask another question — —

**Mr DALLA-RIVA** — No, it is the same one — —

**The CHAIR** — You have an answer; an answer has been given. Mr Noonan?

**Mr WELLS** — What about your conduct as Attorney-General in the way you conduct — —

**Mr DALLA-RIVA** — And getting access to documents?

**The CHAIR** — Please move on. The call has been given to Mr Noonan.

**Mr DALLA-RIVA** — You have been very selective, Attorney-General, and you accept people with criminal records — —

**The CHAIR** (to Mr Dalla-Riva) — Thank you, with no assistance.

**Mr NOONAN** — Attorney, I would like to ask a question about Victoria's bushfires and your area of responsibility. I refer to budget paper 3, pages 152 and 159 and the outputs and deliverables for the Coroners Court and the Victorian Institute of Forensic Medicine, and I ask whether you can, as the Attorney-General, advise of the impact of the Victorian bushfires on the ongoing work of the VIFM and the Coroners Court.

**Mr HULLS** — Sure. Black Saturday, as we know, will be forever remembered as a day of horror and a day of tragedy in this state's history. I am sure everyone's thoughts and sympathies will remain with every Victorian struggling with the aftermath of the 7 February fires, and for many years to come. There is so much work that is occurring, and has been occurring, to bring certainty to the bereaved and a new start for whole communities.

Victoria's courts and tribunals, I have to say, have been a critical part of this process, and I want to commend them for their response to the bushfires and the assistance that they have provided our community. I also want to, in particular, acknowledge the work of the state coroner and her office and also the Victorian Institute of Forensic Medicine. The Victorian bushfires have had a substantial impact on the ongoing work of VIFM and also the Coroners Court. The unique nature of this tragedy and its sheer scale, can I say, presented these organisations with a range of very complex scientific, logistical and emotional challenges. The deaths of those who perished during the bushfires fall within the jurisdiction of the state coroner, who has to establish the identity of a deceased person, how the death occurred, and the cause of the death.

Just for this committee's information, when identification of a deceased cannot occur by visual identification, the disaster victim identification process has to be undertaken to avoid any misidentification. The coroner, I might say, and all those working with her have faced what we can only imagine to be a very grim, harrowing and incredibly complex task. They have been working around the clock and in very difficult circumstances.

Prior to these tragic, unforeseen events the government had already invested very heavily in strengthening the Victorian coronial system, as well as the new Coroners Act. Funding of \$43 million was provided in 2007-08 to improve the delivery of coronial services, and a further \$61.8 million last year was provided to upgrade mortuary facilities, forensic services — including \$38 million to rebuild the mortuary services building — and also extend forensic services and additional pathologists.

Immediately after the bushfires the Brumby government moved very quickly to provide extra resources to the coroner's office to assist with the unprecedented increase in demand. Within a very short time two magistrates were reassigned from the Magistrates Court to the coroner's office to work as coroners, whilst two acting magistrates were then moved across into the Magistrates Court. A Treasurer's Advance of over \$2 million was provided to the coroner to cover unplanned costs, including additional body transport costs, funding for additional coronial hearings, security of facility and grief counselling services.

On 6 March the coroner conducted the first identification board meetings, which resulted in the formal identification of four victims and advice to families leading to the release of their loved ones. By Saturday, 9 May, which was just last Saturday, only three months after the tragedy of Black Saturday and after 19 identification board meetings, the state coroner announced that all 173 bushfire victims had been identified.

I understand it has been a very difficult time for the families of the deceased as they wait for news from the coroner. I acknowledge their extraordinary patience and forbearance, and I acknowledge the horrible trauma they have suffered. I also want to publicly acknowledge the tremendous efforts of Judge Jennifer Coate and her office and Professor Stephen Cordner and his team. They have worked tirelessly since the events, and I thank them for what they have done so far and for what I expect will be a similarly unflagging approach to what they will face as they prepare to move into the next phase of the response to this tragedy.

I conclude on this note: for its part, the Brumby government will continue to monitor the impact of the bushfires on our coronial services, and we certainly stand ready to step in with additional support whenever and wherever it is required to ensure that Victorian families continue to receive what has been a timely, effective and, can I say, compassionate response to an extraordinary tragedy.

**The CHAIR** — Thank you for that, Attorney-General. I note that it was \$6.5 million, I think, in additional money, as recorded on page 284 in budget paper 3.

**Mr HULLS** — Yes.

**Mr WELLS** — Attorney-General, I would like to go back to the issue of the future of the justice system and the appointments of JPs.

**Mr HULLS** — Yes.

**Mr WELLS** — Firstly, you might like to tell us how many justices of the peace out there actually have criminal records; that might be a start.

**Mr HULLS** — Yes.

**Mr WELLS** — Did Hakki Suleyman, when he was filling out his form, fill the form in correctly — and that is, that he declared that he had committed crime in the past? Did you recognise the name when you appointed him? And did he get special treatment because he was a Labor mate?

**Ms MUNT** — Excuse me, Chair, does this relate to the — —

**Mr WELLS** (to Ms Munt) — Hang on, I know you are very sensitive about this. The Attorney-General does not need any protection in relation to this question. He is capable of answering this. Is it because I said, 'Labor mate' that everyone has become very sensitive?

**The CHAIR** — No.

**Ms MUNT** — Which page of the budget papers does that — —

**Mr WELLS** — This is about the future of the justice system.

**The CHAIR** — Without assistance!

**Ms MUNT** — No, this is about the forward estimates.

**The CHAIR** — Without assistance! If you finish your question, I will then rule on whether or not it is appropriate to this inquiry.

**Mr WELLS** — Fair enough. In relation to the forward estimates, and the future of the justice system, and the credibility of the justice of the peace system, I wonder if you can answer those particular questions in relation to Hakki Suleyman and the credibility of justices of the peace, and the number of JPs out there who have a criminal record.

**The CHAIR** — I am happy to rule that most of that is actually relevant to this inquiry.

**Mr HULLS** — And I am happy to answer the question. In relation to the specifics of Mr Suleyman, he was treated like every other applicant for a JP in that he went through the appropriate process. He was assessed, he was interviewed by the police, and, as I said, he was one of 41 that came to me. I was not aware of his — or, might I say, any applicant for a JP's criminal history because that does not come to me. All that comes to me —

**Mr WELLS** — So the Attorney-General of this state is not aware of a JP's record — whether or not they have criminal record?

**The CHAIR** — The Attorney-General, to answer; we do not need the commentary.

**Mr HULLS** — First of all, if you have actually had a look at the material that goes out to applicants for JPs — —

**Mr WELLS** — I have got it here. It has got here 'criminal history'.

**Mr HULLS** — It actually says that criminal history will not necessarily preclude a person from becoming a JP. I think from memory it then — —

Did you say it should?

**Mr WELLS** — Pardon?

**Mr HULLS** — Did you say it should? It actually says on the form that a criminal history — —

**Mr DALLA-RIVA** — 'Intentionally causing injury'.

**Mr WELLS** — 'Intentionally causing injury'.

**The CHAIR** — Can we have the Attorney-General answer?.

**Mr HULLS** — I am talking about the form that goes out to people when they fill out a form, when they make an application for JP. The material that goes with that actually says that a person's criminal history will not necessarily preclude them from becoming a JP. All the circumstances will be taken into account.

In relation to your question about whether or not I know of people's criminal history, the answer is no, I do not get that material. What I get is a recommendation taking into account the police criminal history check, the interview with the police, the independent panel assessment — —

**Mr DALLA-RIVA** — A letter of recommendation?

**Mr HULLS** — What I get then is a recommendation, all those things. I then get — —

**Mr WELLS** — Which MP signed it?

**Mr HULLS** — Sorry? I then get a recommendation from the department in relation to whether or not people should be appointed — that is, a recommendation that 'the following people should be appointed'.



A simple way of answering your question is that Mr Suleyman's application was treated like any other application. However, I repeat: since the Ombudsman's report has been released, and certain observations were made by the Ombudsman and certain recommendations have been made by the Ombudsman, I immediately asked my department to assess — —

**Mr DALLA-RIVA** — You were told about this last year.

**Mr WELLS** — Robert Clark asked you in August last year, and you took no action.

**The CHAIR** — Without assistance!

**Mr HULLS** — — to assess whether the status of Mr Suleyman as a JP should remain. My department — —

**Mr WELLS** — In August last year Robert Clark asked you this question.

**Mr HULLS** — If you actually look at *Hansard* — —

**Mr WELLS** — I have it here.

**Mr HULLS** — I was asked — —

**The CHAIR** — Attorney-General, resist the temptation. Answer the original question as it relates to the estimates.

**Mr HULLS** — I will resist it.

**Mr WELLS** — He set out very clearly that he had a criminal record.

**Mr HULLS** — And I endorse the recommendations that come to me.

**The CHAIR** — I do not want it to be included in the transcript. Thank you very much. Attorney?

**Mr HULLS** — A review is taking place in relation to Mr Suleyman's appointment as a JP. I might say the review is based on not second-guessing the assessment that was made initially — —

**Mr WELLS** — But you are responsible.

**Mr HULLS** — Not second-guessing that, but because of information that has come to light as a result of the Ombudsman's — —

**Mr WELLS** — No, that is wrong. Robert Clark asked you this question in August last year, and you took no action.

**Mr HULLS** — A letter has been sent to Mr Suleyman, which I have no doubt he has now received — —

**Mr WELLS** — You are the leading lawmaker in this state.

**Mr HULLS** — He has until 4.00 p.m. tomorrow to show cause why he should not be suspended. A number of options are open to Mr Suleyman as to what he may do in response to that letter, but regardless of the response there is a full investigation that will take place in relation to whether or not he should remain as a JP. It would be totally inappropriate for me to pre-empt the outcome of that inquiry. It would also be inappropriate for me to attempt to undermine Mr Suleyman's right to be afforded due process, and that due process — —

**Mr WELLS** — But you were told in August that there was a problem with this person — —

**Mr HULLS** — That due process was set out in a letter to him — —

**Mr WELLS** — You waited for the Ombudsman's report to come in. I do not understand why you, as the leading lawmaker in this state, would wait for that.

**The CHAIR** — Thank you. Next question. Ms Huppert?

**Ms HUPPERT** — I have a question about one of the budget initiatives. I draw your attention to page 333 of budget paper 3, and the line entry relating to the four-year investment in a Neighbourhood Justice Centre. I wonder if you could outline the ongoing benefits to the Victorian justice system of this investment? I am particularly concerned about issues of access to justice and how this may impact on access.

**Mr HULLS** — I have to say the Neighbourhood Justice Centre is a great initiative. I do not know if all members sitting around this table have had an opportunity to have a look at the Neighbourhood Justice Centre, but I hope those who have will agree that it is a fantastic initiative. I hope it now has bipartisan support. I know when it was originally mooted and the legislation went through the house, a member of Parliament ridiculed it and branded it as an apartheid justice system. I hope they now recant those outrageous comments.

**The CHAIR** — Just stick to the facts.

**Mr HULLS** — The Neighbourhood Justice Centre celebrated two years of operation in March 2009. It is Australia's first community justice centre integrating court and client support services and community engagement projects in one location. It received a further \$26.2 million over four years in the recent budget, and I am very proud that it is actually leading the country in adopting a community-based approach to the delivery of justice.

An evaluation of the Neighbourhood Justice Centre will be completed in late 2009, but there are clear trends emerging of the benefits of the Neighbourhood Justice Centre to the justice system. These trends include the fact that breach rates for family violence intervention orders appear to be lower at the Neighbourhood Justice Centre than the statewide average; the rate of successful completions for community corrections orders appears to be higher at the Neighbourhood Justice Centre than the statewide average; and the proportion of guilty pleas at first hearing appears to be higher at the Neighbourhood Justice Centre than the statewide average, thereby leading to greater court efficiencies.

As at February 2009 about 11 000 community members had contacted the Neighbourhood Justice Centre for information, so word is out there that the Neighbourhood Justice Centre indeed is a community asset. The Neighbourhood Justice Centre is successful because it combines a multi-jurisdictional court with access to a whole range of social services and in doing so acknowledges the impact of disadvantage and crime on the lives of individuals in the community.

As I said before, it is about addressing the underlying causes of crime. A person will go before the Neighbourhood Justice Centre and, if you like, it is a one-stop shop. If they are going there because they have committed a burglary, for instance, yes, they will be dealt with for that, but the reason why they have committed that offence will also be addressed. If it is a drug and alcohol matter, they can get drug and alcohol counselling on the spot; if it is the fact that they are unemployed, they can actually get employment assistance on the spot; if it is because they are homeless, they can actually get accommodation assistance on the spot; and if they have been the victim of domestic violence, for instance, that can be addressed on the spot.

All those matters address the underlying causes of the criminal activity. It is about using the mechanisms available to any court to make sure that the law works. It is about harnessing a sense of accountability and ensuring that offenders feel that they actually belong to a local community. I think it has been widely accepted by the community in the city of Yarra. Not that this ought be how you judge a place like the Neighbourhood Justice Centre, but I go past there regularly and I have been there regularly, and there is a lot of graffiti in the area but no graffiti on the Neighbourhood Justice Centre, which is really quite extraordinary.

**Ms PENNICUIK** — I refer you to page 10 of the budget overview paper.

**The CHAIR** — You will have your chance to ask a question in a second.

**Mr HULLS** — I have to say that the \$26.2 million over four years will ensure that the Neighbourhood Justice Centre continues. There has been interest from right around the world. There are only about four of them anywhere in the world. I know that New Zealand has a great interest and other parts of Australia have a great interest, and I think the model we have adopted in Collingwood is a model that other jurisdictions would do well to follow.

**Ms PENNICUIK** — Attorney-General, my two areas of interest — —

**Mr WELLS** — On a point of order, I thought Dr Sykes was next.

**The CHAIR** — Dr Sykes has now joined us. We welcome Dr Sykes for this portfolio.

**Ms PENNICUIK** — It is all right. He stole my question before.

**Mr WELLS** — Okay, but isn't Dr Sykes next?

**The CHAIR** — Ms Pennicuik has been here for a whole three-quarters of an hour, so since she has been here all that time, I give her the call.

**Mr RICH-PHILLIPS** — That is a new criterion.

**The CHAIR** — Dr Sykes will be able to have his turn in a minute.

**Mr DALLA-RIVA** — That is a new criterion. Unbelievable!

**Ms PENNICUIK** — Thank you, Chair. Attorney-General, my two areas of interest actually were in the legal aid issue — and you spent quite a bit of time on that at the start of your presentation — and the Neighbourhood Justice Centre. If I could just ask two follow-up questions. I presume that Victoria is going to maintain its funding of legal aid in terms of the ongoing issue with the commonwealth partnership. And with the Neighbourhood Justice Centre, you mentioned there was going to be an evaluation; would that be with a view to setting up more? Just one other thing, and that is about human rights and public education. Is there any plan to extend that public education or just keep it static, because it seems to have remained static?

**Mr HULLS** — First of all in relation to legal aid you will notice that the dramatic increase in funding for legal aid in the last budget was for one year. The reason for that is that we are awaiting the outcome of negotiations with the federal government in relation to the legal aid agreement. I have actually met personally and collectively with Robert McClelland, the federal Attorney-General, about legal aid funding, and everything I have said here today about my disappointment with the federal government about legal aid I have said to him personally.

He is aware of Victoria's concerns, and I expect that there will be some fairly vigorous negotiations to ensure that they do step up to the plate in relation to their contribution to legal aid. It is important that we maintain adequate funding for legal aid. I cannot pre-empt what is going to happen in relation to the federal funding agreement, but the reason for having only the one-year funding in the budget papers was to wait for the outcome of the negotiations with the federal government.

In relation to the issue of the Neighbourhood Justice Centre, you asked whether or not the review may lead to an expansion of neighbourhood justice centres throughout Victoria. Again, I cannot pre-empt the budget process or if it will work, but the Koori and domestic violence courts in this state have been rolled out and the Koori courts have been a huge success. From what was a very small acorn, if you like, a huge forest has developed, and the Koori courts are now a permanent fixture in this state and have been expanded to the children's and County Court jurisdictions, in Australian firsts.

The Neighbourhood Justice Centre will be evaluated, and without wanting to pre-empt either the evaluation or what might occur as a result of the evaluation, I make no secret of the fact that I am a passionate advocate for neighbourhood justice centres, particularly the Victorian model, and ultimately I would like to see more neighbourhood justice centres, not just in Victoria but right around Australia. Of course that is always subject to budgetary considerations.

In relation to the human rights charter and the educative program that has taken place across government, there have been substantial resources allocated to that, and we will continue to have education programs in relation to the implementation of the charter. I personally have addressed a number of senior bureaucrats in relation to the human rights charter but it is important that we do all we can to change the culture of human rights in this state.

It is not just education programs but it is also embedding the human rights charter in Victoria. I hope one day that there will not be any political disagreement in relation to the human rights charter. I think it is still opposition policy to repeal the legislation should they become government.

**Mr WELLS** — What will happen is that we will have a more credible JP system, I can tell you. We will be repealing your system, which allows criminals to become JPs. We will not be allowing that. We are talking about the integrity of the system.

**The CHAIR** (to Mr Wells) — Without assistance, thank you.

**Mr WELLS** — The integrity of the system is such that — —

**Mr HULLS** — I hope that they will come to their senses one day and realise that the human rights charter is something that we can all be proud of.

I will finish on this note: I hope that the federal government also — and I know they are consulting right across Australia at the moment in relation to whether or not there should be a national human rights instrument — through Fr Frank Brennan and his committee adopt the Victorian model on a national basis.

**The CHAIR** — Thank you.

**Mr SCOTT** — Attorney, I draw your attention to budget paper 3, page 333, and the line item ‘Supporting courts to address family violence’ and to your presentation as well. Can you advise how investment in this area is going to improve the safety of women and children, particularly those at greatest risk of experiencing family violence?

**Mr HULLS** — Yes, thanks for the question. I said during the presentation that shockingly family violence is the leading contributor to death, disability and illness in Victorian women aged 15 to 44, and over 40 per cent of homicides by partners or former partners involve a known history of family violence. The recent budget provides \$10.8 million over four years to support courts, to address family violence by continuing the family violence court divisions operating at Ballarat and Heidelberg; they have been operating since 2005. This funding builds upon the investment of over \$75 million that has been committed since 2005 to reform and integrate responses to family violence in Victoria, including the new family violence legislation.

These new funds that have been allocated in the budget mean that we can continue our multi-pronged approach to combating family violence, particularly in our approach to making the courts more responsive to victims of family violence. This includes a number of things: training magistrates and court staff on issues of family violence; new support services for victims and perpetrators in some courts; establishing, as I said, the family violence divisions that I have spoken about; specialist family violence services that commenced in 2006 at the Melbourne, Sunshine and Frankston courts; increased investment in community legal centres — \$3.8 million over four years to fund a network of 7.5 dedicated family violence community lawyer positions; and also the \$1.5 million Enough campaign which is an essential part of our reforms. You saw some of the confronting images. They have been used at bus stops, nightclubs, shopping centres, in newspapers and on Facebook.

Alarmingly, more than half a million Australian teenagers live with violence in the home, and evidence indicates that almost one in three boys believes it is not a big deal to hit a girl, which shows that we still have an enormous way to go. This type of attitude is totally unacceptable in the community. We have to play a role in tackling the issue of family violence in the home by speaking out for friends and family, and by helping to shape young attitudes.

I will be very pleased to be attending a number of information sessions and forums in the coming weeks at Benalla, Ballarat, Dandenong and Traralgon. I think it is important that we all play a part in sending out the message.

**Mr SCOTT** — I just seek some clarification on some matters. You mentioned that family violence is the leading cause of mortality and morbidity for women. What was the age group for that again?

**Mr HULLS** — Fifteen to forty-four. It is the leading contributor of death, disability and illness in Victorian women aged between 15 and 44. They are startling figures.

**Mr SCOTT** — Can I just seek, maybe on notice: is there any estimated cost to the rest because obviously there are other government services that would be impacted by that terrible statistic? And is it possible on notice at least to get some information on that?

**Mr HULLS** — I can get some estimates on that. There it is a family violence ministerial task force, where all ministers on that task force contribute to addressing the scourge of family violence. I am sure there are some estimates that I can give to the committee in relation to the cost to the community of the scourge of family violence.

**Ms MUNT** — Are you finding that women are coming forward?

**Mr WELLS** — We know what you are doing. You are trying to talk it out until 5 o'clock. Are you going to have the last question here?

**Mr HULLS** — The quick answer to the question is yes. As a result of the changes we have made, as a result of the police protocols, more and more women are prepared to come forward and report family violence, because they know it is being dealt with in a more holistic way.

**The CHAIR** — Thank you, Attorney-General.

**Mr DALLA-RIVA** — Attorney-General, just going back to your slide show, which seems to have been taken off again, and the future of the justice system in relation to the budget and forward estimates: in response to applications for JPs, I note that you are saying that you are looking to examine their practices, their professional culture and some inherent dogmas. Is part of the inherent dogmas that you have just to rubber stamp JP recommendations without examining them further?

I also note in relation to your earlier comment, on which we have sought some advice, it says here on the Justice of the Peace information sheet for applicants:

Persons found guilty of an indictable offence or fraud are unlikely to be recommended for appointment.

So surely in the case where Mr Hakki Suleyman had been convicted of intentionally causing injury, it would have automatically, or at least had a high level of rejection? Would it appear that perhaps there was some persuasion in his application that may have led to the recommendation being approved?

**The CHAIR** — Once again, I think this question is not appropriate for an estimates hearing.

**Mr HULLS** — I am happy to answer it.

**The CHAIR** — Okay, but quickly.

**Mr HULLS** — The process — I have just checked with the secretary, and it has been confirmed — in relation to JPs is a process that has been in place for quite some time, a long period of time, under previous governments and this government, whereby the Attorney-General acts on the advice he or she, previously, gets from a panel that assesses the applications based on the criteria — that includes police checks, police interview and a panel process — and those recommendations are then made to the Attorney of the day, whoever he or she may be, and the Attorney acts on those recommendations. That is the first thing.

The second point you make is in relation to the criteria, and it is true that the criteria make it clear that firstly, a person's criminal history will not necessarily preclude them from being appointed as a JP, and it also says that if one has a conviction for an indictable offence, I think it says something like 'unless there are exceptional circumstances' or 'it is unlikely that' — —

**Mr DALLA-RIVA** — 'Unlikely'.

**The CHAIR** — It says they are 'unlikely to be'.

**Mr WELLS** — 'Unlikely to be recommended'.

**Mr HULLS** — 'Unlikely'. But it does not preclude them.

**Mr WELLS** — But it is unlikely.

**The CHAIR** — No. The Attorney-General will finish.

**Mr HULLS** — I repeat that I was not involved in the process of interviewing any of the 41 applicants who came to me on that day. What I did do, though, is adhere to the independent recommendations that came to me — —

**Mr DALLA-RIVA** — So you rubber-stamp every recommendation that comes to you?

**Mr HULLS** — As I have done previously.

**Mr DALLA-RIVA** — You rubber-stamp every recommendation?

**The CHAIR** — Mr Dalla-Riva!

**Mr DALLA-RIVA** — He has not answered it.

**Mr HULLS** — But I repeat: there were certain revelations that came out as a result of the Ombudsman's report. Immediately I read that report I contacted the secretary of my department — —

**Members interjecting.**

**The CHAIR** — Mr Wells! Thank you!

**Mr HULLS** — The letter that I refer to has been sent to Mr Suleyman, and can I say that is absolutely the appropriate process to be undertaken as a result of this report.

**Mr RICH-PHILLIPS** — Have you ever rejected an application? Have you ever rejected a recommendation from the council?

**The CHAIR** — I think we will finish this hearing there. I thank Mr John Griffin for his attendance.

## 7.4 Racing Transcript

### PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

#### Inquiry into budget estimates 2009–10

Melbourne — 14 May 2009

#### Members

Mr R. Dalla-Riva  
Ms J. Huppert  
Ms J. Munt  
Mr W. Noonan  
Ms S. Pennicuik

Mr G. Rich-Phillips  
Mr R. Scott  
Mr B. Stensholt  
Dr W. Sykes  
Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr R. Hulls, Minister for Racing;  
Mr R. Kennedy, Executive Director, Gaming and Racing; and  
Ms P. Armytage, Secretary, Department of Justice.

**The CHAIR** — I welcome the Minister for Racing, Mr Ross Kennedy and Ms Penny Armytage.

I now call on the minister to give a brief presentation of no more than 5 minutes of the more complex financial and performance information relating to the budget estimates of the racing portfolio.

**Overheads shown.**

**Mr HULLS** — I have got just a couple of slides on the racing portfolio. If we move to the first slide, it makes it clear that Victoria is recognised as a national leader. It is a huge employer — 70 000 people, two-thirds of them in country Victoria, \$2 billion per annum economic impact. There is no question that racing in Victoria remains a national leader under the Brumby government, and we have consolidated its position as a national leader. It does, as you can see, return enormous economic activity in this state, around half of which is accrued in regional areas, and two-thirds of the employment in the racing industry occurs outside the metropolitan area.

The next slide shows the racing slice of the justice pie, so to speak, and it constitutes 0.8 per cent of the total budget. When combined with gaming, it is 3.1 per cent of the department's total budget. The allocation for racing will support funding programs such as the Regional Racing Infrastructure Fund and the Living Country Racing program. The objective of these programs is the development of rural and regional racecourses throughout the state, and it addresses things such as regional racecourse capital and infrastructure needs, occupational health and safety concerns, drought-proofing, water-saving initiatives and the like.

The next slide talks about the racing and training infrastructure plan that was released on Tuesday of this week by Racing Victoria. That plan will sustain country racing well into the future. The plan includes a five-year summary of funding for every Victorian racecourse as well as details of proposed race dates for the same period.

Harness Racing Victoria has been working hard to implement its strategic plan, which includes the development of the harness racing centres of excellence. The jewel in the crown is Melton. That opened recently; it will have its first meeting in July.

Greyhound Racing has continued with its process of renewal of regional greyhound racing centres to ensure they deliver a safe and professionally run industry.

The next slide shows some of the support frameworks we put in place for the industry. We introduced legislation to reform the Victorian bookmaking industry so that bookies could effectively compete in the national wagering market. We also commissioned Judge Gordon Lewis to undertake a review of the integrity assurance of the industry. He made 63 recommendations. All have either been accepted in full by the industry or modified with the agreement of Judge Lewis to more effectively achieve the outcomes sought.

The Regional Racing Infrastructure Fund is an \$86 million fund, of which the government contributes \$45 million, with the remainder coming from the industry to support regional and rural racing in this state. That is the presentation.

**Ms MUNT** — Minister, can I refer you to budget paper 3, page 161. Under 'Regulating Gaming and Racing' in part it says:

The output ... supports the racing industry through a range of advisory, administrative and regulatory services, and selected initiatives.

Can you please tell me how that funding and other support will impact on the thoroughbred racing industry in the next financial year?

**Mr HULLS** — I have to say that the racing industry — Racing Victoria Ltd — released its plan for racecourse and training facilities, called the Racecourse and Training Facilities Infrastructure Plan, a couple of days ago. It provides each club with a five-year blueprint, gives industry certainty and I believe a secure future.

The media is reporting that racing clubs are very pleased with the directions plan. I notice the *Herald Sun* saying that the plan is a winner for RVL. It also says that it is a testimony to the state government's commitment to racing.



There are a number of clubs that have come out already and supported the plan. I notice that the CEO of Country Racing Victoria, Scott Whiteman, has said that they are satisfied with the outcome that has been reached through this process. CRV requested the development of a long-term plan, and this plan provides all clubs with certainty and a framework to move forward. He also said that as long as the community supports the race meetings, every country club has a place in the Victorian racing calendar. I will not bore you with all the other articles that have appeared supporting this plan.

We think that RVL has shown leadership; they have consulted very widely, and Benalla, Geelong, Tatura and Bendigo racing clubs are already reported as saying it is a positive outcome for their clubs, and I expect there will be more positive media over the next period. I notice that the shadow minister slammed the plan, but he seems on his own on this issue.

**The CHAIR** — Without provocation!

**Mr HULLS** — I also note that the \$86 million in the Regional Racing Infrastructure Fund, \$45 million of which has been contributed by the state government, will ensure that country racing flourishes well into the future. The infrastructure projects that we have worked up as a result of that funding will create hundreds of jobs, and the enhanced facilities will also protect the existing levels of employment across the Victorian racing industry, and there will be an enormous flow-on effect to local communities.

The key positive impacts that will arise from this funding will be significant improvement to regional and rural infrastructure at racecourses leading to improved racing, increased participation, which of course then creates employment opportunities, better and much safer facilities for racing participants, better-quality racing, better size fields and the like, and also the ability to drought-proof a whole range of courses to reduce reliance on town water supplies.

In addition to this funding, the government also has its Living Country Racing program, which, since 2001, has delivered some \$3.5 million to 303 projects at Victorian country racing clubs across all three codes. Whether it is building new toilets at a race club or new running rails or judges' towers or the addressing of health and safety issues, these are projects that often small country clubs cannot afford on their own, and this fund is a real bonus for them.

We will continue to support country racing. I think, because of our support, the recent figures of country racing are very positive. More people are going to country racing than ever before, with attendances at country race meetings growing 25 per cent in the last five years, so whilst there are some doom-and-gloom merchants out there who continue to talk down the industry, I have to say that we are not in that game. We will continue to support the industry, to talk it up, and we ignore the falsehoods that are out there, particularly the opposition spokesperson on racing who seems to have a penchant for talking down racing in regional Victoria.

**Ms MUNT** — It can be a fabulous family day out at country racecourses.

**Mr HULLS** — Indeed.

**Dr SYKES** — Minister, my question relates to the future of country racing and, for a reference point, we can look at budget paper 4, page 45, and the calculations of tax revenue. However, I preface my question by reporting that in 2005, seven country harness racing tracks were closed; in June 2009 the Wangaratta greyhound track will close; in the past two years, 66 — I repeat: 66 — country thoroughbred race meetings have been removed or downgraded; and this week it has been announced that nine country racing centres will be defunded or cease to exist in the next five years, and that includes Mansfield in my area; and 10 country thoroughbred racing training centres will be denied access to any capital works funding, and that includes Benalla in my area, thereby affecting their ability to retain the track trainers.

Is this gutting of country racing during the term of a Labor government one of the main reasons for a reduction in budget projections for gambling tax revenue as shown on page 45 of budget paper 4, in comparison with the like projections on page 43 of budget paper 4 of last year? Further, what will be the impact of these track closures and meeting downgrades and removal of race meetings on employment and wealth generation in communities such as Mansfield and Benalla and like communities around country Victoria?

**Mr HULLS** — There are a couple of things. First of all you need to get your facts right. If you are going to ask a question, you need to get your facts right.

**Dr SYKES** — What facts have I got wrong?

**The CHAIR** — The minister, to answer.

**Mr HULLS** — Country racing has never been healthier. Country racing and the attendance figures at country racing show — —

**Dr SYKES** — So why are we — —

**The CHAIR** — The minister, to answer.

**Mr HULLS** — Country racing is booming. That is the first thing. The second thing is no government in Victoria's history has ever put as much money into infrastructure at country tracks than this Labor government.

The next thing you need to understand is that certain people have actually made public comments in the past that if country clubs continue to be a drag on the industry, you have got to question their ability to survive. That is not a view I take; that was a view that the current shadow minister for racing took in 1995. We take the opposite view.

We take the view that every country track and every country club has a role to play. That is the view that RVL takes. Indeed, the setting of race dates is not a matter for the minister of the day. If you think otherwise, you should say so publicly. The setting of race dates is a matter for the independent body that runs racing in this state, which is RVL. I do not believe there should be political interference with the setting of race dates, and I hope you would agree with what I am saying. RVL is an independent body that makes decisions for and on behalf of industry. Having said that, the plan that it has released yesterday or the day before has been widely applauded by the industry, widely applauded as a way forward for the sustainable future of racing in this state.

It understands, as I thought you might have understood, that racing is in a very competitive marketplace. It is competing for that discretionary dollar that is used at gaming machines, that is used to buy DVDs, that is used for theatre tickets and the like. It has got to be innovative; it has to change. Just because things have been done for 100 years does not necessarily mean that it should continue to run in the same way.

**Ms PENNICUIK** — I absolutely agree with that.

**Mr HULLS** — Things need to change. The governance structure of racing in this state has changed dramatically, as you would know. It used to be run by the VRC. The VRC used to be the principal club running racing in this state. When I first became racing minister I saw that as a clear conflict, where you had, if you like, Collingwood running the AFL. Some say they do!

**Dr SYKES** — They do — we agree on that!

**Mr HULLS** — You cannot have an individual club running the entire industry, so we set up an independent structure, which is RVL. Whilst people may not necessarily agree with all the decisions that RVL makes, the fact is that it is there to make decisions for and on behalf of the industry. It was supported by all parties in the house when the legislation was passed. I do not take the view that some do, that the Minister for Racing should be the one who decides what clubs have what meetings on what days. I think that should be done by an independent body, which is RVL.

I conclude on this note: RVL took a leadership role in developing this plan. Not only does it have the support of most clubs, it also has the support of the peak body that is the lobby group, if you like, for country racing in this state — this is, CRV. CRV represents the country clubs. The CEO of CRV has made public statements that this blueprint is an appropriate blueprint for the future of racing in this state, and I agree with him.

**Dr SYKES** — Chair, with respect, I asked two questions and I have not been given an answer. What I have had is a spruik by the Minister for Racing. My questions were quite specific, Minister. What is the impact of these track closures and meeting downgrades on country communities in terms of wealth generation and employment? I will give you an example — —.

**The CHAIR** — No, we do not need the examples. We just need the answer.

**Dr SYKES** — With respect, Chair, Mansfield has had a 20 per cent cut in funding, and funding ceases in five years time. That is hardly good for Mansfield.

**The CHAIR** — The minister, to answer.

**Dr SYKES** — Benalla has had a removal of infrastructure funding. That is hardly good for Benalla.

**The CHAIR** — Dr Sykes, you have had your question.

**Mr HULLS** — My understanding is that Benalla supports the plan, firstly.

**Dr SYKES** — I ask the question: has Benalla had a removal of infrastructure funding?

**Mr HULLS** — Can I say to you — you asked the question about employment — \$45 million plus \$41 million — —

**Dr SYKES** — My question is: what is the impact of these downgrades?

**The CHAIR** — We have had your question three times.

**Dr SYKES** — The minister is not answering the question, because he knows that he has contributed to the gutting of country communities.

**The CHAIR** (to Dr Sykes) — Show a bit more respect, please.

**Mr HULLS** — Forty-five plus 41 equals 86 — \$86 million in infrastructure is the biggest infrastructure spend in country Victoria in its history.

**Dr SYKES** — How much is going to Benalla in the future?

**Mr HULLS** — Guess what happens when you spend \$86 million in regional Victoria? You create employment.

**Dr SYKES** — So what is going to happen when you remove access to money in the future? You lose employment.

**Mr HULLS** — I do not believe that country clubs are a drag on the industry, as the shadow Minister for Racing does.

**Dr SYKES** — Why are you closing Mansfield?

**Mr HULLS** — I believe — —

**Mr WELLS** — You said 1995.

**Dr SYKES** — You are closing Mansfield. You are overseeing the closure of Mansfield.

**Mr HULLS** — I believe this government has shown a clear commitment to country racing and also a clear commitment — —.

**Dr SYKES** — You want it each way — you take the good points but will not accept responsibility for closing Mansfield.

**Mr HULLS** — It has shown a clear commitment to the independent governance structure.

**The CHAIR** — Mr Noonan — and I hope you will behave yourself when you ask your question.

**Mr NOONAN** — I will do my best.

**Dr SYKES** — He has not had his country race clubs gutted. He will be able to behave himself.

**Mr NOONAN** — If I can get a go. I am interested in the harness racing industry. I note with interest the harness racing centre of excellence in Melton, which I think, as you said, is about to have their first meeting in the not-too-distant future. I refer to the outcomes and deliverables Ms Munt referred to in budget paper 3, pages 161 and 162. I ask whether you, Minister, can report on the impact of the government's ongoing support for the harness racing industry.

**Mr HULLS** — I do not know if anyone here has had the opportunity to go out and have a look at Melton, but you should, because it is a fantastic complex. We have a very vibrant harness racing industry in the state. It employs 2300 full-time equivalent jobs. It contributes about \$257 million to the Victorian economy. In 2001, following a harness racing industry summit convened by the government, Harness Racing Victoria developed a five-year strategic plan. Key recommendations included having harness racing centres of excellence in strategic locations in this state. Since moving its metropolitan racing from the showgrounds in 1980 — and we all remember those days; Penthouse Club and Mary Hardy and every second horse was 'something Adios' — —

**The CHAIR** — Paleface.

**Mr HULLS** — There have been substantial changes to the industry. Melton is an ideal location for the new home of harness racing in this state. It is a \$45.1 million complex. It is in one of the state's fastest growing municipalities and has the highest concentration of harness racing horses and trainers in the state. The government provided some \$453 026 through the racing industry development program, about which I spoke earlier — that great program that is supported by the member for Benalla.

In March, Tabcorp Park, as it is known, was officially opened at Melton. The complex will provide Melton and the broader community with a multi-purpose venue, a state-of-the-art facility, a 41-room 4-star motel, conference and function facilities for 750 people, and the like.

There will be 60 full-time-equivalent jobs created by the project, and the first harness race meeting at Melton will be held in July. I look forward to being there, except that it is the same day that Geelong plays St Kilda; but I will be at Melton. I think it is going to be a great day. The government is certainly very pleased to support this very important step by HRV to enable harness racing to really take control of its future.

**The CHAIR** — Thank you very much. It is a great sport.

**Mr RICH-PHILLIPS** — I take you to page 45 of budget paper 4, which shows the taxation revenue estimated for the outlook period. The gambling tax revenue from racing for the three years shown in this budget paper are lower estimates than were projected in last year's budget paper, 2009–10, 2010–11 and 2011–12 all being lower.

My question to you is: does that reflect a loss of wagering revenue interstate from TAB and Victorian bookmakers to interstate bookmakers, and what action is the government taking to protect the wagering revenue stream for Victorian racing?

**Mr HULLS** — In relation to that, you probably remember in April 2008 we announced changes to the gaming machine licence arrangements post-2012, and because of those changes the government made the decision that funding for the racing industry post-2012 is to be from wagering to the greatest possible extent. As you know, currently it is funded through a combination of wagering and gaming machines.

In keeping with the legislative requirement that the rearrangements between the new wagering licensee and the racing industry be no less favourable than those currently in place, the government made a decision to lower the parimutuel tax rate from 19.11 per cent to 7.6 per cent to provide funding equivalent to what the racing industry would have received if the gaming licence had remained the same. This equates to about \$80 million in today's dollars. The tax rate for fixed-odds wagering will also be reduced from 10.91 per cent to 4.38 per cent to increase competitiveness with Northern Territory corporate bookmakers, who operate, as you would know, at a much lower tax rate.

Due to the difficulty in projecting gaming and wagering revenues this far in advance, the government also decided that the tax rate will be reviewed in 2012 with a view to considering the rate in the context of the actual figures. We have had discussions with the racing industry in relation to that, and they are happy with that arrangement. The requirement for a review and its terms of reference will be placed in legislation, and consultation with the racing industry on the post-2012 arrangements are ongoing.

But, in a nutshell it is because of the changed tax rates that were announced, and we believe that the agreement, the consultation and as a result, the arrangements that have been made with the racing industry will ensure that the industry is no worse off and dealt with on no less favourable terms post-2012.

**Mr RICH-PHILLIPS** — As to the issue of the immediate revenue protection vis-a-vis interstate leakage, what action is the government taking there?

**Mr HULLS** — There is a whole range of issues that we are looking at and indeed addressing, but one of the difficulties we have is the issue of the leakage from interstate and — it gets a bit complex — the ability of corporate bookmakers interstate to offer tote odds and not really set a book appropriately. All jurisdictions are grappling with that. There have been preliminary discussions with the federal government in relation to whether there can be a federal approach in relation to addressing that issue. I am continuing to get legal advice in relation to what action we can take.

It is not so difficult for me to take action as racing minister in Victoria for bets that are taking place in Victoria. It is far more difficult, for a whole range of reasons, to take legal action here in relation to the offering of tote odds from bookmakers operating under a tree in Fanny Bay, for instance. But it is not just Victoria that is grappling with this; it is all other jurisdictions as well. It was raised at the last racing ministers conference. I understand it was agreed that a Heads of Treasury group be set up to look at some of these issues. I understand that that will be progressed, and we will continue to have discussions with other jurisdictions to address this issue.

The issue of corporate bookmakers is not going to go away. The issue of telephone betting, internet betting and the like is not going to go away. All states are grappling with how they can protect their revenue base, but in particular the issue of corporate bookmakers from interstate offering not just tote odds but best tote odds in some areas is something that we are attempting to address in all jurisdictions. It is not simple.

**Mr RICH-PHILLIPS** — When would you expect the Heads of Treasury work to be progressed; what sort of time frame?

**Mr HULLS** — It is a good question. I am not sure they have a time frame, but they, I think, understand that this is a national issue that needs to be addressed on a national basis.

**Ms PENNICUIK** — My question would be quick.

**The CHAIR** — Put your question on notice.

**Mr HULLS** — No, I am happy to — —

**Ms PENNICUIK** — You might have to take it on notice anyway.

**The CHAIR** — Put it in the Hansard transcript and the minister will take it on notice.

**Ms PENNICUIK** — Minister, I refer you to page 45, to the racing and gambling revenue. My question is: what proportion of that estimated revenue for racing and gambling taxes is derived from jumps racing?

**Mr HULLS** — It is a good question, and I am happy to — —

**The CHAIR** — You will have to be really quick, Minister.

**Mr HULLS** — I am happy to attempt to answer it. I will take the figure on notice, but it is a very small amount. In relation to jumps racing generally — because I think that is really what your interest is; the reason behind the question — I have to say that RVL is to be commended for taking decisive action in relation to jumps racing after the Warrnambool carnival.

The Warrnambool carnival is a great carnival; I have been there before. Unfortunately it usually takes place when Parliament is sitting, so I was not able to get there this year, but there were some pretty tragic scenes screened on our television sets and were in the paper in relation to the recent carnival.

RVL took decisive action to suspend jumps racing following the Warrnambool carnival. They had a meeting yesterday, where they hoped to make a decision in relation to the future of jumps racing. I can understand there

are both sides of the argument in relation to jumps racing. A lot of people are dependent upon jumps racing for their employment. RVL considered the issue, as I understand, yesterday and made a decision that they needed further information and will be making an announcement on Monday in relation to that issue.

I have to say — and I conclude on this note — there have been some intemperate comments made in relation to the issue of jumps racing by certain people. It does not behove them well, I have to say. I think people have to take a deep breath and allow RVL to make their decision in a measured and appropriate way. All sorts of accusations have been flying around the place, including ministerial pressure being put on RVL, including horse heads being delivered to the minister and other people, and the like. Not only are those accusations about political interference a nonsense — I think Rob Hines as the CEO of RVL made that quite clear — this is a decision that will be made by RVL on behalf of the industry.

Whilst I understand people's passion on both sides of the argument in relation to jumps racing, RVL will be the ones that will make this decision. RVL independently will make this decision. I support the process and I will support the decision that RVL makes.

But some of the nonsense that we have read about and heard about and the intemperate and inappropriate comments that have been made are just that — intemperate and inappropriate. People need to take a deep breath and allow RVL to independently get on with the business of making what is a very important decision on behalf of the industry.

**The CHAIR** — That concludes consideration of the budget estimates for the portfolio of racing. I thank the minister and departmental officers for their attendance today. It has been an interesting session. I note there have been a number of questions which I felt were not appropriate for the estimates hearing, but I thank the minister for what I regard as his indulgence in answering them. Where questions were taken on notice the committee will follow up with you in writing at a later date. The committee requests that written responses to those matters be provided within 30 days. Thank you.

## 7.5 Gaming Transcript

### PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

#### Inquiry into budget estimates 2009–10

Melbourne — 21 May 2009

#### Members

Mr R. Dalla-Riva  
Ms J. Huppert  
Ms J. Munt  
Mr W. Noonan  
Ms S. Pennicuik

Mr G. Rich-Phillips  
Mr R. Scott  
Mr B. Stensholt  
Dr W. Sykes  
Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr T. Robinson, Minister for Gaming,  
Ms P. Armytage, Secretary, and  
Mr R. Kennedy, Executive Director, Gaming and Racing, Department of Justice.

**The CHAIR** — I declare open the Public Accounts and Estimates Committee hearing on the 2009–10 budget estimates for the portfolio of Gaming. On behalf the committee, I welcome Mr Tony Robinson, Minister for Gaming, and departmental officers. Members of the public and members of the media are also welcome.

In accordance with the guidelines for public hearings, I remind members of the public that they cannot participate in the committee's proceedings. Only officers of the PAEC secretariat are to approach PAEC members. Departmental officers, as requested by the minister or his chief of staff, can approach the table during the hearing. Members of the media are also requested to observe the guidelines for filming or recording proceedings in the Legislative Council committee room.

All evidence taken by this committee is taken under the provisions of the Parliamentary Committees Act and is protected from judicial review. However, any comments made outside the precincts of the hearing are not protected by parliamentary privilege. There is no need for evidence to be sworn. All evidence given today is being recorded. Witnesses will be provided with proof versions of the transcript to be verified and returned within two working days. In accordance with past practice, the transcripts and PowerPoint presentations will then be placed on the committee's website.

Following a presentation by the minister, committee members will ask questions related to the budget estimates. Generally, the procedure followed will be that relating to questions in the Legislative Assembly.

I ask that all mobile telephones be turned off. I now call upon the minister to give a brief presentation of no more than 5 minutes on the more complex financial and performance information that relates to the budget estimates for the portfolio of Gaming.

**Mr ROBINSON** — In the 5 minutes, I will briefly outline the portfolio budget for 2009–10 and then discuss gambling regulation, the gambling licences review, developments in policy and the continuing program in respect of problem gambling.

**Overheads shown.**

**Mr ROBINSON** — So if we go to the first slide, business group, you will see here that the gaming and racing business group within the department consists of the Office of Gaming and Racing, OGR, the Gambling Licences Review, GLR and the Victorian Commission for Gambling Regulation, the VCGR.

The gaming component of the budget is \$91 million; the racing component, for which the Minister for Racing is responsible, is \$32.7 million; and the total output is \$123.7 million, and that is what is alluded to in the budget papers.

Just on the VCGR, that is the state's independent gambling regulator which has a range of statutory functions under the Gambling Regulation Act. It also has powers under related legislation. Its activities are geared towards achieving a fair, crime-free and responsible gambling industry and it is widely recognised in Australia and beyond Australia as achieving that. The commission regulates commercial gambling activities, including gaming machines, lotteries, wagering and the Casino as well community and charitable gaming — through things like raffles and bingo. Since 1 January this year, the commission has also had responsibility for the registration of bookmakers.

In the last full year to June 2008, there were 520 gaming venues. During that year the VCGR conducted 14 public hearings into applications for new venues or an increase in the number of machines at existing venues, and conducted 603 investigations into possible breaches of the gambling legislation.

I will just now turn to the gambling licences review. Considerable progress has been made during 2008–09 on the review, which relates to a very substantial undertaking. It is a fundamental reshaping of the gambling industry in this state. Public consultations were held in June, October and December of last year. The review has released two major documents, the *Statement of Outcomes II on Gaming Machine Arrangements* and the *Overview of the Victorian Gaming Industry*, and, of course, we have had the release of venue-level data. The documents provide potential industry participants with the information they need if they are considering whether to participate in the industry from 2012, when the gaming operator licences end.



The competitive process for the new keno wagering and monitoring licences commenced and is continuing to be worked on. We envisage the keno licence being determined by the end of the year, the wagering licence determination in early 2010 along with the monitoring licence.

The next slide just deals with some of the policy achievements.

We will go straight to the next one, given the time constraints, which is more recent initiatives. As you can see from this slide, the government is continuing to build on earlier initiatives and our record of progress in initiatives such as codes of conduct, precommitment and strengthening legislative provisions relating to minors. The policy settings have changed significantly in the past decade and I would be happy to quote from our submission to the Productivity Commission inquiry on gambling, to give a flavour later in this presentation about the distinction that has been achieved in the last few years.

Moving to policy achievements, most of the work that is undertaken by the Office of Gaming and Racing in the department generally relates to gaming machines. Victoria's success in creating a responsible gambling environment is illustrated by this chart which compares us with other states and territories. This chart compares the number of gaming machines with the density per 1000 adults in Australian states and territories. Victoria does quite well on that score compared to the four states and territories to the left. In absolute numbers, as well, Victoria has 27 500 gaming machines outside the 2500 in the casino; New South Wales has over 100 000 and Queensland has over 40 000.

Turning to Taking Action on Problem Gambling (TAPG), which is our five-year problem gambling strategy, it adopts a public health approach to the prevention and early intervention and treatment of gambling-related harm.

Moving through to the next slide: 'combating problem gambling'. The financial commitment to addressing problem gambling continues to grow. Since 1999 we have spent over \$87 million on problem gambling, including more than \$54 million on specialist services. This is a great increase compared to the previous period. Our projected expenditure through to 2010–11, which is our extended TAPG at this point in time, is foreshadowed there.

The total figure incorporates expenditure from TAPG and the problem gambling services strategy. Expenditure in 2007–08 totalled \$21.4 million and expenditure for 2008–09 is anticipated to increase to about \$28.5 million; \$21 million had been spent to March this year.

As a comparison with some other jurisdictions: we have shown the interstate comparisons, but some other jurisdictions — again, as I said this year we will spend about \$28.5 million — the state of Nevada for example which has 200 000 EGMs would spend about \$3.5 million; the state of Delaware would spend about \$1 million; the state of Indiana about \$5 million — and they are the best of the US jurisdictions. In Canada the province of British Columbia would spend about \$4 million. By any comparison, Victoria is doing better than others.

Moving through to expenditure by action: most of the expenditure, as you can see, is in building better treatment services. In 2007–08 Gamblers Help services provided more than 65 000 counselling hours to over 8900 Victorians.

In the next slide 'combating problem gambling': recent achievements include the new TV campaign, redevelopment of the Gamblers Help program, the national 1800 number and online counselling. So far in the advertising campaign, there has been \$3.6 million spent; that incorporates TV and other media, and I will be happy to expand during question time about the way the new ads were constructed.

Looking ahead to 2009–10, the state's major commercial gambling licensing arrangements will continue to receive priority. Work will continue on implementing the government's precommitment initiative. We anticipate spending in excess of \$30 million, and this includes \$13.3 million being provided to Gamblers Help agencies and statewide initiatives, promoting enhanced services for the culturally and linguistically diverse and indigenous communities, and some \$6 million for problem gambling awareness and education strategies.

That completes the presentation, and I am happy to take questions.

**The CHAIR** — Thank you, Minister. We have until 3.30 p.m. for allocated questions on the gaming portfolio.

---

**Ms HUPPERT** — Minister, on the previous slide you talked about some of the programs relating to problem gambling and the investment of over \$30 million. I also note you referred to the new TV campaign and generally the advertising campaign. Could you please outline to the committee how that TV campaign will work and the success of those campaigns both currently and into the forward estimates period?

**Mr ROBINSON** — The TV campaign was launched in about October last year. What makes the TV campaign different is the extent of research that was undertaken involving people who had experienced problems with gambling. I think we are the first jurisdiction to actually base the ads on research that was done with people in that group. This is important because what the research shows is that advertising campaigns can lose their impact over time, so it is important to refresh them and renew them, and to base that on some degree of research.

I was appraised of the way in which people in the at-risk group respond to ads at the Banyule Community Health Service in the second half of last year. A woman who had experienced problems came to me and said, “The weakness of the earlier ads when you just talk about problem gamblers per se is that, “I do not believe I am the problem” ‘, and she was picking up from the ads that there was a pejorative in that. Indeed, research more broadly reflects that point.

That is why the ad has been changed and the core message is to take the problem out of gaming or gambling, and the use in the ads of other members of family and friends — you would have just seen the two ads of the boy and his dad on the pier, and the two mates at the footy — is a very powerful, subtle change, but it has had an impact. We saw during the first few weeks, I think the first two months of that campaign, we had about 45 per cent increase in calls, and that was terrific. The further research, I think, demonstrated the actual impact people were getting out of those ads was also at a higher level than had previously been the case.

That campaign ran for a few weeks. It was run out again a little while ago. It has had good results, and we will continue to run that out as and where opportunities arise; we do not want it to get too stale. We will continue to research ways in which the advertising, both that and other advertising, can be refined over coming years.

**Mr WELLS** — Minister, I refer you to the secret deal between the government and Crown Casino, and budget paper 4 page 45 — ‘gambling taxes’ over the forward estimates. Did the government use a third party to act on its behalf in its negotiations with Crown? Who was this third party? Where were the meetings held? Who attended these meetings — for example, did James Packer, himself, attend? When was the memorandum of understanding first agreed upon?

**Mr ROBINSON** — There are a series of questions there.

**Mr WELLS** — Maybe we can go through each one.

**The CHAIR** — We can try to take them all together, Minister.

**Mr ROBINSON** — I can give you advice on this matter insofar as I am aware of the background to all this.

**Mr WELLS** — You are the minister, so you would be aware.

**The CHAIR** — Thank you, Mr Wells, without assistance!

**Mr WELLS** — He is the minister, he would be aware.

**The CHAIR** — Without assistance!

**Mr ROBINSON** — The issue of potential changes to the tax arrangements that Crown is subject to was actually raised by me with Crown at a regular meeting in the second half of last year. We meet regularly with Crown; we do that three or four times a year. That meeting, I think, involved Gary O’Neill, who attends those meetings, and, I think, David Courtney.

We put it to Crown in general conversation that as a consequence of the decision in April to restructure the gaming industry, the EGM industry, and to terminate gaming operators and pass ownership of machines to venues, that the health benefit levy which is currently paid by Tatts, Tabcorp and Crown would almost certainly

need to change. You cannot collect a health benefit levy from operators after 2012 as operators are not in business.

We suggested to them that the government was probably going to need to reconfigure that tax and to recover from Crown in a different way that money which is currently paid by them as their health benefit levy. We indicated to them that this would quite properly be a matter — because it is a tax matter — that the Department of Treasury and Finance would handle. That is not new, that has been the case in respect of taxation matters for the casino since the casino was established.

That was the extent of that discussion. There was no discussion about anything else other than our suggestion that, as a consequence of the restructuring decision in April, there would have to be some changes — or that there would, in all probability, be changes to the health benefit levy.

We were subsequently advised in April by the Treasurer's office that in fact Crown had commenced commercial negotiations with the Treasury. We were also advised that Crown were bringing to those negotiations a request for a change to the table limits. The table limits were last set in 1995, when they were raised from 200 to 350. The Treasurer sought my advice on this, what did I think, and I offered my advice on it. I can go into detail on that if you wish.

Those negotiations continued and the agreement was reached and signed off by the Treasurer. It was an agreement in principle, which of course is subject to legislation and the Parliament's determination. That was finalised on the morning on which I made the announcement — I think that was Tuesday, 12 May.

**Mr WELLS** — In regard to the advice you that you gave the Treasurer, please?

**Mr ROBINSON** — My advice to the Treasurer in respect of table games was that, from my perspective and from the department's perspective, they were less problematic than EGMs; most of the work we do is around EGMs. That is not to say there are not some problems associated with them, but there has been a fair bit of research done which shows a lower incidence of play and less exposure to risk in those forms of gambling than in EGMs.

I further made the observation to him that poker was unique amongst the table games because poker is the only table game where players do not play against the house. Players actually play against each other, and it requires certain degrees of skill in terms of tactics and the way it is played.

I also advised him that Crown had a well-recognised, in-house capacity for problem gambling counselling. The VCGR did a report on that last year. I further offered the perspective that, in so far as any changes to tax might be concerned, I thought the hotel EGM tax rate was an appropriate benchmark. As you would possibly be aware, there has been a longstanding differential between the tax rate applied to Crown's EGMs and to those that operate in hotels. That is about 10 per cent — it is something like 22 per cent that Crown pays and 32.5 per cent or 33 per cent that hotels pay. That was the advice I put to him. The Treasurer indicated that he would seek formal advice from the VCGR, and I was pleased with that. That was the advice I offered.

**Mr WELLS** — In regard to the question of who did Crown negotiate with directly, was it a Packer, who did the negotiations in this deal? You are telling us that you had absolutely nothing to do with the negotiations of the deal. So who made the deal, who put the deal together?

**Mr ROBINSON** — As I have said, my understanding is that Crown entered into commercial negotiations with the Department of Treasury and Finance, and that a commercial negotiator was brought in by the Department of Treasury and Finance for that purpose.

**Mr WELLS** — Who was the commercial negotiator? There was a third party?

**Mr ROBINSON** — The department hired someone to negotiate this matter commercially. Yes.

**Mr WELLS** — There was a third party, you are confirming — —

**The CHAIR** — All right — —

**Mr WELLS** (to the Chair) — Hang on, this is an important point. It is the first question I have asked.

So there was a third party brought in to do the negotiations?

**Mr ROBINSON** — As is usual in these types of cases, yes. They were hired by the department, as I understand it — and the Treasurer could give you more advice on this — for the purpose of negotiating the matter of tax and the other matters Crown were bringing to that negotiation.

**Mr WELLS** — Kerry Packer was involved?

**Mr ROBINSON** — Kerry Packer would struggle to be involved in anything now.

**Mr WELLS** — So — —

**Mr ROBINSON** — I was not involved in those discussions.

**The CHAIR** — This is something we probably need to follow up with the Treasurer.

**Mr WELLS** — So we had a secret deal, and then we had a secret third party doing the negotiations? Is that the situation?

**The CHAIR** — I think we have the answer.

**Mr WELLS** — No. We will just confirm. We had a secret deal and a secret third party as part of the negotiations?

**The CHAIR** — I think the minister has answered this. If you wish to ask some further questions — —

**Mr WELLS** — Are you confirming that?

**Mr ROBINSON** — No, I am confirming what I have just said.

**The CHAIR** — Mr Scott, I think we will move on. We have heard enough on that question. You can ask some more later, Mr Wells.

**Mr SCOTT** — Minister, I refer you to budget paper 3, pages 161 and 162, to the ongoing enhancement of the regulatory environment. Could you advise on whether Victoria is keeping pace with other states in the implementation of responsible gambling initiatives?

**Mr ROBINSON** — To take my point earlier in the presentation further, I would contend that Victoria is not only keeping pace, but Victoria has well exceeded what other states and territories have done. That stands up to comparison both in Australia and abroad. Victoria has the third-lowest gaming machine density of any state, with only Tasmania and the Northern Territory having a lower density. Western Australia is excluded as it only has gaming machines in its casino.

Perhaps a more relevant figure is that NSW has nearly three times as many gaming machines per thousand adults as Victoria. New South Wales has 18.31 machines per 1000 adults, where Victoria has 6.64 machines per 1000 adults. Victoria's density figure continues to decline across the state because we have a fixed number of machines; so as the population increases, the machine numbers do not increase across the state.

Victoria is the only state that has taken action to protect vulnerable communities by capping the number of machines that can be operated in those communities. We have 19 capped or partially capped municipalities. Those caps were introduced in two phases, the most recent of which was at the end of 2007. They have resulted in almost 1000 machines being relocated from those areas.

We think the caps have worked very well, and we have noted from time to time industry comment about the declining return on those investments because of the caps. It is simply not possible, as it once was, for operators to pick up machines and move them to where they are more profitable. The caps act as a very effective restriction.

We are about to extend this policy further by implementing municipal limits, which will apply in areas not covered by regional caps. Municipal limits will cap the maximum number of gaming machines in every LGA to 10 per 1000 adults, and that is work that the VCGR will undertake this year.

Other things that we do that I think exemplify leadership here is that we have a ban on gaming machine advertising outside gaming venues — something that Queensland, the Northern Territory and the ACT do not do. We have compulsory responsible gambling training for venue staff; Queensland does not do that. We have mandatory player information displays; the Northern Territory does not do that. And of course we have announced a policy on banning ATMs altogether. They currently are under limits as to what they can dispense per day. We will go further and ban them altogether, with very limited exceptions.

And we have adopted a precommitment policy. That, as some members would be aware, is the subject of some ongoing discussions in the context of the bill, so I perhaps do not want to speak too much about where those discussions are. That is something we will let our negotiators deal with. But we are very keen to see that implemented. Victoria, as I said, will be the first state to ban ATMs altogether from gaming venues.

Last year I had the chance to be at the international conference on problem and responsible gambling, and one thing that does stand out is the extent to which in Victoria we do have a robust discussion about problem gambling measures. I have got to say that puts us miles ahead, light years ahead of most jurisdictions. If you spoke to someone in any United States jurisdiction about problem gambling ads and even hinted that playing a machine represented a hazard to certain people, you would be howled down.

One, they spend a pittance, and two, they have this supreme view that everyone is responsible for what they do regardless of the consequences. So we are a long, long way ahead of those jurisdictions.

**Ms PENNICUIK** — Minister, electronic gaming machine manufacturer Aristocrat spends approximately \$117 million per year on research and development to make their machines as marketable as possible. I notice that your slide there mentioned \$3.4 million is how much the government spends on its combating problem gambling fund — which I think works out at about \$300 000. So you spend that much on research and development. How much do you spend to counter the built-in manipulative qualities of gambling machines, and in what ways is the government enhancing harm reduction and safety features on the actual machines?

**Mr ROBINSON** — I think the \$3.4 million you have referred to there is money that was specifically put aside for research. We also have arrangements where we work on research projects in collaboration with other states, and this is something we would like to advance further. We have had some discussions with the commonwealth which last year revived the Ministerial Council on Gambling. We had the meeting here in Melbourne. We thought that was a very positive move after a hiatus of a couple of years.

We will continue to advance that, and it may well be that the Productivity Commission in its recommendations later this year takes a position on further research, which we would be very happy to support.

Can I just say in relation to the claims — and I have heard these claims before about Aristocrat and the style of machines, and I think from time to time it is probably a claim that is made against a number of manufacturers, not just Aristocrat — the VCGR has a roving brief on these matters, so the VCGR is able, without me having to request it, to look at these matters, and it does; it looks at these matters.

I have not received any advice from the regulator that it is concerned about this matter. I think this matter is a matter of interpretation. Clearly you would expect manufacturers would produce machines with different types of designs. I think the attention in this case alluded to a certain type of design and qualities that might attract certain types of at-risk gamblers. The VCGR is well-equipped to deal with that problem, and I am confident would take action if it agreed with that claim, but I think the position up to now is that it has not agreed with that claim.

**Mr NOONAN** — I refer to budget paper 3, pages 161 and 162 and the ongoing enhancement of the regulatory environment. I ask the minister to provide an update on the steps the government is taking to proactively promote responsible gaming environments in gaming venues.

**Mr ROBINSON** — Probably the most significant recent step has been the commencement, on 1 December last year, of the requirement for gaming venues to sign up to a responsible gambling code of conduct. Existing gaming venues have until 1 June to have their codes approved by the VCGR, and the VCGR through its recent newsletters — it tends to do them quarterly — has been making public its advice on how that is progressing.

It is progressing quite well. This is important because it is really in a very public way putting obligations that have not been articulated before back onto venues. We think that is a very good thing. It makes venues more accountable as to what happens in those venues.

The requirement for codes of conduct applies to all participants in the gaming industry, including the holders of a venue operators licence, wagering operators licence, public lottery licence and casino licence, as well as bingo centres licences — so it applies very broadly. We provided the VCGR with about \$4 million to operate the responsible gambling unit to support the implementation and to monitor compliance. So is not just about them getting these codes into place, it is about making sure that they are keeping up to the mark as time goes on, and that will be very important as we go through 2012 with our plan to in fact devolve, or transfer, ownership of EGMs to venues rather than the two operators. For a code to be approved it must set out a process for interaction with customers and how it will foster responsible gambling.

It must also set out a process for interacting with customers who have requested information about or assistance with a gambling problem or expressed interest in a self-exclusion program. The codes that have been approved by the VCGR and are now available on its website include codes developed by Tatts and Tabcorp, Tatts public lotteries, ClubsVIC, RSL and ALH.

We are also, I should say, continuing to fund the work done by the Responsible Gambling Ministerial Advisory Council and its working groups. They have been doing some work in particular recently on precommitment and the ATM policy. I should say, furthermore, we are continuing to fund the new Problem Gambling Research and Treatment Centre at Melbourne University. That is a partnership based at Parkville. It is a partnership with Monash University. We believe its work there will greatly contribute to the body of knowledge that informs our policy decisions. I guess it alludes in part to the questions Ms Pennicuik raised, that developing that research and expertise capacity in Melbourne is a good thing.

**Ms PENNICUIK** — Can I ask for clarification on that answer?

**The CHAIR** — A really quickly one.

**Ms PENNICUIK** — Minister, under the codes of conduct you mentioned Tatts and Tabcorp. At the moment, I understand, they facilitate the relationships that venues are obliged to have with the support services? How is that going to be managed when it not just Tatts and Tabcorp?

**Mr ROBINSON** — As a transition issue? That is one of the things that the VCGR will have responsibility for, principally. That will probably involve the VCGR having to be given dedicated resources to oversight that. We would anticipate that industry bodies like the AHA, ClubsVIC and Community Clubs Australia would play a serious and ongoing role in that.

Our policy on industry transition is also in part a policy about capacity building. It is not just saying, 'As of tomorrow, the machines move from you to you'. It is about saying that clubs and pubs have an opportunity to derive greater revenue from that and put it into local activities, but they also have, with that, greater obligations. One of them is the way in which they discharge responsible gambling principles in real life situations every day.

**Mr DALLA-RIVA** — Minister, I just want to go back to what Mr Wells was referring to earlier in terms of the secret deal between the government and Crown. I just want to get it clear in our minds: was Mr James Packer involved in the negotiations?

**Mr ROBINSON** — I have never met Mr James Packer.

**Mr DALLA-RIVA** — Was he involved in the negotiations?

**Mr ROBINSON** — I can only tell you what I am aware of — that is, I had a discussion with Crown last year.

**Mr DALLA-RIVA** — Yes or no; was he involved in the negotiations?

**Mr ROBINSON** — I am not aware of Mr Packer being involved in these discussions.

**The CHAIR** — It might be a question we could direct to someone else.

**Mr DALLA-RIVA** — Did Mr Packer want more concessions from the government, and did he get everything that he wanted?

**Mr ROBINSON** — I am not in a position to answer that question, Mr Dalla-Riva.

**The CHAIR** — We will have to ask Mr Packer that one, I think.

**Mr DALLA-RIVA** — You are the gaming minister. You must be aware of the negotiations.

**Mr ROBINSON** — I have had no dealings with Mr Packer.

**Mr DALLA-RIVA** — You are unaware of the negotiations? You do not know who the negotiators name was?

**Mr ROBINSON** — That was a commercial negotiator. The Treasurer could give you that information, I am sure.

**Mr DALLA-RIVA** — So you do not know that either?

**Mr ROBINSON** — No.

**Mr DALLA-RIVA** — What is it about this government? Nobody knows anything about anything. We seem to have a consistency of ministers before us who fail to answer questions when it comes to accountability. We have got this minister — —

**The CHAIR** — Without the statement, thank you, Mr Dalla-Riva.

**Mr DALLA-RIVA** — Chairman, I have asked the minister some specific questions. He should know. In the forward estimates there is an expectation — —

**The CHAIR** — The minister is to answer these things honestly and fully. He has give an answer. Unless you have got any — —

**Mr DALLA-RIVA** — We have had ministers before us who have answered honestly and fully, and we know where that has got us.

**Mr ROBINSON** — Chair, I am happy to offer one piece of advice that might clarify — —

**The CHAIR** — Thank you — further elucidation?

**Mr ROBINSON** — That is to say, I do not believe the arrangements here differ in any substantial way from the arrangements in 1995 when the gaming minister of that time— —

**Mr WELLS** — Hang on, we are talking about the forward estimates.

**Mr DALLA-RIVA** — We are talking about now. We are talking about the budget.

**The CHAIR** — Without assistance!

**Mr WELLS** — This has a direct relationship to the forward estimates.

**The CHAIR** — Without assistance!

**Mr WELLS** — Chair, you need to direct him to answer these questions.

**The CHAIR** — He has answered the questions and he has given some further clarification. Ms Munt?

**Mr DALLA-RIVA** — I was seeking some clarifications in terms of Mr Wells's — —

**Ms MUNT** — Chair?

**The CHAIR** — Just a second, Ms Munt. Quickly, Mr Dalla-Riva, without making a statement.

**Mr DALLA-RIVA** — I was seeking some clarifications in terms of Mr Wells's question. My issue is that the minister mentioned that he announced this on 12 May. I refer to the budget paper and the forward estimates on page 45, where there is the additional tax revenue you expect to receive from this deal, which is included in this year's budget papers. If the deal was certain enough for the revenue to feature in the state budget, why did you wait until the day of the federal budget before Victorians were told? Would you also confirm whether the Crown deal was signed off by cabinet?

**Ms MUNT** — Is this another question, Chair?

**Mr DALLA-RIVA** — I sought clarification on the first issue. This is my specific question.

**The CHAIR** — I am happy to allow this.

**Mr WELLS** — This is relevant.

**Mr ROBINSON** — The announcement was made on that day because the agreement in principle between the government, which is signed by the Treasurer, was signed on that day. Government understands that Crown is a listed company. As soon as that was signed it was under obligations to the stock market. We were under obligations to tell Victorians that an agreement in principle had been reached.

**Mr WELLS** — That does not make sense, because you had already put it in the forward estimates, and this was printed a couple of weeks beforehand.

**The CHAIR** — It is something we probably need to ask the — —

**Mr WELLS** — But that does not make sense.

**The CHAIR** — The minister, without assistance.

**Mr WELLS** — The minister made the announcement on 12 May.

**Mr DALLA-RIVA** — You knew it was already in the budget.

**Mr WELLS** — You have already put it in the budget papers.

**The CHAIR** — The minister is answering the question.

**Mr WELLS** — No, he has not — not that part of it.

**The CHAIR** — Minister, have you any other clarification to the question? I think he understands the question.

**Mr ROBINSON** — I understand the question. My understanding is that, because the commercial negotiations had been under way for some time — as I said, the Treasurer advised me in April that these things had started — I believed the Treasury department believed that in all probability an agreement was going to be reached and therefore felt it was under an obligation to disclose that in all probability there would be some additional revenue.

**Mr DALLA-RIVA** — The Treasurer never told you he was involved in those negotiations?

**Mr WELLS** — But the agreement was only signed in principle.

**The CHAIR** — The minister, to answer, without — —

**Ms MUNT** — You want to ask a question and give the answer as well.

**Mr DALLA-RIVA** — The minister knows what exactly what has gone on.

**The CHAIR** — There are continuous interjections. The question has been asked clearly. Does the minister have anything further to add?

**Mr ROBINSON** — As I said on that morning when I made the announcement — —



**Mr WELLS** — On 12 May?

**Mr ROBINSON** — Yes, the figures in the budget papers are indicative figures and will be updated by the Treasurer as part of a forward update.

**Mr WELLS** — But they are already in the forward estimates.

**Mr ROBINSON** — They will be updated in the next budget.

**The CHAIR** — Ms Munt has the call.

**Mr WELLS** — And they were printed a couple of weeks before.

**Mr DALLA-RIVA** — Why is this government so secretive?

**Mr WELLS** — Something's wrong.

**Ms MUNT** — Minister, can I refer you to the budget paper 3, page 161, under 'Regulating gaming and racing' and in particular the delivery of problem gambling services. I would just like to follow through on that. What funding will be provided to gamblers help services in Victoria in this coming year, and how will they ensure that those services actually go to those gamblers who need that help and assistance?

**Mr ROBINSON** — I should say one of the administrative reforms that have been undertaken over the course of the last 12 months is that the Office of Gaming and Racing now has responsibility for both problem gambling counselling services and general financial counselling services. This decision was taken after a review by the State Service Authority, I think it was, which made some recommendations that it would be more efficient, given there is an enduring overlap between the clients who are served by both those services, for them to be administratively consolidated. We now have the situation where the Office and Gaming and Racing oversees both, whereas previously Consumer Affairs Victoria oversaw the generalist services and OGR did the problem gambling services.

In respect of the generalist services, I made an announcement recently — I was more wearing the consumer affairs hat, I suppose — that there would be an additional \$2.8 million provided for generalist services in the next 12 months. That is to deal with a general growth in demand for those services. I am happy to talk about that further, perhaps in the consumer affairs presentation. With respect to problem gambling, what we have done beyond the State Service Authority review was to have a review undertaken by KPMG.

That made recommendations that we should repurchase and repackage those services, so we have done that with our providers. The redeveloped gamblers help service model commenced on 1 July last year, and it was designed to increase access to services for both problem gamblers and their impacted families by improving gamblers help service coordination with a broader system of care. This is improving access to specialist program gambling services from a broad range of services.

I should say the other reform that has gone on has been to link these problem gambling counselling services with primary care partnerships. We did a launch, which I alluded to, at Banyule with the community health service. This has been greatly welcomed by the health sector. I am grateful for the work that the health minister has done in facilitating this. What we are building is a service capacity where, at an earlier opportunity, people can be hooked into assistance by GPs and other networks. That was not there to the same extent previously, and we subscribe to the view that the earlier you can connect an at-risk person or someone experiencing problem gambling difficulties into an appropriate services, the better your chances are of getting them through that period and actually assisting them in practical terms.

**Mr RICH-PHILLIPS** — Minister, I would also like to ask you about the secret Crown Casino deal. In 1995, as you know, John Brumby as opposition leader said in relation to the increase in tables then that there should be a full and independent economic and social impact study of that proposed expansion. My question to you in relation to the secret deal that has just been done is: have you undertaken the full and independent social and economic impact study that 10 years John Brumby said was necessary? If not, why not? And if so, when will you release it publicly?

**The CHAIR** — Minister, insofar as it relates to your portfolio?

**Mr ROBINSON** — There are a couple of similarities and there are also some differences between 1995 and today. The first difference is that in 1995 the casino had only been established, I think, for about 18 months or two years. It is now well beyond its establishment phase and can demonstrate very strong patronage, both local and particularly interstate and overseas. I think in fact the last estimate for Crown was that some 16 million people visit per year, which is an extraordinary number. The third hotel they are building is estimated to deliver about 100 000 tourist stays per year into that complex. There is a far greater demonstrated demand now than there was in 1995.

I think the other point you can make is that between 1995 and now Crown has developed its in-house capacity for problem gambling support. If it suits the Chair, I might just allude to an extract of the VCGR's report on Crown last year, which I think gives a flavour of the quality of that service. Would that be all right, Chair?

**The CHAIR** — Yes, quickly, please.

**Mr ROBINSON** — This is at page 24 of the fourth review of the casino operator and licence:

Indicative of this commitment is the operation of the Crown Melbourne responsible gaming support centre, established by Crown Melbourne in 2002. The initiative, a 24-hour onsite counselling and referral service, is believed by Crown Melbourne and the commission to be a world first. Crown Melbourne's centre led to the development of similar centres across eight provinces in Canada. The commission recognised, as a result of its benchmarking exercise with Australian and international casinos, that the centre is unique in that company and a milestone initiative for helping those with gaming problems.

In 2007, Crown Melbourne added a further element to the centre with the establishment of a chaplaincy support service.

My view on this, Mr Rich-Phillips, is that Crown in the intervening period between 1995 and today has demonstrated by statistical facts in terms of visitation levels and in terms of its growth, by the core element that it represents down there in that part of Melbourne in our tourist industry and by the work that it is doing now through its in-house resource, that it is able to deal in a very competent way with the increase in tables that is being proposed.

**Mr RICH-PHILLIPS** — Minister, you indicated the Treasurer sought your views on the expansion by 150 tables. Before you gave your views to the Treasurer, did you seek any advice from the VCGR or your department?

**Mr ROBINSON** — I regularly receive advice from the VCGR about a whole range of matters.

**Mr RICH-PHILLIPS** — The Treasurer — a specific question to you.

**The CHAIR** — Thank you. The minister, to answer.

**Mr ROBINSON** — I was able to draw upon my knowledge of the industry and the advice that is instantly available to me on these matters. I offered the advice, and I do not believe my advice on some of those specific matters would be inconsistent with the advice of any number of people involved in the field.

**Mr RICH-PHILLIPS** — You have had a massive increase in the number of tables at the casino, and you did not seek any advice from your department before giving your views to the Treasurer?

**The CHAIR** — The minister to answer, thank you, without assistance.

**Mr ROBINSON** — To illustrate that point I think I have even heard Reverend Tim Costello acknowledge publicly that the incidence of problem gambling and the at-risk characteristics of table games is not very substantial.

**Mr WELLS** — Tim Costello agreed to the expansion?

**The CHAIR** — The minister, without assistance.

**Mr ROBINSON** — Tim Costello has publicly acknowledged that the at-risk characteristics of table games are very different from the at-risk characteristics of EGMs

**Mr WELLS** — So did Tim Costello agree to the expansion?

**Mr RICH-PHILLIPS** — So you expect us to accept that you did not seek any advice from your department or the VCGR before you advised the Treasurer of your views?

**Mr ROBINSON** — I was asked for advice by the Treasurer, and I provided advice to the Treasurer.

**Mr RICH-PHILLIPS** — Straightaway, or did you go back and — —

**The CHAIR** — I think the minister has answered that one.

**Mr ROBINSON** — The Treasurer indicated that he was going to seek advice from the VCGR more formally. I understand that he did that, and that would be appropriate, given that the relevant pieces of legislation — not just the Gambling Regulation Act but the Casino Control Act and the Casino (Management Agreement) Act — do provide for the Treasurer to deal with the VCGR on matters like that.

**Mr RICH-PHILLIPS** — Did you give considered advice, or was it on the phone when you were talking to the Treasurer?

**The CHAIR** — All right. I think we have had enough.

**Mr RICH-PHILLIPS** — Did you wave to him or what? What was the form of the advice? Was it instant advice? This is quite a significant issue.

**Members interjecting.**

**The CHAIR** — Mr Rich-Phillips, I think the minister has given you about four clarifications in a row. The minister has said he has talked to the Treasurer about this.

**Mr RICH-PHILLIPS** — There are still a lot of issues to be resolved, Chair.

**The CHAIR** — You can ask about them in a second.

**Ms HUPPERT** — Minister, I refer to budget paper 3, again pages 161 and 162, and the continuing references to the regulatory toolkit. Can you please outline to the committee whether you have had cause to use your regulatory powers to ban products or practices that do not accord with responsible gaming principles?

**Mr ROBINSON** — The two areas that I administer, and the two largest parts of my portfolio, are liquor and gaming. There are similarities in the sense that they are very heavily regulated areas and probably amongst the most heavily regulated businesses in Australia. That is quite appropriate. The same sorts of issues arise in respect of what is appropriate practice. From time to time people will seek to introduce new practices or products that do challenge some of the settings we have had in place policy-wise which are designed to minimise risks to Victorians.

In relation to liquor we introduced some time ago a power for the director to take action where the director was concerned about a promotion that would contribute to inappropriate consumption and use of alcohol. We have been keen to and more recently we did introduce the same power in respect of gambling. That power, I think, has only applied — I cannot tell the committee exactly what date that came in, but it was only some few months ago.

**The CHAIR** — You can give it to us on notice anyway.

**Mr ROBINSON** — We can put that on notice as to when the actual power accrued. We have had cause to use it once, and that was in respect of what were called cashless gaming machines. These were devices that had been imported, I think, to Australia and were being placed around inner Melbourne. We understood the fellow who had imported them intended to make some of them available in youth hostels and hotels, I think. They were like gaming machines, but you could not actually invest money in them. We took the view that that was inappropriate and that in fact the thing was designed as a gaming machine. Notwithstanding the fact that you did not play with money, we thought that it was inappropriate in that it encouraged people to get involved in gaming. It was, can I say, a creative way around the law. That was the occasion on which I have used that power, and that particular product has been exposed and is subject to a ban. We will use that power going forward, where appropriate.

**Mr DALLA-RIVA** — Minister, we had other questions which we were going down the path of asking, but we are finding it very hard to get true answers about what appears to be a very smelly, secret casino negotiation and about what has occurred and what the public knows. It does not make sense in terms of what you have provided.

**Mr WELLS** — The time lines do not make sense.

**Mr DALLA-RIVA** — The time lines do not make sense, so I am just going to go back.

**The CHAIR** — Can we have a question, thank you.

**Mr DALLA-RIVA** — Given that you spoke to the Treasurer about the economic and social impact, as Mr Rich-Phillips indicated, during those discussions with the Treasurer, did you talk about the fact that James Packer was involved in the negotiations?

**Mr ROBINSON** — No, I did not.

**Mr DALLA-RIVA** — You did not. I asked that before, so now I know.

**The CHAIR** — I think we heard the answer before as well.

**Mr DALLA-RIVA** — Did Mr Packer want more in terms of concessions from government? Did he, or did he not?

**Mr ROBINSON** — I have got no idea, because I was not a party — —

**Mr DALLA-RIVA** — But you did not speak to Mr Packer.

**Mr ROBINSON** — I think my second answer will flow from my first answer. I have not dealt with Mr Packer. I was not involved in the commercial negotiations. They were quite properly — —

**Mr DALLA-RIVA** — You are the Minister for Gaming.

**Mr ROBINSON** — Correct. The situation on these matters, as was the case in 1995, where tax matters are involved is that the Department of Treasury and Finance undertakes the negotiations. It is no different from 1995.

**Mr DALLA-RIVA** — Was this about the Treasury directing where things were going to be done? Was this about the Treasury dictating the forward estimates, saying, ‘We want more money and we are going to exclude you’? Were you aware?

**Mr ROBINSON** — You would have to ask that question of the Treasurer, wouldn’t you?

**Mr DALLA-RIVA** — There is a secret cover-up. There is a secret cover-up by this government yet again. You are responsible. There is an increase, and you are covering up yet again. Yet again!

**The CHAIR** — Thank you. We have had the answer.

**Mr SCOTT** — Minister, I refer you to pages 161 and 162 of budget paper 3, and I ask you to outline the various programs and expenditure linked to those programs that form part of the Taking Action on Problem Gambling strategy which you referred to in your handout to us today.

**Mr ROBINSON** — As I said in the presentation, that policy was launched in October 2006. It outlines the government’s response to combat problem gambling and sets out major initiatives over the five years through to 2010–11. Total funding over the five years is \$132 million, and it is the largest program of its kind anywhere in the country. As I think I have alluded to, by comparison with other jurisdictions I would be surprised if there were anywhere else in the world doing more in those five years than we will be doing.

The anticipated expenditure for 2008–09 is around \$28 million, which represents an increase from previous years. Expenditure is anticipated to increase again through 2009–10 to in excess of \$30 million, and this is reflective of a ramp-up in expenditure associated with a number of action areas. In particular, implementation of the new problem gambling community awareness and education strategy has commenced. It was completed in

---

November 2008. The TAPG program commits \$37.5 million for a statewide mass media and community awareness strategy. That is under action area 3.

During the first wave of campaign activity for October and November, as I said before, there was about a 45 per cent increase in calls to the Gamblers Help line. We think we have funded this program adequately for what we need to do, but we will continue to look at emerging trends. We are conscious that the move to venue ownership may present new challenges for us. We certainly anticipate that there will be some additional work for the VCGR, and we will have to work through what that will require, but we think the TAPG gives us a great platform not only to get best practice in terms of problem gambling programs and counselling support but also is a great platform to allow venues to take ownership of the industry and to do so with a very strong commitment to responsible gambling.

**The CHAIR** — I think Ms Pennicuik has a question, but it may well have to be mostly taken on notice, given that we are out of time.

**Ms PENNICUIK** — Minister, regarding the 10 per cent deposits you expect to obtain in 2010, where will those funds be held and what purpose will they be used for, if any?

**Mr ROBINSON** — Ms Pennicuik's question I think relates to the transition measures from gaming operators to venue ownership?

**Ms PENNICUIK** — That is right.

**Mr ROBINSON** — Can I say I think, as you would probably be aware, a very large number of these matters are still under negotiation and discussion. We envisage that the funds that would be received as part of deposit payments or scheduled gaming entitlements scheduled next year I think will be appropriated into general revenue. I do not think we have gone beyond specifying that. It is not to say we would not, but I am not aware of us having made any policy determination beyond saying that it will be available for general revenue.

As I say, matters like that are the subject of some pretty wide-ranging negotiation. The draft bill was introduced in December and that has been subject to debate in the lower house, but a great deal of negotiation, that is not finalised yet. We look forward to that being finalised in the not-too-distant future.

**The CHAIR** — If there are any other aspects that need to be taken on notice, you could take them on notice, Minister. I thank Mr Kennedy for his attendance.

## 7.6 Consumer Affairs Transcript

### PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

#### Inquiry into budget estimates 2009–10

Melbourne — 21 May 2009

#### Members

Mr R. Dalla-Riva  
Ms J. Huppert  
Ms J. Munt  
Mr W. Noonan  
Ms S. Pennicuik

Mr G. Rich-Phillips  
Mr R. Scott  
Mr B. Stensholt  
Dr W. Sykes  
Mr K. Wells

Chair: Mr B. Stensholt  
Deputy Chair: Mr K. Wells

#### Staff

Executive Officer: Ms V. Cheong

#### Witnesses

Mr T. Robinson; Minister for Consumer Affairs;  
Ms P. Armytage, Secretary,  
Dr C. Noone, Executive Director, Consumer Affairs Victoria; and  
Mr T. Lee, Executive Director, Community Operations and Strategy, Department of Justice.

**The CHAIR** — I welcome Dr Noone and Mr Lee of the Department of Justice. I now call on Tony Robinson, the Minister for Consumer Affairs, to give a brief presentation of no more than 5 minutes on the more complex financial and performance information relating to the budget estimates for the consumer affairs portfolio.

**Overheads shown.**

**Mr ROBINSON** — We have a number of slides here. With respect to Consumer Affairs Victoria, the role of the agency is to protect and promote the interests of consumers, and the agency plays a significant role as a leader in the national reform of consumer protection frameworks.

CAV's main goal in achieving its vision of an informed and responsible body of consumers and traders is to empower consumers via a competitive, fair and safe trading environment and to protect vulnerable and disadvantaged communities. It engages with consumers and businesses to help make markets work better.

Victorian consumers have the highest level of protection in Australia because of our leadership in consumer policy. That has been over a number of years. We work in modernising our consumer protection framework with a view in the next 12 months in particular of maintaining that level of protection, but actually reducing the number of acts that we are responsible for.

Over the last year we delivered services to more than 500 000 Victorians. As I said, we are committed to reducing the regulatory burden to improve Victoria's competitiveness and ensure modern consumer protection laws. One of the real achievements in the last 12 months was getting the commonwealth to acknowledge the strength and the utility of our unfair contract terms embedded in our Fair Trading Act and agreement that would be part of the national consumer law. That has been a very major achievement.

Moving to the next slide on funding, in 2009–10 the consumer affairs output cost target is 3.8 per cent of the department's total output cost target — that is, \$144.2 million. Of that, almost \$102 million comes from our trust funds. The rest, some \$34 million, is sourced from appropriations. I think consumer affairs probably ranks as the most self-sufficient of all the agencies going around.

On the next slide: liquor reform is the biggest project under way within the agency at the moment. In May last year the Premier announced the release of the \$37.2 million Alcohol Action Plan, which is about restoring the balance. It outlines a suite of measures to address alcohol misuse. DHS is the lead department for the Alcohol Action Plan, but the implementation of various acts is the responsibility of a number of departments, including Department of Justice.

Responsible Alcohol Victoria was established in 2008 to provide leadership across the government on alcohol policy reform and to administer the Liquor Control Reform Act. RAV incorporates the liquor licensing branch, which was formerly part of the CAV.

A key initiative within the Alcohol Action Plan is the new liquor licensing compliance directorate that will become operational midyear, with at least 30 new compliance inspectors. Its work will free up police work. For a long time they have had the responsibility of enforcing the law. We think, as a government, that the police are better placed concentrating on serious breaches of the liquor licensing laws and other public safety issues in and around licensed venues.

The directorate will have a coordinated approach to various licensees and a differential response to levels of risk. What we are going to oversee in the next 6 to 12 months is apportioning risk more directly across the licensees. This is not something that has been a feature of Victoria's licensing system; but we think it is now required. Over time, as evidence and outcomes data is collected, segmentation will become more sophisticated and will be based on the licensed premises proven risk characteristics and specific performance. Compliance activities will concentrate on high-risk premises and those of potential high risk.

Some of the activities the compliance directorate will be targeting in the coming financial year include inspections — they will be conducting up to 25 000 inspections per year to ensure that licensees are complying with their obligations; risk management — they will be working with licensees to address risks specific to a licensed premises; and enforcement activities — they will be supporting police.

I should just say that I had a meeting with licensees this morning. I think there is a shift going on amongst licensees, who I think now do more readily as a group accept the obligations and the responsibilities they have, and it was very pleasing this morning to see them embrace the Championship Moves program of the government. They were also very good at a recent forum held by the City of Melbourne. I think they are getting the message and wanting to be part of the solution.

Slide 5 outlines some other work on Victoria's leadership in consumer policy reform. Victoria has been the lead state in the past 18 months to two years. There are a number of features mentioned here. The Australian consumer law — last year a major submission by the Victorian Productivity Commission's review of consumer protection laws were acknowledged by the productivity commission, and Victoria got more out of that process than any other state. We are continuing to influence the detailed design of the new national law and operation of protocols with other jurisdictions. As I said earlier, the unfair contract terms that are a Victorian creation are going to be incorporated into the new national law.

Separately, we have a modernisation project within the department. We are aiming to reduce business regulation and repeal redundant Victorian legislation. Our aim — it is a little ambitious — is to repeal ultimately about 20 acts related to consumer affairs. That can be done in a number of ways. We had a discussion paper released late last year that relates to five pieces of legislation that we believe could be largely repealed, and we will continue our work on that.

Credit transfer is an important area that is emerging. Consumer affairs ministers last year agreed nationally that we would agree to the commonwealth taking over credit. In my view it should have been done a long time ago, but we have made terrific progress there. There are some issues that we are continuing to discuss with the commonwealth on credit, and I will be happy to allude to those in more detail later.

Product safety reforms continue. We reached agreement with the commonwealth last year over a new product safety regime where the states will maintain, but in a more unified way, their interim safety ban powers, but the commonwealth will assume the permanent safety ban power. That is something we have been pleased to see the commonwealth do some work on recently by allocating resources to the ACCC and, importantly, personnel. It is not as easy as job as people might think, but we are confident the commonwealth understands how that works.

Finally, we focus on service delivery. I do not want to speak too much about that, but clearly in the coming year we have got more to be done on the work we have done so far in relation to student accommodation; we made some progress last year on that. Residential caravan parks and rooming houses — I know that is a contentious point in the state at the moment.

We have new financial counselling programs that I alluded to, with a \$2.8 million additional allocation for the next 12 months, and we will revisit that at the end of the year. We are hopeful the commonwealth might also join the party on financial counselling. There was some additional funding provided as well via the bushfire response in a number of key areas. We are also going to continue our work in relation to itinerant traders, and the director might like to add a bit more to that at the appropriate time during questions, because we did pilot some programs in the country and city areas last year that I think showed some good results. Chair, I think that is probably enough from me.

**The CHAIR** — Thank you, Minister. I am still trying to work out what the photo on the front of the presentation means in terms of consumer affairs.

**Mr NOONAN** — Minister, you touched on in your presentation the important area of credit transfer and the potential commonwealth takeover in this area. I am keen to understand what work consumer affairs will do in the area of consumer credit over the forward estimates period in this particular area.

**Mr ROBINSON** — Consumer affairs will work very closely with the commonwealth over the coming 12 months with respect to the transfer of credit from a series of state-based regimes to a unified national scheme. This has been talked about for years. When banking services and some other financial services went off to the commonwealth in the early 1990s, for some reason, and I cannot explain it, credit was left behind.

What that has meant is that we have a very disjointed system of credit regulation across the country — different regimes, gaps in consumer protection and really something that I think panders to worst practice rather



than best practice and does allow the less conscientious credit providers to simply move around to exploit those gaps.

We are very pleased to work with the commonwealth on credit. The commonwealth came out recently with draft legislation about how it will regulate credit provision. We support those moves. There is a lot more detail to be worked out. One area in particular that we have been concerned about is payday lenders, small suburban-type credit providers, and I do need to reference the member for Preston, Mr Scott, here.

A number of jurisdictions have sought to tackle payday lenders in different ways. Whilst most jurisdictions maintain caps on lending rates, some of these caps are inclusive of all charges, and some are not. This is an area where evidence is very sparse as to what actually works. We have had a view that we will work with the commonwealth on a comprehensive system. We are not beholden to whether caps should or should not be inclusive, because our position is that we have failed to see any evidence that says one means is better than another.

What I asked the member for Preston to do early last year was to investigate whether we could not get a higher standard of performance from payday lenders. To his credit he knuckled down to that work with CAV and the payday lending sector and managed to get them to reach an agreement that they should adopt a code of practice. The member might correct me, but I think that is the first time anywhere in Australia that payday lenders have actually agreed that that is a way forward.

There is a bit of arm-twisting to go on. We have since had the commonwealth announce how it is going to regulate credit providers, so we have had discussions with the commonwealth about how we might get codes of conduct to effectively be part of a licensing system. There are a few ways that could be done; it may be via a code or it might be codified licensing conditions. Either way, the work of the member for Preston is informing this discussion and I think will contribute to a better outcome.

We have circulated his report to other jurisdictions, and certainly the commonwealth is aware of it. There are simple things like how we get a better result with payday lenders and utility providers, and the report has really been a torch shone in that area. In respect of one of the credit providers, a surprisingly high number of loans were provided to people who were using them to pay utility bills, even though utility providers in Victoria are obliged to provide interest-free terms.

We are not quite sure why this behaviour has emerged. It may be that people are simply too proud to acknowledge that they have got a problem, and they would rather go to a payday lender; we are not sure. But the report has shown a light on how we can get some behavioural change in that area. I think in credit we are going to see some very substantial changes going forward in the culture of business in that sector, and I want to acknowledge the work of the member for Preston in that area.

**Mr DALLA-RIVA** — I refer the minister to budget paper 3, page 287 and then page 159. Page 287 mentioned the Victorian alcohol action plan, which I understand was an initiative reported in the previous budget update, but in the forward estimates there is for the ‘accelerated implementation of the compliance directorate’ \$3.5 million and then \$0.4 million. In terms of page 159, you see ‘inspections, compliance monitoring and enforcement activities’ and a footnote which I have referred to, and a substantial increase from 7750 inspections up to 33 250.

What I am seeking in terms of the forward estimates is the number or percentage of that total that relates to liquor licensing: will all of that increased target be met by the government’s new civilian compliance directorate with, as I understand, 30 inspectors and six lawyers or does the target include activity by Victoria Police? How much additional revenue does the government expect to receive as a consequence of the proposed increase in enforcement activities relating to liquor licensing? It relates essentially to the revenue base and, as I outlined, the other bits.

**Mr ROBINSON** — I think I can best answer that, Mr Dalla-Riva, by indicating that overwhelmingly the majority of that increased number of activities is accounted for by the anticipated activity of the compliance unit. It does not include police activities, because I am not responsible for those directly, but we would imagine that the police would continue to be involved.

In fact we have indicated in the legislation that supports the establishment of the compliance unit, and the police, that they will be able to discharge a lot of the jobs that police currently do but not all of them, so the banning notices and other things would still be the province of police.

Going beyond what we anticipate as to how much of the activity we could finetune, we envisage, going forward to 2010-11, that that depends in part on the reaction, the response and the support we get from licensees, because principally the compliance unit will be dealing with licensees. We are going to create a compliance unit which puts a premium on best practice. We would hope that licensees would work constructively and cooperatively with the compliance unit.

In recent weeks I have been pleased with the attitude of licensees. Members might recall we attended a recent forum at the City of Melbourne, organised by the Lord Mayor for licensees. I went into that forum with some trepidation. I thought it would be an exercise in people pointing the finger and blame, but in fact it was a very constructive forum. I think the attitude of licensees as a whole has moved on in the last year.

There were some very constructive observations made there. For example, licensees are looking to have higher standards of training for security staff that they hire. They have alluded to problems that have got out of hand because, in their view, the security staff or security attendant did not have the requisite skills to deal with a particular circumstance. I think that is a very constructive observation.

They also talked positively about their desire to have not only good relations with the compliance unit but also to establish more consistent and ongoing relations with police. That was a positive initiative. It is difficult to estimate beyond the immediate establishment of the compliance unit precisely what volume of work they will be doing. To some degree that will be a reflection of the moves and the progress of licensees in accepting fully the responsibility that they have — that is, to operate their businesses and their practices under the law in a very responsible manner.

**The CHAIR** — Did you have any more information on the make up of the 33 250 — I think that was the other part of the question?

**Mr ROBINSON** — What we are alluding to there is that we are estimating some 25 000 inspections by the compliance directorate and 8250 audits, inspections, investigations and civil, criminal and administrative proceedings and processes. They will not be, however, sent out as a compliance unit to fill a quota. I am not suggesting, 'Here is the number; go out and fill it'.

**The CHAIR** — This is an indicative judgement?

**Mr ROBINSON** — Yes. Liquor is one of those areas. As I said, liquor and gaming are probably the two most heavily regulated businesses anywhere in the country and amongst the most heavily regulated in the world. You could sit there and find fault on everything, if you wished, but the compliance officers' job will be largely to get a culture of best practice up. The estimates going forward, though, I think are quite reasonable.

**Ms MUNT** — Minister, I refer to page 141 of budget paper 3 — Department of Justice. Under the heading 'Departmental mission statement' it states:

The department provides a policy and organisational management focus for the vision of a safe, just, innovative and thriving Victoria, where rights are respected and diversity is embraced.

How does that relate to the national harmonisation program?

**Mr ROBINSON** — As I think members would be aware, in May last year the final report of the Productivity Commission's review into Australia's consumer policy framework was delivered. The report provided much-needed analysis of Australia's existing consumer policy framework and considered recommendations for reform. That was considered by the Ministerial Council on Consumer Affairs. In August the ministerial council agreed to a series of proposals for far-reaching consumer policy reform.

I should acknowledge that the last time we met the director was Dr David Cousins. The Productivity Commission does not give praise lightly, but at the meeting in May last year — which I think followed my PAEC appearance last year — the commission gave him rare praise. Of all the submissions that they received

on the consumer law framework report, the one person they praised extensively was Dr Cousins and the Victorian presentation. I said to him that was a pretty fair tribute for his time in that role.

The Council of Australian Governments has also been involved. In October 2008 COAG agreed to a new national consumer policy framework to enhance consumer protection, to reduce regulatory complexity for businesses and encourage the development of a seamless national economy. You have actually got the ministerial council working very constructively — a great relationship with the federal minister, Chris Bowen.

You have also got COAG giving directives. I think COAG is identifying that this is probably the forum beyond all others in which real progress is being made. I wanted that acknowledged — that is, that no more progress has been made in any other forum than this one in the last 12 months.

A very cooperative approach is adopted here. The PC has estimated that a series of recommendations it proposed could result in benefits to Australian consumers between \$1.5 billion and \$4.5 billion a year.

Consumer Affairs Victoria is currently involved in eight major reform areas; I would suggest that there is no other agency involved in as many as that. We are regularly proposing to the commonwealth, and we proposed as recently as a couple of weeks ago in Hobart, that we would be prepared to work with them on an occupational licensing matter and some conduct provisions. No-one else is doing as much as we are.

I should say that our role has been very well recognised by the commonwealth. Indeed federal Minister Bowen launched his discussion paper and the indicative legislation for a national consumer law here in Melbourne. We have a very good relationship with the commonwealth. This was not always the case, I might say, in consumer affairs, but we think this is a great opportunity to advance in a very profound way consumer law in this country to get a more consistent consumer framework and still allow us to advance our claims on things like lemon laws, which I know you are very interested in.

**Ms MUNT** — I am.

**Mr ROBINSON** — We discussed this recently in Hobart, and the minister has given quite specific undertakings that, as a consequence of our representations last year — that we wanted our lemon law work continued on within that national law context — he would use his advisory council, which goes by the acronym CCAAC to undertake some work on the Trade Practices Act ‘Implied warranties’ heading.

As you would appreciate from the work you did, lemon laws and other things are all about implied warranties — what is a fair deal for someone — so he has given commitments that he will come back to us with a report on that, and we are very confident that ultimately we will get the lemon laws protection that you have been so passionately championing — we will get them not just in Victoria but across the country.

**Ms MUNT** — That would be the best implementation, so that there is no lemon laundering between states, and could I also put on the record my thanks to Consumer Affairs Victoria for their wonderful support while I was doing that community consultation.

**Dr SYKES** — Minister, I would like to get some information on liquor licensing fees. The government increased liquor licensing fees by between 20 per cent and 81 per cent on 1 January 2009. I am interested to know, for a start, how much additional revenue will be raised as a result of that increase?

You also indicated that that would be a two-staged approach, so I am interested to know when the next stage fee increase will occur and how much money will be involved? Then, armed with that background, you have indicated that the intention of the fee increase is to reduce alcohol-related harm, particularly violence in and around licensed premises, and I wonder how increasing a fee on a fully licensed RSL club, by about 49 per cent, will help achieve that goal?

Related to that is: do you have many issues with alcohol-related violence around RSL clubs and if not, are they therefore paying an unfair fee increase?

**Mr ROBINSON** — It is a fair question, Dr Sykes, and I am happy to answer it. What we did last year was to recognise that the liquor licensing fee structure needed to be updated, because for some time the cost of the system has exceeded what is paid in fees. So as of last year the administration of liquor licensing in Victoria was costing something like \$15 million, of which only \$9 million was being recovered.

Before we even get to the position of how we will tackle antisocial activity there is a fundamental point here that licensees should pay their way. Whilst we maintain a system where the cost of the licensing regime exceeds what is paid by almost 50 per cent, it is very difficult to say how you will tackle these things.

Therefore, we said it has to be about cost recovery. That is not an alien principle — I think most people would accept that if a system costs \$15 million to run, then licensees should be paying \$15 million. So that resulted in the increases that you saw, that were posted out late last year, and they were payable by the end of January. Of that \$15 million, I do not know that the whole amount has been recovered but pretty much we would anticipate that \$15 million would be recovered through the course of this year.

What we have said beyond that, to tackle the second part of the question — and I do acknowledge that with RSL clubs, you would not say that they were the epicentres of antisocial activity — what we said was that we needed to build into the licensing system segmentation that better identifies risk, and again historically the liquor licensing system has not done that. That system goes back to a framework of the 19th century where liquor consumption was a very hot topic, and in Victoria and elsewhere a whole series of licence types have evolved; but they have not, at any real point in time, identified risk. The point you are making is one we are very conscious of — that across venues that are licensed, there are clear distinctions in risk.

Intuitively you would say that the small restaurant that shuts at 11 o'clock in a quiet country town is not nearly as risky as a large nightclub in King Street. So what we are attempting to do this year as a second, follow-on phase is to devise new licence categories that better reflect the risk, and then try to build an evidentiary base — and this is stage 2 — and to get to a system where those who contribute more harm or risk are more likely to pay more for their licences.

That is not an easy thing to do. You have to build up an evidentiary base because ultimately licensees have a right to challenge certain things, so we have to be confident that when we send — not the small RSLs you are alluding to — prospectively to a large nightclub in an inner city area a licence fee that might be beyond what it currently is, that club understands that this is because of the risk profile.

I do not want to give a specific number as to what amount of fees we would recover under the second stage, but it will be more than \$15 million, because there will be more work involved and the recurrent costs will rise, but we will make that available later this year.

That will be subject to a regulatory impact statement, as indeed last year we did an RIS; but the move towards a more transparent indication of risk within the licensing system and within the premiums paid is what most Victorians would say was an appropriate step.

**Dr SYKES** — Just clarifying that, I understand you are not ready to divulge how much is involved in the second step; but in the first step you are saying you have about \$15 million to come in?

**Mr ROBINSON** — Yes. This year we aim to recover \$15 million. The licensing system works on a calendar year, not on a financial year, but there is the difference there, but we hope to recoup \$15 million which is equivalent to the costs of administering the system as it existed late last year and early this year. As the cost goes up because of the greater workload that goes into differentiating risk, the revenue will increase in line so that we can maintain cost recovery.

**The CHAIR** — Thankyou, Minister. I am sure you will not need to ask the minister assisting the Premier in veterans affairs about the RSL clubs.

**Mr SCOTT** — Thank you, Chair. Firstly, Minister, with the Chair's indulgence, thank you for your kind words earlier.

I refer the minister to budget paper 3, pages 159 and 160 and I ask the minister to explain to the committee future plans to improve housing conditions and protection for disadvantaged Victorians.

**Mr ROBINSON** — For some time Consumer Affairs Victoria has been undertaking a review of residential tenancy matters, and I know you are aware of this, Mr Scott, because I visited your electorate where a rather prominent residential park operates.

**The CHAIR** — A caravan park?

**Mr ROBINSON** — It is a combined caravan/residential park, which in itself is a reflection of the changing dynamic in housing provision in Victoria; and for the benefit of the committee, perhaps I could explain that what we have seen over time are new housing forms emerging which do not automatically gain recognition in the legislation.

Residential parks are really an evolution of caravan parks. You have transportable units — mobile homes or prefabricated cabins, I guess — which the resident owns, but they are actually located on land that they lease, effectively. This is a departure from caravan parks, and from time to time it throws up, as it has thrown up at Summerhill, issues about how the law protects residents and what is an appropriate level of protection. We have done a series of pieces of work and continue to be involved in this space.

I suppose our work falls into three categories. The first is in relation to overseas students who face particular pressures. We are almost at the point — when the Parliament passes the bill, hopefully — of being able to provide some greater assistance with the tightening of the current exemption under the RTA, which for years has effectively allowed people to self-exempt and say, ‘I am providing an educational accommodation facility. Therefore, I exempt myself from the act’. That will be harder to achieve. That is the first piece of work. We have some more work to do for overseas students, and that will progress through the course of the year.

In respect of rooming houses and boarding houses, as you would be aware that is also an issue. We are conscious of the complaints which emerge which often cover building matters, health matters, and amenity issues. Different agencies have different powers. We are doing a number of things here.

One is that we have amended the health regulations to give councils greater ability to intervene under their Health Act powers, and that is by virtue of lowering the threshold as to what constitutes a boarding house under the Health Act. It used to be about five or six rooms; we have lowered that to four. That is giving councils some additional power.

We have also worked on a pilot compliance program involving councils, health department people and CAV inspectors. They have gone around in a coordinated way to look at the totality of provisioning in those houses and to report on them. That has been quite a successful program. There have been some mixed results. I think in one municipality all of the boarding houses they visited satisfied the legal requirements.

We think there is more work to do there. I should say that one of the things we are planning to do this year through the property fund, which I oversight, is to work with the Office of Housing — in fact over the next two years — to make available up to \$10 million for boarding and rooming house support. Previously Consumer Affairs Victoria had worked in an opportunistic way with the Office of Housing, so where an opportunity comes up to secure a boarding house — and we are dealing with one in Altona at the moment — the assistance of the property fund is sought. I actually wanted to formalise that, and use the property fund for strategic purposes so we can get out not just opportunistically but systematically to try to make additional boarding house and rooming house provision. I think most of that is going to be run either by the Office of Housing or by community providers.

That is probably a snapshot of where we are at with boarding houses. The third piece of work is residential parks, and we will be releasing an options paper shortly that looks at some options for improving the recognition in the first instance and the protections available to residents.

**The CHAIR** — Thank you, Minister. The members want to ask three more questions before we finish, so you may need to be quick.

**Ms PENNICUIK** — Page 160 of budget paper 3 and your slides mention the \$144 million total output costs, of which \$102 million is from trusts or from revenue. The outputs are quite high — 598 000 for information and advice to consumers and traders. It seems that most of this is involved in liquor licensing and the registration of business names, et cetera.

There are reasonably high targets, and I assume they are mainly in those areas. My question is: what proportion of the appropriation fund, I suppose, is given to key consumer protection activities such as improving the motor car traders industry, which is one of the most highly complained about by consumers, or monitoring door-to-door energy sales, which is also the subject of a high volume of complaints, and other general consumer complaints?

**The CHAIR** — If you do not know the exact answer, you can take it on notice.

**Mr ROBINSON** — I guess more specifically I could let Dr Noone answer or just put that one on notice. I am not sure I agree entirely with your assessment, and I do not mean any disrespect in that. Certainly liquor licensing is a big component of CAV's work, as is business name registration, but they are not the mainstays.

I think the mainstay is tenancy issues. As I have been around to the regional offices almost consistently they say that about 45 per cent of the inquiries relate to tenancy matters, overwhelmingly from tenants although occasionally they get landlords ringing in. The call centre deals with half a million calls a year — an extraordinary number — and they are about everything. I spent some time down there earlier this year, and it is quite extraordinary to see what comes in. It covers a very wide range of activities. I would be happy to give you a breakdown if you like.

**The CHAIR** — That would be good. Take that one on notice because we still want to do a couple more questions.

**Ms HUPPERT** — I refer you to page 159, budget paper 3, outputs, in relation to inspections, compliance monitoring and enforcement activities. Could you please outline for the committee what Consumer Affairs Victoria is doing in the forward estimates period to protect consumers from scams, and especially from online dealings which I understand have been increasing?

**The CHAIR** — The emails Commonwealth Bank scam seems to be well and truly alive and well at the moment, with probably about five a day.

**Mr ROBINSON** — Yes.

**Ms HUPPERT** — I have to admit that since I entered the Parliament I have had a number of interesting requests for assistance from places in Africa.

**Mr ROBINSON** — I would like to be able to tell the committee that there was a simple way of dealing with this, but I am afraid there is not. As the internet and internet-based devices become more and more a part of our lives, we are all going to be subjected to more and more approaches. Indeed, the ingenuity of people who involve themselves in internet-based scams knows no bounds.

Indeed I was recently with the member for Mordialloc, and we were discussing a scam that is deviously brilliant, where someone gets an email from someone purporting to be a personal friend, saying, 'I am stuck in country X. My passport has been lost. Please send me some money'. This is a new scam.

**Ms MUNT** — From their own email address?

**Mr ROBINSON** — We are not quite sure how it is done. It involves some untoward computer technology and a little cookie somewhere, but it is an entirely new scam. We will have to refine how it is we get warnings out very quickly about these things. Increasingly, Consumer Affairs Victoria is required to put out warnings on these sorts of things. We work quite well with other partners on some of these matters, and we discuss these things quite regularly at ministerial forums. I do not have a simple answer for you, I might say.

In 2008 we recorded in excess of 3500 calls and complaints about scams. I can give you an assurance that what we will continue to do is to put out warnings to people. It is a simple message: if it sounds too good to believe, it almost always is. Internet scams today are a modern manifestation of the old door-to-door tactic with older people who are inclined not to think that this could be anything other than a genuine approach. It is a challenging issue. CAV in the next 12 months will devote more resources to it. But I think it is partly about getting a really rapid response so that when the member for Mordialloc or the member for Benalla rings in and says, 'I have heard of this scam', we can actually get warnings out to people more quickly.

**The CHAIR** — Thank you, Minister. A final question, Mr Rich-Phillips?

**Mr RICH-PHILLIPS** — Minister, on the same output measure — inspection and compliance monitoring enforcement activities, in relation to retirement villages there seems to have been an increase in complaints about them. With respect to the current 2008–09 year, can you tell the committee how many legal proceedings

have been initiated by CAV this year in relation to the Retirement Villages Act? And with respect to the new target of 33 000 compliance activities next year, how many relate to the Retirement Villages Act?

**Mr ROBINSON** — I cannot give you that specific detail. Retirement village complaints would be a relatively minor proportion of the total complaint load that CAV receives, but that is not to diminish in any way the significance of them. CAV has some well-developed protocols as to how to deal with those but as happens sometimes with incorporated associations, these end up being about personality disputes which CAV is unable to reconcile. I am familiar with some of these. I think the member for Carrum had some particularly difficult retirement village issues, and I am certainly aware of the effort that Consumer Affairs Victoria makes.

We will get you some more information on that. But, as I say, sometimes they do become intractable by virtue of — and I am sure you have probably come across these — the long, existing predispositions towards each other which even Solomon with all his wisdom could not solve. So we will get you some information about that.

**The CHAIR** — That concludes consideration of budget estimates for the portfolios of gaming and consumer affairs. I just want to make sure that the department provides the committee with information on federal grants and funding, both output and assets, for the portfolio departments and agencies. I thank the minister and departmental officers for their attendance today. Where questions have been taken on notice, the committee will follow up with you in writing at a later date. The committee requests that written responses to matters be provided within 30 days.