

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

LEGISLATIVE COUNCIL

FIFTY-SEVENTH PARLIAMENT

FIRST SESSION

Wednesday, 6 June 2012

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Economy and Infrastructure References Committee — Mr Barber, Ms Broad, Mrs Coote, #Ms Crozier, Mr Drum, Mr Finn, #Mr Leane, #Mr Lenders, #Mr Ondarchie, Ms Pulford, Mr Ramsay and Mr Somyurek.

Environment and Planning Legislation Committee — Mr Elsbury, #Mr Finn, #Ms Hartland, Mrs Kronberg, #Mr Leane, Mr Ondarchie, Ms Pennicuik, #Mrs Petrovich, Mrs Peulich, Mr Scheffer, #Mr Tarlamis, Mr Tee and Ms Tierney.

Environment and Planning References Committee — Mr Elsbury, #Mr Finn, #Ms Hartland, Mrs Kronberg, #Mr Leane, Mr Ondarchie, Ms Pennicuik, #Mrs Petrovich, Mrs Peulich, Mr Scheffer, #Mr Tarlamis, Mr Tee and Ms Tierney.

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

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

Scrutiny of Acts and Regulations Committee — (*Council*): Mr O'Brien and Mr O'Donohue. (*Assembly*): Mr Brooks, Ms Campbell, Mr Gidley, Mr Nardella and Mr Watt.

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FIFTY-SEVENTH PARLIAMENT — FIRST SESSION

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Mr D. DRUM

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Kronberg, Mrs Janice Susan	Eastern Metropolitan	LP	Viney, Mr Matthew Shaw	Eastern Victoria	ALP

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Wednesday, 6 June 2012

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

The PRESIDENT — I am advised that the Economy and Infrastructure Legislation Committee and the Legal and Social Issues Legislation Committee are meeting this day following the conclusion of the sitting of the Council.

PETITIONS

Following petition presented to house:

Higher education: Auslan programs

To the Legislative Council of Victoria,

The petition of the residents of Victoria draws the attention of the house to the announced closure of the full-time diploma of Auslan course at Kangan Institute. This diploma is the only one of its kind in Victoria providing comprehensive high-level Auslan training. With the closure of this course, students will no longer have the opportunity to attain the high-level language fluency necessary to progress to postgraduate interpreting courses or effectively work within other integral areas of the deaf community. The result will place increased strain on an already understaffed Auslan interpreting pool and be a devastating setback in the rights of deaf people and other disability groups which rely on Auslan as a means of communication.

The petitioners therefore request that the Legislative Council of Victoria take action to save the full-time diploma of Auslan course at Kangan Institute thereby ensuring the continuation of comprehensive, high-level Auslan training.

**By Ms HARTLAND (Western Metropolitan)
(791 signatures).**

Laid on table.

**Ordered to be considered next day on motion of
Ms HARTLAND (Western Metropolitan).**

**PUBLIC ACCOUNTS AND ESTIMATES
COMMITTEE****Budget estimates 2012–13 (part 1)**

**Mr P. DAVIS (Eastern Victoria) presented report,
together with transcripts of evidence.**

Laid on table.

Ordered that report be printed.

Mr P. DAVIS (Eastern Victoria) — I move:

That the Council take note of the report.

In so moving I will make some brief remarks. The 2012–13 budget provides details of the government's plans for more than \$200 billion of expenditure over the next four years. The duties of the Public Accounts and Estimates Committee (PAEC) include the examination of these plans to ensure, among other things, that there are appropriate transparency and accountability mechanisms in place for this expenditure. This is an important task that the committee takes seriously. As part of this examination the committee sent detailed questionnaires to all departments and the Parliament. The committee held 48 public hearings with Victorian ministers and the Parliament's presiding officers, totalling more than 54 hours of hearings. They were an absolute joy and delight, weren't they, Deputy!

These two sources have provided a significant amount of information to supplement and explain the budget papers. The committee's findings from the hearings, questionnaires and analysis of the budget papers will be communicated to the Parliament and the community through a two-part report. This is the first part of that report. It includes an overview of the budget and indices for all the public hearings. This resource is designed to help members of Parliament better understand what is proposed in the budget papers. It has been timed to assist members during their consideration of the 2012–13 appropriation bills.

This part of the report also contains an assessment of the performance measures that the government has proposed discontinuing in the budget. Continuing a process started last year by the new government, the committee has been asked for its opinion on whether or not discontinuing these measures is appropriate. Chapter 3 of the report includes that opinion.

This year has seen some significant changes to performance measures. Most of these have been positive, and the committee found no difficulty in accommodating those proposed changes. However, the Department of Business and Innovation has gone against that trend, reducing the number and scope of its performance measures considerably. Several concerns about this matter have been raised and are identified in chapter 3 of the report.

Later in the year the committee will produce the second part of the report. Part 2 will analyse the key aspects of the 2012–13 budget in greater depth. It will draw on the information collected by the committee through the inquiry. Along with explaining the budget estimates, part 2 will also highlight areas where transparency

around government expenditure could be improved, both in the budget papers and beyond.

This year the committee has made some changes to the style of the report. Whereas last year's report was tabled in three parts, this year's report will be consolidated into two parts. We have also sought to make the report more accessible by reducing the amount of complex and technical language. It is my hope that this and future reports will be useful to as many people as possible. I welcome and encourage any feedback from readers of this report on ways that it could be improved in the future.

Bearing in mind that the primary audience for parliamentary committee reports is members of Parliament, I would welcome any feedback from members in this house in particular. I am looking forward to Mrs Coote reading it and providing me with her personal overview.

This inquiry would not have been possible without the cooperation of the presiding officers, the Premier, the Deputy Premier, the Treasurer, the Assistant Treasurer, the Attorney-General, ministers, departmental secretaries and their staff, so I would like to thank all of those involved in responding both by way of the questionnaires and through their participation in the public hearings.

I wish to acknowledge the participation of my fellow committee members in this process — and sometimes their participation is more than a little enthusiastic. This year an innovation evolved that ensured that order could be maintained in a positive and constructive way, and I thank members of the opposition particularly for cooperating in regard to accepting the disciplines that are entailed in a public hearing. I would particularly like to thank the staff of the secretariat of PAEC, who once again have provided exemplary support to the committee to enable the timely publication of this report.

Hon. M. P. PAKULA (Western Metropolitan) — In the 2 minutes I have I would also like to reflect on the 54¼ hours of hearings we had. I understand Stockholm syndrome somewhat better now, I must say; I started to become fond of my captor by the end of the process. I woke up on the Monday morning and wondered where Phil was!

Mr Philip Davis alluded to the now-famous dump button. I suppose we all have our own judgements about what contribution the dump button made, if any, to the order of the committee. I think it is fair to say that the committee was somewhat more orderly this year

than last year, and to the extent that the dump button can take credit for that, I am sure the chair is pleased. I would also like to think that in certain circumstances it was because some ministers — I am not naming any — decided to be somewhat less provocative in 2012 than they were in 2011.

Mrs Coote — Name them!

Hon. M. P. PAKULA — I will not, Mrs Coote, but it is good to see the Minister for Manufacturing, Exports and Trade here. On a more serious note, it is appropriate that the committee express concern about the Department of Business and Innovation performance measures and the fact that they have been reduced so markedly. It is important that the committee express a view about that.

Mr Davis has alluded to future reports of this committee arising from the estimates process. The opposition has some concerns about some of the changes that have been made, but I will save those comments for a later report. I add to those of the chair my own thanks to the staff and the secretariat of the Public Accounts and Estimates Committee for the enormous job they did on this occasion and all others.

Mr O'BRIEN (Western Victoria) — As a member of the Public Accounts and Estimates Committee, I too wish to briefly lend my support to the remarks of the chair and the deputy chair on the committee's *Report on the 2012–13 Budget Estimates — Part 1*, at least to the extent of acknowledging the cooperation of the secretariat, staff, other members of the committee, the ministers and the departmental staff who endured the interrogations of the committee in a frank and fearless manner.

In terms of Stockholm syndrome, I spent my time next to Mr Angus, the member for Forest Hill in the Assembly, and I must take a moment to compliment Mr Angus. It is fantastic to have an auditor as a member of the Public Accounts and Estimates Committee and an auditor in the government, because it is amazing what happens when someone can follow the figures, follow the dollar and be prudentially and fiscally responsible. In addition to that, he is a thoroughly decent gentleman and a hardworking member of the government. Also at times he was a timely interjector, making appropriate comments to bring various matters into perspective and to bring the committee to order.

One of the perspectives I would like to draw upon from the report is the reporting from the credit agencies, and we do this in the context of the government's election

in 2010 and its timely decisions to take appropriate, fiscally responsible measures to make sure that the budget is run in surplus, and the PAEC response to that. This is in the context of South Australia, which has recently, under a Labor government, lost its AAA rating, and Queensland, which is sitting at an \$83 billion deficit —

The PRESIDENT — Order! I advise Mr O'Brien that that really is extraneous material to the report he is commenting on. He is now talking about other jurisdictions and, I think, politicising what has been a bipartisan report, so I ask him to come back to the report.

Mr O'BRIEN — I will; I will not debate the matter. I will respect the ruling.

Mr Barber interjected.

Mr O'BRIEN — If you are talking about frustrations, Mr Barber, you can take them somewhere else.

I would like to quote from page 21 of PAEC's report, which refers to the endorsement from Moody's Investor Services, which is very important, on Victoria's situation. It says that:

... the outlook of the state of Victoria's AAA rating is stable and is unlikely to change with the release of its 2012–13 budget.

It goes on:

Despite the impact of weaker revenue growth that has occurred more recently as state conveyancing duties and GST-backed commonwealth grants have slowed, the performance is expected to improve due to the state's intention to restrain spending including implementing the recommendations of the state's independent review of state finances.

Hon. M. P. Pakula — What about the boat-plane? Tell us about the boat-plane.

Mr O'BRIEN — Mr Pakula, your boat-plane can get you from Sandringham to Williamstown in 7 minutes.

Motion agreed to.

RURAL AND REGIONAL COMMITTEE

Capacity of farming sector to attract and retain young farmers and respond to an ageing workforce

Mr DRUM (Northern Victoria) presented report, including appendices, together with transcripts of evidence.

Laid on table.

Ordered that report be printed.

Mr DRUM (Northern Victoria) — I move:

That the Council take note of the report.

I start by acknowledging the work of the committee chair, Paul Weller, the member for Rodney in the Assembly, who has done a fantastic job so far in relation to this committee, particularly with this, our first report. I also acknowledge his deputy, Geoff Howard, the member for Ballarat East in the Assembly. It is amazing what a little bit of civility does for a committee. Ms Tierney is not here, but I note that it has been a most harmonious Rural and Regional Committee in this term of Parliament. I would also like to thank the staff, including Lilian Topic, the executive officer, Patrick O'Brien, the research officer, and Miruna Varman, the administrative officer.

The report looked into what we all acknowledge as a problem — that is, that we have an ageing workforce in agriculture at the moment, especially on farms. There is a little bit more youth in the associated industries. However, I think the focus of the inquiry was on looking for answers, not just trying to work out what the exact problems are at the moment. The answers seem to come from a whole range of different angles, but certainly the data that is currently available is in many respects ad hoc. The farming situations vary from farm to farm, and therefore there are some examples of where the generations are being renewed. However, there are many examples where we still have this ageing profile within our farming sector.

The no. 1 recommendation by the committee was an ongoing annual summit to be hosted by government to get a more accurate set of data — on wages, the actual age of the workforce, how many graduates are entering the industry and the proportion of the workforce entering the sector from outside — that will be able to be presented to the government to inform its work. We also need to forecast the shortage into the future. I think a collection of more accurate data will put all

governments in a much better position to take action in the future.

We also highlighted that there is a very strong disconnect between schools, careers, advisers and the agricultural sector. It has again been highlighted in recommendation 2 that we need to promote agricultural careers to students. Certainly now, as we are coming out of the drought, we have had a couple of strong years in cereal crops and in commodities, with the dairy industry, prime lambs and grazing. There is now a whole range of opportunities for the agricultural sector and farmers in particular to start making some serious wealth and to join in the wealth creation of the agricultural sector. We need to get that message across to careers advisers so that they stop poisoning our young students against a career in agriculture.

We need to get that message across to careers advisers so that they stop poisoning our young students against a career in agriculture. We have also recommended that peak industry bodies need to increase their communication with school careers advisers to ensure that they have a constant presence in our school system, highlighting the benefits of a career in an agriculture-associated industry.

One of the other issues that we were continually amazed about is what you can actually do with a senior agricultural school. We saw one a couple of hours drive out of Perth. The ability of students to attend an agricultural senior college for years 11 and 12 certainly generates substantial benefits for the agricultural sector. That is something that we have identified in recommendation 14: that we should do a cost-benefit study on the introduction of such an agricultural high school here in Victoria. It will be interesting to see how that cost-benefit analysis comes in, and we will be able to then look at that in a more responsible manner, but it certainly looks like an exciting prospect if we are able to get that up.

I would just like to finish with the concept of trying to work out different farming ownership models from what we currently have under the traditional scheme. Obviously the \$1 million, \$2 million, \$3 million to \$4 million purchase price for a farm is cost prohibitive for many young people trying to get into the system. But the report identifies that there are many different ways you can in fact enter the farming sector: by sharefarming, by lease arrangements, by incremental ownership and the like. I hope people who are interested in this situation read the report.

Motion agreed to.

PAPERS

Laid on table by Clerk:

Auditor-General's Reports on —

Fraud Prevention Strategies in Local Government, June 2012.

Science and Mathematics Participation Rates and Initiatives, June 2012.

Subordinate Legislation Act 1994 —

Documents under section 15 in respect of Statutory Rule Nos. 38 to 39.

MEMBERS STATEMENTS

Bannockburn: K-12 school

Ms PULFORD (Western Victoria) — I would like to take this opportunity to urge the Minister for Education, Mr Dixon, to urgently release funds for the full planning of stage 1 for a Bannockburn early years to year 12 school. The Bannockburn Primary School currently has 526 students, which reflects the significant proportion of the community that comprises families with young children and those of primary school age.

In the Golden Plains shire families with young children represent 45 per cent of family types and 0 to 4-year-olds make up 6.6 per cent of the population, which is the highest rate in Victoria. In the shire there are some 1750 schoolchildren who leave the shire daily to attend secondary school. From the age of 12 this creates an enormous dislocation between those children and the communities that they live in. The lack of a secondary school in the shire is a problem that needs to be addressed urgently.

The council is investing in facilities around the land that the government has made available for the school, but the government needs to take action in this climate of vicious cuts to education and bring some good news to the Bannockburn community about the future of education for their young people.

Israel: 64th anniversary function

Mrs COOTE (Southern Metropolitan) — Last night we saw a tangible example of democracy at work. A small number of exceedingly angry protesters attempted to disrupt the annual celebration of Israel Independence Day. How fortunate we are to live in a community and country that allows freedom of expression, but so we too are fortunate that our leaders

and Israeli friends can gather together in celebration. Yesterday was the 64th anniversary of the independence of Israel. As the Israeli ambassador, Yuval Rotem, reminded us, Israel is not a land blessed with mineral resources; its richness is derived from its people. As a nation it is a world leader in so many fields, including medical research, science and agriculture. Indeed, it is rated as the 14th best country in the world in which to live.

Approximately 50 Liberal Party, ALP and Nationals members were escorted by the police to the Windsor Hotel through the noisy throng of protesters to attend the event. The police are to be commended for their professional and effective crowd control. The Premier, Ted Baillieu, and the opposition leader, Daniel Andrews, reminded the assembled guests that there is a truly bipartisan approach to support of Israel. Israel is a beacon of democracy in the turbulent Middle East. Israel is to be congratulated on 64 years of growth and success.

National Centre for Farmer Health: funding

Ms TIERNEY (Western Victoria) — The Hamilton community, along with many other farming communities in regional Victoria, is absolutely disgusted with the Liberal-Nationals coalition government's decision to cease funding for the National Centre for Farmer Health. The centre, which opened in 2008, was built to address the significant issues associated with farmer health and wellbeing and the safety of our farming families.

The centre currently has a service delivery arm, a research arm and a teaching arm that enable it to provide important research, training and support to our farmers. This support will cease to exist if the Baillieu government does not continue to fund this vital service. Each and every stakeholder has expressed their deep concern and shock at the government's decision. For this government to claim it represents the best interests of rural and regional Victorians whilst cutting funding to the centre is an absolute disgrace.

The minister's answer at question time in this last parliamentary sitting week demonstrated a lack of understanding of the work the centre does in Victoria with Victorian farming families. He has chosen to be opportunistic by hanging the state government's hat on the word 'national' in the centre's title as an excuse for not funding this incredibly important Victorian rural initiative. Each and every member of this government who claims to care even a little bit about our farmers and our regions should hang their head in shame.

Teachers: enterprise bargaining

Ms PENNICUIK (Southern Metropolitan) — Tomorrow thousands of teachers and principals will be striking in support of their campaign for wage increases, permanent employment and smaller class sizes. The Greens are fully supporting the teachers' campaign.

Nearly one-fifth of Victorian teachers are going from year to year on short-term contracts. If we want to attract the best and brightest people to teach our children, we need to offer good pay and secure employment. Lack of job security and low pay are deterring young people from choosing a career in teaching, and almost a third of new teachers in Victoria do not see themselves working in the public system after five years. Under the previous government the proportion of teachers on short-term contracts climbed to 19.4 per cent, and it now stands at 8000 or about 18 per cent. It includes nearly one-half — 47 per cent — of beginning teachers. All teachers should have a presumption of permanent employment after a year in the job, unless there are genuine extenuating circumstances, with all third-year teachers guaranteed permanent employment.

Teachers were promised that they would be the best paid in Australia, and the Baillieu government has shamelessly reneged on this promise. Instead they are being offered only a 2.5 per cent increase in wages. Nurses won a pay rise of 14 per cent to 21 per cent over four years. Police were awarded a 19 per cent pay rise over four years. Our teachers have fallen behind over many years and deserve to be the best paid in Australia, as the government clearly promised that they would be. Instead the government has come up with an unsatisfactory sliding scale formula of performance-based pay for some teachers, which fails to recognise that teaching is a team effort and that the way to lift performance is to properly resource our schools and support all teachers with decent pay and conditions, as was promised.

Northern Metropolitan Region: early childhood infrastructure

Mr ONDARCHIE (Northern Metropolitan) — It was my delight last Wednesday, 30 May, to represent the Minister for Children and Early Childhood Development, the Honourable Wendy Lovell, in my electorate of Northern Metropolitan Region when we announced that 17 local children's services will receive funding from the Baillieu coalition government, a record investment in early childhood infrastructure. It is

great news for local children, not just now but into the future.

I have been a kindergarten committee president, and I know how important early childhood development infrastructure is to a community. For example, the Olympic Village Preschool in West Heidelberg received a development grant of \$1.34 million from the Baillieu coalition government. Parents were jumping up and down, hugging and crying. Somebody at West Heidelberg said to me, 'Finally we have a government that cares about us'.

The government has made available \$2.7 million for kindergartens in Darebin, \$1.5 million for kindergartens in the city of Whittlesea and \$576 thousand for kindergartens in North Melbourne. Right across Northern Metropolitan Region kindergartens and communities have been saying, 'The Baillieu coalition government cares and is standing up for Northern Metropolitan Region'.

I congratulate the minister on her advocacy for the region, and I congratulate the Baillieu coalition government on its support for the most important people in our community — our kids.

Glenice Freeman

Mr LEANE (Eastern Metropolitan) — Today I express my condolences on the passing of ALP stalwart Glenice Freeman. Glenice and Michael Freeman moved to Croydon North in 1965. There they raised their children and began their long association with the community as local activists. Wanting the best education for her kids, Glenice joined the school council at Mooroolbark High. She had a strong belief in the public education system. During this time she made great friends — people like Joan and Ron Kirner, and Geoff and Maureen Short.

The ALP was a large part of Glenice's life. She was a member of the party for 40 years. She particularly enjoyed election time, giving unquestionable loyalty, support and hard work. Glenice worked in Pete Steedman's electorate office when he represented the federal seat of Casey. Over the next 10 years she also worked for Tony Lamb, MP, Peter Staples, MP, and Minister Kay Setches.

Glenice was passionate about the public health system. She joined the board of management of Maroondah Hospital. She was on the board for many years and held the position of board chair. Glenice's commitment to Maroondah Hospital ended with her being awarded a life governorship. During this time she was also

instrumental in helping to establish a new aged-care facility, Donwood Community Aged Care Services. Donwood is a residential aged-care facility based in East Ringwood. She was appointed to the board of Eastern Health, where she was a member for nine years.

Glenice's passion for the public health system was irrefutable. She had a strong belief in making health care accessible and equitable for everyone. Her work over many years on school councils, local committees and health boards was fantastic. Glenice was awarded a Medal of the Order of Australia.

Woodend Primary School: insect breeding program

Mrs PETROVICH (Northern Victoria) — My members statement is about a visit I paid last week to the Karlsruhe annexe of Woodend Primary School. Sustainability requires input and effort from us all, with a bottom-up approach or a grassroots-level effort. Last week I visited the Woodend Primary School at its Karlsruhe annexe, which is on a farming property just an hour from Melbourne. The teaching of grade 4 students, who are 9 and 10 years of age, focuses on caring and thinking responsibly. The students learn about sustainability in a very practical way.

I thank staff members Lynne Flynn, John Hemiak, Liz Grinter and Nicola Stuart for inviting me along to view the results of the breeding program of the Lord Howe Island stick insect. It was a pleasure to meet the students and hear about their project. Woodend Primary School was one of 20 schools across Australia to be provided by the staff of Melbourne Zoo with some Lord Howe Island stick insect eggs so that it could breed them as part of the largest captive breeding program for this species.

Around 1918 the insect was driven to the brink of extinction by black rats. These insects are on a critically endangered species list. There are few left in existence. The fact that the students have managed to hatch two is an amazing achievement. The challenge is now to keep them alive. The school was given 10 eggs, which they are to monitor and keep in a glasshouse in which the temperature and humidity are controlled.

I congratulate the Melbourne Zoo and the staff and students of Woodend Primary School, Karlsruhe annexe, on their enthusiasm and success to date with this great initiative. I wish them luck in their Lord Howe Island stick insect breeding program.

Red Cliffs Secondary College: funding

Ms BROAD (Northern Victoria) — I have received correspondence from the president of the council of Red Cliffs Secondary College. In this correspondence, the college community, through the president, has expressed its despair given the ongoing diminution of resources as a result of decisions the Victorian government has made in relation to children at government schools.

In his letter the president of the school council referred to the recent budget changes to the education maintenance allowance (EMA) that have stripped \$16 million from schools and needy families across Victoria. He pointed out that at Red Cliffs Secondary College this change to the EMA will result in a likely shortfall in funds of around \$45 500 in 2013. This is on top of the loss of \$37 500 in Victorian certificate of applied learning coordination funding which resulted in a 4 per cent decline in the school's discretionary budget.

He went on to say that despite growth in the number of students enrolled in vocational education and training (VET) programs he despaired of the government's unwillingness to increase funding to match this demand. He is fearful that the funding received by schools to offset charges from categories of VET studies will also decline because of cuts to TAFE institutes and that this is going to further impact on the school's resources. The school president has asked me for my views on this subject, and I would like him to know that I absolutely stand with the school.

Floods: Gippsland

Mr O'DONOHUE (Eastern Victoria) — I regret to see that parts of my electorate, specifically the Gippsland region, are subject to flooding at the moment, and I express my best wishes to all those in difficult personal circumstances. I am pleased the Deputy Premier and Minister for Police and Emergency Services has activated emergency re-establishment payments to help families affected by the storms and flooding in Gippsland.

Centre for Expertise in Smoke Taint Research: opening

Mr O'DONOHUE — On another matter, I congratulate the Minister for Agriculture and Food Security, the Honourable Peter Walsh, on opening the smoke taint centre in Sunraysia. The issue of smoke taint is significant for grape growers in parts of my electorate, specifically the Upper Yarra, where there

have been significant fires in recent years and the grape harvest has been affected by smoke taint. Smoke taint can also affect the Mornington Peninsula and other parts of my electorate. The centre's research will be important in better understanding the effect of smoke and smoke taint on the grape harvest. I congratulate the minister on opening this research facility.

Creating Opportunities and Casting Hope: fundraising dinner

Mr O'DONOHUE — Last Saturday night I was pleased to attend the Creating Opportunities and Casting Hope fundraising dinner at the T'Gallant winery on the Mornington Peninsula. This is an excellent initiative about helping people to help themselves. It is a real community response to growing challenges.

Aboriginals: Mabo decision anniversary

Mr SCHEFFER (Eastern Victoria) — Sunday, 3 June, marked the 20th anniversary of the High Court decision that recognised native title and overturned the principle of terra nullius. This decision brought hope and optimism to Aboriginals and Torres Strait Islanders and to very many non-Aboriginal people, but the decision also generated fear and unleashed a furious, ugly and often racist debate. The High Court recognised two interrelated realities that gave Aboriginal and Torres Strait Islander people a basis for securing title and all its attendant benefits. The first was that Murray Islanders were justified in thinking that their country belonged to them simply because they had lived on and in their land for countless generations. The second was that the Crown had never extinguished the land rights of Murray Islanders or Aboriginals and Torres Strait Islanders.

This was a remarkable decision for Aboriginal and Torres Strait Islander people but also for very many in the settler community upon whose consciences the deep unease of occupation and the sense of trespass still weigh heavily. While it is clear that land rights were not achieved everywhere — and Victoria is of course an example — the decision nonetheless put paid to the old myth that the Europeans were the first proprietors and the first to bring law. The Mabo decision put an end to the story that the continent was simply occupied rather than conquered and that the Europeans were in possession of the original title and had no case to answer to the Aboriginal and Torres Strait Islander owners. Mabo delivered a new reality that irrevocably changed the way Australians are required to understand themselves.

Prahran Mission: winter breakfast program

Ms CROZIER (Southern Metropolitan) — On Tuesday last, together with the Minister for Health, the Honourable David Davis, and the member for Prahran in the Assembly, Clem Newton-Brown, I attended Prahran Mission's 21st annual winter breakfast program celebrating 21 years of feeding those in need. At the breakfast we heard the personal story of Harriet Dance and her experience of living with a mental illness. Not only did we hear her account of what she had to endure as she was growing up but we also heard her experiences as a young woman and as a writer. Her story is one of endurance, success and achievement. Prahran Mission has played a big part in her life, and that experience now enables Harriet to play such an important role within the organisation and give insight to many others.

Israel: 64th anniversary function

Ms CROZIER — On another matter, I endorse the comments made by Mrs Coote in relation to the successful function that was held last night acknowledging and celebrating 64 years of the state of Israel and how a few noisy protesters tried to disrupt the function. I also acknowledge the professional work undertaken by Victoria Police in difficult circumstances and the bipartisan support shown by many MPs in this place and our federal colleagues. The events of last night demonstrated that Victoria is a multicultural, tolerant community and a democracy at work, which so many other countries and international communities continually strive to achieve. It is something of which we should never lose sight.

Charlie Sutton

Mr FINN (Western Metropolitan) — I rise to join thousands of my constituents across the western suburbs as we mourn the loss of a legend of the west. Charlie Sutton died yesterday afternoon at the Western Hospital at the age of 88. Charlie was a champion of Footscray Football Club and the Western Bulldogs, captain-coach of the 1954 premiers team, coach of the Bulldogs Team of the Century, an AFL Hall of Fame inductee, the inaugural Bulldogs Hall of Fame inductee and a legend of the club.

Like E. J. Whitten, he was very much a symbol of the western suburbs and Bulldog determination. His passing yesterday marked the end of an era and was very sad for many people across the west and indeed Victoria and Australia. David Smorgon, president of the Bulldogs, summed it up best when he said:

To me and thousands of Bulldogs fans, Charlie Sutton is 'The Bulldog' — typifying the Bulldog spirit.

One of our great club legends, he will be forever remembered for the massive contribution he has made to the Bulldogs over the past 70 years.

Captain and coach of our premiers side in 1954 and club president 1978 to 1981 — Charlie had red, white and blue in his heart.

There is no doubt that Charlie Sutton is the best example of a Bulldog 'through and through' and he will be greatly missed.

There is no doubt about those sentiments being expressed over and over among people across the western suburbs of Melbourne today.

Kindergartens: funding

Mr RAMSAY (Western Victoria) — It was with great pleasure that I joined the Minister for Children and Early Childhood Development, Wendy Lovell, at Brown Hill Kindergarten, Ballarat, last Wednesday, 30 May, when she announced funding for eight kindergarten and community centres as part of the newly announced \$40 million grant to children's services to help upgrade facilities to meet the federal government's policy of 15 hours per week for four-year-olds. I was pleased that the Ballarat, Kyneton and Melton kindergartens were recipients of this funding, and I congratulate the local councils for both their advocacy in the applications and their lobbying for these grants.

I also congratulate the Avoca community, the Pyrenees Shire Council, the Bendigo Community Bank and other partners on a real community effort in attracting government funding of over \$500 000 and themselves raising the balance for a \$1.5 million multipurpose facility. I also thank my parliamentary colleague David O'Brien for his efforts in that work and Delvine Barber, who has been a student and a parent and is now a teacher at the Avoca kindergarten.

Wendouree Children's Services, Yuille Park Children's Centre, Mount Clear Community Kindergarten, Brown Hill Kindergarten, Buninyong kindergarten and Lady Brooks Kindergarten, Kyneton — and I thank Donna Petrovich for her lobbying and advocacy for Kyneton — received \$300 000 grants each, and Melton's Botanica Springs Children's and Community Centre received \$1.5 million towards a \$5.1 million project. It was a great announcement by a great minister and a just reward for the many parents and community leaders who strongly advocated for the grants.

I look forward to supporting more applications to the minister from those seeking assistance in the next round of grants.

Parliamentary internship program: University of Utah students

Mrs PEULICH (South Eastern Metropolitan) — Firstly, I welcome to Melbourne, to Australia and certainly to the south-eastern suburbs Connor Dahl and Paul Salazar from the University of Utah, who are here undertaking an internship for a semester and enjoying the wonderful city of Melbourne.

World Environment Day

Mrs PEULICH — On another note, World Environment Day will celebrate its 13th anniversary on 5 June 2013. It is a United Nations day that recognises innovative and outstanding environmental programs and initiatives from across the world, and certainly Australia gets behind those. I was privileged to attend the City of Casey's 2012 World Environment Day awards presentations, where a number of individuals, organisations and local community groups were recognised for their efforts to improve our environment.

I also had the privilege of attending Oakleigh South Primary School with the Minister for Education to recognise some innovative technology which converts plastic bags to park benches. I commend the community for getting behind initiatives that improve our environment.

However, I finish on a cautionary note. As the messages about environment and how to improve it become more complex and sophisticated, the simple messages are often forgotten. I am absolutely appalled and ashamed to drive around our community and see the proliferation of so much litter in our public and community spaces and along road reserves. I urge all those who play a role in schools and community organisations, as well as members of Parliament, to remember the basic messages. The basic message starts with, 'Litter — let's not spin it; let's bin it'.

Kindergartens: funding

Mr O'BRIEN (Western Victoria) — I rise to join with my colleagues in congratulating the Minister for Children and Early Childhood Development on her wonderful announcements about kindergarten and child care in my region as outlined by Mr Ramsay, including those relating to Stawell.

Port Fairy to Warrnambool rail trail: opening

Mr O'BRIEN — I wish to congratulate the Deputy Premier and Minister for Regional and Rural Development, Peter Ryan, and the local member for South-West Coast in the Assembly, the Minister for Regional Cities, Denis Napthine, on the significant announcement in relation to the opening of the Port Fairy to Warrnambool rail trail, which has been many years in planning and which I attended last Thursday with the ministers and my colleague Mr Ramsay. In fact I worked on the rail trail inquiries about occupational crossings for farmers in 1995 when they began.

This is a project that has delivered a fantastic initiative for the community in terms of getting more people more active more often, in the words of the Minister for Sport and Recreation, Hugh Delahunty. Walkers and cyclists will be attracted to the trail between Port Fairy and Koroit, and it continues to Warrnambool. Part of the trail is gentle terrain, making it accessible for people of all abilities. I congratulate Stuart Pyers and Ian Bodycoat from the rail trail committee of management and Moyne Shire Council and Warrnambool City Council on contributing to this important piece of infrastructure.

Small business: Warrnambool

Mr O'BRIEN — I also attended a business meeting with the ministers and business leaders in the Warrnambool district, and I congratulate all those who attended. The focus of the meeting was working with our regional communities to promote expansion and export opportunities.

Olympic Games: Bartco contract

Mr O'BRIEN — I would like to congratulate an important Ararat business, Bartco, on securing a \$2 million project which will see it involved in traffic management for the upcoming 2012 London Olympic Games.

Charlie Sutton

Mr O'BRIEN — I would like to endorse the remarks of Mr Finn in relation to the passing of the great Footscray legend Charlie Sutton.

Melbourne Football Club

Mr O'BRIEN — I congratulate Melbourne Football Club on a stirring win on the weekend. I also congratulate the President on hosting members of Melbourne Football Club this evening.

The PRESIDENT — Order! The last remarks were acceptable beyond the time limit!

PRODUCTION OF DOCUMENTS

Ms HARTLAND (Western Metropolitan) — I move:

That this house requires the Leader of the Government to table in the Legislative Council by 12 noon on Tuesday, 19 June 2012, the ministerial task force report on options for future provision of dental facilities at the western region community health centre, which was completed and given to the Minister for Health in March 2012.

In the recent state budget the government announced a funding cut for public dental services together with plans to let the average waiting times for general dental care blow out from 17 months to 22 months. Meanwhile, in the western suburbs we have a clinic with only a seven-month wait for general dental care and a nine-month wait for priority dental care, according to the most recent reported data. This is at the Western Region Health Centre, but the service is in crisis because of old equipment and buildings that urgently need an upgrade.

At this point I need to say the crisis that the clinic is experiencing has obviously resulted from many years of neglect by the previous government as well. The children's clinic has ancient equipment that sometimes just stops working so that staff have to close the clinic for days at a time. The clinic is in danger of being closed completely, with no alternative plans for the approximately 400 children who access this service every month.

The ministerial task force was formed to look at options to deal with the crisis, and that was an appropriate move to make. It reported to the minister in March, but the government has been sitting on that report since then. Meanwhile, the state budget has come and gone. At budget time it would have been appropriate for the government to announce funding for the project. There was apparently no funding, but we all held our breath and hoped it might be hidden in some general dental funding or medical equipment funding.

We waited 24 hours while the health centre made frantic calls to the Department of Health, but finally the bad news sank in: there was no money — full stop. It was incredibly distressing for everyone. When you consider that a part of the budget could end up meaning the closure of the clinic, Mr Elsbury's comment that he was stoked with the budget was unfortunate and not completely appropriate.

The Baillieu government has abandoned the Footscray clinic, but there is no reason to hide the report, because there is a new opportunity for funding. The Greens have secured \$0.5 billion in funding for dental reforms by negotiation with the commonwealth government, and soon the Baillieu government will join other states in negotiating with the commonwealth for access to that funding. We could expect somewhere between \$80 million and \$90 million to go to Victoria; proportionately it depends on how well the Premier, Mr Baillieu, goes in the negotiations.

An amount of \$345.9 million nationally will go towards a blitz on waiting lists over the next few years. This will be especially useful since the Victorian budget notes that waiting lists in Victoria are going to lengthen — precisely because state-based action on the longest standing cases has ceased. An amount of \$158.6 million will go towards training more dentists and oral health therapists and helping dental professionals set up practices in rural areas, and \$10.5 million will go towards promoting good oral health. The chronic disease dental scheme will be saved from the budget cuts until a comprehensive national scheme can be developed to replace it.

The \$500 million in new commonwealth funding that I have outlined is a bonus on top of whatever replaces the chronic disease dental scheme. This is obviously good news and a good opportunity for Victoria. It is also a potential opportunity for the Western Region Health Centre. Today I hand-delivered a bundle of postcards to the health minister from residents in the western region. The residents asked the government to support the Greens' denticare plan so that Victorians can access dental treatment under Medicare, because many in Melbourne's west cannot get the treatment they need.

Only a few weeks ago this house debated my motion calling on the commonwealth to fund dental care in Victoria. I found it quite chilling that the government voted against it, even as the ink was drying on a state budget that cuts funding for dental care. No government member for the western suburbs was present at the debate. I am sorry they were not there because they really needed to hear that debate and how the funding could have helped the Western Region Health Centre. Nevertheless, the commonwealth government, through negotiation with the Greens, may be willing to come to the rescue.

There is absolutely no reason to sit on this report. It is not a secret report. It was a good move by the government to have a ministerial task force look at all the options for the clinic, and clearly the report should not be embarrassing for the government, because it has

done a piece of work that was necessary. It is not as though through hiding the report nobody will find out that the Footscray dental clinic needs a lot of infrastructure funding — that cat is already out of the bag.

A report on options to fix the problem can only be a good thing. I can understand a government waiting a few weeks or a month to digest a report like this and releasing it together with an announcement of funding for one of the options, but the problem is that the budget has been and gone. The government reminds me of a child with a toothache who would rather pretend it is not happening than go to see the dentist. The longer the government waits, the more painful it will be in the long run. I urge the government to release this report.

Mr O'DONOHUE (Eastern Victoria) — The government will not oppose the request by Ms Hartland for this document pursuant to notice of motion 346, which states:

That this house requires the Leader of the Government to table in the Legislative Council by 12 noon on Tuesday, 19 June 2012, the ministerial task force report on options for future provision of dental facilities at the western region community health centre, which was completed and given to the Minister for Health in March 2012.

The government does not oppose that motion, subject to the usual caveats around these production of documents motions. My colleague for Western Metropolitan Region Mr Elsbury will be making a contribution in this debate, so he will respond to the substantive issues addressed in Ms Hartland's contribution with regard to dental services in the western suburbs.

If I could take up a couple of comments made by Ms Hartland, I am glad that she acknowledged the neglect of the previous government in this area and that she endorsed the concept of the ministerial task force to look into, get to the bottom of and understand this issue. Ms Hartland made reference to the commonwealth funding that has been announced in relation to dental health and said it is up to the Premier to secure a reasonable proportion of that funding for Victoria. Indeed in relation to Ms Hartland's motion I note that the Victorian government, the Premier and the Minister for Health, Mr Davis, will be out there advocating to the commonwealth for the needs of Victorians with dental health issues and that we will be seeking to secure an appropriate amount of that investment.

However, I would also encourage Ms Hartland to ask the Greens member for the federal seat of Melbourne, Mr Bandt, and other members of the Greens to lobby the federal government, because what we have seen

under the Gillard government — a federal government with a Victorian Prime Minister — is that Victoria has been short-changed time and again when it comes to the allocation of resources from the commonwealth. We have seen dramatic slashing of GST revenue, not just as a result of lower than anticipated revenues but also because Victoria's allocation of GST has been reduced. Given that we have a Victorian Prime Minister, this is completely unfair and very disappointing. This has had a real impact on infrastructure projects in Victoria, and that is highly regrettable for the Victorian government but more importantly for the Victorian people. Therefore I would make that plea to Ms Hartland.

No-one underestimates the challenges in this area, but it is also worth pointing out with regard to waiting times that as at June 2011 the average waiting time for denture care had been reduced by approximately 15 per cent. Therefore the Baillieu government has taken some significant initiatives to assist in this area. The Baillieu government is making additional investments, including \$3.3 million over four years to attract more public sector dentists, \$4.8 million over four years to improve access to dental services in country Victoria and \$2 million over four years to promote oral hygiene and early intervention in young children.

The government does not oppose Ms Hartland's motion. As I say, I am pleased that Ms Hartland has acknowledged the state of neglect that this government inherited from the previous government, and the government does not oppose the motion.

Mr EIDEH (Western Metropolitan) — I wish to make a brief contribution in support of Ms Hartland's motion. The ALP has been consistent while in opposition and in government on motions moved by members calling for documents in this chamber, and it will not surprise anyone today to hear the position we will be taking on Ms Hartland's motion.

The opposition supports Ms Hartland's call for the ministerial task force report on options for future provision of dental facilities at the western region community health centre. It is important that the government pass on to the community any future planning around this important service and, after its release, give the community some say into what future dental service will be comprised of in this area of the western suburbs. My ALP colleagues and I support Ms Hartland's motion.

Ms CROZIER (Southern Metropolitan) — I am pleased to rise to speak on Ms Hartland’s motion:

That this house requires the Leader of the Government to table in the Legislative Council by 12 noon on Tuesday, 19 June 2012, the ministerial task force report on options for future provision of dental facilities at the western region community health centre, which was completed and given to the Minister for Health in March 2012.

At the outset I can say that I know Ms Hartland has been a very great advocate in relation to this issue. It is an important issue, and I think that we on this side of the house welcome the debate and understand those issues that she spoke about, as highlighted in the contribution of Mr O’Donohue, who reiterated that for many years there has been neglect of health services in this area and in the area that Ms Hartland represents.

I have to say and to put on the record again that it was shameful of the previous Labor government to have ignored to the extent that it did this issue on which Ms Hartland has continually advocated. I have to say that the coalition government is taking this very seriously. Dental health is a very important component of overall health services, and the government is working very constructively in relation to this issue. I know that the work that Mr Elsbury has undertaken in the task force has been done and that the report will be released in due course, but in saying that I would also like to add a couple of comments in relation to the overall state of dental care in Victoria.

As members would already be aware, public dental health services that are provided to Victorians include all children up to 12 years of age, young people aged 13 to 17 years and adults who are either health-care or pension concession card holders or who are dependants of those cardholders. They are also provided to all children and young people up to 18 years of age in residential care by the children, youth and families division of the Department of Human Services.

In addition to that, as I have mentioned before in relation to this issue, others who are covered by these services include both refugees and asylum seekers. A service needs to be provided by the Victorian government and the dental services that cater to those groups and there should be priority access for a number of people who fall within the groups that I have just mentioned.

In relation to Ms Hartland’s motion, and specifically relating to the areas she represents, there has been some headway since this government has come into office. The statewide average waiting time is 11 per cent lower than was the case under the Labor government. Even for Southern Health, which covers many who reside in

my electorate of Southern Metropolitan Region, there has been a reduction in waiting times from 35 months in December 2007 to 29 months in June 2011. Even though that is not a huge reduction in monthly waiting figures, it is a reduction nevertheless. A number of health services right across the state have contributed to that overall reduction of 11 per cent in average waiting times.

Dental health services provide a number of services, and one of those is denture care. Waiting times for that service have reduced by 15 per cent under this government compared to what they were under the previous government. They are good outcomes for many Victorians who need this important service.

As Mr O’Donohue highlighted in his contribution, there has been significant investment by this government in a range of dental programs that were a part of the coalition’s election commitment. We understand the importance of this issue and that it needs attention. That investment included \$3.3 million over four years to attract more dentists to the public sector — an important initiative in itself — and \$4.8 million over four years to improve access to dental services in country Victoria. Many people living in rural and regional areas require dental health care just like the people in Ms Hartland’s electorate and other parts of the state, so this is an important initiative for them.

Over four years \$2 million will be invested to promote oral hygiene and early intervention in young children. That goes to improving the health and wellbeing of young children. I know Ms Hartland is very passionate about that area and about young children having a good level of oral hygiene. It can prevent illness later in life and can improve a whole range of factors associated with children’s health and wellbeing in general terms.

They are significant commitments that we made going into the election. Together with those overall reductions in waiting times across the state, they are a start in relation to this issue.

I also take note of the federal budget. The commonwealth government has committed \$515.3 million to dental health initiatives as part of this year’s budget, and this will include a number of allocations. As Mr O’Donohue said, the Premier and the Minister for Health have been strongly advocating on behalf of all Victorians to ensure that we get our fair share of allocated funds that go not only into dental health services but also into health-care services in general. It is important to note that since the government was elected to office the Premier and the Minister for Health have been advocating to ensure that

Victorians get their fair share in relation to health services, which include dental health services, because it has not been easy. I understand that as a result of those negotiations Victoria will receive \$85.4 million that will in part go towards the public dental services.

Many programs will be impacted by some of the decisions made at a commonwealth level, and they include chronic disease dental schemes, which will be closed. That should be highlighted in this debate because, as I said earlier, dental hygiene is important in preventing long-term health impacts and protecting the wellbeing of individuals. Chronic dental disease is a serious issue; it can impact on other disease processes. That needs to be understood, and the commonwealth government should be made accountable for that decision along with many others that it is making in relation to general health services.

I would like the federal Greens, who are also calling for further investment in this area, to put that challenge to the Prime Minister. She is a Victorian and lives in Ms Hartland's area of the western suburbs. It is important that federal members play a part in this. We would like to see Victoria receiving its fair share of allocated funds. Ms Hartland has indicated she will be speaking to her federal colleagues to ensure that Victoria continues to receive its fair share of funds so that we can undertake the important provision of dental health services.

Like Mr O'Donohue, I reiterate that the government will not be opposing Ms Hartland's motion. I know Mr Elsbury will have more to say about the specific issues referred to by Ms Hartland in her motion. With those remarks I will conclude my contribution.

Mr ELSBURY (Western Metropolitan) — I am pleased to rise this morning to speak to Ms Hartland's motion on the ministerial task force report on options for the future provision of dental facilities at the western region community health centre. As the chair of the group that developed this report, I am very pleased that my parliamentary colleague has taken such interest in this document. However, I will digress for one moment.

Ms Hartland said I should not have been stoked about the result of the state budget, so I should not have been stoked about \$14 million being given to Galvin Park Secondary College. I should not have been stoked about \$15 million for the West Gate Freeway for improvements to traffic flow. I should not have been stoked about \$14 million being provided to Sunshine Hospital for an intensive care unit to be provided, even though it has been planned since 1999. I should not

have been stoked about four new short-stay mental health beds at Sunshine Hospital, and if I am getting Ms Hartland right, I certainly should not have been stoked about \$4 million being provided to Laverton College to allow for demolition works to occur at the site, enabling a gymnasium to be built and also enabling the Western Autistic School campus to be erected at that site. I should not have been as pleased with the state budget as I was, apparently, according to Ms Hartland.

Certainly we have had to deal with issues in a very constrained financial position. I am sure I could give a list of many other projects I would have loved to have seen being carried out in Melbourne's west in addition to the list I have just given. I can assure members of this house that I am already actively working on next year's budget to try to get some of the items which were not listed and which I have been working towards for quite some months.

The report brought down by the ministerial task force of which I was the chair covers a lot of the issues that were facing the Western Region Health Centre in being able to provide the services it provides to a very broad range of clientele: people who come from refugee backgrounds, people who have health-care cards or pension cards and people who do not normally have the capacity to walk into a dentist and get the services most of us take for granted — to get that check-up, to get that filling done or to get some relief from dental pain when it occurs. The work the Western Region Health Centre does in providing this dental health service is critical, as it is able to deliver what so many people in the western suburbs need, which is good and proper dental care. It is a credit to the Western Region Health Centre that it has been able to trudge along for so long with the resources it was given by the previous government. It is an outstanding effort, and it shows the quality of the people who are involved with the organisation.

If the members of this government were as heartless as Ms Hartland is trying to paint us, why would we have even bothered with this report? Why would we have even bothered to go out and try to seek a resolution to this issue? If we were really just so neglectful in our actions and did not care, we would not have commissioned the report. We would not have gone out there to assess the situation as it stands to enable us to come up with a series of potential solutions to the problems we are faced with, including the ageing dental equipment that is provided. As Ms Hartland has pointed out, there have been issues about the machinery giving up the ghost at any moment. There have also been issues about being able to provide for replacement parts or even being able to get new equipment to work in

conjunction with the older equipment. In some cases it is impossible. These are the challenges we found when we decided to — pardon the pun — drill down into this issue.

We decided to take a comprehensive look at what was happening and what should be happening at the Western Region Health Centre when it comes to its dental service provision. We did not muck around. We got there, and from memory I think we had six meetings over a four-month period to enable us to put this report together so we could present to the minister a comprehensive report on what we saw as the potential options that would enable the Western Region Health Centre to continue to provide a service that is so vital for people across the western suburbs.

There were many varied options presented to the minister, and I am sure Ms Hartland and others will be thrilled to see the report when it is released, because we will not be opposing this motion. I hope it is understood in the knowledge that these are recommendations. They are not the be-all and end-all, because some of them go to an extreme. Some of them are what we would like to have happen. We have made a broad range of recommendations in the form of if A happens, B will occur because of this action. We did so to ensure that the minister had a full and comprehensive report that shows that if little is done, little result will come of it, but if a great amount of work is done, much better outcomes will be achieved.

I have to say that during the process staff of the Western Region Health Centre told me that they felt that with the change of government there was scope for new options to be put forward as to how to progress a solution to the current problems with the facilities and infrastructure they are encumbered with. What we are looking at is two very old buildings that were not designed specifically for the use of a dental clinic. Gone are the days of going to a dentist where you walk in and the surgery is generally in a house. Most dental clinics these days have to be designed to particular specifications that take occupational health and safety and other issues into account. Gaining access to patients who may have an adverse reaction to either treatment or the various drugs that are used in dental work is certainly something that needs to be taken into consideration, and I know that that is a challenge for the Western Region Health Centre at the moment.

Under these adverse conditions the Western Region Health Centre has been able to deliver outcomes that far surpass the equipment and facilities it currently uses. As Ms Hartland pointed out, there is a waiting list. Using the most recent figures there is currently a

wait of around seven months to gain access to dental care. This is a far cry from 2003–04, when you were waiting 40 months to gain access to dental care at this service. It was a 40-month wait in 2003–04. As recently as 2006–07 there was a wait of 29 months, and if we looked at the figures for 2006–07 through to 2009–10, we would see an average wait of 18¾ months to gain access to dental care.

How was that allowed to happen under Labor? How was that able to happen? Why, with the people of the western suburbs — the people that Labor claims to care about so much — would that have been allowed to happen to its core constituency? These questions and more have been explored in the report. I look forward to commentary on the report when it is made available.

I would like to say at this point that the hard work of many people went into this report, and I would like to thank the members of the committee for everything they did: Sandy Austin, the director of health and aged care, north and west region, Department of Health; Arden Joseph, general manager, community wellbeing, City of Maribyrnong; Lyn Morgain, chief executive officer, Western Region Health Centre; Peter Nagel, manager, service and capital planning, Department of Health; Mark Sullivan, chief operations officer, Dental Health Services Victoria; and — I apologise if I mispronounce this, but I hope that Hansard will be able to rectify it — Michelle Towstoles, a board member of the Western Region Health Centre. Together we were able to develop a plan, a way forward, for these options and for this service to continue well into the future.

We did not just say, ‘We want the Taj Mahal and we want it now’. We actually have a pathway of providing the service into the future, because tomorrow we cannot just roll up to Footscray, bowl over a building and helicopter in a new building. It just cannot be done that way. We have gone through options that will provide services for the term in which a new facility will be built. We took into account various issues that needed to be explored. We took into account the accessibility of a future facility — to improve it rather than just leave the status quo. We discussed how we could ensure that people who had difficulty in gaining access to their normal dentists because of transport issues would be able to deal with gaining access at the current site or even at other sites around the place. We did not just look at it in isolation, we looked at a number of options: if this facility were moved, would it be in a better spot; if it were not moved and stayed exactly where it is, would it still be able to provide the services that the people of the western suburbs so desperately need and provide them with accessibility?

There were also discussions about how we would deal with continuing to provide services in the construction phase of any new facility once decisions were made on a budgetary level. We did not just sit there and say, 'Wouldn't it be nice?'. We actually nussed out the issues. We explored the options. We presented a diorama, for want of a better term, of different outcomes that were possible through different options that were put, and certainly, as I mentioned, the Western Region Health Centre staff expressed the view that with the change of attitude of a new government — a government with a different ideology and a different view of the world — new options were made available to be able to push this particular project forward as quickly as possible.

I will be wrapping up shortly, but I want to point out a few things about the chronology of this particular issue coming to the fore. I must make the comment that I thank my parliamentary colleague in the western suburbs Mr Bernie Finn, because it was he who on 7 April last year raised this issue with the minister. He broke the silence that had pervaded this particular issue. Strangely enough, 11 lower house members from the Labor Party and at that time 3 upper house members of the Labor Party stayed completely schtum on this thing; they did not utter a word. It was Mr Finn who brought it up in the Parliament on 7 April.

However, Ms Hartland did not discover this issue until 25 May last year, so it is interesting that Ms Hartland takes it up with such ferocity now, when it was not so important to her prior to 25 May last year. I cannot fathom that, but in any case the *Hansard* record speaks for itself; it clearly shows that Mr Finn raised the issue on 7 April and Ms Hartland did not get around to it until 25 May.

I am proud of the work that the committee I was chairman of did. We worked very well together, even though I am sure that there was some desire for things to be fast-tracked well and truly beyond anyone's ability. It would have been good to have been able to say tomorrow that I was joining the minister in Footscray to cut a ribbon; it would be fantastic, but as I said we cannot helicopter in a new building overnight. It does not happen that way.

With those few words, I say that the government supports Ms Hartland's new interest in this report, and I look forward to seeing the commentary, but I certainly hope that it is not skewed in a vindictive or a poorly fashioned political way by those opposite.

Hon. D. M. DAVIS (Minister for Health) — I just want to make a few brief remarks on this motion and

indicate that the government will provide the report and do so willingly. Indeed we will release it formally in the forthcoming sitting period.

I pay tribute to the work done by Mr Elsbury and his task force, and I pay tribute to the work of the Western Region Health Centre, particularly the dental service. I think Lyn Morgain is one of the most effective CEOs of a community health centre in the state, and I pay tribute to the work that she and her committee do. The report that Mr Elsbury and his task force have prepared lays out a number of options. This has to be put on a firmer footing, and he was quite right to point to the 11 years of neglect.

The fact is that in the last Labor budget the then health minister put forward a half-baked proposal which was knocked back by the expenditure review committee. I also make the point very clearly that the government is taking this matter seriously. The government will take steps to deal with this issue. I know Ms Hartland has indicated that there is a long history here, and that is correct: 11 years is a long period of neglect to turn around. Mr Elsbury correctly pointed out that you cannot build major institutions in a day. It will take some time to get things sorted.

In terms of the broader issue of dental funding at the moment, it is worth putting on the record some concerns I have about proposals at a national level that could impact directly on the Western Region Health Centre and other dental health services around the country. One of those is the proposal to close — cease, end, finish — the chronic dental disease scheme (CDDS). That is a very important scheme for Victoria. More than \$170 million of funding comes into Victoria under that scheme each year. It is an uncapped scheme, and it is not time limited. It is worth at least \$680 million to Victoria in the forward estimates period. However, in its budget the commonwealth government has indicated its proposal to cease that funding and replace it with another dental scheme, a national partnership agreement, that would be time limited to three years and would come with consequent reporting requirements.

If you look at the money that is listed in the commonwealth budget and do some rough population estimates for Victoria, you find that we might get some \$70 million, \$80 million or maybe even slightly more over that three-year period. I am here to tell the house that that would not replace the \$170 million per year in ongoing funding — more than \$680 million over the forward estimates period. I do not think \$80 million over three years of the forward estimates would even remotely compensate Victoria. A number of people

who are treated in private dental clinics at the moment are patients who would be eligible for public dental treatment. If that scheme is closed, they will fall back into the public scheme and will put an additional burden on public dental centres like the Western Region Health Centre.

I am quite opposed to the commonwealth's proposal to close absolutely the chronic dental disease scheme. If the commonwealth wishes to provide additional or top-up funding on top of the CDDS approach, we would welcome that as an addition rather than as a substitution for the ongoing guaranteed funding that is available through the current program.

I do make the further point — and Mr Elsbury has made this point very well — that Labor and the other parties were not prepared to tackle the issue of the Western Region Health Centre's dental facilities during Labor's 11 years of government. We are tackling it. The first base report is completed; we will take further steps beyond that, and I will make announcements about those in the forthcoming period. There is still significant work to do to scope this and get this right, but the government and I are alive to these matters and my department has worked very closely on these matters with the Western Region Health Centre and also Mr Elsbury's task force.

Ms HARTLAND (Western Metropolitan) — I will just take a few minutes in exercising my right of reply. I have to say right at the outset that of course I am extremely pleased that the government will be releasing this report, because we can then see what has been suggested and what is the way forward. I am more than happy to acknowledge that this clinic did not get into this state of disrepair overnight; there has been a long-term problem of neglect at this clinic. It has ancient facilities. As Mr Elsbury would know, having been to the clinic, some of the equipment should be in a dental museum rather than in an active dental clinic.

There are a few things I would like to say. On the issue of the chronic disease funding, which Mr David Davis has just raised, negotiations are currently going on. The Greens will not allow that scheme to close. That is part of the negotiations. I have to say that federal Greens members of Parliament Mr Bandt and Senator Di Natale take this issue seriously, especially Senator Di Natale, who is a GP and who absolutely understands the need for these programs. It will not close until there is a scheme. We will not allow it to close; it is too important.

The other correction I would like to make concerns Ms Crozier's remarks. The chronic disease dental

scheme is for people with chronic diseases such as diabetes which then affect their dental health, not people with chronic dental disease.

I would like to talk a little about the comments Mr Elsbury made. He is clearly aware that the comments I made in the press about him being stoked about the budget were in relation to the dental clinic. While this work has been done, and that is appreciated, this is a service that, without funding, will close. Four hundred children are seen at this service each month. What I want to see is the government taking action very quickly, now that the report has been done, about where we go from here. This clinic cannot wait until the next budget for answers. The action will need to be much quicker than that.

However, I really appreciate the fact that the government has acknowledged that there is a problem, that the ministerial task force has done its work and that the report will be released. I can assure Mr Davis that the Greens are very clear in terms of their position on dental issues, both state and federal. It is a major issue for us.

Motion agreed to.

MANUFACTURING: GOVERNMENT PERFORMANCE

Mr SOMYUREK (South Eastern Metropolitan) — I move:

That this house condemns the Baillieu government for abdicating its responsibility to assist the maintenance and development of Victoria's vital manufacturing sector and thereby helping secure associated jobs and notes that —

- (1) this abandonment of Victoria's manufacturing industry is unacceptable and not in keeping with the responsibilities of a Victorian government;
- (2) local manufacturers have received little support and leadership from the Baillieu government despite being under severe stress from the ongoing increases in the value of the Australian dollar to the detriment of Australian exporters and domestic industries competing against imports;
- (3) full-time Victorian manufacturing employment has decreased by 6800 positions since the Baillieu government was elected into office;
- (4) full-time manufacturing employment in Central Highlands, Wimmera has fallen by 14.2 per cent and full-time manufacturing employment in all Gippsland has fallen by 19 per cent since the Baillieu government took office;
- (5) part-time Victorian manufacturing employment has increased by 9000 positions since the Baillieu

government took office thus indicating thousands more manufacturing workers are now employed in precarious manufacturing jobs;

- (6) the Australian Industry Group and PricewaterhouseCoopers Australian performance of manufacturing index (PMI) for Victoria has been in a state of contraction for a significant period of that time the Baillieu government has been in office; and
- (7) private investors have lost confidence in the Baillieu government, with private investment in manufacturing falling by 26.9 per cent, private investment in infrastructure falling by 7.5 per cent and private investment in equipment falling by 3.3 per cent in the March 2012 quarter.

Manufacturing is of critical importance to the Victorian economy and society. The national debate on manufacturing that is currently being played out every day in our newspapers, on our radio and television stations and within our academic institutions is particularly pertinent to the future and wellbeing of non-resource states such as Victoria, which, as we all know, is the nation's manufacturing capital.

We have a mining boom in Australia, fuelled by the demand of Asian economies for our raw materials. In the space of a decade mining has gone from 5 per cent of national gross domestic product to 10 per cent of gross domestic product. Needless to say, today mining produces as much of our gross domestic product as does the manufacturing sector. The corollary of the mining boom is that the historically high levels of our currency put Australian products at a competitive disadvantage against products manufactured overseas.

This phenomenon in contemporary Australian political discourse is referred to as the two-speed economy or, if you like, the patchwork economy. It is more commonly known by economists in the international arena as the Dutch disease. The term 'Dutch disease' was coined by economists in 1977 to describe the decline of the manufacturing sector in the Netherlands after the discovery of large natural gas fields in 1959. The Dutch disease theory goes something like this: increases in the price of the resources of resource-rich countries will be accompanied by a real appreciation of the currency, and the non-booming part of the traded goods sector, typically parts of the manufacturing sector, may be adversely affected by the higher currency. The booming resources sector will need additional workers, which may come from displaced workers from the declining manufacturing sector.

There is ample evidence that the mining sector requires the services of displaced workers from the declining manufacturing sector; however, this phenomenon is unlikely to sufficiently compensate for the jobs lost in

the manufacturing sector, as manufacturing employs close to 1 million Australian workers, compared to 200 000 Australian workers employed by the mining sector. No matter what label we put on it, our state's manufacturing sector is going through some very difficult times. It is therefore incumbent on the Baillieu government to implement policy instruments that it has at its disposal to ease the pressure on our manufacturers. Otherwise the social and economic costs for this state in allowing our manufacturing sector to go to the wall will be enormous.

According to the latest Australian Bureau of Statistics (ABS) figures of February 2012 the manufacturing sector is still the largest provider of full-time employment in Victoria; 264 700 Victorians are employed full time in the Victorian manufacturing sector and 46 200 Victorians are employed part time. In total that is 310 900 Victorians who are employed in the Victorian manufacturing sector. This constitutes 10.7 per cent of total Victorian employment. The Victorian manufacturing sector employs — get this figure, Acting President — 31.8 per cent of national manufacturing employment. The size of that figure demonstrates the importance of our manufacturing sector. Furthermore, the Victorian manufacturing sector produces 11 per cent of Victoria's total output.

Mrs Peulich — Have these all been sourced figures?

Mr SOMYUREK — ABS. There are over 25 000 manufacturing firms operating in Victoria. These statistics encapsulate the importance of the Victorian manufacturing sector, and it is about time the Baillieu government took note of these statistics and stopped its dithering. It is about time the Baillieu government closely examined these statistics and worked out how important the Victorian manufacturing sector is for the state's economy and wellbeing.

During its 18 months in office the Baillieu government has presided over a period when Victorian manufacturers have been in desperate need of government leadership and support to cushion the impact of the historically high levels of our currency. The Australian dollar has been well above parity for almost the entire period of time the coalition has been in power, yet the Baillieu government has refused to take any form of action to offset the pressures being felt by our manufacturers.

As a result of the Baillieu government's dithering, the manufacturing sector has been in a continuous state of contraction, as reflected by the various PricewaterhouseCoopers performance of

manufacturing indexes, or PMIs. As a result of the Baillieu government's dithering, we have had major long-term manufacturers in Victoria such as National Foods, Bosch, Ford, Viridian, Heinz, SPC Ardmona, BlueScope Steel and Toyota, and potentially Alcoa, lose confidence in the leadership of the state and announce significant job losses. As a result of the Baillieu government's dithering, private investors have lost confidence in the Baillieu government and are now actively taking their money out of Victoria, with private investment in manufacturing declining by a whopping 26.3 per cent, private investment in infrastructure falling by 7.5 per cent and private investment in equipment falling by 3.3 per cent in the March quarter 2012.

As a result of the Baillieu government's dithering, employment in the Victorian manufacturing sector has taken a massive hit. According to the February quarter 2012 ABS statistics, the number of Victorians employed full time in the Victorian manufacturing sector fell by 6800 positions. Thousands more Victorian manufacturing workers have had to switch to more precarious part-time employment. Since the Baillieu government assumed office the number of part-time employment positions in the Victorian manufacturing sector has increased by 9000. This is due to full-time manufacturing positions being switched to part-time positions. That these jobs have been switched from full-time employment to part-time is a measure of the change in the nature of full-time stable employment in manufacturing. Traditionally manufacturing has been a full-time employment sector. These people have changed from full-time stable employment to more precarious part-time employment.

It is important to note that part-time employment is defined or measured by a minimum of 1 hour or more per week of paid employment, so it can be assumed that those people who are now employed part-time are looking for more work. It is safe to conclude that the Victorian manufacturing sector's underemployment rate has exponentially increased since the advent of the Baillieu government.

Urgent and serious action is needed of the Baillieu government. The Baillieu government has been in office for over 18 months now, and yet it still does not have a concrete plan for the Victorian manufacturing sector.

Mrs Peulich interjected.

Mr SOMYUREK — This is despite the historically high levels of the Australian dollar, the loss of so many Victorian manufacturing jobs and the concern that

many more Victorian manufacturing jobs are on the line.

Given these parlous circumstances that the Victorian manufacturing sector finds itself in, the question needs to be asked of the Baillieu government just what action it has taken in its 18 months of holding office to offset the deleterious effects of the high Australian dollar on our manufacturers.

Mrs Peulich interjected.

Mr SOMYUREK — On numerous occasions in this house I have asked this question of the Minister for Manufacturing, Exports and Trade, Richard Dalla-Riva. On each occasion I have asked this question the minister has shrugged his shoulders and retorted that he does not have the power to do anything about our currency. Minister Dalla-Riva does not get it.

I do not for one moment suggest that the minister has any control over the rate of our currency. Clearly Minister Dalla-Riva does not have control over the macroeconomic levers of our national economy. He certainly does not have sufficient influence over the Chinese government to direct it to devalue the yuan. I do not expect Minister Dalla-Riva to cure the Dutch disease either. I do expect the minister to use the tools he has at his disposal to cushion the impact of the high Australian dollar and not sit idly by, watching as a spectator, as our manufacturing sector goes to the wall.

Honourable members interjecting.

Mr SOMYUREK — The Baillieu government is walking away from Victoria's manufacturing industry and leaving business to deal with the increasingly difficult economic environment alone. The government's hands-off-the-wheel approach to the Victorian manufacturing sector is simply not working. Minister Dalla-Riva and Premier Baillieu need to understand that without a proactive government willing to provide leadership and investment, Victoria's manufacturing sector simply cannot survive.

I have outlined the parlous circumstances in which the Victorian manufacturing sector finds itself. I have quoted some statistics and underscored the importance of government leadership for the survival of the manufacturing sector. Now I will briefly explain to the house why the Baillieu government has been negligent in its duty to the manufacturing sector.

Mrs Peulich interjected.

Mr SOMYUREK — Going into the 2010 election campaign the coalition, when it was in opposition as the

alternative government, had a duty to the Victorian people and the manufacturing sector to have formulated a detailed manufacturing policy plan. Despite the critical importance of the manufacturing sector to the state and despite a comprehensive manufacturing inquiry report handed down by a bipartisan joint investigatory committee in mid-2010, the coalition did not have a detailed manufacturing policy or a plan ready to be implemented after the election. As the Australian dollar continued to appreciate at a rate of knots, and as the Victorian manufacturing sector looked to the state government in increasing desperation for urgent leadership — and I stress ‘urgent’ — the government did exactly the opposite.

Mrs Peulich interjected.

Mr SOMYUREK — It abrogated — —

Mr Leane — On a point of order, Acting President, it could be a good thing if you remind the chamber that constant interjection is unruly. I am finding it very difficult to hear Mr Somyurek’s fine contribution through the constant rambling, particularly of Mrs Peulich.

The ACTING PRESIDENT (Mr O’Brien) — Order! There is no point of order. Interjections are always disorderly, but nevertheless I think Mr Somyurek was proceeding with his speech without interruption until Mr Leane took his point of order. Mr Somyurek can cope with quiet comments on his own, and I ask him to resume his speech.

Mr Leane — On a point of order, Acting President, I will be directing my point of order in writing to the President.

The ACTING PRESIDENT (Mr O’Brien) — Order! That is a matter for you. I do not know what you mean. If it is dissent from the Chair or — —

Mr Leane — On the point of order, Acting President, if an Acting President cannot uphold a standing order that constant interjections are unruly to the house, we have a big problem.

Mrs Peulich — On the point of order, Acting President, I do believe that Mr Leane is actually reflecting on the Chair. I also say that the Chair has indicated that interjections are disorderly, which is actually upholding Mr Leane’s point of order. Mr Leane should not get crabby. I think he has made his point, and I am happy to observe it.

The ACTING PRESIDENT (Mr O’Brien) — Order! I am happy for Mr Leane to refer any matter on

the point of order. I did take his comments as a slight reflection on the Chair, so I will refer that to the President. As I understood the point of order, it was about constant interjection. I did not conclude that Mrs Peulich’s interjections were in the category of constant interjections. I did not conclude that they were interrupting Mr Somyurek’s speech. There are always interjections in the chamber and they are always disorderly. The point of order was taken about constant interjection, and I ruled that it was not a constant interjection and therefore not a point of order for the reason that I did not detect Mr Somyurek to be in any way troubled by the level of interjection that was occurring.

If Mr Leane has a problem with that ruling, he can obviously take it up with the President. I am an Acting President. I hope I have now further explained my position. My endeavour is to try to allow Mr Somyurek to resume his contribution as rapidly as possible.

Mr SOMYUREK — As the Australian dollar continued to appreciate at a rate of knots and as the Victorian manufacturing sector looked to the state government in increasing desperation for urgent leadership and action, the government did exactly the opposite. It abrogated its leadership obligation and ensured that it could not take immediate action to assist the Victorian manufacturing sector by engaging in a lengthy inquiry process through the Victorian Competition and Efficiency Commission (VCEC) to hold yet another inquiry into Victoria’s manufacturing sector. At a time when urgent action was needed and was sought by the government, it made a choice to delay. At a time when leadership was sought, the government chose to abrogate its duty to lead.

I still have not had an explanation for the reason the minister called on VCEC to hold yet another inquiry when he had at his disposal a 300-page report on manufacturing from the Economic Development and Infrastructure Committee, a joint bipartisan parliamentary committee which recommended action for the Victorian manufacturing sector. I have read this report from cover to cover on more than one occasion, and I constantly refer to it. It is an informative and comprehensive report and, most importantly, appears to be genuinely non-political and bipartisan. That is understandable because very senior people from both sides of the political debate were on the committee, including the Leader of the Government, Mr David Davis, and the President.

The committee spent more than 12 months deliberating on and formulating this report. Some 68 written submissions were received, public hearings were

convened before which 68 witnesses appeared and the report makes 45 well-considered recommendations. As part of their deliberations committee members travelled internationally to four countries: the United Kingdom, Belgium, France and Germany. In my view the fact that the committee travelled overseas adds further credibility to its report, because it is difficult to prepare a report on the manufacturing sector of any jurisdiction in the contemporary globalised and interconnected world without gaining an intimate understanding of the state of play in comparable jurisdictions. In other words, a manufacturing inquiry should be informed by a comparative perspective of the manufacturing sectors in other advanced capitalist economies.

It is worth noting that the committee tabled its report in Parliament in July 2010, a mere four months before the coalition assumed office. Any reasonable person would have thought that a government armed with this significant and comprehensive report would have had a plan and a policy to implement for the manufacturing sector within a short period after assuming office, especially given the exigencies created by the rapid appreciation of the Australian dollar. In fact any reasonable person would have thought that an incoming government would have had a report prepared well in advance of its members assuming office.

The reliance on the VCEC inquiry to provide a manufacturing sector policy is demonstrative of a government bereft of an understanding of Victoria's manufacturing sector and bereft of ideas to assist the sector as it confronts its greatest challenge since Australia began — that is, removing tariff protection from our industries as part of worldwide trade reform. Summoning a very dry, cost-cutting body to formulate a manufacturing policy for a sector which is in desperate need of state support at this critical juncture gives us an insight into where the government intends to take our state's critical manufacturing sector.

Before I get off the subject of VCEC, I remind members of the contempt in which the body was held by Liberal Party members when in opposition. I quote the now Attorney-General, Mr Clark, from *Hansard* of 26 August 2004:

It is a sham because despite repeated claims that the VCEC is independent, it is a body completely under the thumb of the government. The VCEC is subject to the directions of the Treasurer in every aspect of what it does. It is prohibited from engaging its own staff and instead is required to use staff provided from within the Department of Treasury and Finance. Furthermore it is required to:

... operate in a framework consistent with Victorian government's social, economic and environmental policies and priorities.

In other words, it cannot recommend anything contrary to current Victorian government policy. So much for independence!

A reading of Mr Clark's contribution seems to suggest that so much about VCEC was flawed, yet it was not flawed enough to prevent the government from handing the body the important task of formulating a basis for a manufacturing policy for the state, a policy that will ultimately determine the economic and social wellbeing of hundreds of thousands of Victorians.

I welcome Acting President Finn to the chair — and no interjecting from the Chair, Acting President!

Mr O'Brien — Carbon tax! Carbon tax!

The ACTING PRESIDENT (Mr Finn) — Order! It is most inappropriate for the speaker on his feet or other members to tempt the Chair.

Mr SOMYUREK — I take your guidance, Acting President. It will not happen again.

Besides dragging its feet on the formulation of a plan for the Victoria manufacturing sector in the milieu of a rapidly appreciating Australian dollar and fierce competition from low-cost, high-volume competitors in Asia, during its first year in office the government missed other opportunities along the way to ameliorate the challenges facing the Victorian manufacturing industry.

The government's first budget was a very real missed opportunity. Knowing that the manufacturing sector was facing difficult circumstances, the government had the chance through the budget to implement some initiatives to assist the Victorian manufacturing industry. But what did government members do? Nothing; absolutely nothing. Through its lack of support for the manufacturing industry in its first budget, the Baillieu government signalled to industry that the government did not have the will or the ideas to provide leadership to the critical sector of the state's economy.

Mrs Peulich — On a point of order, Acting President, I am concerned the member may have veered off his motion, and I am surprised that at the 27-minute mark he has yet to mention the most significant issue for the manufacturing sector — the carbon tax.

The ACTING PRESIDENT (Mr Finn) — Order! As much as I may wish it was, that is not a point of order.

Mr SOMYUREK — There was no mention in the budget of a government purchasing policy that would

benefit our manufacturing industry, particularly our small and medium size businesses. There was no mention in the budget of a commitment that our manufacturers would benefit from ongoing acquisitions of tram rolling stock for Victoria's public transport services, and there was no mention in the budget of payroll tax relief for manufacturing in Victoria. Such measures at a critical juncture during its first year in office would have built confidence in local manufacturing, underpinned access to financial investment and increased job retention levels.

Even after the 2011 budget process and the toxic recommendations delivered by the draft VCEC report later in that year, and, more remarkably, even with the Baillieu government's inertia towards the state's manufacturing sector showing no sign of changing despite thousands of jobs being lost with increasing frequency, there were those optimists within the manufacturing sector who believed that the government would eventually come through for them.

They were optimists; they believed the Baillieu government would eventually come through and they reasoned, 'Let us wait for the VCEC process to take its course and eventually the government will come through'. The alternative to the government not coming through was to decimate the Victorian manufacturing sector, and with that the hundreds of thousands of jobs held through direct employment in the Victorian manufacturing sector, not to mention those held because of the multiplier effect throughout other sectors of our economy.

It was on 19 December 2011, under the cover of the Christmas period when public scrutiny is minimal — a period when governments traditionally take out their trash, as they say in political circles — that the Baillieu government finally released its manufacturing statement. On that day the Baillieu government took out its trash. Industry was awaiting a groundbreaking manufacturing plan furnished with ideas on how to salvage the state's manufacturing sector and the hundreds of thousands of jobs that go with this sector. What it got was a flimsy, 21-page, glossy document littered with inane platitudes but bereft of any original ideas or concrete policy.

At least — and I give credit to the government — the government did not have the temerity or the audacity to refer to this half-baked document as a manufacturing plan. It was sensible enough to call it a manufacturing statement. Even the Baillieu government is aware that hypocrisy has its limits. The Baillieu government's manufacturing policy statement is a farce that has cost hundreds of thousands of manufacturing jobs as the

government sat idly by whilst the slow and costly VCEC process took its course before the government would even start thinking about the manufacturing sector, which was and continues to be under siege.

The manufacturing statement is a farce, because the answer to all the ills suffered by the manufacturing sector, according to the manufacturing statement, is productivity. The word productivity is mentioned 51 times in this flimsy, 21-page document. Productivity improvements at the individual firm level are matters for individual firms — private firms — not governments. They are matters to be addressed by CEOs, not by ministers of the Crown. Ross Gittins, writing in the *Age* of 26 February, made this very point:

The great delusion of the productivity debate — one inadvertently fostered by crusading economists — is that productivity improvement is a gift governments deliver to business, provided they have the political courage to implement 'reform'.

Rubbish. As our great private-sector productivity expert Saul Eslake has said: 'Productivity only happens as a result of the decisions that are made and implemented in places of work'.

In that article Ross Gittins also said:

I'm convinced many of the worthies banging on about productivity don't actually know what it is.

How true, Mr Gittins; how true!

The manufacturing statement is a farce because the statement delivers nothing for the manufacturing sector, whilst overseas manufacturers competing with our manufacturers are supported by national, state and provincial governments driving their manufacturing sectors by investing in modern, nation-building projects, by improving education and training for the workforce, by providing high-level support and direct participation in research and development, by innovation, by the provision of venture capital, by investing in industry assistance and by ensuring high levels of local content in government purchases.

The Baillieu government, on the other hand, through the manufacturing statement and the 2012 budget, has cut manufacturing assistance, has dropped local content targets and has decimated education and training through cuts to the TAFE sector, and it has totally neglected infrastructure investment.

I will outline how the Baillieu government has failed in the key drivers of the Victorian manufacturing sector — namely, manufacturing assistance, education and training, and infrastructure investment — and I will discuss the Baillieu government's record on manufacturing assistance or industry support. The

forecast for assistance to the manufacturing sector by way of programs and grants looked rather bleak upon the release of the government's manufacturing statement on 19 December 2011. The manufacturing statement asserted that the existing 32 industry support programs would be channelled into five new policy priority areas.

Mr Lenders — Five?

Mr SOMYUREK — Yes, five. Not the five pillars, Mr Lenders, five policy areas — there are too many fives with this government. At the time this sounded like a transparent euphemism for slashing industry support. It was cleared up somewhat when the budget was handed down and the Minister for Manufacturing, Exports and Trade, Mr Dalla-Riva, appeared before the Public Accounts and Estimates Committee to tell us that the existing industry support programs would be not challenged but replaced. The government announced industry support averaging \$14.5 million over four years. That figure will apparently now replace the \$66 million per annum of industry support in the system, according to the 2010–11 Telstra productivity indicator report.

Mr Ondarchie interjected.

Mr SOMYUREK — Mr Ondarchie, you do not have to be a mathematician to work this out: take \$14.5 million away from \$66 million and that equals a lot of manufacturing assistance.

I will now turn to another driver of the manufacturing sector and discuss the Baillieu government's record on local content. The announcement of the Victorian industry manufacturing statement ended a decade of support for Victorian manufacturers by scrapping local content targets for state government projects as recommended by the Victorian Competition and Efficiency Commission.

Hon. G. K. Rich-Phillips — Before you were criticising VCEC, now you are adopting VCEC recommendations — you spent 15 minutes bagging VCEC.

Mr SOMYUREK — I am bagging VCEC; I referred to VCEC's recommendations as toxic.

The ACTING PRESIDENT (Mr Finn) — Order! We are rapidly approaching a discussion across the chamber instead of debate. The Chair would be very appreciative if we could show a bit of restraint on both sides and get the debate back on track.

Mr SOMYUREK — The Baillieu government claims it will now focus on maximising 'local content through greater access and awareness of local suppliers' — whatever that means. I am still waiting for an explanation from the government as to what 'awareness' alone means and how it will help local manufacturers compete with overseas companies. The value of local jobs needs to remain a focus in government procurement, and managerial claptrap such as 'local content through greater access and awareness of suppliers' should be thrown out the window. The government should be getting on with delivering for the Victorian manufacturing sector. Local content targets meant that local manufacturers played a large role in major government projects, such as AAMI Park, Southern Cross railway station and EastLink.

Education and training is another driver of the manufacturing industry, and the Baillieu government's record in this area is also very poor. Education and broadening the skills of manufacturing workers is a crucial component to ensure that the sector is competitive into the future and is in a position to adopt and utilise new technological — —

Mrs Peulich — On a point of order, Acting President, we are not at the 40-minute mark and we still have not had a mention of the words 'carbon tax'.

The ACTING PRESIDENT (Mr Finn) — Order! There is no point of order, and I would appreciate it if Mrs Peulich refrained from raising that point of order again.

Mr SOMYUREK — Education and broadening the skills of manufacturing workers are crucial components to ensure that the sector is competitive into the future and is in a position to adopt and utilise new technological innovations. The government appeared to recognise this fact in the manufacturing statement in this accurate observation:

Persistent skills shortages ... threaten the capacity of firms to be globally competitive.

How then does this government justify slashing \$290 million from the TAFE sector? These cuts will have a flow-on effect on all industries, including manufacturing. The government's claim that it is quarantining the manufacturing sector is a complete nonsense and fantasy. The manufacturing sector, just like other industries and sectors of the economy, will be highly impacted upon by the savage cuts announced by the government.

Finally, I will delineate the record of the Baillieu government in infrastructure investment, because it is a

major driver in the manufacturing sector. The Baillieu government's two budgets have demonstrated that this government does not have a plan or a policy for infrastructure investment. The Baillieu government is content to make do with managing projects that the previous Labor government commissioned, including but not restricted to the \$1 billion Royal Children's Hospital; the Melbourne Olympic Park redevelopment, worth \$363 million; the Hamer Hall redevelopment, worth \$128.5 million, creating more than 400 construction jobs; and the Princes Pier redevelopment, worth \$34 million, with 100 jobs during the construction period.

The government's dithering on the infrastructure front has been noted. In April last year Sir Rod Eddington essentially told Mr Baillieu to get on with it, urging the government to — —

Mr Lenders — Do something.

Mr SOMYUREK — To do something — anything — to clarify its position on transport projects worth more than \$20 billion left over from the former Labor government. These important infrastructure projects were subsequently dumped by the Baillieu government.

The Infrastructure Australia report of July last year reveals the Baillieu government was still dithering and still had no plan for Victorian infrastructure investment. At that stage Infrastructure Australia had received and assessed more than 50 new or updated project submissions, but none were from the Baillieu government. The report states:

Following the change of government at the election in late 2010, the Victorian government advised Infrastructure Australia that it was reviewing the strategic plans and infrastructure proposals of the previous government, and that, as a result, it would present proposals progressively for Infrastructure Australia's consideration as the results of its own reviews were advanced.

As of 6 June 2012 no new or revised project submissions have been presented by the Victorian government.

On 28 November 2011, one day after its first anniversary, the Baillieu government belatedly, finally, made a submission to Infrastructure Australia. Unfortunately the submission was padded out by rhetoric and was light on actual detail. The Baillieu government has no plans or time lines for major projects, let alone money. This government's dithering on infrastructure investment is another way it is letting down the Victorian manufacturing sector and costing Victorian manufacturing jobs in the process.

During the course of my contribution so far I have heard members opposite by way of interjection question the record of previous Labor governments in the manufacturing sector. In the interests of completeness and fairness I believe it is necessary to revisit the record of former Labor governments in the manufacturing space. I contrast the Baillieu government's hands-off-the-wheel approach to our manufacturing sector with the hands-on-the-wheel approach of the former Bracks and Brumby governments.

I will examine how the Bracks and Brumby governments performed with respect to the drivers of the manufacturing sector. The first driver I refer to is local content. One of the Bracks government's first achievements in the manufacturing space was the introduction of the Victorian industry participation policy, or VIPP. VIPP was introduced against the backdrop of the Kennett government's failing to secure local content requirements into the contracts with rolling stock manufacturers, which were worth about \$1 billion of manufacturing activity. The successful tenders had proposed building carriages in Australia, but the Kennett government had forgotten to make sure that the proposals were reflected in contractual arrangements.

In 2001 the Bracks government introduced the Victorian industry participation policy. The intent of VIPP was obviously to encourage greater local content in government projects so that that sort of outrageous incident could not happen again. I will go through the achievements of VIPP because I have a feeling VIPP is pretty much under attack from this government. Since 2001 VIPP has been applied to 1405 projects valued at over \$27 billion; it has assisted in the generation of over 27 200 jobs; it has achieved average local content levels of approximately 85 per cent; and it has achieved an accumulative total of over \$618 million of import replacement orders for local industry that would have otherwise gone overseas.

I move on to industry assistance. During the 11 years of the Labor government, its major focus in manufacturing was to ensure the transformation of the state's manufacturing industry from a low-skilled, low-labour-intensive sector to a high-skilled, high-tech sector engaged in advanced manufacturing and producing for niche markets, maximising the interests of Victorians. The assistance provided to the industry from the Bracks and Brumby governments was consistent with this focus. The assistance was through two major manufacturing statements and direct grants from cabinet.

The agenda for new manufacturing program, a \$27 million plan in 2002–03, was one plan. The manufacturing action plan in 2008, which invested \$122 million, was another plan, and obviously there were also ongoing direct grants from cabinet. Labor's industry assistance was well targeted to make it more viable and internationally competitive.

I turn to infrastructure investment. The former Labor government facilitated the growth in the Victorian manufacturing sector through record levels of investment in the state's infrastructure. Under Labor more than \$30 billion was invested in infrastructure, making it the largest infrastructure program in the state's history.

Mr Dalla-Riva, the Minister for Manufacturing, Exports and Trade, talks about red tape. Let us talk about the conducive business environment which the government likes to go on about. The former governments did much to create a conducive business environment to assist manufacturers and other businesses by cutting business taxes and reducing the regulatory burden on businesses. During the 11-year Labor term of office, Victoria moved from having the highest number of business taxes in the country to having the second lowest at the time the Brumby government lost office on, as I recall, 27 November 2010. The reduction of payroll tax from 5.75 per cent in 1999 to 4.9 per cent in 2010 was important for the labour-intensive manufacturing industries. These industries are obviously the ones under the most competitive strain at the moment.

I refer to the regulatory burden on business. The Minister for Manufacturing, Exports and Trade is in the house. He talks about cutting red tape. The minister ought to look at what the Labor government did. During the Labor government's term of office Victoria became the national leader in streamlining and reducing the regulatory burden on business. In 2006 the Victorian government became the first jurisdiction to introduce regulatory targets through the Reducing the Regulatory Burden initiative. That government had aimed at cutting the net administrative burden of regulation — that is, red tape — by 25 per cent, or about \$256 million, per annum by July 2011. Tragically that government did not make July 2011, but as of June 2010 it had achieved reductions of \$246 million per annum.

I refer to research and development (R and D). Under the Bracks and Brumby governments Victoria had the largest investment in R and D of any state. In 2008–09 manufacturing accounted for 43 per cent of all of Victoria's research and development. Compare this to the Baillieu government's having to be dragged kicking

and screaming to invest in the Victorian synchrotron, and then the \$1.5 million ripped out of biotechnology. The Baillieu government has a very poor record in R and D, whereas the previous government had record levels of R and D investment in the manufacturing space.

The outcomes were that the investments in the manufacturing sector and the drivers of it, which I just mentioned, had a real effect. The former government facilitated \$12.6 billion of investment. This investment resulted in 29 200 new direct jobs in the manufacturing sector.

Business interrupted pursuant to standing orders.

QUESTIONS WITHOUT NOTICE

Southern Health: funding

Mr JENNINGS (South Eastern Metropolitan) — My question is to the Minister for Health. In an article in this morning's *Herald Sun* about budget savings at Monash hospital, Mr Davis guaranteed that there would be no reduction in service delivery or staff loss as a consequence of that budget. Can the minister guarantee that the contracts he enters into in the 2012–13 budget with Monash, through Southern Health, will not see a reduction in any health-care delivery, or any reduction in staff numbers?

Hon. D. M. DAVIS (Minister for Health) — I thank the member for his question, and I note that Southern Health is doing an excellent job in managing the significant demands and challenges that are faced in growing suburbs across the southern side of our city. Southern Health is host to one of our major hospitals at Monash Medical Centre, which has a fine record of service delivery, both in its emergency and acute admissions and its community health work. I also make the point that this current year's budget is \$37 million greater than the previous budget that was delivered and that that is a record budget for Southern Health. I am advised that total acute admissions are likely to be about 3.9 per cent greater this year than last year and that the emergency department admissions at Southern Health are likely to be around 4 per cent greater than the previous year.

The increase in demand is significant, but Southern Health is working very well to manage that demand. As I have said, it is achieving likely significant increases in both emergency department presentations and ultimately in total acute admissions as well. As with all health services in our devolved governance model,

Southern Health is responsible for delivering health services and managing those services. As you would expect, that means managing where and when clinical care is provided and managing surgery and emergency department access. That is the role of Southern Health, as our important health service network in the south-eastern suburbs of Melbourne.

From time to time health services will make the decision to change configuration, but the aggregate performance of Southern Health in terms of admissions and emergency department performance will surprise the community. The community can be thankful for the hard work of clinicians, nurses and others who are closely involved in delivering those health services. I have great confidence in the management at Southern Health and great confidence also in the performance of our doctors, nurses and other clinical staff at Southern Health.

Supplementary question

Mr JENNINGS (South Eastern Metropolitan) — In this morning's newspaper the minister is reported as saying he would guarantee that there would be no reduction in service or staff loss. When the minister is now asked to provide that guarantee to the chamber, he has not done so. In fact he has indicated that if there are any reductions in services and any jobs are lost, that is because of the management of Southern Health. Can the minister confirm that this is a summary of what he has just put to the chamber?

Hon. D. M. DAVIS (Minister for Health) — In terms of longstanding tradition, I am not going to be verballed by the member, but what I will say quite clearly is that Southern Health has had an increased budget — \$37 million more in the current financial year than in the financial year before. I am also informed that the total number of acute admissions will be greater this year than the previous year and the total emergency department performance will also be around 4 per cent greater than the year before. There is increased activity at Southern Health, increased funding, increased performance and high-quality medical and research activity. The community in the south-eastern suburbs can be proud of the performance of Southern Health and of the performance of doctors and nurses there.

Bendigo hospital: future

Mr DRUM (Northern Victoria) — My question is to the Minister for Health, David Davis, and I ask: can the minister update the house on the progress of the Bendigo hospital redevelopment?

Hon. D. M. DAVIS (Minister for Health) — I am pleased to respond to the member's question, given his long-term advocacy for the Bendigo community and Bendigo hospital in particular. I also note the advocacy of Mrs Petrovich and Ms Lovell for Bendigo hospital. I can inform the house that progress of the new Bendigo hospital is substantial. The request for a proposal is now with the two tenderers, and those two tenderers have the task of coming back with the very best outcomes for the Bendigo community and for the northern Victorian community in aggregate. The tender is set. The tenderers have now got their request for proposal, and they are required to respond in detail, to tick the boxes and to provide things that are within the scope.

On every occasion I mention this matter I make sure that the chamber understands the scope delivered by this government is \$102 million bigger than the scope that was to be delivered by the previous government. A \$528 million hospital under Labor and a \$630 million hospital under the coalition government — that is \$102 million greater. It is a much bigger hospital, a hospital that has much more scope and much more capacity to serve the community of Bendigo and northern Victoria for decades into the future. This will be a remarkable hospital — —

Mr Lenders interjected.

Hon. D. M. DAVIS — I think it will be a remarkable hospital, and I think Mr Lenders thinks it will be a remarkable hospital too. I am sure that he wishes it well and that he wishes the people of northern Victoria well in deriving the very best hospital from the extra \$102 million that he was too miserly as Treasurer to put into the hospital. I say Labor should hang its head in shame.

The coalition is getting on with the job. There is \$102 million more. We have got the request for a proposal out there. The tenderers are sharpening their pencils. They are going to innovate and come back with an outcome that will suit the community. The community in northern Victoria and Bendigo awaits the result of all this. I understand that. We are certainly determined to deliver a hospital for the future — a hospital that will deliver quality health care, quality research and quality outcomes for the people of northern Victoria and Bendigo, with \$102 million more than the small hospital advocated by Labor. Those opposite should hang their heads in shame.

Higher education: Auslan programs

Mr LEANE (Eastern Metropolitan) — My question is to the Minister for Higher Education and Skills,

Mr Hall. Since the last sitting week a statement has been released by the Deaf Society of New South Wales clarifying that it has no intention of facilitating a full-time diploma of Auslan in Victoria now or in the future. There have also been statements from stakeholders in the Victorian deaf community making clear their position that it is absolutely critical for their community that a full-time accredited diploma of Auslan remain available in this state and in this state's dialect at the standard that Kangan Institute of TAFE currently delivers.

Taking this into account, can the minister now guarantee that he will do everything within his power to ensure that a full-time accredited diploma of Auslan will be available in Victoria beyond the end of next year?

The PRESIDENT — Order! I am a little concerned about this in regard to the anticipation rule again. I know the minister is probably itching to answer the question, but I have broader considerations.

Hon. P. R. HALL (Minister for Higher Education and Skills) — In response to Mr Leane's question I am committed to finding a resolution to this issue. I said this a fortnight ago when Parliament met, and my resolve remains to find a solution to the issue before us at this stage. I am prepared to meet and facilitate talks with organisations on the delivery of programs necessary to meet the needs of the deaf community in Victoria. Late last week I received a request to meet with VicDeaf and discuss with it its particular needs and potential solutions. I intend to do that. I readily agreed to that meeting, and I can assure the member that I am concerned about this matter and will work diligently to find a solution.

Supplementary question

Mr LEANE (Eastern Metropolitan) — I appreciate the minister's answer. In line with the minister's answer and his commitment, I think the minister would understand that what the deaf community is looking for to maintain this diploma is funding from the government. I ask the minister whether, when he meets stakeholders, he will be prepared to commit to the funding needed for this important diploma to stay in this state.

Hon. P. R. HALL (Minister for Higher Education and Skills) — Of course this issue is related to funding, but it is also related to providers. Kangan has a good history of provision, and I am hopeful we can work with it to enable the continued delivery of those programs, but if not, we will look to other providers as

well. My commitment can best be expressed by saying that I will do all that I possibly can to find a solution to this issue.

Teachers: enterprise bargaining

Mr O'DONOHUE (Eastern Victoria) — My question is also to Minister Hall in his capacity as the Minister responsible for the Teaching Profession. In light of the recent claims from the Australian Education Union (AEU) indicating overwhelming support for strike action from teachers, can the minister inform the house of the proportion of all government teachers who voted for strike action and what the Baillieu government will do to ensure that disruption to children and their parents is minimised during tomorrow's planned work stoppages?

Hon. P. R. HALL (Minister responsible for the Teaching Profession) — I thank Mr O'Donohue for his question. He alludes to the planned AEU-sponsored strike tomorrow by Victorian teachers in support of their EBA (enterprise bargaining agreement) wage claims. It is disappointing that this strike will be held, because it is the government's view that it has been following the process defined by Fair Work Australia to negotiate in good faith with the union. Indeed we had proposals before the union that would deliver on commitments we made, including to make Victorian teachers the best paid in Australia. Moreover, in all of these EBA negotiations one should not lose sight of the important opportunity this presents, and that is to improve learning outcomes for students in Victorian schools. That should be first and foremost in our thoughts.

In respect of the specific nature of Mr O'Donohue's question, the claim has been made that 96 per cent of teachers support the strike tomorrow. The fact of the matter is that under the Fair Work Australia provisions the ballot for protected action was required to be undertaken by an approved organisation. In this case the Australian Electoral Commission conducted that ballot for the Australian Education Union. Of the 28 605 eligible voters in this particular ballot there were only 16 842 who returned a ballot paper. Only two-thirds of those who were eligible to vote exercised that option, which is quite surprising.

If you therefore look at the outcome of the ballot, you see that 16 678 voted in the affirmative compared with the 40 000 teachers in government schools. In round figures, 16 000 out of 40 000 is 40 per cent, so in fact — —

Hon. M. P. Pakula interjected.

Hon. P. R. HALL — You are not listening again, Mr Pakula. There were 28 000 who were eligible to vote because they were AEU members. A third of those AEU members did not even bother to vote. The fact of the matter is that of the 40 000 teachers in Victorian government schools, only 40 per cent have actually voted to go on strike. Nevertheless, on the figures returned by way of the notification process required of teachers who are intending to take strike action, we expect about 11 000 teachers or thereabouts to be on strike tomorrow. That, as I said, is particularly disappointing given the fact that the offer before Victorian teachers is a very generous one.

It is worth reflecting on the salary levels that are paid to teachers in Victoria. The current salary paid to some of our leading teachers in Victoria is \$91 883, and if you applied a 10 per cent or a 6 per cent performance payment, which is clearly part of the policy proposal put to Victorian teachers, then you get figures which will clearly make those teachers at all category levels the highest paid in Australia. I suggest that we are delivering on our promise.

Teachers: enterprise bargaining

Mr LENDERS (Southern Metropolitan) — My question is to Mr Hall in his capacity as Minister for Higher Education and Skills. Under section 3.8 of the ministerial directions of 15 December 2009, TAFEs have to comply with public sector wages agreements that apply to public sector agencies. Given this, can the minister clarify that the government has a legal obligation to fund the 2.5 per cent extension payments under the existing enterprise bargaining agreement (EBA)?

Hon. P. R. HALL (Minister for Higher Education and Skills) — The current vocational education and training teachers EBA expires on 30 September this year. Any funding changes applicable to matters which may be covered by the EBA will not come into effect until 1 January 2013. Consequently the government's commitment to deliver all obligations according to the government wages policy under the current EBA arrangements are committed to by the fact that there will still be the same payments and supports offered right through until 1 January next year.

Supplementary question

Mr LENDERS (Southern Metropolitan) — I thank the minister for his answer. In my supplementary I ask him: is there a legal obligation to pay? He says the government will pay, but is there a legal obligation to make the extension payment, and if so, does he have

any advice he is prepared to share in relation to that legal obligation?

Hon. P. R. HALL (Minister for Higher Education and Skills) — I do not have a legal opinion in that regard. All I know is that we are honouring the commitments and the spirit of the current EBA, which expires on 30 September. The government is fully meeting the support required by TAFE institutes in Victoria by funding the current EBA commitments. As I said, I do not have any detailed legal advice, but I will take the detail of that question on notice. If there is anything further I am able to add to my answer, I will get back to Mr Lenders.

Planning: coastal management

Mr FINN (Western Metropolitan) — My question without notice is directed to the Minister for Planning, and I ask: can the minister advise the house what action he has taken to provide greater clarity in coastal planning across Victoria?

Mr Tee interjected.

Hon. M. J. GUY (Minister for Planning) — I thank Mr Tee for his interjection. We have to give him some relevance, do we not? I am waiting for the time when I walk out the front of my office and find Mr Tee with an organ and a monkey and a handle going around trying to get some attention, but at the end of the day here we are talking about coastal planning.

I thank Mr Finn for his very important question, because this government has recently made some very significant changes when it comes to coastal planning in Victoria that will provide a great deal of certainty to those in — —

Mr Jennings interjected.

Hon. M. J. GUY — Are you okay? I can keep going, or are you back to your thespian past, Mr Jennings? Would you like us to hold '6 out of 10' for that interjection, '3 out of 10' for that one?

As I am trying to inform the chamber, the government has made some very clear announcements when it comes to its coastal strategy. We have ensured that the 1-in-100-year flood event level plus the precautionary principle of 20 centimetres is the default level across all of regional Victoria. What that will do is bring common sense back into the planning system and into coastal communities, which have for too long suffered under the prescriptive moratoriums of the previous government, which used statutory planning to finish strategic planning work in locking out many Victorians

from the ability to simply build on a block of land when precautionary principles had been taken.

Mr Tee — Not in Lakes Entrance!

Hon. M. J. GUY — Mr Tee says, ‘Not in Lakes Entrance’. Mr Tee clearly does not understand this issue, and that is part of the problem. He likes to make comments, but he does not understand it.

Mr Lenders interjected.

Hon. M. J. GUY — Mr Lenders is becoming a comedy unto himself. He has gone from being the sourest man in the chamber to stand-up comedy. I am not sure where to go — a fruit shop to a comedy routine! He is one and the same.

We have made sure that the 1-in-100-year flood event level plus the precautionary principle of 20 centimetres will bring certainty to those communities — Port Albert, Toora, Queenscliff, Port Lonsdale, Narrawong, Lakes Entrance and Port Fairy. These are places across the state which for too long have had a prescriptive regime based on hysteria, locking those communities out from being able to build sensible development according to their own council’s strategic planning work along the coast.

Mr Finn, who asked me this question, has come into this chamber a number of times and talked about those like Tim Flannery or others overseas like Al Gore who live on the coast themselves and have made comments about Victorians never being able to build near the coast again, when in fact sensible planning policy should apply. That is what we have put in place. Councils will now be able to get on with proper strategic planning work that says they can manage a 1-in-100-year flood event plus a precautionary principle which will be consistent with the national framework, which is well documented and has well-adapted flood level documentation in place so that all Victorians can have certainty once more.

Higher education: TAFE funding

Mr LENDERS (Southern Metropolitan) — My question could be to King Canute, but it is to the Minister for Higher Education and Skills. I note that Bendigo TAFE is losing \$8 million in government funding and had a net operating loss last year, necessitating a government cash advance, and that yesterday the minister noted that no Victorian TAFE has sought assistance for redundancies. In regard to TAFE boards, do they have similar financial disclosure duties as organisations do under ASIC (Australian

Securities and Investments Commission) regulations to disclose factors that may impact on their viability?

Hon. P. R. HALL (Minister for Higher Education and Skills) — TAFE institutes, as the Leader of the Opposition knows, report to the Parliament of Victoria by way of an annual report. Those annual reports are tabled in here and are also audited by the Auditor-General as part of his processes of ensuring that those reports are an accurate and fair representation of the financial position of each of our TAFE institutes.

I am not sure beyond that requirement what the angle of Mr Lenders’s exact question was, because it was about, as I understand it, the financial reporting responsibilities of TAFE institutes. That has been disclosed to the people of Victoria and to the Parliament by way of that annual reporting process overseen by the Auditor-General.

Supplementary question

Mr LENDERS (Southern Metropolitan) — The minister will learn from my supplementary what I am actually seeking. The simple proposition I put to him is: do TAFEs operate under ASIC guidelines or not, the relevance being that if they simply report to the Parliament, that is one thing, but the ASIC guidelines require a board and directors not to trade if the board is likely to be insolvent? So my supplementary question is quite specific: do the same requirements apply to TAFE boards as would apply to any company in Victoria under ASIC regulations? Can they trade if they are likely to be insolvent?

Mr Ondarchie — On a point of order, President, the minister is being asked for a legal opinion here, and under the standing orders I am not sure he is able to offer that.

The PRESIDENT — Order! That is a nice try, but I dismiss the point of order. I think the minister is in a position to understand the obligations of the TAFE colleges that are under his jurisdiction.

Mr Lenders said if the board is insolvent; I think what he meant was if the entity is insolvent. The directors have a responsibility if an entity becomes insolvent under ASIC regulations.

Hon. P. R. HALL (Minister for Higher Education and Skills) — I do not know the answer to that question, and I am not going to try to guess at an answer again, because it is a very important issue that Mr Lenders raises. I will take this question on notice and provide Mr Lenders with an answer in due course.

Housing: integrated information program

Mr ONDARCHIE (Northern Metropolitan) — My question is to the Minister for Housing, who is also the Minister for Children and Early Childhood Development, the Honourable Wendy Lovell. I ask the minister if she can update the house on the delivery of the housing integrated information program IT project.

Hon. W. A. LOVELL (Minister for Housing) — I thank the member for his question. I note that earlier in question time Ms Broad said that we should reserve our crowing until we actually deliver something. Let me tell Ms Broad about the housing integrated information program, commonly known as HIIP, which was a project that was commissioned by Ms Broad in 2002. This is a project that was supposed to be finished by 2004; however, it did not happen. It dragged on and on. This project was one of the first things that I asked about when I became minister. In fact it is one of those things that I asked about a lot when I was the shadow minister. I am pleased to advise the house that this project has now been delivered and that as of 21 May it went live after eight years of Labor's failure to finish it.

This is a familiar history of Labor's mismanagement and poor project planning in the housing portfolio — another appalling example of its mismanagement in the housing portfolio. This project replaced the old ISIP (integrated system for information processing) IT infrastructure, and it started, as I said, in 2002 with an expected operational date of 2004. Extensions and delays meant that nothing was delivered by 2006 and the contract with the then vendor Anite was terminated. The project under the then Minister for Housing, Richard Wynne, was retendered in 2007, with an expected completion date of 2008, but even though I was continually told by the former government that this was a good news story and that it was delivering a new IT program, nothing was completed.

When I became minister — after seven years of Labor's failure to deliver on this program — I found that only 40 per cent of that project had been delivered in seven years. This was six years after Ms Broad said it would be finished and two years after Richard Wynne said it would be finished.

It was the subject of two Auditor-General's reports in 2004 and 2007 and an Ombudsman's report late last year. As with the Auditor-General's report into housing earlier this year, the Ombudsman's report into the former government's ICT projects was again scathing of the mismanagement of projects initiated under Labor. The Ombudsman said:

The housing integrated information program (HIIP) project is seven years behind its original schedule and has exceeded its original budget by over \$30 million. Additional funds are likely to be needed to complete this project.

But what have we done? We introduced better management of this project in early 2011, including a gateway process to evaluate its progress, and this has resulted in the vendor issues being involved and data integrity being restored, allowing the delivery of 60 per cent of this project in just 18 months since I became minister. We now have a complete system that is providing an effective and efficient IT platform for housing staff, better information to manage the portfolio and better management of tenant information. Such was the relief of our regional officers that they actually baked cakes to welcome HIIP when this system went live on 21 May. They were very sick of the old ISIP system that the former government had. This is another example of how the coalition is getting on with the job of fixing the problems left behind by Labor.

Planning: capital city zone

Mr BARBER (Northern Metropolitan) — My question is for the Minister for Planning. A little while ago the minister floated an idea for an extended capital city zone off to the north, south, east and west of the current CBD. That was in relation to high rise and so forth, but is it not a fact that since there are no rights for notification, let alone objection, in a capital city zone, when a change of use occurs, such as for an adult sex bookshop, car park, pub, nightclub, various industrial uses and any other uses specifically not banned, residents under the minister's new expanded capital city zone would have no rights to appeal or even be notified of such a development where currently they do?

Hon. M. J. GUY (Minister for Planning) — That is a very good question from Mr Barber. He would know that the schedules underneath the zone may determine what would be a permitted or prohibited use within a zone, or as of right, and that can be tweaked through a capital city zone to suit its location wherever it is put in place.

Supplementary question

Mr BARBER (Northern Metropolitan) — Yes, but with any amount of tweaking, there are still no rights to object to or even be notified of such a development, which would then mean that thousands of people who currently have rights to object to this sort of change of use would have their rights stripped away. Will the minister commit to allowing no expansion of the capital city zone until the question of appeal rights and

notification rights has been resolved, or in this case retained for those residents who currently enjoy them?

Hon. M. J. GUY (Minister for Planning) — I am not sure where Mr Barber has got this notion from that the government has mooted an idea to expand the capital city zone where thousands of people are currently located in terms of allowing as-of-right uses for sex shops. The government has mooted an expansion of the capital city zone. Like any zone, the capital city zone can have its schedules, with-permit uses or as-of-right uses looked at at that point in time. I have talked about expanding the capital city zone to areas of urban renewal. I certainly do not give any — —

Mr Barber interjected.

Hon. M. J. GUY — No, that's Fishermans Bend.

Mr Barber — How about Carlton?

Hon. M. J. GUY — And with Fishermans Bend I certainly give no commitment, in answer to Mr Barber's question, because that would lock out one of the greatest urban renewal opportunities that Australia has through Victoria, one the opposition treated with derision but one which is about to happen.

Industrial relations: federal policy

Mr O'BRIEN (Western Victoria) — My question is to the Minister for Employment and Industrial Relations, Mr Dalla-Riva. Can the minister advise the house how the Baillieu-Ryan government is working to address the current risks to productive workplace relations in Victoria?

Hon. R. A. DALLA-RIVA (Minister for Employment and Industrial Relations) — I thank the member for his interest in policies that promote productivity and competitiveness in Victorian industry. We know that in order to achieve this we need industrial relations systems that provide better employment practices, support productive workplaces and of course deliver flexibility in industrial relations laws. In our submission to the commonwealth's review of the Fair Work Act 2009 we made it very clear that the workplace relations system needs to include issues such as productivity and flexibility, and certainly in the current climate where businesses are facing difficult economic challenges.

I also note that in that context there is a deteriorating industrial relations climate and there have been deficiencies in the Fair Work Act as it currently stands. That is why we have urged the commonwealth

consistently and always to bring forward its review and take heed of the rising concerns of business. It is interesting to note that the overwhelming view of industry groups is that the current industrial relations framework as it operates does not adequately support competitiveness; nor does it support productivity improvements or generate business opportunities here in Victoria.

Even most recently we have heard the vice-president of Fair Work Australia, Graeme Watson, stating his regret that the current system is prone to adversarial conflict rather than promoting productive workplace relations. It is in that context that we have seen in Victoria a spike in industrial disputes over the past year, particularly in the construction industry in Victoria. What was the policy solution, say, from the federal government? As we know, as of last Friday the Office of the Australian Building and Construction Commissioner (ABCC), the very powerful watchdog that was established under the Howard government, has been sidelined; it ceased to exist as of last Friday. What did the federal government put in place? The toothless tiger is called the fair work inspectorate. We know there are significant shortcomings in that appeasement to the union backers.

That is why this government made it very clear it would focus on stamping out unruly and unlawful behaviour through establishing the construction code compliance unit. We do not want to see productivity on building and construction sites going backwards after the loss of the ABCC, and of course that is why the government announced the establishment of this unit.

It is interesting to note that as we try to move forward in terms of delivering productivity improvements and being competitive, guess what the Labor state opposition said? The state Labor Leader of the Opposition, Daniel Andrews, is reported in the *Australian* of 19 May as saying he will dump the new watchdog that we have established. He will dump it. That is an endorsement of unruly behaviour and cost blow-outs. That is not surprising from members of a government that established the desalination plant, a government that organised backroom deals and a government that had no focus on a productivity lift, no focus on strong growth in investment and jobs, and no capacity for infrastructure at a fair and reasonable cost to taxpayers.

We must denounce the federal government for its removal of the ABCC. We must denounce the state Labor opposition leader, Daniel Andrews, for his cave-in to the construction unions. Unlike Labor, this government is willing to stand up for the interests of all Victorians, not just Labor and its union mates.

QUESTIONS ON NOTICE

Answers

Hon. D. M. DAVIS (Minister for Health) — I have answers to the following questions on notice: 389, 405, 3267, 3273, 4499, 8219, 8222, 8240, 8313, 8317, 8356, 8381.

The PRESIDENT — Order! I take this opportunity to wish Michael Stubbings, the Legislative Council’s deputy principal attendant, a happy birthday. He can have lunchtime off!

MANUFACTURING: GOVERNMENT PERFORMANCE

Debate resumed.

Mr SOMYUREK (South Eastern Metropolitan) — The record of the previous Labor government demonstrates the activism of a government that intimately understood the importance of the manufacturing sector to the Victorian economy and to the lives of hundreds of thousands of Victorians directly involved in the manufacturing sector and the hundreds of thousands, perhaps millions, of lives that are impacted indirectly by the manufacturing sector.

The previous Bracks and Brumby Labor governments had to endure the scourge of the global financial crisis, whilst simultaneously keeping the manufacturing sector viable. They did this successfully through government leadership, a lot of energy, new ideas and, most importantly, investment in innovation, technology, industry support and local content in government purchasing.

In conclusion, the Victorian government needs to stop its dithering and come up with an urgent and serious policy response to the challenges facing the Victorian manufacturing sector before it is too late. The social and economic costs of allowing the manufacturing sector to go to the wall will be enormous for the fabric of our community, perhaps too enormous to contemplate.

Mr ONDARCHIE (Northern Metropolitan) — It is nice to rise to speak to Mr Somyurek’s motion today. It is at some level a cause for celebration. It is a cause for celebration because Mr Somyurek has been let out. He has been given the opportunity to raise something in the house today. He has been given permission by the leader’s office to speak. He has no longer been bypassed. He is no longer suffering under that suffocating influence of former failed Brumby

government ministers. They no longer have a penchant for allocating speaking opportunities to former Bracks and Brumby ministers, and this motion may well assist his media mentions.

We know he has been concerned about that for some time. We know he wrote to the Leader of the Opposition, saying, ‘Give me a chance. Let me step up to the plate. How come I am being pushed into the background?’. Today is his day. He got to speak for over an hour today, and I reckon there are 10 or 20 media releases in that at least. His number is up. It is a good chance for Mr Somyurek. His frustrations have been around the fact that the industry portfolio was not given to him as the shadow minister for manufacturing, and it is about time he was given a chance.

Today’s motion is a sad reminder of the ALP’s lack of commitment to the manufacturing sector. Not once in his presentation today did Mr Somyurek say the c-word — the carbon tax. If he is genuine about standing up for Victorian manufacturers, why does he not pick up the phone, ring the redhead and say, ‘Enough is enough! We do not want this carbon tax’? But then again if you took the time to listen to Mr Somyurek’s presentation today, and I am not sure how many people did, you would know that he might as well have said Kevin Rudd’s ‘programmatic specificity’ because we did not know where he was going with that. I say to Mr Somyurek: fair shake of the sauce bottle! He talked about proactive government. He has looked that up in his Funk and Wagnalls, because he does not come from a background in proactive government.

Mr Somyurek also talked about the escalating Australian dollar. I asked him by way of interjection, ‘What is the Australian dollar today?’, and he could not tell us. He talked about rapid escalation, but the Australian dollar is now below parity. It is at US\$0.9797, if Mr Somyurek is interested. That is what it looks like today. You would think a shadow manufacturing minister who gets to his feet to make claims about the government of the day would know what he was talking about. It was really another case of ‘programmatic specificity’ — not only did we not know what he was talking about but his side did not either. In the words of former Prime Minister Kevin Rudd, ‘Fair shake of the sauce bottle!’. Mr Somyurek should be able to do better than that.

It is refreshing to see his care for manufacturing, but it is a bit like today’s transition of Venus. We have not heard of it for 105 years, and we are probably not going to see it again for another 105 years. Sadly, Mr Somyurek did not talk about the flow-on effect of

Europe. He did not talk about the fact that the Greek economy is going to affect Australia's consumption as well. He did not talk about the fact that the Chancellor of Germany, Angela Merkel, is herself unsure about propping up the economies across Europe. Why did he not do that? Because like other ALP members he did not want to accept responsibility for the state they left Victoria in. Mr Somyurek might have at least talked about the failings of the bond market in Europe and how a recent bond auction could not even raise the floor price, but there was nothing on that from him today.

He did touch on local content, and I was glad of that because just recently we have seen the federal government's commitment to local content.

Mr Somyurek — Which speech were you listening to?

Mr ONDARCHIE — If you had said something interesting, Mr Somyurek, we might have been listening.

The federal government's commitment to local content was evident when it was buying defence contracts. Did it buy from Williamstown in Victoria? No. Did it buy from Bendigo in Victoria? No. The federal government bought from Spain.

Mr Somyurek talked about the leftovers from the Brumby government. That was timely, because we can talk about what that government left for us. I am happy to talk today about what Labor left for us, because it left 11 years — over a decade — of mismanagement. It is an absolute horror for us here in Victoria.

Mr Somyurek said in his contribution today that it was best to review the performance of the former Brumby government, and I could not agree with him more. We can talk about things like the desalination plant, which is going to cost Victorians over \$2 million a day for the next 28 years. Imagine what we could do in Victoria with \$14 million a week. Imagine the support for schools and health and the range of activities that could be helped in this state with \$14 million a week — but he failed to talk about that. In reviewing the performance of the former Brumby government, Mr Somyurek did not talk about the monumental mismanagement of the Melbourne market relocation project that has seen a cost blow-out of millions of dollars, as identified by the Auditor-General. He failed to talk about the \$3 billion in revenue that was lost through the failed bundling of the gaming machine licence auction.

I agree with Mr Somyurek that it is time to review the performance of the former Brumby Labor government. Mr Somyurek did not talk about the disastrous mismanagement of ICT projects such as the myki ticketing system, a ticketing system that this government has had to recover after the \$1.44 billion in cost blow-outs. He did not talk about the ineptitude of the Brumby government in relation to the \$1.1 billion blow-out in the cost of the regional rail link. He did not talk about the \$360 million blow-out in the cost of road projects such as the M1 upgrade. We can review the performance of the Brumby Labor government, which Mr Somyurek encouraged us to do in his contribution today. He did not talk about the funding black holes that were left — —

Mr Somyurek — On a point of order, President, I reluctantly raise this point of order because I am willing to give Mr Ondarchie a lot of latitude, but I think he is inadvertently misleading the house. Clearly I drew a comparison between the Bracks and Brumby governments and the Baillieu government in the manufacturing space. It was clear it was about the manufacturing issue only. I did not seek to review the performance of the Bracks and Brumby governments generically; it was strictly related to the manufacturing space, and I made that very clear.

Hon. G. K. Rich-Phillips — On the point of order, President, that is a debating point; it is not a point of order.

The PRESIDENT — Order! I concur with Mr Rich-Phillips. It is a debating point. Other members will have an opportunity to rebut what has been said here. Nonetheless, I remind members that the motion itself is clearly about manufacturing. I think it is important that any remarks that draw outside that area support the debate, but that is not the area the member should be dwelling on. I am sure he is not.

Mr ONDARCHIE — On the point of order, President, Mr Somyurek opened the door when he asked us to review the performance of the Brumby government. He went on to talk about TAFE in his presentation as well. I respectfully suggest that in fact he opened the door for this discussion.

The PRESIDENT — Order! I respectfully say to Mr Ondarchie that TAFE has relevance to manufacturing because of skills training. I think that is a fairly clear position, and it is consistent with the motion Mr Somyurek moved. Nonetheless I agree that it was not a point of order; it was a debating point.

Mr ONDARCHIE — Thank you, President, for your guidance today. Mr Somyurek quoted from the February ABS data. Tragically he is behind on the current data. The labour force data from the ABS for the month of April shows that the number of Victorians employed rose by 23 200. I am talking about April's figures, not February's figures. The number of unemployed Victorians fell by 15 600, and the unemployment rate in this state fell by 0.5 per cent in April's data, not in February's data. Whilst not ideal, these figures are reasonable, given that there has been an increase in the participation rate — —

Mr Somyurek interjected.

The PRESIDENT — Order! Mr Somyurek has had an opportunity to present, and he has done so. I would suggest that he also has a right of reply at the end of this debate. If he has concerns about what is being said, he will have the opportunity to exercise that right of reply. I would prefer to listen to Mr Ondarchie without the barrage of interjections.

Mr ONDARCHIE — It is a good day for Mr Somyurek, because finally he has been let out. Finally, today, he has been given the opportunity to make a contribution. He should be writing to the Leader of the Opposition, Daniel Andrews, and saying, 'Thanks for the opportunity. You have finally listened to my concerns'. The opposition's penchant for giving all the opportunities to former failed Brumby and Bracks government ministers has obviously gone, because Mr Somyurek is on his way, and we congratulate him.

The jobs growth of 23 200 is the highest for any state. Only two other states have recorded growth — the resource states of Western Australia and Queensland. The figures also show that there are now a total of 2.88 million Victorians in work. These are the second highest employment numbers in the state's history, with 20 000 more jobs than the best ever achieved under the former government. In our view these figures reinforce our confidence in the capacity of Victorian industry to stand strong and face the current economic conditions full on.

I am proud to stand here today and reaffirm the coalition government's commitment to manufacturing in Victoria. If the state's manufacturers are to compete well in what is a very tough global market, they will need to be dynamic, they will need to be innovative and they will need to be world class in their performance, delivery and productivity. On 19 December I joined the minister for manufacturing in launching the policy statement *A More Competitive Manufacturing Industry*.

In this statement the Victorian coalition government has set down the framework in which we can grow Victorians' productivity, their performance, their innovation and their dynamism.

Historically our manufacturing sector has contributed strongly to the state's overall economic growth. Today the sector remains the state's single largest full-time employer, and it is a significant source of exports and investment. We know that the times are getting tougher for the sector. If we are to strengthen this sector and expand the contribution of manufacturing to our economy into the future, we will need all our manufacturers to develop and adopt a high-performance culture. They will have to deal with what has been a rising Australian dollar. There has been a growing interdependence in a vertical sense on global supply chains. There has been somewhat subdued customer sentiment at home. We know that spending is down in Australia. There has been falling productivity and the rising energy costs are going to affect our manufacturers under a carbon tax.

I say to Mr Somyurek that I will talk about the carbon tax even if he will not. He had the opportunity to do so today, but somewhat disappointingly he did not talk about it. In fact he rejected the carbon tax. If he is genuinely behind Victorian manufacturing, why is it that during his contribution he did not say, 'I am going to pick up the phone, ring her and say, "Stop the carbon tax. It is going to hurt Victorian manufacturing"'.

Where are the members of the Victorian ALP on the carbon tax? Silence. Cue the sounds of crickets. We have not heard a word. They know that deep in West Melbourne this is going to hurt Victorian manufacturing. They are not saying a word, because they are supporting the party line. I say to Mr Somyurek that it is not good enough. It is time that he stood up for Victorian manufacturing. He should have said it today. He had his chance, and he did not take it. Maybe when he wraps up today he will talk about it. Maybe he will stand up for Victorians and Victorian manufacturers and say, 'We are going to reject the carbon tax. We do not want it in Victoria'. There are 24 days to go before manufacturing will see the effects of the carbon tax.

You know what? The Prime Minister has said that the carbon tax is not going to affect the average Australian. Already we are seeing municipalities in this state increasing their rates because of the effect of the carbon tax. I see my colleague Mr Barber smiling away here. He knows that the Greens-Labor coalition government in Canberra is increasing the financial pressures on families in this country but its members have not said a

word. These are challenging times for all our manufacturers. They are facing an increasingly tough and even hostile equation, and a very intense competitive global market. It is tough. As we have said before, and members have heard the minister for manufacturing say before, growth in the manufacturing sector has stagnated somewhat over the last decade.

There was no clear and coherent strategy from the Labor government to support a productive and competitive manufacturing sector, but its members have woken up and they are going out to hold job summits. They are going out to talk to people. That is an interesting concept — members of the Labor Party, elected members of Parliament, are going out to talk to people. That is something new for them. I know that in my own region, the Northern Metropolitan Region, my constituents have thought for a long time that they have been disregarded by the ALP. My constituents have said to me constantly, 'We are just the Labor heartland, and they do not really regard us'. Now members of the Labor Party are going out to talk to people.

Last week the member for Broadmeadows made a journey from Brighton to Broadmeadows to hold a job summit. He talked to some people about jobs. With respect to him, he had either bought a GPS or a *Melway* to find his way there, or he had caught the train from Brighton to Flinders Street and then got on the Craigieburn line and made his way to Broadmeadows. Once there he talked to some people in the local area. Talk, talk, talk is what we saw from the previous government over 11 years. It is a time for action, and that is what we are seeing from the brave Baillieu coalition government.

At the federal level our own Prime Minister, she who apparently stands up for working families, has banished the manufacturing portfolio to the outer cabinet. Now there is a statement! The federal government itself, the one that is introducing the carbon tax, does not see that manufacturing is important enough to be within the ministry. Mr Somyurek did not talk about that today. Manufacturing should not be and cannot be a second-tier priority for government. We have a manufacturing minister standing up every single day for this state. Manufacturing is too vital in terms of wealth generation, employment and investment in Australia, with 1 million jobs dependent on the sector, including in some of our great regional cities.

Mr Somyurek did not talk much about our regional cities today, because if he had talked about them, he might have mentioned the fact that the Gillard government chose not to buy its defence equipment from Bendigo. It chose to source it overseas. Does

Mr Somyurek want to stand up in this place and talk about local content and how his mates in Canberra have failed Victorians? This coalition government was elected on a platform of revitalising Victorian manufacturing, and that is what we are doing.

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

Mr ONDARCHIE — I could almost begin again from where I started, but I would get the glare of a thousand arctic winters from Mr Barber if I did so. Nevertheless it is good to be here speaking to Mr Somyurek's motion. Mr Somyurek has revitalised his energy in the Australian Labor Party and has been given his time in the sun. No longer will the Australian Labor Party have a penchant for failed Brumby and Bracks government ministers; Mr Somyurek has stepped up to the plate and been given the opportunity, and we welcome that. We welcome some fresh ideas and fresh faces on the opposition benches. I have a bit of a sense that Mr Somyurek is moving up the tree, and no doubt he does too, so good luck to him.

On Mr Somyurek's motion, the coalition government was elected on a platform of revitalising Victorian manufacturing. Our key task, the job that we have to do as a government, is to encourage a boost in productivity through such things as innovation and smarter production processes. However, in many cases business as usual is not going to be good enough in this state. To guide the strategy we commissioned the Victorian Competition and Efficiency Commission to conduct a comprehensive inquiry into the manufacturing sector.

A rigorous, detailed study has been done — probably the most rigorous and detailed study done anywhere in the country — of the challenges facing manufacturers in this country. VCEC's report, *Victorian Manufacturing — Meeting the Challenges*, has formed the template for our manufacturing strategy. That said, at the outset the report addresses one of VCEC's key criticisms of the previous policy, touched on by Mr Somyurek: the unwieldy maze of industry assistance programs that was a hotchpotch of different activities that did not go to the nub of the problem — that is, delivering effective outcomes for businesses and therefore for the taxpayers.

The strategy introduced by the manufacturing minister has dramatically reduced the number of programs from 32 unwieldy, complex, spaghetti-like programs into five clear programs. This more tightly targeted suite of measures will focus on achieving the gains in productivity we are looking for and on building new markets. The minister has recently returned from a comprehensive visit to South Korea where he was

developing opportunities for Victorian businesses. These measures will be about generating innovation and ensuring manufacturers have the skills they need to compete. This is taking the outcome and working backwards. Albeit that is a new concept for those opposite, we are looking at the outcomes; we are outcome focused.

First of all, through a specialist manufacturing service we will help manufacturers find practical solutions to drive their productivity and to get into new markets. The minister has already talked about the fact that he is moving business development managers out of the headquarters of the Department of Business and Innovation into the regions to be more closely aligned with regional businesses. In my own electorate of Northern Metropolitan Region those managers are now situated at Bundoora. Their job will be — and I will be happy to support them — to get in touch with people in manufacturing and local industry, many of whom I know. Secondly, we will build a comprehensive network between business and research, and we will assist in the sharing of knowledge and insights that will do so much more to improve business performance. Thirdly, we will move away from the old system of stock standard equipment upgrade support and look at leading edge technology and how we can assist businesses in their potential for high growth.

Members of the Baillieu coalition government also know that 90 per cent of our manufacturers are small businesses, and it is those small businesses that drive innovation. Generally families have put up all their capital and all their hard work to succeed. Those businesses are where ingenuity, innovation and drive to survive come from, and we will be looking to support them. We need to ensure that small business manufacturers can keep up to speed on the latest trends in areas such as lean manufacturing, how to get access to good information, how to bid for government tenders and how to commercialise good ideas.

Recently I visited Speedfloor, a manufacturing business in Thomastown. Run by Jim Kyriakos, Speedfloor is doing a wonderful job. The company makes formwork that assists in building suspended concrete slabs for multirise buildings. Jim has done really good work, so much so that in the last few weeks Speedfloor has won a major tender to supply into high-rise buildings in the Northern Territory. Here is a Victorian manufacturer in Thomastown — a family-run business, with Jim and his wife in there most weekends working away with their little kids playing around in their play area inside the office complex — working away at securing new opportunities, and now it has won a major contract in

the Northern Territory. We congratulate Speedfloor on that.

Fundamental to ensuring business growth — and I am sure Mr Somyurek is somewhere in the building listening to this — is getting the economic fundamentals right. As a government we are getting the economic fundamentals right in this state by delivering a responsible budget that is right for its time. However, we go into this challenging time understanding that high performance and a high-productivity future for manufacturers will depend primarily on the actions and decisions made by those businesses themselves, with their talents, their diligence and the dedication of those who bring their skills to the production process.

That said, I remind members of the house that it is only 24 days until the introduction of the carbon tax — a tax that is going to have an effect on Victorian manufacturing, Victorian jobs and Victorian working families. ‘Working families’ is a term often used by members of the federal government, who say they care for working families, but this is going to cost them. We have spoken many times in this chamber about the challenges the manufacturing sector has in Victoria, including very intense competition from overseas and the high Australian dollar that today is edging its way back towards 99 cents, up from 97 cents before lunchtime. Of course we understand those challenges, and the higher domestic interest rates for commercial borrowing also put pressure on those people.

The Prime Minister’s answer to helping manufacturing in this country and in the state of Victoria is to add a further impost to business by introducing the world’s biggest carbon tax. I ask at this time, when the economy is in the state it is in: is this a time for a great big new tax? Is this a time to add more burden to Victorian manufacturing? Is this the time to add more burden to Victoria’s working families?

Mr Barber interjected.

Mr ONDARCHIE — It is not just my view; Mr Barber could go out the door and ask for himself. It is a widespread view held by the business community. The *Herald Sun*, the paper most read in Victoria, quotes Jeanne Pratt, head of one of our leading business families, saying:

This carbon tax is absolutely crazy.

She is also quoted as saying:

And you can’t have a country with no manufacturing. If you look at the difference between Greece and Germany, Germany has manufacturing.

You can choose to ignore the views of Mrs Pratt and the Visy company, but the message is unambiguous: it is just reckless to impose this new carbon tax in the current economic climate and when overseas competitors face no such tax.

It is not the opinion just at the big end of town. In the *Herald Sun* of 4 April Ararat manufacturer Les Gason was also voicing fears about the impact of the carbon tax on his capacity to compete. In his view the carbon tax was only helping imports from overseas at the expense of local manufacturers. And where are the Greens and where is the Labor Party on carbon tax? Silent. Those members stand here today talking about support for Victorian manufacturing, and on the subject of the biggest impost manufacturers have seen for a long time they are silent. Mr Gason and other Victorian taxpayers certainly did not ask for a carbon tax. In fact even those Victorians who voted Labor at the last federal election did not know they were voting for a carbon tax, because they were told by the now Prime Minister, 'There will be no carbon tax under any government I lead' — liar, liar, pants on fire!

The carbon tax is threatening to punish Victoria's most successful industries at a time when they can least afford it. I met with a man who grows apples in an agribusiness. He grows lots of apples to go to our major supermarkets. Not only is he counting the effect of the carbon tax in terms of his increased energy spend, he is talking about how many jobs will have to go in his organisation to compensate him because he cannot pass it on by putting his prices up. The carbon tax is going to cost jobs. Where is Mr Somyurek and where are his colleagues on the carbon tax and the dramatic effect it is going to have on manufacturing?

Members of the Australian Labor Party and the Greens have a chance today to stand up and say, 'We support Victorian manufacturing and we reject the carbon tax'. If those members are genuine about supporting Victorian jobs, here is their chance today. But I am tipping — on a Black Caviar bet — that they are not going to say it today, because they are holding the party line at the expense of Victorian jobs. They should be ashamed of themselves.

Our Minister for Manufacturing, Exports and Trade, Mr Dalla-Riva, has been exceptionally busy driving opportunities for Victoria. I was with him during Australian Automotive Week 2012 when we were out there talking to the automotive industry, both nationally and internationally, about jobs and opportunities for Victoria. Minister Dalla-Riva and I spent time at the Australian Formula One Grand Prix at Albert Park. I did not see one single race car because the 5 hours I

spent there was taken up in talking to industry and business about joint effort, collaboration, getting together and securing deals. I am pleased to say that we had some major wins out of that.

One significant partnership is between Victorian-based spotlight supplier Hella and Malaysia's Proton car. That partnership is a direct result of Hella joining the Victorian government's trade mission to India, in which Mr Dalla-Riva had a large part, where it was able to meet with international buyers and secure the deal. It is a \$40 million export contract to supply rear lamps for Proton vehicles which came to fruition because of the recognition that Hella provides a competitive advantage in terms of technology and a 350-strong workforce. That was a mission to India that Premier Baillieu, Minister Rich-Phillips, Minister Asher and Minister Dalla-Riva led to secure deals for Victorian manufacturing and Victorian jobs.

In addition, Victorian-based MtM Pty Ltd, run by a friend of mine, Mark Albert, who does a really good job at MtM, has just won a contract worth \$10 million over five years to supply gearshift lock mechanisms to Proton cars. It builds on MtM's export of door check links to General Motors in the US. This is a great story for Victorian manufacturing and it is a great story for Victorian jobs, being led by our manufacturing minister.

Just a few weeks ago the Premier and the Minister for Manufacturing, Exports and Trade joined CSR's managing director, Rob Sindel, and the company employees at Yarraville to open CSR's new \$160 million gyprock plant. It will secure 160 manufacturing jobs in Yarraville, in the electorate of Mr Finn and Mr Elsbury, and these are good jobs for the west. Here is another example where the Victorian government is joining with business to secure Victorian jobs in manufacturing.

Just last week Minister Dalla-Riva and Deputy Premier Peter Ryan announced the establishment of a \$4.8 million biodiesel facility in Melbourne. That will be located in Newport alongside Shell's Newport terminal, and it will store biodiesel. It will create opportunity and jobs, and I know Mr Finn and Mr Elsbury, who are strong advocates for Western Metropolitan Region, are greatly pleased that we have a government that cares, that is securing jobs and that is focused — and this is another example of that.

Another announcement made in the last few weeks by Minister Dalla-Riva was about the fact that Japanese automotive technology and component supply giant Denso will invest in three new engineering projects in

Victoria at Denso in Croydon in Eastern Metropolitan Region. Mrs Kronberg, Mr Dalla-Riva and even our President are all strong advocates for Eastern Metropolitan Region. Here is another example of a Japanese company, an international company, investing in Victoria.

But there is more to it than that. In the budget this year, under the stewardship of the manufacturing minister \$58 million has been put aside for high-performance manufacturing to support manufacturers in their chance to grow their businesses, to invest in new capital and to upskill both their plant and their employees. Last year manufacturing generated around 300 000 jobs and about \$15.3 billion in exports for Victoria. For manufacturing to meet export challenges like the high Australian dollar and also to increase our global competitiveness, it is a good move by the Baillieu coalition government to ensure that Victorian manufacturing gets the sort of support it needs.

As I said, the minister, Mr Dalla-Riva, has just returned from South Korea where, as part of a government trade mission, he welcomed a delegation of more than 50 Victorian companies to the Australian pavilion at the YEOSU Expo 2012. Here is a minister who is getting out and doing something, trying to engage with and grow business both nationally and internationally. A key part of our success in South Korea was achieved in 2011, when we increased our exports by nearly 15 per cent to more than \$1 billion. One of our most influential young designers, Ms Yeojin Bae, was at the YEOSU expo as well. She has worked for a number of fashion luminaries such as Marc Jacobs and Anna Sui, and she joined Minister Dalla-Riva in selling the message about how competitive Victoria is and why it is a great place to do business.

I am disappointed that the state Labor Party is not fighting the carbon tax. It is putting blue-collar manufacturing jobs at risk. If members look at the modelling by Deloitte, they will see that 23 000 jobs are going to be lost in Victoria due to the carbon tax. The manufacturing sector is a critically important part of the Victorian economy. I thought everybody would have thought that, but apparently not. The federal Minister for Trade and Competitiveness, Craig Emerson, told the *Australian Financial Review* that he sees no future in large-scale manufacturing in Australia. Federal Labor and its coalition partner, the Greens, are causing severe stress to the manufacturing industry.

As Mr Somyurek told us, it is time to review the activities of the Bracks and Brumby governments. Their manufacturing policies were inept. The industry statement of the Brumby Labor government was a

cobbling together of some statements that made absolutely no sense. It took 700 days to get there and it was completed with a stack of spelling mistakes, which was symptomatic of the way Labor went about running Victoria. It was full of errors, getting it out there without any deep thought about its effect.

In part 1 of the Victorian Ombudsman's annual report for 2011 a section on page 28 entitled 'Poor procurement management' says:

Over the past six years, I tabled in Parliament a number of reports that identified instances of poor procurement practices ...

And they did nothing. This government made a solid election commitment about reviewing the procurement policy because it knew Labor's policy was a shambles. The 2006–07 manufacturing census conducted by the Australian Bureau of Statistics found there were 1 063 900 jobs in the manufacturing industry. Today 71 000 fewer Australians have a job in manufacturing. That amounts to 18 000 jobs gone in manufacturing for every year Labor has been in power in Canberra, and at a time when state Labor was in charge as well. In the 1990s under the Kennett government there was an increase in productivity. Over the 10 years under the former Labor government, productivity fell below the national average. We know that at the Public Accounts and Estimates Committee hearing Minister Dalla-Riva talked about raising our target in Victoria above the national average.

The Victorian review of the manufacturing industry is a basis for framing strong and effective policy responses. In August last year governments from across the nation met with the Department of Business and Innovation in Victoria as part of what is known as the Australian manufacturing network. Delegates were from the Labor governments of South Australia, Tasmania and the commonwealth, and they were very interested to hear about some of the research into and policy analysis of the future of manufacturing. What has occurred in Victoria has been the most detailed, extensive and rigorous review of the manufacturing industry undertaken anywhere in the country.

The Baillieu coalition government will work with businesses to find opportunities to strengthen, compete in and ensure that we expand, even in the most difficult of circumstances. Businesses will be able to emerge from the current cycle better prepared to compete in the global and domestic markets. We are working together with business to limit the potential for and the impact of losses that have occurred. We know it is tough out there, but we are the ones speaking up against the biggest threat looming on the horizon — that is, the

carbon tax. Where is everybody else? Where are the Greens? Where is the Australian Labor Party? You can see the cloud coming over the horizon, and Mr Leane's mob is silent.

This government will support all affected workers by providing opportunities for them to retain or build on their skills.

Mr Barber interjected.

Mr ONDARCHIE — I take up Mr Barber's interjection. Mr Barber is in denial about the impact this is going to have on ordinary working families. Already we are seeing the municipalities of Whittlesea, Yarra and others announcing rate increases to cover the cost of carbon tax. Mums and dads are paying for that. This from a Prime Minister who said it would have no effect on the average person, no effect at all. And how do they want to get out of it? They want to pay for it. The Victorian training guarantee in place will provide individual entitlements to government-subsidised training processes.

The government is committed to working with business to bolster growth and investment and protect jobs, but the task is even more difficult with the threat of this carbon tax. I know Mr Barber is going to speak next. I am hopeful, as are the rest of us, that he is going to stand up, put his hand on his heart and say, 'I am going to fight for Victorian jobs; I am going to ring Christine Milne this afternoon and ask her to cancel this carbon tax'. Let us see if he does.

The Victorian Competition and Efficiency Commission draft report released in June 2011 talked about meeting the challenges, and members will remember that this report was commissioned by the Treasurer, Kim Wells. We know that production has not declined, but employment has fallen as labour productivity has increased. The commission concluded in its report that key success factors for regional manufacturing are the quality and availability of important services such as training and transport. After 11 years the Labor government did nothing to deliver on the necessary support for regional manufacturers.

A number of policy areas are being implemented to give effect to the strategy, including: increasing capacity for innovation; improving the quality, availability and flexibility of skills; ensuring that our regulation is justified and efficient; and promoting and facilitating opportunities. We have seen the Premier leading that on behalf of the people of Victoria and getting procurement right — getting the way we buy goods and services right.

Not that long ago Minister Dalla-Riva announced a \$126 million investment to develop and manufacture electric power steering, which will deliver 250 new skilled jobs to Victoria. It was won against tough international competition, which is a major vote of confidence in this government. This government has held its AAA credit rating. Hundreds of jobs are being created by the building of a new manufacturing plant by CSL in Broadmeadows, in my electorate of the Northern Metropolitan Region. An amount of \$800 000 will be given over four years to the Geelong Manufacturing Council to establish a pilot program with Deakin University that will bring about collaboration between manufacturers and researchers in the Geelong region, and I know Mr O'Brien is a particularly big champion of that region.

Mr Koch interjected.

Mr ONDARCHIE — And I know Mr Koch is as well. In Maryborough more than 160 manufacturing jobs are expected to be created over the next five years, with specialist manufacturer True Foods establishing a facility.

World-leading technology that makes metals lighter, stronger and more pliable has been developed in Geelong, and I know that Mr Koch, Mr O'Brien and Mr Katos, the member for South Barwon in the other place, are big raps for this. It is a new manufacturing process that could revolutionise the transport industry and has the backing of the world's largest aerospace manufacturer, Boeing, whose multibillion-dollar industry is focused on building lighter, stronger and cheaper planes. The technology was developed by the Victorian Centre for Advanced Materials Manufacturing and Monash University, and the process is undertaken by a specialised machine designed and built by Geelong companies PM Design and J. Anderson and Co. We congratulate Brad Dunstan, the CEO of VCAMM, and John Bath, the general manager of J. Anderson and Co., on the new machine, which uses world-class technology and a world-first manufacturing process.

The coalition government understands the importance of private enterprise. When they are elected, coalition governments are invariably left to fix up messes left by the Labor Party — and it has happened again. It happened to Jeff Kennett, and it has now happened to Ted Baillieu. It is not about the frontbench and those elected. The ALP is a party that just does not get it. Its members talk the talk but do not walk the walk. Even with this current budget we have reduced the impost on business by reducing WorkCover premiums.

Our economic reform agenda is clear. It is founded on four pillars — Mr Leane can count them if he wishes — that will boost Victoria's economy. The first pillar is creating significantly stronger budget capacity. Strengthening the state's finances, which I have already talked about in my contribution today, is vital to a substantial program of high-quality infrastructure, delivering better quality front-line services — without accumulating an unsustainable, undesirable level of public debt — and safeguarding us against future financial shocks. We are about getting the economic fundamentals right in this state, which will create an environment for businesses to grow and to invest.

We are also about improving productivity. Productivity growth is a long-run determinant of economic prosperity and improved living standards. The government's reform agenda promotes sustained productivity improvements through a more competitive business environment, a more highly skilled workforce and better delivery of infrastructure. We know that this is the time to get these fundamentals right. I noticed that earlier in the year those opposite asked the Minister for Manufacturing, Exports and Trade what productivity meant. Well surprise, surprise! I am not surprised they did not know. I am not surprised they had to ask the manufacturing minister what productivity meant — because they did not know. We are not Economics 101 for you guys here; you go out and learn it somewhere else. We know what productivity means, and the manufacturing minister is right behind this.

We are also about growing export markets. International engagement is becoming more and more important for capturing emerging global opportunities. Our economic strategy includes increasing trade engagement and an expansion into new markets to create jobs and investment. We have seen the Premier lead a super trade mission to India — the biggest ever one of its kind. We know that shortly he will be off to China to do the same thing — to grow our opportunities. Here is the leading salesperson for Victoria out there generating new markets for his constituents. We should be enormously proud.

We are also about, as I have touched on today, supporting industries and employees in transition. We know that structural change is inevitable. We have an open and dynamic economy, and our role is to create an environment for existing and emerging businesses and industries to take advantage of those opportunities being provided by structural change. The government has and will provide assistance geared towards helping companies and their workers to transition and adjust in response to the changes in consumer demands and industry structures.

The 2012–13 budget delivers on the government's plan by generating stronger surpluses to fund major productivity-enhancing infrastructure and by cutting WorkCover premiums for Victorian employers by 3 per cent to drive down business costs. I know that Mr O'Donohue is a big champion of this, because in Eastern Victoria Region he is out there talking to businesses all the time and they are saying, 'Help us with our costs'. This government is doing that.

We are delivering a \$58 million manufacturing strategy focused on lifting the productivity of individual firms and investing in innovative new technology. Earlier in the week I was talking to Mr Koch about the Geelong region, which has had an up-and-down time economically. This is a good example of where we will support Victorian manufacturing to invest in innovative technology. Our new international engagement strategy will focus on Victorian export markets and look at the particularly rapidly growing Asian economies.

Across the globe we talk about the Northern and Southern hemispheres. This government will stop talking about that and start talking about time zones. We are going to start talking about where the market is going to be — in China and in India. There is the Chinese and Indonesian money that sits around right now. There are opportunities for us to focus on those streams to grow Victorian exports, and I am a big rap for that.

We are going to invest in programs to promote our agricultural industries, focusing on productivity and biosecurity, and we are going to drive large investment and reform in the skills sector to boost apprenticeships and encourage students into high-productivity skills-shortage qualifications. It is about defining the outcome and working backwards. We have to meet the market. The Minister for Higher Education and Skills, Mr Hall, has been a big rap for ensuring that we are delivering the skills that will meet the market over the longer term. Whilst it is important for fitness advisers to be trained, we have to make sure there is a job at the end. That is where I know the minister is coming from on this.

A strong budget is fundamental to our efforts. Without a strong budgetary position, those vital investments in infrastructure and skills in key industries would be unaffordable. We were left a mess by the previous government. We are the nation's leading manufacturing state, and under the Baillieu government we are leading the nation when it comes to finding ways to improve the competitiveness of our manufacturers in a very tough and unforgiving global economy.

In relation to Mr Somyurek's motion today, we are committed to strengthening our manufacturing sector so it continues to attract investment and innovation and generate high-value jobs. Tragically and sadly, those opposite treated the manufacturing sector with neglect and indifference over their decade in power. They thought it was about producing glossy brochures full of slogans, stunts and spelling mistakes, and about spending more than \$1 billion on blatant political advertising. They thought it was about that. In contrast, the Baillieu coalition government is committed to reinvigorating manufacturing — that is why we commissioned VCEC to inquire into the future of Victorian manufacturing.

Our international trade missions are a specific example of where we are out there chasing the opportunities, led by — as I have said — Victoria's greatest salesperson, in the Premier Ted Baillieu. In Victoria we are doing the hard yards of review and reform, and we are being closely watched by the rest of the country. Our review and our alignments will serve as the basis for framing strong and effective policy responses to the challenges that are going to face manufacturing in this state today, tomorrow and — as we know, Mr Barber — in 24 days time when the carbon tax is introduced in this country. We know that. We are going to work with businesses to find opportunities to strengthen them and even expand them in these difficult economic circumstances. With that aim, the aim of the Baillieu coalition government, they can emerge from the current cycle better prepared. They will be better prepared to compete successfully in global markets and also in our local markets.

The Labor Party's members have no answers on the future of the manufacturing sector. They are only interested in talking it down. They are only interested in talking about the manufacturing gloom and doom. Where are they? We want our businesses to be the best and most competitive in our domestic markets. We want to equip our businesses to compete with the best in global markets. I have got lots more to say, Acting President. We have a culture of success here. I know the Acting President would know about success, given his love of the Richmond Football Club, but we are going to build on this culture of success — build on the hard work and ingenuity that we know Victorians have a long history of, and we are proud of that. We have a history in Victoria of adapting and innovating to accommodate structural change. In the midst of the significant tidal shifts currently under way in the global market, with production and consumption moving from west to east, with productivity and competitive stresses, Victoria has to be nimble. It has to be agile, and it has to be ready to move. We have to be alert to new market

opportunities. It is going to be vital. It is going to be critical to our prosperity into the future.

Our exporters in Victoria contribute more than \$30 billion a year to the state's economic prosperity, with dairy products, cereals and automotive products amongst our key export sectors. However, it is also true to say that our share of natural merchandise exports, while strong from 1990 to 2000, has been in decline over the last decade. If you look at service trends, you see that they are also similar. Currently a burgeoning Australian dollar and tough competition from overseas are making life hard for those of our businesses that are operating in global markets. I say this with experience, because before joining this place I led a company that operated in global markets. It is tough, but Victorian exporters need our support. They will get more support for developing new markets through a \$12.4 million commitment in our current budget. We came to office confident that industry in Victoria is up to the challenges — manufacturers are up to the challenges of making the most of these new opportunities. They are up to the challenges of the shifting trends and shifting patterns of global trade consumption and investment.

We know Victorian businesses are tough. We know they can hang in there. We know they will chase new opportunities if they have the right economic framework around them, and that is what this government is doing. We are committed to supporting the efforts of Victorian exporters to allow them to build on success in the global economy. Despite having to fix the mess left behind by our predecessor, the Brumby Labor government, in our very first budget we honoured our election commitment to boost funding for exporters. The additional funding for exporters will provide a more focused trade mission program that will initially target high-growth export markets like India.

In this state the manufacturing sector currently employs more than 310 000 people across industries including automotive; advanced electronics and machinery; aerospace and aviation; the defence industries; chemicals and plastics; pharmaceuticals; fabricated metals; textiles, clothing and footwear; and food processing. Manufacturing is still today the largest full-time employer in this state; however, in relative terms Victorian manufacturing has plateaued over the past decade in its share of gross state product. Its share of national merchandise exports has actually gone into a fairly steep decline.

For all the success stories of advanced manufacturing in Victoria — and there are some, in fact there are many — it is unfortunate that there is a perception that persists that ours is a smokestack industrial sector

unable to compete with the lower cost base of Asian markets and producers and that we are facing inevitable decline. I for one am sick and tired of the Australian Labor Party talking down manufacturing in this state. It is time we got together as a Parliament and supported Victorian manufacturing. I know that this side of the house is actively working to support manufacturing. The first thing we could do is denounce the carbon tax. That is the first thing we could be doing as a Parliament — so I am looking forward today to contributions from members opposite who will stand up and fight for Victorian jobs.

We are facing many pressures, including the high Australian dollar, major customers looking to lower cost manufacturers overseas to source their components and the cost and availability of both skilled and unskilled labour. We know higher salaries are required to attract people, particularly in the small and medium enterprise market and especially in the regions, and we are committed to supporting the regions. To secure our economic advancement we need an internationally competitive and dynamic manufacturing sector, and if we get this right, we will be able to support manufacturing companies as they move into that supply chain of global production.

There has been a decade of neglect and indifference by Labor governments, and new and more assertive policies are required. We want to restore that vibrant manufacturing base that Victoria has been so well known for over many years and many decades. We want to return Victoria to being the industrial powerhouse of the Australian economy, and I advise Mr Somyurek that that is why we commissioned VCEC to inquire into the future of Victorian manufacturing.

We are doing those hard yards here in Victoria. We are undertaking serious policy review and reform, and it is being watched by others who are learning the best way to go about it. It is the most detailed, extensive and rigorous review that has been undertaken anywhere in the country, and it is going to help us frame strong and effective policy responses. Victorian manufacturers will emerge from the current cycle better able to compete globally than they have in the past. We are going to improve competition and productivity, create investment, build new jobs and ensure new export growth in the manufacturing sector, and this is going to contribute to those economic fundamentals that will make the Victorian economy stronger and more competitive.

Behind this contribution is a single goal: to create an economy propelled by innovation. The economy will not be driven, designed or developed by government; it

will be created by the people who know how to innovate. These are the people in business who are on the ground and who generate new ideas, create new products, improve productivity and develop new markets. That is where Labor failed, but this government is standing up for Victorian manufacturing.

When it comes to renewing the economy in Victoria and building it for the future, one thing is clear to me: we cannot compete with the low-wages economies on labour costs, but we can compete by raising our productivity, building our reputation for quality and reliability and developing higher-end products and services. I think we can do that. We can create a vibrant manufacturing base that creates jobs and drives innovation. From the shop floor in the automotive sector to the high-end manufacturing of defence systems, advanced manufacturing must be supported by a commitment to research and development.

We are committed to developing forward-looking approaches to manufacturing that reflect the changing nature of our global competition in industry. Innovation is the key to revitalising manufacturing in this state after a decade of neglect by the previous government. More than ever manufacturing is not only about making things but about making them better. Manufacturing in Victoria continues to be essential to our success story as a state. The Baillieu coalition government will do all it can to ensure that manufacturing remains a vibrant and valued contributor to Victoria's industrial mix.

Victoria is a great state for manufacturing and a great place to do business. I know that all of us in this place were very pleased by the announcement of a large and highly significant investment in next-generation automotive manufacturing in this state. Nexteer Automotive will be investing \$126 million in manufacturing right here in Australia, creating 250 new jobs, exporting about \$150 million worth of product annually and providing \$27 million worth of local research and development activity. Victoria will be one of the few places in the world where manufacturing systems will be made with this latest technology.

We won this investment in Victoria over stiff competition from many places around the globe. It is one of the biggest automotive investments in two decades in Victoria, and it is going to strengthen the sector's research and development, manufacturing and export capabilities. It is a vote of confidence by a large global company in what we are doing here in Victoria.

This Nexteer investment is just part of our vision to revitalise the Victorian manufacturing sector and make it internationally competitive. I am delighted that

Nexteer Automotive is involved in helping to put our automotive sector at the front of high-tech manufacturing. The investment is going to move Nexteer Automotive Australia from being a relatively low-volume component supplier servicing local markets to being a high-volume global supplier, creating jobs, innovation and an export market and returning Victoria to its rightful place as the leading state for industry.

Nexteer's innovations will result in the transfer of new manufacturing technologies from the USA and Europe, which will boost productivity and open up new supply chain opportunities for local companies working with Nexteer. The Baillieu coalition government congratulates Nexteer on its investment. I am sure those opposite will join with us in supporting Nexteer's advancement.

In terms of the budgetary impact, we have delivered a \$155 million surplus. The budget has been tightly squeezed by the global and national economies, and Victoria needs to live within its means. We should note that Mr Somyurek stood up today but unfortunately did not have all the details. It should be noted that Victoria's AAA credit rating was reaffirmed by Standard and Poor's in November last year and Moody's in February of this year.

We are supporting Victorian manufacturing, and today's *Herald Sun* provides another vote of confidence, this time from small business. According to the latest quarterly Sensis Business Index, Victoria's small business owners are more optimistic than their interstate counterparts. In a Sensis media release the author of the report, Christena Singh, said:

We have seen some positive signs coming from Victoria this quarter, including the nation's strongest business confidence and the strongest proportion of exporters.

In the report she says that Victorian small businesses are significantly more confident than those in other places, with the finance sector more confident than the retail sector. On a state-by-state basis, Victoria had the highest level of business confidence.

This is a time for serious people to do serious business. It is time for serious governments to get the economic fundamentals right. Mr Somyurek's motion today questioned the ability of the Baillieu coalition government to deliver for Victoria, but our track record demonstrates that we are delivering. He should be ashamed of his colleagues — the failed former ministers of the Brumby and Bracks Labor governments — who in the past did not really give him the opportunity to speak. However, we are grateful that

he has spoken today to highlight the advancement, success and determination of the Baillieu coalition government in moving Victoria's economy and industry forward.

Mr BARBER (Northern Metropolitan) — I am going to aim to do in 10 minutes what the Labor and Liberal parties manifestly failed to do over the space of 2 hours, and that is lay out an economic plan for the state of Victoria. Like anything else in life, if you want to achieve something, you need to have a plan and you need to work steadily towards it. Victoria does not have, and for a long time has not had, anything resembling an economic plan. I am not talking about a Soviet-style five-year plan with production goals for individual items; I am talking about a plan that says, 'These are our strengths that we want to enhance and protect; these are our weaknesses that we need to address'.

A plan is not based on sitting around in little meetings with special interest groups as they barrack for their own profit margin, and it is certainly not about picking winners the way so many state governments seem to be addicted to doing. I am talking about the type of plan that gets consensus across all participants in the economy, as occurs in those economies around the world that we look at so enviously. They have achieved something resembling an economic consensus, and the secret, I think, is that some of the more gutsy policy options are available in those countries simply because there is economic consensus and multiparty support over long periods for the achievement of that plan.

Here in Australia, and notably in Victoria, it is simply a political football match, and that is what we heard this morning and this afternoon in the contributions to this debate. I listened carefully to them, looking for little gems of policy — actual levers of policy that either the Labor Party or the Liberal Party were proposing to deploy — and in those long contributions all I heard about from Mr Ondarchie was a \$48 million investment program in innovation and in the case of Mr Somyurek all I heard about was some payroll tax relief and a government purchasing policy.

We need to be working on much more fundamental strengths, which need to be invested in over a long period. I will outline what these are. First of all, we need an efficient taxation regime. We have a number of state taxes that have been in place for a long time, but they actually distort investment and therefore limit the allocative efficiency of the economy.

You need only go to the Ken Henry report, described by some as the longest resignation letter of a public

servant in history, to see what those necessary courageous reforms are. Of course no Premier wants to put their hand up to make those changes; only the Greens do. Only the Greens are promoting a Henry review-style tax reform for state and federal taxes across the economy as a joint effort by the nation. The Liberal Party of course railed against a range of these taxes when in opposition; now it is whacking them up as quickly as it possibly can in a desperate attempt to bring in some more funds.

We need an educated population — the second fundamental to a growing economy. What we absolutely know from the first two Baillieu budgets, as well as the last 11 Labor ones, is that the fiscal setting is for us to be the lowest spending state in Australia on education. The strategy is to be at the bottom of the pile when it comes to investing in education.

Of course we need an efficient and inexpensive energy delivery system for businesses, whether that be for proportionately large users of energy or for those who just need to keep the lights and the fridge on. Here we see both Labor and Liberal at the state level walking away from their responsibilities. We see massive increases in the cost of maintaining the basic infrastructure of our energy system, but the state Minister for Energy and Resources says, 'Don't ask me about it; I'm just the state Minister for Energy and Resources. Every few months I go off to a round table in Canberra where I meet the other energy ministers and we initial a few memos'. He is not interested in squeezing more productivity out of the generation sector, the distribution sector or the retail sector. He is also the Minister for Consumer Affairs, but he offers absolutely nothing when it comes to some of the more anticompetitive practices of our now privatised monopolies and retailers.

Naturally we need an efficient transport system to underpin everything. Whether you start at the far regions of the state and work your way back towards the CBD or the other way round, you can see what the bottlenecks are in both passenger and freight transport. There is no plan for the sector.

In land use policy it is anyone's guess. We know from the recent review of the Planning and Environment Act 1987 that both developers and objectors are saying that the current system is simply not working for them, yet there is nothing more there than a little bit of tinkering around the edges with the rules for pergolas.

Overall the most important and critical source of our long-term competitive advantage is livability. It is livability that attracts different types of workers to set

up here, to stay here and to put roots into the community. Of course other livability factors that contribute to that are often environmental factors — that is, clean air, clean water and a beautiful and engaging natural environment.

Mr Ondarchie in his contribution referred glowingly to the Victorian Competition and Efficiency Commission (VCEC) report that his government had commissioned. Despite constantly referring to it as the greatest, the largest and most comprehensive and all the rest of it, Mr Ondarchie never actually told us what was in that report. If Mr Ondarchie had read as far as paragraph 2, he would have noticed something quite interesting, and that is that the government, in seeking to develop a manufacturing policy, has in fact outsourced that policy development to VCEC.

I know the Liberals are crazy about outsourcing, but I have never known a government that wanted to outsource its own thinking to a body that seems to have been somewhat bemused to have received the reference. VCEC notes in the second paragraph of its report:

The terms of reference state that the government is seeking a 'new approach to manufacturing' and that it expects the commission to outline a 'forward looking strategy for the future development of an internationally competitive and productive manufacturing sector in Victoria'.

This reminds me of what Peter Costello used to say about Mark Latham — that Mark Latham was policy by Google. He would sit down, open up Google and enter the words 'economic policy' into it. Poor old VCEC! For once I feel a bit of sympathy for it. The terms of references are simply, 'Can you give us a manufacturing policy, please?'.

As we read on, VCEC seems to decide, 'If this is what Kim Wells is asking me, I guess I'd better walk the guy through it'. Its first finding is, 'You need an objective, and since you haven't worked out that much, we think the objective should be to maximise economic welfare because that is generally agreed by economists as the purpose of economic policy'. VCEC of course issues a bit of a warning — 'We're VCEC, so we basically hate subsidies and government programs, so don't look to us to tell you how to do those' — but from there on it basically becomes a regurgitation of macro-economics 101 but without providing the colour-by-numbers approach that perhaps this lazy Liberal Party was hoping for. The Liberal Party platform was, 'Elect us, and then we'll ask someone what our policy should be'.

That is why we are in such a mess and that is why Mr Ondarchie wanted to spend most of his time talking about the carbon tax, because he sure as hell did not want to acknowledge even to himself deep down in those dark places that he is a member of a Baillieu government that has absolutely no plan. That did not stop him from talking for an hour in what was possibly an attempt to string together the longest series of platitudes ever in the Victorian Parliament. I do not know about international records on these things. I do not think he is any threat to the current minister for industry, who sits just down to his left, Mr Dalla-Riva. Yes, Mr Ondarchie is better at reading speeches than Mr Dalla-Riva, but at the moment the only thing he is auditioning for is the voice-over guy in a government infomercial saying what a great policy they have got in manufacturing.

They were completely skint — contributions from both sources — of any measures. From nowhere did we hear, ‘An Andrews government will ...’. Likewise, we heard the outsourcing approach from the Liberal Party and we are going to have to wait a bit longer to find out what that \$48 million drop in the bucket of a multi, multi, multibillion-dollar economy is going to actually buy us. Clearly it will continue to buy us the one thing VCEC said you should not do, which is invest in individual firms, but industry ministers are addicted to those announcements and those photo opportunities, so I can guarantee you that that is the one section of policy that will continue.

There are some huge challenges there. As I said, we need an efficient taxation regime; a highly educated workforce; energy and transport systems that are up to the 21st standard we need, not falling apart around our ears; a land use policy that is rational and efficient and does not continue to load more and more costs onto the public budget in providing catch-up infrastructure in suburbs built 10 or 20 years ago, even as we create more of those same suburbs; and then the most important factor — and it is often not even measured economically — that makes people want to come and live in Victoria and then make that the place from which they can work and innovate and develop, and that is the livability factor, which unfortunately is under threat.

There you have it. An economic plan is needed. It will probably have to get consensus across all parties in order to be achieved in the long run. Right now you would not even know where to go across the Victorian public sector to find out where that plan is. You would be reading a huge number of annual reports to try to discern what the different strategies are. There seems to be no agency or even minister putting up their hand to

be the economic coordinating agency. There is no annual statement of direction. There are no measurable achievables. No wonder VCEC had to give the Treasurer an economics 101 lesson. You need an objective before you can even start your journey.

Debate adjourned on motion of Mr LEANE (Eastern Metropolitan).

Debate adjourned until later this day.

MARRIAGE EQUALITY BILL 2012

Introduction and first reading

Ms PENNICUIK (Southern Metropolitan) introduced a bill for an act to provide for marriage between adults of the same sex, to make provision for the dissolution of those marriages, to provide for a registration scheme for same-sex marriage celebrants, to amend the Births, Deaths and Marriages Registration Act 1996 to provide for the registration of same-sex marriages and to amend the Interpretation of Legislation Act 1984 to provide that marriage includes same-sex marriage and for other purposes.

Read first time; by leave, ordered to be read second time forthwith.

Statement of compatibility

Ms PENNICUIK tabled following statement in accordance with Charter of Human Rights and Responsibilities Act 2006:

In accordance with section 28 of the Charter of Human Rights and Responsibilities Act 2006 (charter act), I make this statement of compatibility with respect to the Marriage Equality Bill 2012.

In my opinion, the Marriage Equality Bill 2012, as introduced to the Legislative Council, is compatible with the human rights protected by the charter act.

I base my opinion on the reasons outlined in this statement.

Overview of bill

The purposes of the bill are to:

- (1) provide for marriage between adults of the same sex;
- (2) provide for the dissolution and annulment of same-sex marriages;
- (3) provide for the registration of same-sex marriage celebrants;
- (4) provide for the registration of same-sex marriages; and

- (5) provide that marriage, under the Interpretation of Legislation Act 1984, includes a same-sex marriage.

Human rights issues

Human rights protected by the charter that are relevant to the bill

The bill promotes and strengthens human rights in the charter act. The bill positively engages and promotes the right to recognition and equality before the law by providing legislative recognition of same-sex marriages.

Human rights protected by the charter act that are relevant to the bill

In providing for marriage between adults of the same sex, the bill upholds the right to equality before the law under section 8 of the charter act.

Clause 9 of the bill provides that ministers of religion are not bound to solemnise a same-sex marriage, thus upholding freedom of religion under section 14 of the charter act.

Clause 36(5) of the bill upholds the right to privacy under section 13 of the charter act by providing that a person's address and contact details and any other information included on the register about the person under subsection (4) (which is the register of celebrants) must not be available for public inspection unless the person consents.

Conclusion

I consider that the Marriage Equality Bill 2012 as introduced to the Legislative Council is compatible with the Charter of Human Rights and Responsibilities Act 2006.

Sue Pennicui, MLC
Southern Metropolitan Region

Second reading

Ms PENNICUIK (Southern Metropolitan) — I move:

That the bill be now read a second time.

I am very proud to present the Marriage Equality Bill 2012. I first gave notice of my intention to introduce this bill on 29 March this year.

As members are aware, since 1961 marriage has been regulated by the commonwealth Marriage Act 1961. However, the power to legislate for marriage is shared concurrently by the commonwealth and state governments, in the sense that state parliaments may make laws on any subjects, but by virtue of section 109 of the constitution, a commonwealth law will override any inconsistent state laws.

The ability for me to present this bill to provide for same-sex marriage at the state level was opened up by the action of the Howard government, which in 2004 amended the federal Marriage Act 1961 to specify that marriage is between a man and a woman, which had

not previously been so specified. And so, a body of legal opinion now holds that it is possible for the states to legislate for same-sex marriage as this would not be inconsistent with or fall foul of section 109 of the commonwealth constitution.

It is preferable that marriage equality be achieved at the federal level by amending the Marriage Act 1961 to remove the discriminatory amendments of 2004, and with growing support in the Australian community, this may well be achieved. Polls show that around two-thirds of Australians (and rising) support same-sex marriage. This is an issue that will not go away until it is fixed.

The Greens have worked for many years to bring about marriage equality.

In 2007, Greens Senator Kerry Nettle introduced a bill into the federal Parliament to redefine marriage to mean 'the union of two persons regardless of sexual orientation or gender identity voluntarily entered into for life'.

In 2009, Greens Senator Sarah Hanson-Young introduced a bill into the Senate and it was sent to a Senate inquiry, which received more than 25 000 submissions, more than had ever been received by a Senate inquiry. In early 2010, the bill was put to a vote and defeated, but Senator Hanson-Young reintroduced the bill into the Senate on the first day of the current Parliament, 29 September 2010. The bill amends the Marriage Act 1961 to remove discriminatory references based on sexual orientation and gender identity and to allow marriage regardless of sex, sexual orientation or gender identity.

On 8 February 2012, the Senate referred the bill to the Senate legal and constitutional committee for inquiry and report. An unprecedented number of submissions have been received for this inquiry. In total, the committee has received approximately 75 000 submissions.

I attended a hearing of the inquiry in Melbourne on 4 May this year. At that hearing, Mr Jamie Gardiner, honorary life member of the Victorian Gay and Lesbian Rights Lobby, said that marriage is a civil institution governed by secular laws of general application and that the Marriage Act currently entrenches unacceptable and unjustifiable discrimination against the LGBTI community.

The reporting date for the Senate inquiry is 25 June 2012.

On 13 February 2012 — the day before Valentine's Day — Greens member for Melbourne, Adam Bandt, MP, co-sponsored the Marriage Equality Amendment Bill 2012 with Independent member for Denison Andrew Wilkie, MP. The bill aims to remove discriminatory references based on sexual orientation and gender identity and to allow marriage regardless of sex, sexual orientation or gender identity.

As Adam Bandt said when he introduced the bill into the House of Representatives, marriage equality is not just important for those who want to get married. It sends a powerful message to young people who may be struggling with their sexuality and makes it clear to them, to their families and to everyone around them that their love is equal.

The House of Representatives Standing Committee on Social Policy and Legal Affairs is inquiring into the Marriage Equality Amendment Bill 2012 and the Marriage Amendment Bill 2012, which was introduced by Labor MP Stephen Jones.

The committee conducted an online survey which has found 64 per cent support for the Marriage Equality Amendment Bill 2012 and 60.5 per cent support for the Marriage Amendment Bill 2012. The Committee anticipates its report will be tabled on Monday, 18 June 2012.

On 9 November 2010, Greens MLA Nick McKim introduced three related same-sex marriage bills into the Tasmanian Legislative Assembly. On 21 September 2011, Mr McKim's motion that the Legislative Assembly of Tasmania supports marriage equality and calls on the Parliament of the Commonwealth of Australia to amend the Commonwealth Marriage Act 1961 to provide for marriage equality passed by 13 votes to 9. In moving the motion Mr McKim said that if the commonwealth Parliament does not act in a timely way, the Greens in Tasmania reserve their right to bring on debate on their package of bills to provide a same-sex marriage framework in Tasmania.

On 16 November 2011, Greens MLA Shane Rattenbury moved a similar motion, which was supported in the Legislative Assembly of the Australian Capital Territory, and on 31 May this year, Greens MLC Cate Faehrmann's motion calling on the commonwealth to enact marriage equality passed the New South Wales Legislative Council. A conscience vote was provided to coalition and Labor MPs, and the final vote was 22 to 16.

I moved an identical motion on 23 November last year. The Council has yet to resume debate on that motion

but, in addition to introducing this bill today, I remain interested in this house supporting change at the federal level. I said at that time that I was in the process of drafting a bill for introduction into the Victorian Parliament to allow for same-sex marriage, and that is the bill I am second reading today.

Western Australian Greens MP Giz Watson was the first openly lesbian parliamentarian in Australia and she played a key role in the passage of lesbian and gay law reform in 2002. On 1 December 2011, Greens MP Lynn MacLaren made a statement in the Western Australian Parliament calling on the commonwealth Parliament to amend the Marriage Act 1961 to provide for marriage equality.

I understand well that the best way to bring about full equality in marriage is reform at the federal level. However, as Mr McKim said in the Tasmanian Parliament, there is always the fallback position: to introduce laws in the states of Australia to allow for same-sex marriage.

On 28 March 2012, Greens MLC Tammy Franks introduced a private members Marriage Equality Bill into the Legislative Council in South Australia. This bill is similar to the one I am introducing today in that it provides for same-sex marriage at the state level.

Much has happened in the quest for marriage equality in recent years and support in the community is growing. Today, I am introducing a bill for same-sex marriage in Victoria.

I acknowledge that there are many members of the Victorian Parliament from all parties who support marriage equality and speak up publicly and in their party forums. As I have said before in this place, I hope those members who, for whatever reasons, have difficulty embracing marriage equality are able to open up their hearts, to walk in the shoes of same-sex partners who cannot legally marry when they dearly want to and imagine the pain and heartache they and their families and friends suffer as a result.

Allowing discrimination to exist in the law sends completely the wrong message to the community: that it is okay to discriminate against gay, lesbian, bisexual, transsexual and intersex people in marriage and in other ways. As we know, that results in daily heartache for thousands of people and their families and friends. As we also know, discrimination can result in violence against gay, lesbian, bisexual, transsexual and intersex people and in tragedy in their lives. This is another important reason why we need marriage equality.

I would like to pay tribute to the many thousands of activists who continue to campaign for marriage equality, including Marriage Equality Australia and Equal Love, the Gay and Lesbian Rights Lobby, Get Up and many other groups and individuals. I stand here today in support of their work.

In 2008, Victoria established a relationships register. As I said in debate on that bill, the creation of the register falls short and affords same-sex couples lesser recognition than marriage. It is not good enough to only partially remove discrimination and to make things a little bit more equal but not fully equal. People are equal, and the law should reflect that and not be watered down to appease groups who advocate against full equality for all people because of their own prejudices or beliefs.

This is an issue of personal freedom. It is a fundamental right to choose one's partner and to have that choice fully accepted and recognised. Less than that is the denial of a fundamental right and is therefore discriminatory. The issue is equality and choice and equality of choice.

I now turn to the provisions of the bill.

The main purposes of this bill are to provide for marriage between adults of the same sex; for the dissolution and annulment of those marriages; for the registration of same-sex marriage celebrants; to amend the Births, Deaths and Marriages Registration Act 1996 to provide for the registration of same-sex marriages; and to amend the Interpretation of Legislation Act 1984 to provide that marriage includes a same-sex marriage.

The bill provides that a same-sex marriage must be solemnised by a person who is an authorised same-sex marriage celebrant and that the solemnisation of same-sex marriages applies to any person in Victoria whether or not they reside in Victoria. It provides for when a same-sex marriage can take place, that there must be two adult witnesses present at a same-sex marriage and that a same-sex marriage celebrant must explain the nature of a same-sex marriage before the ceremony.

The bill outlines the notice to be given and declarations made in order that a same-sex marriage can be solemnised and provides for the form of ceremony that can be used to solemnise a same-sex marriage and the form of words that must be used to solemnise a same-sex marriage. The bill requires that an authorised same-sex marriage celebrant must prepare certificates in the prescribed form, ensure that the certificates are signed by the parties and witnesses and forwarded to

the registrar within 14 days of the solemnisation of the same-sex marriage and retain notices and declarations of a same-sex marriage.

The bill provides that ministers of religion are not bound to solemnise same-sex marriages and that a same-sex marriage celebrant who is also a minister of religion may require longer notice of intention to marry or other requirements as a condition of solemnising a same-sex marriage. These provisions are consistent with section 47 of the Marriage Act 1961.

The bill provides that it is an offence for a person who is already married to go through a same-sex marriage form or ceremony with another person if they believe that person is already married and that persons who are already married to each other must not go through a same-sex marriage form or ceremony except if there is doubt that the parties are legally married to each other or if the same-sex marriage form or ceremony took place outside Victoria. The bill also provides the grounds for which a same-sex marriage under this act would be void or invalid.

Part 3 of the bill deals with the dissolution and annulment of same-sex marriages and outlines principles to be applied by the Supreme Court. The bill provides that an application for dissolution be on the grounds that the same-sex marriage has broken down irretrievably and outlines the circumstances that would establish that.

The bill provides that a dissolution order takes effect one month after the making of the order or a date specified and that the court may extend or reduce the period that the order will take effect. It provides that if the parties to a dissolution order reconcile before the order takes effect, they may apply to the court to have the order rescinded and the bill provides that if a dissolution order has taken effect a party may marry again.

The bill provides that a marriage celebrant, within the meaning of the Marriage Act 1961, may apply in writing to be registered as a same-sex marriage celebrant under this act and that the registrar must keep a register of persons registered as same-sex marriage celebrants, what information must be recorded and that the registrar may cancel a person's registration if the person ceases to hold a registration under the Marriage Act 1961 or if the registrar no longer thinks the person is suitable to be a same-sex marriage celebrant.

The bill provides that the registrar may solemnise same-sex marriages in Victoria and the minister, by instrument, may authorise officers to solemnise

same-sex marriages in Victoria. It provides that a person must not knowingly make false or misleading statements or give false or misleading information under this act or the regulations. The bill provides that an interested person may apply to VCAT for review of a decision of the registrar to either register a person as a same-sex marriage celebrant or cancel that registration.

The bill also provides that if an authorised celebrant solemnising a same-sex marriage considers that it is appropriate to do so, the celebrant may use the services of a person who is not a party to the same-sex marriage as an interpreter in, or in connection with, the ceremony and the circumstances that apply.

The bill provides that the Governor in Council may make regulations under this act for prescribing fees, forms, certificates, records, penalties, duties or general prescription which may be of a general or limited nature and which may differ in time, place or circumstance.

A person may have a marriage registered by lodging with the registrar a certificate of marriage under the Marriage Act 1961 or the Marriage Equality Act 2012. The Bill amends the Interpretation of Legislation Act 1984 to include that marriage includes a same-sex marriage and married includes married under the Marriage Equality Act 2012.

I commend the bill to the house.

Debate adjourned on motion of Mr P. DAVIS (Eastern Victoria).

Debate adjourned until Wednesday, 20 June.

PRODUCTION OF DOCUMENTS

The Clerk — I have received a letter dated 5 June 2012 and related documents from the Minister for Energy and Resources.

Letter at pages 2931–2932.

Ordered to be considered next day on motion of Ms PENNICUIK (Southern Metropolitan).

TRANSPORT (COMPLIANCE AND MISCELLANEOUS) AMENDMENT (FARES) BILL 2012

Second reading

Debate resumed from 28 March; motion of Mr BARBER (Northern Metropolitan).

Hon. D. M. Davis — On a point of order, Acting President, this bill is an interesting bill, but I believe that it falls foul of the requirement that this chamber not initiate financial bills. The bill seeks to direct money that is being collected through fares by the transport fare increases to which it refers.

Specifically I draw the attention of the chamber to page 71 of the *Victorian Transport Plan*, which was released by the previous government. It states that:

When new trains and additional capacity are delivered to the public transport network in 2011, fares will increase above consumer price index (CPI) to reflect some of the cost of the investment.

As part of this point of order, I also draw the attention of the chamber to an article in the *Age* of 15 December 2008 that said:

The 5 per cent fare increase that will hit passengers next year is separate from another two increases with which they will be slugged in 2012 and 2013.

In effect Mr Barber's bill seeks to remove from the forward estimates in the 2013 budget particular items that were part of the transport plan released by the previous government and that are part of the cost base in the state budget. Through the mechanism of this bill these items will in effect be denied to the budget.

I make the point quite clearly that there is a tradition in this chamber that members are able to bring bills forward and to do that in good faith. Members are able to bring forward things that are declaratory and things that do not seek to allocate money in a budgetary sense or to raise new taxes and charges. In effect the bill proposed by Mr Barber seeks to impact directly on items that are related to the current budget.

I note that in the Constitution Act 1975, division 9, section 62, 'Appropriation bills', subsection (1) states:

A bill for appropriating any part of the Consolidated Fund or for imposing any duty, rate, tax, rent, return or impost must originate in the Assembly.

That is a very clear point. In terms of recent cases, and I note the discussion with the Clerk earlier in relation to some of his gathered rulings, there is a ruling by Mr Delzoppo in the Assembly from 1993, volume 412, pages 2156–7, headed 'Council bill — ruling no appropriation — reasons'. This ruling clarified what would be appropriate as a point of order in relation to an appropriation bill. I am going to quote this because I think it is important to get this clearly on the record. It states:

On a point of order relating to the possible breaching of s 62 of the Constitution Act 1975 of a bill (relating to the structure

of the Solicitors Guarantee Fund (the Fund) and to allow an allocation to be made in respect of law reform projects) which was introduced in the Legislative Council, the Speaker stated that he did not uphold the point of order because — (a) no Consolidated Fund component is appropriated to the fund; (b) imposes on the contributors to the fund flow to that fund and have no impact on the Consolidated Fund; and (c) the guarantee involving the Consolidated Fund which can be given by the Treasurer relating to advances and borrowings on the security of the fund are not to be extended by the bill.

I would say that the bill proposed by Mr Barber does have an impact on the Consolidated Fund. I think that is undeniable. In that sense it falls in the reverse of Mr Delzoppo's ruling. I think it is important to note that discussions have been held by standing committees in the lower house and that those committees may have views on these matters, but I think it is wrong to argue that simply the allocation of money from the Consolidated Fund is prohibited by the rules in the constitution and the rulings from the past. Where the Consolidated Fund is impacted upon by a decision to introduce a bill in this house, such a situation would fall foul of the intent and certainly the spirit of the Constitution Act 1975.

As members would know, I am an exponent of expanding the opportunities and privileges of this house, but equally I believe we need to live within the law of the land. We need to make sure we do not create precedents that step beyond the important principles that govern the position of this house. I have said enough; I think members understand my point of order.

Mr O'Donohue — Further on the point of order raised by the Leader of the Government, President, I draw members' attention to the ruling by President Smith on 7 May 2008 when dealing with a private members bill introduced by Mr Hall — the Victorian Water Substitution Target Bill 2007. President Smith ruled that that bill was out of order, not because there was any appropriation per se but because it would, to quote President Smith, 'impose significant new functions on the Essential Services Commission and thereby necessitate a call on the Consolidated Fund'. I submit to you, President, that that ruling is analogous to the situation we have here. We do not have here a direct appropriation. We have a situation whereby Mr Barber, through his legislation, is imposing a call for an impact on the Consolidated Fund by ruling out fare increases that have been factored into the forward estimates by the previous government since 2009.

I also note the comments made by Mr Davis with regard to committee rulings and other findings in the other place. I submit to you, President, that while they are persuasive, this house has taken a different view on this issue than has the other place, and that was clearly

evidenced by what happened with Mr Drum's private members bill and Ms Hartland's container deposit legislation bill, which were introduced during the last Parliament. The two houses operate quite independently, as members are well aware, and I would say that the most analogous and most recent precedent from this place is President Smith's ruling on Mr Hall's private members bill.

Mr Barber — On the point of order, President, this is nowhere near being an appropriation bill, and I will elucidate why. The best argument that the government put up just then was that somehow this bill might impact upon future flows of money in what they called the forward estimates — that is, they acknowledge that it would not be in this financial year. They also noted the instance whereby new functions would be given to an agency or whereby, in the case of Mr Drum's smoking in cars bill, the possibility of a fine which might later be refunded could become a draw on the Consolidated Fund and therefore fall foul of this provision. At that time those same members argued the opposite of what they are arguing now in relation to those matters.

This bill amends section 220D of the Transport (Compliance and Miscellaneous) Act 1983. Section 220D simply gives a wide-ranging delegation to the director of public transport to set fares. That is not an appropriation. Is the government seriously arguing that a standing appropriation has been given to a public servant to do with it as they will?

The Legislative Assembly Standing Orders Committee looked at this issue and released its report on it on 30 October 2003. The committee concluded that 'an appropriation is interpreted as any expenditure from the Consolidated Fund but not a reduction in revenue flowing to the fund'. The committee went into some detail about this, but I would have thought that if there were any constitutional jealousy here, it would have been the other house standing up for a wider definition of what is an appropriation rather than, as Mr O'Donohue would lead us to believe, it being this house that should be leading the charge.

There is nothing in the nature of section 220D that represents an appropriation. That is the simplest part. In any case the effect of my bill will be to operate on how that public servant uses their delegation in the run-up to but not before 1 January 2014. The government has already locked in an 8.6 per cent increase in public transport fares, which it estimates will bring in about \$26 million. Unless the government is already anticipating further increases to public transport fares, my bill could not reduce the amount of money the

government anticipates it will receive. It simply limits the delegation of that director of public transport from bringing on more increases in later financial years that might bring money to the government — perhaps government members hope.

To put it quite simply, it is a try-on, and it is an even more remotely argued try-on than the previous versions, which have been rejected. We saw those bills actually debated in this place being sent to the lower house, which dealt with them according to its wishes.

The PRESIDENT — Order! Can I ask Mr Barber a question: is there no intention to have any imposition on the government's collection of revenues outlined in the current budget for 2012–13?

Mr Barber — Almost 100 per cent correct, President. The current revenues come from an 8.6 per cent increase, which began on 1 January and which was set up by regulation — by delegation to that departmental officer — just before Christmas. If the government does not intend to increase fares again between now and 30 June, then your answer is correct. The government has already programmed in the fares it expects to get. My bill simply prevents further fare increases being brought in by the same method until 1 January 2014, which is another financial year away.

The PRESIDENT — Order! I have a question for Mr Davis. Is the government locked into a process of automatic increases in fares on or about 1 January each year?

Hon. D. M. Davis — On the point of order, President, I am not the transport minister, so in that respect I am not the expert on transport policy. My understanding is that, going back to the previous government, a process was set up where funds were understood to be coming forward in that way, including in the next financial year.

Mr Barber — On the point of order, President, we are not appropriating for later financial years. The relevant appropriation is the one that is before the house.

Hon. D. M. Davis — On the point of order, President, we would be in effect blocking that funding.

Mr Barber — On the point of order, President, that hypothetical appropriation is not even in the decision of the government. In fact the strict reading of the legislation is that the director of public transport decides what fares will be charged under an open-ended delegation that cannot be seen. The only standing appropriation that I have been able to find is a standing

appropriation for judges' salaries, and that is in the Constitution Act. You would be stunned, President, if you thought that section 220D of the Transport (Compliance and Miscellaneous) Act represented a standing appropriation that a departmental officer can simply move around as he sees fit. It is a ticketing fares-and-conditions provision only.

Mr O'Donohue — On the point of order, President, in response to Mr Barber, the ruling by President Smith was exactly on that point — that is, as a result of Mr Hall's bill there would be an additional workload and cost to the Essential Services Commission, and President Smith ruled that that affected the appropriation, therefore he ruled that bill out of order. I submit that the scenario we are describing is similar to the situation where President Smith ruled the bill out of order.

Mr Barber — On the point of order, President, planning legislation introduced into this chamber — or health legislation or education legislation — no doubt creates a whole number of new duties and functions for our existing bureaucracies, but that does not make it appropriation legislation.

The PRESIDENT — Order! Mr Pakula, I will draw on your experience as transport minister. With the mechanism for price increases on fares is there a 1 January trigger? There is a CPI increase on all taxes and charges and so forth that now comes into effect under previous government legislation. To your knowledge, is there the same mechanism in terms of the setting of fares?

Hon. M. P. Pakula — On the point of order, President, in regard to this particular appropriation, as I understand it, it was the minister who made the decision to flow on a fare increase that had been foreshadowed in the Victorian transport plan (VTP). Whether or not any further VTP fare increases are already contained in the forward estimates, only the government can answer. I am not sure whether government members have incorporated all VTP proposed fare increases in the forward estimates.

Hon. D. M. Davis — On the point of order, President, I agree with the member on the point of the previous transport plan. Indeed the article I quoted a moment ago makes it clear that this was envisaged and action was taken to rely on the money coming forward. This government has inherited that position and has made various decisions on it. As I understand it, that money is in the forward estimates. I understand also that the purpose of the bill is to make it unlawful to provide for an increase in public transport fares, so

effectively denying a policy of two governments to help fund capital infrastructure in the transport portfolio. That would mean that the only way those commitments could be drawn upon would be to carry legislation through the Parliament that would have the effect of overriding this bill. It seems to me that the bill has a direct effect on the position of the budget. I am not sure that is Mr Barber's intent, but that is the fact of it. It is a longstanding point that these matters have been in place going back to the transport plan.

Mr Barber — On the point of order, President, you asked a very specific question — that is, whether there is a programmed fare increase relating to the financial year for which the government intends to appropriate. I do not know if you have got an answer to that, but my bill applies as of 1 January 2014.

Hon. D. M. Davis — On the point of order, President, it not only includes this financial year but part of another.

The PRESIDENT — Order! No it does not. It is the following financial year — 1 January 2014 is the next financial year; it is not the financial year we are about to deal with.

Hon. D. M. Davis — On the point of order, President, no, but it actually cuts in.

The PRESIDENT — Order! I know this is rather unusual — the clerks are probably having kittens at this stage; it is a process I picked up from Judge John Deed in terms of seeking some answers to questions. The point is that I want to be sure of the answer to that question, because for me it is very pertinent to this issue in the sense that if this financial year's funding mechanism is directly affected, then I have a somewhat different view of the position than I would if it were just the forward estimates.

To me the forward estimates are not the budget; to me the forward estimates are not the appropriation. The forward estimates change from year to year. They are a very good guide of government direction in terms of policy and appropriation. They indicate a range of factors in terms of the government agenda, but from year to year they are adjusted. From that point of view I have less of a problem with allowing a bill that would affect the forward estimates position than I do with allowing a bill that would impact upon a budget that has been brought down and very clearly anticipates a fare rise.

I will go to Mr O'Donohue's point. In some ways he is arguing the same position as Mr Davis — that President Smith's ruling in the previous Parliament was a reverse

of what had been laid down by Speaker Delzoppo in the Legislative Assembly, because Speaker Delzoppo's position was very much about expenditures, not about revenues. It was not about money brought in by taxes, charges or whatever. It was clearly about expenditures. President Smith's position, which is referred to by Mr O'Donohue, is exactly the same. In that ruling President Smith did not refer to revenues at all, he referred to expenditures.

I understand Mr Davis's point that a budget is a document of two halves. It has to have revenue as well as expenditure. As I said, in the context of a bill that impacts on a budget for this coming financial year that is now before the Parliament, I have a somewhat different view of what might or might not be appropriate, as distinct from something that applies to forward estimates and future opportunities, given that the forward estimates could be varied.

I have had strong advice from the clerks on this matter. The clerks take the view that the bill does not offend any of the provisions of section 62 or suchlike in respect of putting a financial impost on the government and therefore being a bill that this house is not competent to deal with. I am prepared to read into *Hansard* that formal ruling. What I was trying to do was to establish in my mind whether there was a different situation that I ought to take into account as part of that. I am not interested in newspapers, especially not the *Herald Sun*. Let's get real.

Is there any further elucidation available to me in respect of the financial position for the coming financial year?

Hon. D. M. Davis — On the point of order, President, my understanding is that the position of the previous government through the transport plan remains, which would see those increases on 1 January and would see capital allocation of some of that resource. My point is that it will impact on the current budget and it will impact on the budget after that as well.

Hon. M. P. Pakula — On the point of order, President, I am not comfortable with the extent to which Mr Davis keeps trying to shackle the former government to the current government. There is a key question, notwithstanding Mr Barber's contribution, that someone from the government needs to be able to answer. President, you said, quite rightly, that the forward estimates are the forward estimates, and what you are concerned with is this budget. I take it from that that what you are talking about is the 2012–13 financial year.

Mr Barber's bill would clearly have the effect of not allowing another fare rise until 1 January 2014. The question — and I think it is the only pertinent question — is this: does the 2012–13 budget contemplate a further fare rise between now and then? The fare rise that came into effect on 1 January 2012 is unaffected by Mr Barber's motion. If another fare rise is contemplated on 1 January 2013 affecting the receipts for the 2012–13 financial year, then Mr Barber's bill would affect that, and the government needs to be able to state clearly whether the 2012–13 budget receipts contemplate another fare rise before 30 June 2013. That is the question on which this all turns.

The PRESIDENT — Order! That is the question I put to the government.

Mr Barber — On the point of order, President, I agree with everything Mr Pakula said except 'on which this all turns'. It would certainly be valuable for the government to answer your question in that way. Does it declare another 8.6 per cent increase to fares in January? However, that would still not make this an appropriation or a removal of money from the Consolidated Fund, as per the lower house ruling and recommendations.

Hon. D. M. Davis — On the point of order, President, the main purpose of Mr Barber's bill is to make it unlawful to provide for an increase in public transport fares having effect before 1 January 2014. There is the point about the two forthcoming budgets, and your point in particular about this budget — and I understand that there are normal fare increases and there is also some understanding of previous commitments as well — but even a CPI fare increase would be counted out by this bill. It would prevent that. I understand there are normal fare increases in the budget and some of those go back to the previous government's commitment.

The PRESIDENT — Order! Again I am not interested in the previous government. What was said by way of press release two or three years ago is irrelevant to me. What the previous government did is irrelevant, because the government has struck two budgets already and the position has changed completely. The government has changed many things in its budgets from what was contained in the budgets of the previous government. The government cannot simply lift what is convenient out of the previous government's forward estimates and say, 'This is ours as well'. The government owns this one now. What I need to know is what this government is doing, not what the opposition did when it was in government.

That is the relevant issue from my point of view. I need to understand the revenue side of it.

Hon. D. M. Davis — My understanding is that there is at least a CPI increase in the budget.

The PRESIDENT — Order! Is that CPI increase subject to some other piece of active legislation?

Hon. D. M. Davis — President, I want to be quite genuine: I am not an expert on every aspect of this portfolio, but I know that any legislation would be overridden by this piece of legislation proposed by Mr Barber. Any other instrument would also be overridden by this bill, which says its main purpose is to make it unlawful to provide for any increase in public transport fares having effect before 1 January 2014. CPI increases would be cut out.

Mr Barber — On the point of order, President, if the government was planning, for example, to jack up or down payroll tax or stamp duty rates associated with its budget and program those moneys in, it would bring in legislation for that. That still would not make those bills an appropriation bill; however, the issue of fares is different. Whatever the government thinks it might be doing around fares, the strict reading of the legislation is that section 220D gives to the director of public transport an open-ended delegation to set fares and conditions for tickets. That gentleman could be contemplating half-price tickets for passengers who stand on their head, for example, but it has nothing to do with the government; it is simply an open-ended delegation and therefore it is not an appropriation.

Mr O'Donohue — On the point of order, President, on the issue of the director of public transport, from previous debates we have had about the new public transport authority the government introduced, now known as Public Transport Victoria, as I understand it, the person responsible for the setting of fares in the future will be the CEO of Public Transport Victoria, or PTV, as it is referred to. Mr Barber referred to the director of public transport. His bill has a significant flaw in that he refers to the incorrect person. As the President will recall from the debate about the establishment of the PTV authority, there was much discussion about the independence, or otherwise, of Public Transport Victoria from government, and the opposition made numerous points about this. In response to Mr Barber's assertion about the director of public transport, that is an interplay in this issue.

The PRESIDENT — Order! In terms of the naming of the director of public transport, usually when legislation is introduced it provides for a succession in

terms of responsibility, so I am not persuaded by that argument.

Mr Barber — On the point of order, President, to be of assistance, it is the Transport (Compliance and Miscellaneous) Act 1983. The subheading is ‘Director may determine conditions’, and section 220D says:

- (1) The Director may determine any conditions to which an entitlement to use a specified public transport service provided by a passenger transport company or a bus company is to be subject.

There is a little bit more there, but effectively that is the guts of the director’s power, and all I am seeking to do is limit the way in which he exercises that power.

The PRESIDENT — Order! This matter is not quite as clear-cut to me as it is to the clerks. The clerks have studied precedence and spoken to people who have an understanding of constitutional law in respect of the Parliament’s drafting of legislation. They have arrived at a fairly clear and delineated position in respect of the competence of the house to deal with this bill. At this point I plan to uphold their position based on the evidence I have before me.

I would have far less difficulty with this matter if it referred only to a forward estimates period and did not refer to a current budget period. However, I accept that the cap on fares is only one way of realising a revenue stream for the government to fund its works. According to media reports, which I disdain, if we were to refer to those media reports, a crackdown on fare evasion may well arrive at a substantial new source of money to fund these matters, and that is not necessarily money included in a budget outlook here.

I give credence to some of the other matters that have been raised. Where I have had more difficulty in dealing with this bill than the clerks in their investigations is that I accept a budget is a document of two parts, and it would be churlish to say that you cannot introduce a measure that impacts on the expenditure side of the budget but that you are free to introduce measures that impact on the income side of the budget, because clearly you could significantly derail a government’s program if you were to take that sort of an approach.

The rulings given on this point all focus on expenditure rather than on income, and perhaps they anticipate that there are various measures available to governments to raise revenue. Certainly section 62(1) of the Constitution Act 1975 provides that:

- (1) A Bill for appropriating any part of the Consolidated Fund or for imposing any duty, rate, tax, rent, return or impost ...

cannot originate in the Council. That is the point that has been raised by way of point of order by Mr Davis.

On examining the contents of the bill, in particular clause 3 of the bill, it appears that the bill is competent of being introduced in this house, according to the advice that I have been given.

In my view, section 62 of the Constitution Act 1975 applies to bills that directly appropriate part of the Consolidated Fund. These include annual appropriation bills as well as other bills that contain appropriation provisions. Further, section 62 does not apply to bills that appropriate money from funds separate to the Consolidated Fund. I am aware that in the past the Legislative Assembly has accepted that bills providing for payments from separate statutory funds may be introduced in the Council.

I also note that in *Report on the Modernisation of Standing Orders* of November 2003 by the Legislative Assembly’s Standing Orders Committee, the committee examined, among other things, the interpretations of what constituted an appropriation in a bill. The committee recommended that an appropriation be interpreted as Parliament assigning money for a particular use and authorising its withdrawal from the Consolidated Fund — in other words, it is not about revenues but about the expenditure side of that ledger. As a result, it is now accepted practice in this Parliament that an appropriation is interpreted as an expenditure from the Consolidated Fund but not a reduction in revenue flowing to the fund. That is the current position.

Given that I have been unable to satisfy myself further on the other matters in regard to the revenue impacts for the next financial year, I will allow the motion to proceed.

Mr O’DONOHUE (Eastern Victoria) — I am pleased to be the first speaker on behalf of the government on Mr Barber’s bill. It is a straightforward piece of legislation that has four clauses. Clause 1 establishes the purpose, and clause 2 establishes the commencement. Clause 3 is the clause of substance, which, as Mr Barber articulated during the previous discussion, amends section 220D of the Transport (Compliance and Miscellaneous) Act 1983 to insert after subsection (6):

- “(7) The Director must not determine any conditions under subsection (1) that would take effect before 1 January 2014 and result in an increase in the cost

to a passenger of using a public transport service provided by a passenger transport company or a bus company.”.

As was established during the interplay between Mr Pakula and Mr Barber, the purpose — —

Hon. M. P. Pakula interjected.

Mr O'DONOHUE — I missed that, Mr Pakula. The intention of the proposed subsection is to not allow any increases in public transport fares before 1 January 2014. Clause 4 is the now standard ‘repeal of amending act’ clause.

The government will oppose Mr Barber’s bill. I will give some background to this and elaborate on some of the discussion that has taken place. The Baillieu government has inherited a significant backlog with regard to public transport infrastructure and public transport investment and has been left with a significant financial legacy. During a debate in the last sitting week I spoke of the absolutely bungled sale of electronic gaming machine licences that the Auditor-General said may have cost Victorian taxpayers in excess of \$3 billion over the period of the sale of those licences — a significant revenue hit for this government.

The Auditor-General reflected on the failure of the then Premier and the then Treasurer, now the Leader of the Opposition in this place, Mr Lenders, to take advice from the Department of Treasury and Finance about initiating a review of the auction process. That failure, coupled with many others, has left this government with significant financial pressures. Coupled with that, we have had the changing global economic picture and a federal government that has continued to defer capital payments to the Victorian government and reduced the amount of GST revenue this government will receive. All of that puts pressure on Victoria’s budgetary position.

As has been established during the points of order that were initially raised in relation to this bill, the Victorian transport plan, the previous government’s unfunded blueprint for public transport in Victoria, identified that there would be significant fare increases. As Mr David Davis highlighted, the Victorian transport plan identifies at page 71:

... fares will increase above consumer price index ... to reflect some of the cost of the investment.

The previous government had committed itself to significant increases in fares if it were re-elected, and it locked those into the forward estimates.

I note that the first of the PAEC budget estimates reports was tabled today. The completed questionnaires that were submitted to each minister are also available online. In the response of the Department of Transport, Minister Mulder’s department, to question 6.3 of that questionnaire, the department says:

On 1 January 2012, public transport fares increased by an average of 8.6 per cent. The increase took account of the 3.6 per cent rise in the Melbourne consumer price index for the 12 months to September 2011, plus 5 per cent approved in 2009.

Let us make no mistake about this: the 8.6 per cent increase which took effect from 1 January and which presumably caused Mr Barber to introduce this bill was a result of a decision taken by the previous government in 2009 as part of its largely unfunded transport plan.

The government is pleased with the investments it is making in Victoria’s public transport network. In addition to the capital investments it is making to provide rolling stock for metropolitan Melbourne and rural and regional Victoria, the government is also delivering a more efficient system. Since it has come to office, approximately 1000 additional services have been added to the metropolitan timetable. Additional weekend services have been added to the Traralgon line, which is in my electorate, which is most welcome by football supporters and others wishing to travel to Melbourne. We have also established Public Transport Victoria, which will deliver a new focus on customer service and improve services for commuters. I am pleased that we have been able to add so many additional services to the network.

When I was talking about cost pressures before, I omitted to mention that, as the minister is reported in *Hansard* of 29 March as saying, it is anticipated that the carbon tax, which comes into effect on 1 July — —

Hon. M. P. Pakula — The carbon tax is like money to you guys, isn’t it? Whenever you are flailing, just go and grab onto money.

Mr O'DONOHUE — I have plenty more to say, Mr Pakula; I am not flailing. The carbon tax will cost the department \$48 million from 2012–13 to 2014–15 — an additional cost that this government has to cover. There is no compensation from the commonwealth for this additional cost.

Hon. M. P. Pakula interjected.

Mr O'DONOHUE — There is no compensation for this tax. I will refrain from taking up Mr Pakula’s interjection.

The government is also rolling out its PSO infrastructure upgrades and deploying PSOs to the metropolitan rail network. I know that commuters are grateful and looking forward to seeing the PSOs rolled out on the metropolitan network. Opposition members wax and wane and flip and flop, depending on who is asking the questions. One day they do not like the PSOs; they think it is terrible to have people with guns on the rail network. The next day we have opposition MPs at their local suburban stations demanding that the PSO commitment be delivered on and asking, 'Where are the PSOs for my station?', and, 'It's not good enough, we need the PSOs'.

Hon. M. P. Pakula — You promised them. Where are they?

Mr O'DONOHUE — The people of Dandenong now have PSOs. The rollout is happening, and it is an exciting time for the metropolitan network. As I said, the government has had to fix up a number of legacy issues that it inherited — for example, Mr Pakula took out two grade separations at Anderson Road in Sunshine as part of the regional link project, and they have been put back in by this government. This government has picked up the financial holes left in this project by the previous government.

As part of that project we have funded new rolling stock for the metropolitan network, which the previous government never put in its forward estimates. Perhaps most excitingly for the transport network as a whole is that we are attacking the scourge of level crossings in metropolitan Melbourne, with five targeted to be removed and a number of others for which planning money has been provided and investigations are under way. It is an exciting time for the broader network, and this is one of the great benefits of bringing together the roads portfolio and public transport portfolio under the one minister, Mr Mulder, who has a holistic view of these things and is doing a great job.

The government will be opposing Mr Barber's bill. I might add — without reflecting on Mr Barber — that he has again brought in a very short bill without understanding the consequences of that bill. As with previous private members bills that he has introduced into this place, it leaves a lot of questions about its operation. It is drafted in a way that does not deal with the other issues associated with this broader issue of public transport funding and the provision of public transport infrastructure. For those and the other reasons that I have articulated, the government will be opposing this bill introduced by Mr Barber.

Hon. M. P. PAKULA (Western Metropolitan) — I indicate that the opposition will be supporting the bill. If we get through the second reading, we will be seeking to amend the legislation. Half the second-reading debate took place as points of order. Mr Davis likes to try to describe the government's position in regard to the fare rises as part of a continuum — that is, as a continuation of what was put in place by the previous government with the Victorian transport plan. It is right to say that the Victorian transport plan (VTP) incorporated two fare rises to pay for the projects in the Victorian transport plan — in 2012 and subsequently.

The problem is that the government does not much like the Victorian transport plan and has in effect canned most of the projects within it. I have got the old highlights page from the VTP. It included up to 70 new six-car trains, and even though it committed to 40 during the election campaign, the government so far has offered up 7 trains. The government does not much like Melbourne Metro. Then there is what is called 'An alternative to the West Gate Bridge', and the government does not much like that either. In fact it wants to go from the east to the west, but it does not want to provide a second crossing for those coming from the western suburbs.

The government has canned the truck action plan and the Caroline Springs railway station that was part of the plan. It has canned the bus upgrades, and it is not proceeding with the principal freight network. It has canned the bike plan. It has also canned the Mernda busway, which was a far-sighted promise made by the previous government during the last election. The fact is the government has ditched the VTP. It does not like the VTP, and there is only one bit of the Victorian transport plan that the government likes — that is, the money. It wants the money without having to deliver any of the projects. That is what the government did at the beginning of 2012. It took the money and ran without making a commitment to any of the projects that the money was there to fund.

This is the former opposition that went to an election promising to bring down grocery prices and promising to bring down the cost of living. The government, in its second budget, hiked up all the fines, the fees and the environmental levy for water users. It put on extra staff in the State Revenue Office to suck in even more tax. Then it runs around saying, 'We are the party that will bring down fees and fines; we are the party that will bring down the cost of living'. It has jacked up everything, including transport fares, but it does not want to fund the projects that the fares were designed to support.

I think Victorians have pegged the government for that, and that is the hypocrisy of the government's position. That is why Labor's fare slug has been receiving such a fantastic reception at train stations right around Victoria. Mr Barber's bill seeks to say to this government that without the projects, the fare rises should not occur. The government has already indicated that it will not be supporting the second reading of this bill. That is a shame, because if we were to get through the second reading and get through to a committee stage, the opposition would seek to amend Mr Barber's bill.

We would be seeking to be consistent with everything we have said in regard to public transport fares so far. We would be seeking to say that if the government wants to raise public transport fares, those fare rises ought to be applied to public transport projects, as was always the intention under the Victorian transport plan. If the government wants to make that commitment and apply those fare rises to public transport fares that were laid out in the plan, by all means it should make that clear to the Victorian community. But the government is not prepared to do that, and in fact the government is not prepared to have this bill debated in committee because the bill will be defeated on the second reading — if all of its members show.

The only other point that I think is worth making is that in one other respect Mr Davis has belled the cat on the government's budgeting for 2012–13. In his vain attempt to have this bill declared an improper use of the house's time, he has in effect conceded that the 2012–13 budget contemplates further public transport fare rises sometime in that financial year. We do not know whether that will be from 1 July or 1 January. What we do know is that when the budget was handed down in May the government was less than clear and transparent with the Victorian community about just how much of a public transport fare rise was factored into the estimated receipts for 2012–13. What we know today is that that public transport fare rise will be equal to CPI at least. This is the first time the government has, perhaps through its own tactical error, been forced to come clean about the fact that the budget for the 2012–13 financial year does not just include the fare rise that we know about — the 8.6 per cent that was announced to apply from the beginning of 2012 — but it also includes another fare rise to occur sometime during the 2012–13 financial year.

All of those fare rises are happening without any real commitment to any of the significant projects in the Victorian transport plan. This government wants to take the money and run. It wants the fare rise without the capital works, and it wants the benefit without any of

the cost, hard work or delivery of infrastructure for Victorians. If you are going to take the money, deliver on the projects.

Mr DRUM (Northern Victoria) — I am happy to be able to stand here today to talk from the government's perspective about this bill. Based on my reading of the bill, I would have thought this was in fact a money bill. However, that has been judged not to be the case.

Mr Barber — A bit like smoking in cars.

Mr DRUM — You can get pinged for introducing a bill to stop adults smoking in the car and have Labor members somehow or other twist things around to make that a money bill so that it will not even be debated in the lower house. It is quite staggering how they can somehow decide what is a money bill.

Hon. M. P. Pakula interjected.

Mr DRUM — I am just reflecting on the previous government. That is all I am doing.

Hon. M. P. Pakula interjected.

The ACTING PRESIDENT (Mr Ramsay) — Order! Mr Pakula is not in his place.

Mr DRUM — I am reflecting on the previous government, of which Mr Pakula is a member and which was very proud of the fact that —

The ACTING PRESIDENT (Mr Ramsay) — Order! I ask that Mr Drum come back to the bill itself.

Mr DRUM — We are here debating this bill, and when you go back through the history of this issue it is very easy to see that the situation we find ourselves in with fare increases was put in place and set in stone by the previous government. It is identified clearly on the Public Accounts and Estimates Committee website, which provides transcripts of the recent budget estimates hearings in which questions were put to ministers. Quite simply it is stated that on 1 January 2012 public transport fares increased by an average of 8.6 per cent. This increase took into account a rise of 3.6 per cent in Melbourne's consumer price index for the 12 months to September 2011 plus 5 per cent, which was approved in 2009.

Here we are, bearing the brunt of a price rise that was put in place by the previous government in 2009. That was put in the forward estimates back in 2009, so ultimately the government that came in to run the state in 2010 had that laid out as part of its forward estimates and projected incomes. We realised that, as detailed in

the Victorian transport plan, when the new trains and additional capacity are delivered to the network in 2011 fares will increase above the consumer price index to reflect some of the cost of that investment. That was identified by the previous government.

We also know that the Minister for Public Transport, Mr Mulder, has gone on the record as saying that the cost of the carbon tax over the 2012–13 and 2014–15 periods will be \$48 million, and the government has factored that cost into the public transport system. That has to be paid for.

I know that previous government speakers have listed a whole range of rail network improvements and upgrades, and we know that Mr Pakula has just recently ceased shouting across the chamber about the PSOs (protective services officers). Certainly PSOs have been an investment in the state that was pivotal in the coalition coming to government. It was an announcement that was well received by the public. It was treated with disdain by the then government, which called the protective services officers 'plastic police'. Those opposite said, 'What are these people going to do when they see any trouble? Are they going to call the cops and pull out plastic guns?'. The derogatory statements coming from the Premier of the day were quite disrespectful, but ultimately it is a policy that will, I have no doubt, give all Victorian public transport users greater confidence in using the system over time. That is something we are very proud of.

We also understand the importance of investing in rail. We are in an extremely tough period at the moment. We understand that the money for every piece of investment we put into the public transport system has to come from somewhere. Therefore it is extremely disappointing when we go and start picking up some of these programs Labor had started only to find that Labor had not absolutely and completely funded the project in a way you would have expected anyone to fund any project. For Labor not to have considered any rolling stock for the regional rail project is ridiculous; however, that is the shortfall we have in this regard. It is also worth understanding the cost today of doing a grade separation. We have a range of grade separations that are going on around the state at \$150 million each. That is going to be a significant cost.

The regional rail link is going to go ahead despite the shortfall, and again that is something we are very proud of. We are proud that we have been able to push ahead with this program, but it will have some issues associated with it that have again been caused by a lack of planning by the previous government. When it comes to the electrification of the Sunbury line we now

find out that the line I use to go to and from Melbourne is going to use V/Line trains, V/Line travel conditions and V/Line circumstances, and then all of a sudden we are going to have to settle into the metropolitan system for about 30 kilometres between Sunbury and Watergardens before we then go back onto a designated V/Line line to take us into Southern Cross. It would seem as though we are picking up the pieces of a government that would throw these investments around ad hoc, half-fund them and then leave whoever comes in behind it to clean up the mess. With the regional rail link program the former government was certainly not funding rolling stock and not working out how we are going to have designated lines from regional Victoria. These are some of the problems we are going to have there.

The coalition government is heavily investing in regional rail, as it is in metropolitan rail. There are grade separations and a whole range of upgrades around the state. It is expensive, but it is what needs to be done. In tough economic situations we have to understand that these price rises are critical if the state is going to maintain its investment in this sector, so unfortunately for Mr Barber we are not going to be in a position to support him with this bill. The cost to Victorians is going to be too great for us to absorb.

We have two choices. We can go the way of the previous government, which came up with a plan devised over a couple too many bottles of red one night, and not quite fund the plan. All of a sudden those opposite came up with the transport plan. 'What is in the transport plan?', we asked. They replied, 'Everything is in the transport plan. Anything we could think of, we put it in the plan'. 'Have you worked out when you're going to do it?'. 'Not really. We're going to do it in the next 30 years'. 'Have you worked out how much this plan is going to cost you?'. 'Yes, it's going to cost about 42 billion'. 'Where are you going to get that from?'. 'We don't know'. 'When are you going to get it by?'. 'We don't know'. 'What's the idea of the plan?'. 'The idea of the plan is that when someone comes up with a good idea we can say that it's already in our plan, because we've got everything in there. But we don't have any idea how we're going to fund it, we don't have any idea when we're going to fund it and we don't have any idea how or when we're going to build any of this stuff — but it's in the plan!'

We could devise such a plan, but that is not really a responsible way to run government. Here we have Minister Mulder, the Minister for Public Transport, who is steadily bringing this system back into the real world and back into the modern era. We have new operators in the city looking at ways they can improve

the running of our metropolitan system. We have grade separations happening. We are continuing to pick up the investment in infrastructure with the regional rail link. It is going to have huge benefits for both our metropolitan users in the west and also those who use the Geelong, Ballarat and Bendigo lines. We are looking at it with an eye to how we can improve other lines around the state and around Melbourne as well. Unfortunately, just being a fraction short of absolute magicians, we are unable to continue on with this investment in our rail infrastructure at the same time as delivering pricing cuts to people who would like us to do that. Unfortunately we are going to have to oppose this piece of legislation simply because it would be totally irresponsible financially for us to do anything else.

Mr LEANE (Eastern Metropolitan) — As Mr Pakula outlined, the Labor MLCs do not oppose Mr Barber's bill. We foreshadowed an amendment that will not see the light of day, considering that the government has said it will use its numbers to vote this members bill down before it actually gets to the committee stage, which is an interesting position the government has taken.

I just wanted to touch on a few things mentioned in the contributions of government members on this particular bill. To say that the record price hike of 8.6 per cent — which Terry Mulder, the Minister for Public Transport, admitted he agonised and stared at the ceiling all night over — is a result of some sort of plan that the previous government had is an absolute copout. It is a copout, as has been revealed in the debate over the point of order on whether this bill should even see the light of day.

It has been exposed that there will be at least a CPI pay rise at the start of next year. If CPI is running at about what it is now, when you add that to the 8.6 per cent you are looking at a price hike of 12 per cent on public transport, and public transport is being used by the people who can least afford a cost of living slug of 12 per cent. This is after the coalition came to power on a commitment that it would reduce the cost of living or at least reduce the cost of living for the people who can least afford it. Increasing public transport fares by a minimum of 12 per cent over a 12-month period is the absolute opposite of that.

As Labor has been saying, fare rises should be linked to extra infrastructure. They should be linked to a result. They should be linked to an outcome, but there are no outcomes to be seen as far as any infrastructure goes in the near future. Sure, there has been talk about building a rail line to Doncaster, and I hope the government does that. If the government is going to slug members of the

public to this degree, I hope the Premier's commitment on election eve is fulfilled when he said that a coalition government would build a rail line to Doncaster. I hope the government will find the funds and get it done. I would like to see the money go towards that rail line, but it is not going to happen. The government's slug on members of the public will fund its PSOs. That was never flagged in the election commitment.

I take on board government members saying that their campaign and their commitment around PSOs was pivotal to them being elected, and I accept that, but there is not a lot to bang on about and not a lot to beat a drum about at the moment. Since the last count about 18 PSOs have been delivered, and at that rate we are looking at about one a month. It could take 70 years to deliver the 940 PSOs that the coalition government committed to. We should not hold our breath as we wait for two PSOs on every metropolitan station from dusk to the last train. I do not think any member of the public believes that that is actually going to happen.

The coalition's policy did not take into account that PSOs are human beings and that they will need a toilet, a lock-up and an office. After introducing its first tranche of legislation, that reality dawned on the coalition, so it is now slugging the public \$250 000 to cover the provision of facilities that were not taken into account. It seems a bit unfair that public transport system users will be the ones who will have to foot that bill for the 8.6 per cent slug, plus another 3.1 per cent or whatever it is that is going to be coming.

I understand that Mr Mulder said he agonised over the 8.6 per cent fare rise. It is going to end up to be about 12 per cent after about the 12-month period. He will be in all sorts of agony when people realise that over a year, which is a short period, he will have increased fares by 12 per cent. We will just have to wait to see how he goes and how he gets through that, but I am sure he will be fine. We will be waiting with bated breath to see what the actual slug is going to be at the beginning of next year.

Mr RAMSAY (Western Victoria) — The most interesting part of this debate has been the points of order that were raised. I was trying to understand, as was the Chair, the purpose of the bill, but I still have not heard Mr Barber clearly express what it is. I was also trying to understand the impact of the legislation, and again I am probably still a little unclear about exactly what the impact of the bill will be if in fact it is passed. I am still unclear about the motives of Mr Barber in bringing this bill to this chamber.

That aside, though, what concerns me greatly is the precedent. On what basis can we, in this chamber, decide to direct fee revenue for the government without there having been an impact study of any sort or a reason given for the requirement of a cap or a freeze on fares? As we know, on 1 January an 8.6 per cent fare increase was introduced. Part of that was due to the CPI. The other part, the 5 per cent, was approved by the previous government in 2009. My understanding from the points of order that have been raised is that in fact this bill will not impact on that. But what is not clear is what impact Mr Barber's legislation will have in relation to next year's budget and the budget after that.

What also concerns me greatly is how this legislation will impact on the whole transport plan and future investments. That has not been discussed or debated to this point. I have a philosophical view that this is bad policy, and I am pleased to say that the government will not be supporting this bill.

The Victorian transport plan indicates there has been a 40 per cent increase in capacity. People are using the public transport service more, and as the population grows, they will use it even more, so there is an expectation that the level of service will increase. Customer surveys are indicating a 90 per cent approval rating, so obviously people are pleased with the service.

Only last week I was with a number of ministers in Ballarat where Alstom was running off the final order of the seven trains and a number of carriages for both V/Line and the metropolitan service. There is significant investment being made by this government in new trains and new carriages.

We also have to consider the impact of the carbon tax. Of course those on the opposite benches are in total denial about the costs of the carbon tax which will be introduced on 1 July. It has been said that between 2012 and 2015 the cost of the public transport service will be around \$48 million, so obviously there has to be an appreciation in the budget and forward estimates that the cost of the carbon tax will impact on the cost of running the service and that it will also have to be part of that discussion in relation to any fare increases in the future.

I find it strange that Mr Pakula would also criticise the lack or level of investment by this government in relation to infrastructure for train and bus services. It is just so hypocritical given that the previous government let services run down. I will not labour that point, but I will say that this government has invested considerably in train station upgrades. The introduction of protective services officers, which Mr Leane talked about, and the

regional rail link — and it is not our fault that the project was under-budgeted by \$700 million — come at a cost to this government. It needs to recoup that money and also to future-proof the ongoing investment that will be necessary for the regional rail link. There is also, as I said, the increase in capacity of 40 per cent, which equates to about 9000 extra passengers who are starting to use the rail network here in Victoria.

Hundreds of millions of dollars are being invested in extra rail carriages in this area, including \$10.7 million has been budgeted for a new station in the Warragul railway precinct. In my own region \$8.4 million has been allocated for the Grovedale station, which will accommodate the new Armstrong Creek growth area.

What I think Mr Barber should do is concentrate his efforts on trying to support the government in dealing with fare evasion. One in six people does not actually pay to use the public transport system.

Mr Barber — Bring back tram conductors.

Ms Hartland — Yes, station staff instead of PSOs.

Mr RAMSAY — I thank Ms Hartland; I am just coming to that. With the increase of security in and around train stations we are finding a 48 per cent increase in fines, so in fact that investment in security is paying dividends for the government.

We know 13.5 per cent of the population using the public transport system evade paying fares. In my mind this is the area we should focus on. This is the area that I understand the minister is focusing on. It will provide significantly more value in terms of ongoing investment in the public transport system and also accelerating the upgrading of stations, tracks, locomotives and carriages. In my mind this bill sets a very dangerous precedent, and I am happy to see that the government will not support it.

Hon. D. M. DAVIS (Minister for Health) — I will make a very quick contribution here. What a turn-up. We have the Labor Party voting for increased powers in the upper house to introduce tax bills and to make the decision as to how budgets are to be framed. The old Labor stagers would be turning in their graves this afternoon at the idea of the Labor Party and the Greens combining to introduce a new policy that would see tax policy, fares policy and a range of imposts decided by the upper house in the first instance — new budget measures, under Labor, to be introduced in the upper house! I have to say this is a turn-up for the books. It is something that would have the old stagers in the Labor Party turning in their graves.

Equally we have heard from Mr Pakula today that in the Labor transport plan increases in fares on 1 January next year and 1 January the year after were proposed and were in the forward estimates. That is what we heard from Mr Pakula, the former Minister for Public Transport — that the Labor plan included fare increases on 1 January next year and on 1 January 2014. So make no mistake: what is occurring here is Mr Pakula trying to step away from his former position, his former policy.

But the key thing here is we have this new and unusual step. The old Labor stagers would be turning in their graves to hear of the upper house now setting fiscal policy. Civil wars were fought on the right of the lower house to control budget and finance policy in the Westminster tradition, but that is now being turned on its head today by Mr Pakula, Mr Lenders and Mr Barber. We are in new territory. It is unusual territory.

I have always argued for greater powers for this house — greater scrutiny powers and greater powers to have an impact — but the ability to pull down a budget, to work and remove sources of revenue that may be very important for projects in different portfolios has not been part of that proposal or advocacy. But today we see members of the Labor Party on the red benches voting to overturn the tradition and overturn the arrangements that have been settled for a long time that budgets are set in the lower house of the Parliament.

Mr BARBER (Northern Metropolitan) — Tradition might be one thing, but it is no substitute for reading the Constitution Act 1975, and we have read it pretty clearly and are applying it quite well here today.

The government earlier during its point of order basically came out and admitted that a further public transport fare increase of at least the rate of inflation is coming soon, sometime in this coming financial year. Together with the fare increase we have just had on 1 January, that is getting us up into the realm of about a 12 per cent fare increase — triple the rate of inflation — in one 12-month period. My proposition is very simple in terms of what is a fair rate of fares — that is, fares that will collect across the public transport system about a third or so of the operating costs of the system.

Nobody expects public transport to be completely self-funding any more than libraries, footpaths and sewers are. In fact when you compare cities of similar size around the world with a similar public transport system, you see that about one-third cost recovery on your operational costs is a pretty good benchmark. The

New South Wales Independent Pricing and Regulatory Tribunal recently set fares at about that level as well, and I would like to preserve that as a principle. For that reason I think we should have fares rising predictably, at around about the rate of inflation, because they are a very important component of people's household budgets, their decisions about where and how they live in relation to their work and other obligations, and of course their decision to use public transport in the first place versus the car, which is the objective we are trying to achieve, amongst others.

Despite this 8.6 per cent fare increase, or what might now prove to be a 12 per cent fare increase, there was zero increase in the budget in public transport services: nothing for bus, nothing for tram, a tiny smidgin above zero for city trains and nothing for V/Line trains or buses. People who pay fares would be entitled to ask, 'What are we getting for our money?'. Fares are just jacked up by 8.5 per cent, possibly 12 per cent, and services are increased by 0 per cent.

On top of that, we have had a recent Auditor-General's report that says the public transport system, having been run down over decades by a succession of governments, Labor and Liberal, now needs \$3 billion a year of capital on an ongoing basis, out through decades, to meet up with the needs, including the growth that we all seem to be convinced is on its way. Tell me that the government is not planning to collect that entire \$3 billion per year, which itself represents decades of accumulated neglect — the running down of our public transport system — and load all of that now onto fare payers for the next few years.

Those are long-term investments which would be expected to be repaid through smoothing of cash flows over a longer period; that is before we even start to realise our ambition for further expansions to the service, such as up to Mernda and Whittlesea, out to Rowville and Doncaster, for some electrifications that are needed and even for improvements at the latter ends of our rail and coach networks. Clearly we will not be able to address that critical infrastructure problem by just jacking up fares endlessly, because to try to do so would be futile; it would make public transport so expensive that no-one would even want to use it at that price.

That demonstrates that public transport is a perfect example of a public good. A fair fare is where fares recover about one-third of the operating costs, which they currently do here in Victoria. We would like to say that if fare increases are coming down the line, then that should be predictable and around about the level of

inflation. If nothing else, we have found out today that that is certainly not this government's view.

Although it is disappointing that government members will not be supporting my bill to create a fair system of fares, they have at least been open and honest enough to admit that further increases, on par with inflation or conceivably greater, are barrelling down on us. Of course having just increased fares on 1 January, the government was not about to flag that in a May budget. There was no press release accompanying the budget that said, 'By the way, fares are about to go up even more, even though they have just gone up already'.

No doubt when we get to the committee stage of the appropriation bill the minister at the table will have the information at his fingertips that Mr David Davis was not able to provide today. I am sure a great deal of public interest will be aroused, even as a result of this debate and the information that has been forthcoming here today.

House divided on motion:

Ayes, 18

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

Noes, 20

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

Pairs

Viney, Mr	Ondarchie, Mr
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Motion negatived.

MANUFACTURING: GOVERNMENT PERFORMANCE

Debate resumed from earlier this day; motion of Mr SOMYUREK (South Eastern Metropolitan):

That this house condemns the Baillieu government for abdicating its responsibility to assist the maintenance and

development of Victoria's vital manufacturing sector and thereby helping secure associated jobs and notes that —

- (1) this abandonment of Victoria's manufacturing industry is unacceptable and not in keeping with the responsibilities of a Victorian government;
- (2) local manufacturers have received little support and leadership from the Baillieu government despite being under severe stress from the ongoing increases in the value of the Australian dollar to the detriment of Australian exporters and domestic industries competing against imports;
- (3) full-time Victorian manufacturing employment has decreased by 6800 positions since the Baillieu government was elected into office;
- (4) full-time manufacturing employment in Central Highlands, Wimmera has fallen by 14.2 per cent and full-time manufacturing employment in all Gippsland has fallen by 19 per cent since the Baillieu government took office;
- (5) part-time Victorian manufacturing employment has increased by 9000 positions since the Baillieu government took office, thus indicating thousands more manufacturing workers are now employed in precarious manufacturing jobs;
- (6) the Australian Industry Group and PricewaterhouseCoopers Australian performance of manufacturing index (PMI) for Victoria has been in a state of contraction for a significant period of that time the Baillieu government has been in office; and
- (7) private investors have lost confidence in the Baillieu government, with private investment in manufacturing falling by 26.9 per cent, private investment in infrastructure falling by 7.5 per cent and private investment in equipment falling by 3.3 per cent in the March 2012 quarter.

Ms TIERNEY (Western Victoria) — I rise to support Adem Somyurek's motion before the house today, which deals with the state of manufacturing in this state. In particular it calls on the house to condemn the government's abdication of its responsibility to assist the maintenance and development of Victoria's vital manufacturing sector and thereby its abdication of its responsibility to help to secure associated jobs. It then goes on to note seven specific elements. My comments on the manufacturing industry will be particularly focused on the automotive industry.

The house would be aware that Victoria is at the very epicentre of the automotive industry in Australia. Until recently some 50 000 people were employed directly and hundreds of thousands of people were employed indirectly. It is an industry that I think all of us can be proud of. It is an industry that is at the very centre of our economy. It has been the driving force for exports, innovation and research and development. It has been

acknowledged globally as an industry for nations to aspire to. This is why I have been waiting patiently for the government to acknowledge the extraordinary circumstances confronting the industry, particularly in the wake of the global financial crisis (GFC).

Not a week goes by without yet another parts supplier announcing that it has gone into receivership or administration. Almost daily car manufacturers are announcing further down time. For those on the other side of the house who are uninitiated in the automotive manufacturing industry, that means that those manufacturers are announcing even more days on which employees do not work — that is, non-production days — and so there are shorter working weeks. The flow-on effect of these non-production days is that they reduce the income and entitlements of those who work in the car manufacturing sector. They also impose savage cuts on the living standards of those who work in the component supply network.

The flow-on effect also means that with less volume, the parts supply industry struggles to have scale to operate efficiently and deliver the cost savings required for the industry to be competitive against imports. In short, it is a vicious cycle that continues to deplete the well-known resilience of this great industry. But of course the government and the minister would be familiar with all of this. I would hope that they would be familiar with all of this. It was only a few years ago that the automotive industry was a standout of the Australian economy. In 2010 it represented just under \$4 billion worth of value for components sourced locally, and in 2008 — that is, before the GFC — around \$5 billion worth of export value to our economy.

Given these statistics it is bizarre that almost nothing has been done by this government in a policy sense to recognise the current plight of our manufacturers. Sometimes I just ask myself if the Parliament is actually missing something. I do not think so. Has there been a recognition by the minister that this government has a responsibility to grow employment through the direct intervention of industry policy? I do not think so. I ask: what has the government done? Essentially all I can say is: not much.

When I listen to ministers in this place, primarily at question time, when there are questions posed to them on the manufacturing industry, they seem to try to give an indication that they empathise. They seem to give an indication that they understand what is going on, but essentially they whine, shift blame and do nothing in terms of creating policy to help. There is a truism in the

old saying that they give everything short of actual assistance. Essentially, when you look at it, I think the record of this government over the last 15 months has been an embarrassment. The minister himself consistently expresses support for the manufacturing industry, and particularly the car industry, but again he has not delivered anything.

When it comes to being in the driver's seat of manufacturing in this state this government is consistently rendered irrelevant by the industry, and that is because this government is so big on talk and delivers so little. For example, where was the government when APV, a key supplier to all the car companies in Victoria, was going into receivership? Where was this government when CMI was facing closure? It was nowhere to be seen. It is almost like that TV show *Get Smart*, in that when an important decision has to be made, members of this government withdraw into the cone of silence. At this point we can be absolutely sure that practical, pragmatic decision making is guaranteed to be excluded. There is nothing smart about the outcome that the government has arrived at, and it does not have a chief to fall back on, because its leader simply refuses to be accountable on any subject.

Let us have a look at the so-called policies that this government has provided to this industry. The first one is that it introduced a cut on sales tax on all non-locally manufactured vehicles. Let me just emphasise that point — that is, non-locally manufactured vehicles. The mum-and-dad vehicles — the Fords, the Toyotas and the Falcons, our bread and butter — were placed and are placed at a competitive disadvantage. It is the equivalent of a state-based tariff against its own product. This added to the already existing problems of competitiveness domestically and demonstrated that the cone of silence policy is clearly divorced from all possible sensible policy formulas.

Then we come to policy no. 2, and the fact is that the government does not have one. There is nothing. Instead this government has a vacuous hollow shell. It is pretending that it cares or has something to offer, but its tenure so far has demonstrated that the opposite is entirely the case. I have to say that what is incredibly worrying to me about this government is its total lack of understanding of manufacturing. The minister says that he believes that lean manufacturing will be the saviour of the industry. It is sad that he seems to hail the process as something new. Lean manufacturing is the cornerstone of every car industry manufacturing process and has been around for 30 years. The major authority on lean production is a book called *The Machine That Changed the World — The Story of Lean*

Production. It was published in November 1991 — about 21 years ago.

Mr Ondarchie — Have you read it?

Ms TIERNEY — Yes, I have. Not only that, I can give you a practical run-down on exactly how the Federation of Vehicle Industry Unions worked together with academics and the industry to determine how the Australian industry could bring about a change. I believe we were quite successful.

The Machine That Changed the World, a book that was published 21 years ago, was based on work carried out by the Massachusetts Institute of Technology. It was a \$5 million project and a five-year study on the future of the automobile involving a groundbreaking analysis of the worldwide move from mass production to lean production. It drew on the in-depth study of the practices of 90 automotive assembly plants in 17 countries and interviews with individual employees, scholars, unions and government officials. The authors of this compelling study uncovered the specifics of manufacturing techniques that were behind Japan's success.

Of course we brought those techniques to our shores some time ago. I do get a little bit panicky when I hear the Minister for Manufacturing, Exports and Trade in this state come into this chamber and explain lean production as if it is something new and exciting that we all need to know about. It has been embedded in our industry for decades.

It is good for the minister to actually catch up on what has been happening in the industry for so long. It is really important that he does do that so that when he goes to meet with representatives of this industry, when they have interactions at the cocktail parties with finger food, he can converse with them and not feel entirely foolish. But then again, who knows what he will feel? Heaven forbid that he will ever have to address issues like lean manufacturing processes or work organisation in the car industry. Essentially it would be a bridge too far, and it is an issue that I have with this government in terms of its limited capacity to do the right thing in respect of the manufacturing industry — but I digress!

Government members have said many times that they support lean manufacturing as the saviour of the industry. How many times have they hitched their credentials to this wagon? They would have us believe that they are genuine in their position, but of course, as with everything, what they do is the reverse. If they were real in their caring, they would not have allowed the savage cuts to TAFE and the impacts that those cuts

will have on manufacturing and the car industry. The government has cut the courses that were available to all the retrenched workers. As a result of job losses in the car industry, all the workers needed for a vital and changing economy are moving into transition. Government members' caring qualities are in deficit.

Honourable members interjecting.

Ms TIERNEY — Those on the other side might disagree with what I say, but the facts remain. Nothing I have said defies the facts of what has been happening in this industry. Members of the government have sat back and essentially done nothing. We all know that with the high dollar and currency issues exports of our locally produced products are in difficulty, but that does not provide any government with an excuse or a cover for doing nothing.

There are many things a government can do to create and facilitate an environment that provides support for the manufacturing industry. There are interventions such as the one that I understand happened with the Hastie Group, whereby the plumbing division of the Communications Electrical Plumbing Union (CEPU) was able, with the assistance of Bill Shorten, the federal Minister for Employment and Workplace Relations, to maintain the employment of 600 plumbers. That is 600 jobs retained in the system.

Where have we seen that sort of initiative from this state government when a company has been in trouble? We have seen no active involvement whatsoever. Government members are happy to sit back, or is it that they are just forgetful and do not pick up the phone? Are they clumsy, or are they just plain ignorant of what is going on out there on the shop floor? I do not know. I think it is probably a combination of all those scenarios. What I do know is that this is a government that has a hands-off policy. It is a government that has no policy when it comes to manufacturing in the car industry.

This government is not inclusive in the way that it approaches industry. Its members do nothing; they do not talk to key players involved in the automotive industry. Members of this government pick up 30-year-old manufacturing production systems and still cannot recognise that they are not necessarily cutting edge in 2012. Of course workers and their representative unions are absolutely disregarded, but that remains par for the course in the way that government members conduct their business.

To comment on this government in relation to manufacturing, I would say that its members' default position is lacking to an absolute degree. When we

question government members about what they are doing in this space, their default position, time and again, is that ‘Labor just wants to talk down the industry’. That is the furthest thing from our minds, because Labor knows that a healthy manufacturing industry means jobs, and jobs mean that families have food on the table and their children get the right to have opportunities in education and in health. It is the reverse for this government.

Labor knows all parts of the manufacturing industry and all of its contributors. Labor knows how the industry operates and how it works, and we know what interventions will assist the industry. Labor knows the critical importance of the ongoing challenges in manufacturing. We know there is the constant need for greater competitiveness and efficiency — they are the constant drivers — but innovation is the key. Whether it be in new and enhanced manufacturing processes, alternative fuels or weight reduction in vehicles, innovation has no boundaries. It is Labor that is inclusive and that pulls all parties together to get the job done and make sure we continue to make things in this country.

The manufacturing industry in this state deserves better from this government. It deserves more, and so do all those people employed in automotive manufacturing, automotive components and the wider general manufacturing sector. Now is really the time for the government to get on with the job. We need a minister who is on top of his portfolio, and we need policies that deliver to an industry that is doing it incredibly tough and deserves better. I implore those on the other side to get their heads around manufacturing and to get on with doing something about it.

Mrs PEULICH (South Eastern Metropolitan) — I have a few minutes to take us through to the end of this debate. I think the fact that this debate is on the agenda is interesting. It ought to be seen for what it is — that is, an admission by Victorian Labor that its members have lost confidence in the federal Labor government’s policies. This is an attempt by Labor to save its base. Workers are suffering as a result of federal Labor’s policies and as a result of some broader international factors that obviously impact on our national economy as well as that in Victoria, and they are going to be suffering more under federal Labor’s toxic carbon tax. We have all seen the media coverage, and Deloitte Access Economics has calculated the impact of the carbon tax on Victoria. This is Labor basically trying to save its own furniture.

Opposition members know that federal Labor has lost the house, and through this motion the state Labor Party

is trying to portray itself as a friend of the manufacturing sector, as a friend of industry and therefore as a friend of jobs. Opposition members know that their own constituencies are going to hurt and hurt a lot, but those constituencies are going to hurt a lot more. The very fact that a compensation package is being introduced concurrently with a carbon tax is absolute proof that this tax will cost people. It is going to cost people more, and it will have a cumulative effect — a snowball effect. All those rising costs that ordinary workers and ordinary families will suffer will be largely a result of national leadership and of the imposition of a carbon tax at a time when this nation least needs it.

This situation will be as a result of the ongoing policy failings of the Victorian Labor Party as well. We see this day in, day out. We see it played out in the all-party committee work that is being undertaken. The member who has just sat down was there on her soapbox drawing on her union background, but if anyone wants to know what Victorian Labor stands for, they should just go and read one of the reports that the member tabled in this chamber. I refer to the Environment and Planning References Committee’s report on its inquiry into environmental design and public health in Victoria, in particular the minority report. I suggest they have a look at the motions and recommendations — —

Ms Tierney — On a point of order, Acting President, in relation to relevance, the member is referring to a report tabled on an issue that has nothing to do with manufacturing.

The ACTING PRESIDENT (Mr Ramsay) — Order! I do not uphold the point of order.

Mrs PEULICH — Most of those recommendations have neither been tested by the Labor chair and the Labor dominated committee, nor costed in terms of its impact, its costings and its impact on the state budget. That shows an ongoing recklessness by Victorian Labor and a failure to take stock of its own policies.

Ms Tierney — On a point of order, Acting President, the member has continued to speak on a report that, as I have just said, does not deal whatsoever with manufacturing. The member has spoken on it since my last point of order, and I ask you to call her back to the business at hand.

Mr Ondarchie — On the point of order, Acting President, I think you have already ruled on this matter, and the further point of order by Ms Tierney is reflecting on your ruling.

Mrs PEULICH — On the point of order, Acting President, what I am attempting to establish is the lack of regard for fact, the lack of regard for cost, the lack of regard for the implications of other policies on the manufacturing sector and on the capacity of Victoria to invest in infrastructure and its impact on jobs. All those matters are relevant.

The ACTING PRESIDENT (Mr Ramsay) — Order! I have already ruled on the point of order. I maintain my previous ruling. I say to Ms Tierney that from what I have heard while in the Chair, debate on this motion has been quite far reaching. I gave Ms Tierney a fair bit of licence during her contribution. Mrs Peulich has been speaking less for than 3 minutes and is referring to a report. I again rule that I will allow her to continue, but I ask her to be brief in her referral to the report and to bring her contribution back to the motion.

Mrs PEULICH — The point I was making was that this motion is Victorian Labor's apology to Victorians and the concrete proof that it has lost confidence in the federal Gillard government's ability to uphold its base vote from the people it pretends to represent. Labor portrays itself as somehow being the friend of manufacturing, the friend of industry and therefore the friend of Victorian families. Nothing could be further from the truth, because we know, for example, that in the 50-minute contribution from the opposition's lead speaker — and I have a lot of regard for Mr Somyurek, his political activity and his intellectual capacity, but I also understand that he is hamstrung by Labor policy — he never once mentioned the words carbon tax.

When we are talking about the manufacturing sector we should take into account that in my electorate of South Eastern Metropolitan Region, which is also Mr Somyurek's electorate, there is a significant tract of manufacturing that spans from Moorabbin, through Braeside and Hallam. Mr Somyurek well knows that at any gathering of members from the local businesses and industry, small to medium size businesses and manufacturers, the topic on their lips above many others is the carbon tax.

They are concerned about rising costs and the loss of jobs. Many of them are being tested by broad factors such as the high dollar, the lack of national leadership and the eurozone crisis. They are concerned that they will go to the wall. The carbon tax will throw many of them to wall, and we have seen companies and businesses shed jobs, regrettably, because there is a lack of certainty and they are concerned about the impact of the carbon tax.

I remind the house about the report by Deloitte Access Economics — which is a leading economic consultancy — titled *Modelling the Clean Energy Future Policy*. It demonstrated that by 2015 there will be 35 000 fewer jobs than would have been the case without a carbon tax. Investment will be down by \$6.3 billion or 6.6 per cent. Per capita income will be lower by more than \$1050, and the Victorian state budget is predicted to be almost \$660 million worse off.

We see that being played out in so many ways. Every ratepayer and every household will feel the impact of the carbon tax, which is a key issue of interest to manufacturers. Every council is adding approximately 1.5 to 2 per cent to their rates as a way of providing for the increased costs as a result of carbon tax. That will be felt by everyone, householders and businesses alike. It will have a cumulative effect. The analysis by Deloitte Access Economics clearly shows that Victorian households and businesses will face costs as a direct result of the Gillard government's carbon tax that will keep on increasing year after year. The fact that it has introduced a compensation package — none of which will offer benefits to small business — is evidence of the federal Labor government's admission that this tax will hurt.

In the debate on this motion it was extraordinary that someone could spend 55 minutes talking about the subject of manufacturing and not mention the words carbon tax. Whether it is tens of thousands of fewer jobs by 2015, the billions of dollars less in investment, the more than \$1000 less in income per person or the hundreds of millions of dollars ripped out of the state budget, the Gillard government's carbon tax will affect all Victorians. There are those who may be compensated, but the cumulative effect, the snowballing effect, will mean many will not get that compensation.

The Deloitte Access Economics report also highlights the devastating impact of the Gillard government's carbon tax on regional Victoria, and that is of particular concern. By 2015 there will be 1600 fewer jobs in the Barwon area, 1250 fewer jobs in Gippsland and over 1750 fewer jobs in Bendigo, Ballarat, Ararat, Bacchus Marsh and Gisborne, and yet Labor member after Labor member has put their hand on their heart and said that they are the friend of the manufacturing industry and manufacturing jobs.

The Deloitte Access Economics model replicates the economic modelling undertaken by the Gillard government. We have seen this government attempt to offset some of that. The most important way is by protecting our AAA rating, and this budget delivers it.

A distinct decision was made to invest in infrastructure in order to prop up jobs and economic activity. Recently we saw a Labor government in South Australia have its AAA rating downgraded to AA, and our industry and manufacturing sector does not need that.

With the recent budget announcements some initiatives were specific to manufacturing above the overall budget. It is a very responsible budget in a very difficult and challenging economic environment. The budget for South Eastern Metropolitan Region is an outstanding one, and I look forward to talking more about it in the appropriation debate, which is yet to come. We had a very good deal out of the budget for a region which had 10 years of neglect under Labor.

More specifically I would like to mention some of the manufacturing initiatives announced as part of the budget. There is support for manufacturing to meet challenges like the high Australian dollar that we know has an impact on that sector, as well as the carbon tax. We have announced \$24.8 million for investing in a manufacturing technology program, which will provide grants of up to \$250 000 on a competitive basis to help manufacturers acquire and integrate new technologies. That is a really important initiative. Some \$7.5 million has been set aside for the manufacturing productivity networks initiative, and we are supporting a new specialist manufacturing service with \$13.7 million for the delivery of a program of practical services that will help business open up new markets. A further \$9 million commitment has been made for a building innovative small manufacturers program.

Through all the work undertaken by my colleague the Assistant Treasurer, especially in his field, and by others, including all-party committees, the focus has been on jobs, industry and business, because we know these are the drivers of prosperity and jobs, and that means the wellbeing of families.

Mr Somyurek mentioned a report on a very important inquiry into greenfields mineral exploration and project development in Victoria by the Economic Development and Infrastructure Committee that was recently tabled in the Parliament. I had the pleasure of being involved in that. The inquiry showed the absolute maze of red tape and regulatory burdens that have hamstrung mineral exploration and mining in Victoria, preventing Victoria from utilising what is essentially a good story in relation to prospectivity.

I have praised the constructive contributions of two Labor members on that committee, Martin Foley and Wade Noonan, respectively the members for Albert

Park and Williamstown in the Assembly, as well as the committee chair, Neale Burgess, the member for Hastings in the Assembly, in attempting to make some recommendations as to how we can capitalise on Victoria's prospectivity going into the future.

Business interrupted pursuant to standing orders.

STATEMENTS ON REPORTS AND PAPERS

Kangan Institute: report 2011

Mr LEANE (Eastern Metropolitan) — Today I wish to make a statement on the Kangan Institute 2011 annual report. There has been a bit of focus recently on Kangan TAFE around its Auslan diploma course in signing and interpreting, which it provides to both deaf and able hearing students. This diploma includes intensive language learning from qualified, experienced deaf teachers and able hearing teachers. The course also goes into the history and culture of the deaf community in Australia.

The course trains in the Auslan dialect particular to Victoria. It is a language like any other language and it has its different dialects in different areas. It was explained to me that there are variances from state to state. For example, the same sign for 'hungry' in Victoria means 'horny' in New South Wales. You can understand that the use of signage and the understanding of different dialects can be quite confusing, and it is important that there is an understanding, particularly around that issue.

Because of the recent TAFE cuts implemented by the Baillieu government there has been concern that this particular course at Kangan will no longer be available to the deaf community in Victoria. The importance of having well-trained Auslan interpreters, especially in the Victorian dialect, is self-explanatory. There are some things that should be considered but may not be: members might be lucky enough to see an Auslan interpreter at a show they are enjoying so that deaf people are able to enjoy the same show. Interpreters have been involved in entertainment events for many years, and it is fair that people with a lack of hearing have the same opportunities to be entertained at great events.

There has been a push to retain and fund the Auslan course at Kangan, and some of the expectations that perhaps the Deaf Society of New South Wales might come down to Victoria and run a similar diploma course have proved to be incorrect. Kangan TAFE does

not run a course in Auslan anywhere on the eastern seaboard.

It is interesting that people come from other states, including New South Wales, to this state to be trained at Kangan for the Diploma of Auslan. This is a unique frontrunner course for teaching Auslan for interpreters for the deaf, and it is important that it is maintained.

It is also important that it is maintained because a number of the teachers are hearing impaired or deaf themselves, and they have carried out their role of training interpreters for many years. If the training course ceases in Victoria a sad by-product will be that these deaf people will not have a job, and because of their particular expertise the prospects of them picking up another job are very slim. It is of grave concern to them and to the deaf community. I am encouraged that Minister Hall, the Minister for Higher Education and Skills, said he would do what he can to work in with the community to make sure the course stays in Victoria. I am sure that with the community and Mr Hall they will find a way.

Community visitors: report 2010–11

Mrs COOTE (Southern Metropolitan) — I have a great deal of pleasure in talking on the community visitors annual report for 2010–11. At the outset I would like to put on the record my praise and acknowledgement of the combined boards of community visitors under the excellence guidance of Colleen Pearce, who is the chairperson of the joint committee of the combined boards. On the boards are Dave Parker, Sophy Athan, Patricia Guglielmino, Dawn Richardson, Carol Morse and Ruth Hoffman. I have attended the meetings on a regular basis and would like to thank those people for the information they have shared with me and the knowledge they have imparted to me.

In the annual report the community visitors raise a number of issues for the attention of the Minister for Community Services, Mary Wooldridge, many of which have already been addressed. I would like to alert the chamber to government funding on this issue for the Office of the Public Advocate and community visitors for the 2011–12 period.

There has been funding of \$11.1 million — \$44.4 million over four years — for the Supporting Accommodation for Vulnerable Victorians Initiative to become an ongoing initiative as of June 2011; \$2.2 million over four years for the oral health capacity building initiatives for SRSs (supported residential services), which forms part of the broader oral health

capacity building initiative; \$26.9 million over four years to meet the growing demand for community clinical mental health services; a \$4 million total estimated investment for capital funding for modification works to improve conditions for women in mental health care; a \$500 000 total estimated investment to respond to the need for urgent capital improvements in mental health inpatient units; \$11.8 million over four years for reform and development funding for the psychiatric disability rehabilitation and support service sector; \$8.3 million over four years to meet the growing demand for psychiatric disability rehabilitation and support services and home-based outreach support services; \$3.2 million over three years for the development of a new innovative model of housing to support people with a mental illness in the community; and \$890 000 over four years for a dedicated housing officer in two areas of mental health services.

In addition, one of the recommendations in the ‘Disability Services’ section of the annual report, as stated on page 62, is that the state government:

involves all stakeholders in the development of the new state disability plan and sets the highest possible standards for achieving social justice and equality for people with a disability.

I am very pleased to say that last week the Premier, the Honourable Ted Baillieu, signed off on the draft state disability plan, which I have had a great deal to do with. I would have to suggest it is building upon the first state disability plan, which was established by the former Labor government. Minister Mary Wooldridge said, rightly, that she was going to build upon good programs, and much of the original state disability plan was a very good idea.

However, this plan will comprise three major areas. One is the strategic approach of looking at all the departments involved with disability — education, housing, health, community services — and dealing with all these organisations together and coming up with a strategic plan, which will be put out by January next year, 2013. The draft that has just been established will go right around the state, and people — all stakeholders — will be encouraged to come and speak to and be engaged and involved with the implementation and development of the plan. We will then come up with a comprehensive program of implementation, which will be included with the state plan. The part that has been lacking from the original state plan by the former government has been the monitoring element. The monitoring element will be reinforced in this state plan, about which I am certain community visitors will be particularly pleased.

For example, the last plan suggested that each department should have a disability action plan (DAP) for the employment of people with a disability. Yes, most departments have a disability action plan. However, very few people have been employed under those programs. We will do an audit of the DAPs to make quite certain that we know where they are and conduct an enhancement and ongoing monitoring program to make quite certain that everything that is put in this state disability plan is actually monitored very constructively.

Gordon Institute of TAFE: report 2011

Ms TIERNEY (Western Victoria) — I rise to speak on the 2011 annual report of the Gordon TAFE in Geelong. Last year, 2011, was a very successful year for the Gordon. It was a year in which the Minister for Higher Education and Skills, Peter Hall, launched the new three-year strategic plan. That is outlined on pages 23, 24 and 25 of the report. It provided a vision for the Gordon to be the first choice and to be a leader in the education market. The Gordon was going from strength to strength, and the launching of its strategic plan was done with great confidence. Nowhere on the horizon were there to be seen the \$14.6 million worth of cuts that were about to take place to the Gordon in Geelong.

It is particularly unfortunate that the cuts have been announced in the year that the Gordon has been celebrating the anniversary of its 125 years of existence in Geelong. As one businessperson said to me at a business luncheon last week, 'It's been great being with people celebrating 125 years of the Gordon in Geelong, but when it comes to the speeches they seem quite hollow since the announcement of the cuts in the state budget'.

There was a rally in Geelong last Thursday, and it was reported that over 1200 people were there. There has been significant support, and no-one in the house can say that that has not been the case. Our local daily newspaper has been covering it fully and in great detail. It is little wonder, because the Gordon has a special place in the hearts of people in Geelong. It is seen as the core of the provision of education to those who do not necessarily want to, or cannot, go on to university. It provides a whole range of courses that are essential for the local Geelong economy. It is pivotal in many ways in people being able to take extra steps. It has a great and very proud tradition that goes back, as I said, 125 years.

What is now happening at the Gordon is that the strategic plan that was launched with much gusto is, as

I understand from meetings I had with people there last week, completely inoperable. Management is going through a very detailed process of looking at the courses, what the possibilities are, possible cross-funding — a whole series of considerations that it is now being forced to make. In the meantime the staff are in limbo; they do not know what will be happening to them. Students do not know what will become of their courses — although the other day I heard from someone that they had just got an email saying that as of that day their course was not continuing.

Business leaders have continually provided testimonials praising the Gordon. They have expressed concern about the cuts, because they have recruited employees who have done courses at the Gordon, or they have sent employees to the Gordon for further skills and upskilling. When the minister has been asked questions about this in question time over the last couple of weeks he has used words such as refocusing, greater alignment, specialisation and fit for purpose in terms of dealing with the TAFE system. All I can say is we know in the end that means staff will be sacked and courses will be cut, and the Gordon's capacity to engage in the wider community will be completely diminished. As I interjected yesterday, I say to the minister that he simply cannot sanitise the sackings that are going to occur at the Gordon.

It is a great institution, and it deserves to be talked up. It deserves to be treated better. Its students, its future students, its staff and its board of management all deserve to be treated better. What can you say about a situation that leads an institution to having to dump its strategic plan? This is a badly managed decision by this government, and it will have enormous ramifications on the community as a whole. The Gordon is involved with a whole range of organisations, and they are going to be poorer for not being able to participate in deliberations that benefit Geelong.

Environment and Planning References Committee: environmental design and public health in Victoria

Mrs KRONBERG (Eastern Metropolitan) — I rise to speak on the Legislative Council Environment and Planning References Committee report on its inquiry into environmental design and public health in Victoria. It is dated May 2012 and is the first report from the committee. From the outset I would like to put the report into context. I have to say that I think everybody started out with the best of intentions to make this a workable model for such an important reference, but it all came unravelled as reports started to be consolidated

and attention was drawn to the direction being set by the recommendations.

This report exemplifies a lost opportunity because of some really basic facts. They might sound a little bit arrogant, but the track record of coalition governments is that we know about business. We know about providing a sound economic basis. We also know about the realities of making workable and sustainable recommendations — that is, they do not come from cloud cuckoo land. I, along with my colleagues from the government side — Mrs Peulich in her capacity as deputy chair, Mr Craig Ondarchie and Mr Andrew Elsbury — worked very hard to inject some wisdom and objectivity into forming a sound basis for making decisions around these recommendations. Importantly, that involved pointing out that about 50 per cent of the recommendations were totally unworkable, certainly unsustainable and they did not establish a good model for the workings of such committees. Therefore I come here with my report on this, crestfallen, dismayed, disappointed and thinking about what might have been.

During formal hearing processes the committee heard testimony from 31 organisations or individual witnesses, and it received 63 submissions overall. I think one has to point out the reasons and the rationale for the robust language that was used in the minority report — and each of us stands squarely behind that — because that lays out in unambiguous language the problems encountered by the government members as we strove to find a common meeting ground. This was very difficult, and in fact it was rare that this was achieved. We were attempting to formulate sound recommendations without rancour for an inquiry of great importance to the health and wellbeing of Victorians. That is why I am disappointed, because this was a particularly important turning point for bipartisan outlooks and sharing. However, it also highlights the fact that Labor has not learnt anything from its poor performance in government, and perhaps it never will.

To those taking note of my comments today, I suggest they examine the record of voting on the recommendations, as more than half of the recommendations of the majority report, either in whole or in part, were passed by the casting vote of the Labor chair. That is a desperate move and exemplifies the schisms that occurred on a regular basis. Often we had to contend with loosely worded or imprecise motions — things on the back of an envelope. Recommendations had not been considered in terms of their cost impacts and the shifts in resources required. Recommendations were formulated without consideration of the practical implications for the government of the day, of any political persuasion.

There are no surprises really; this is classic behaviour by the Labor opposition, especially when looked at through the skewed, distorted lens of left-wing ideologies.

What a sad indictment it was. There was an opportunity for it to have been a model for developments based on the enhancement of the health and wellbeing of residents. The report cites some case studies as examples. Again, it depends which lens you look through, but if you are informed and understand the workings and connections between local government, what people might want to achieve in their individual electorates and so forth — particularly if they are not getting good press — you can see that the choices for site visits were squarely driven by individual political agendas. This is where we had a suspension of objectivity and professional conduct.

We saw an example. We are ably supported by people in the city of Greater Geelong. There was a visit to Armstrong Creek to see how things are going to be done in future developments. The thing is that the Armstrong Creek project was one that was planned over a 25-year horizon, and it is a bare paddock with a few signs.

The ACTING PRESIDENT (Mr Ramsay) — Order! The member's time has expired. In fact I think she got an extra minute or so; we did not start the clock until about a minute into her presentation.

Auditor-General: Performance Reporting by Local Government

Mr ELASMAR (Northern Metropolitan) — I wish to comment on the Victorian Auditor-General's report titled *Performance Reporting by Local Government* of April 2012. I read this report with interest. As a former metropolitan local government mayor and councillor I was intrigued as to how well local government councils were dealing with increased accountability processes that have been ongoing since 2000. In my view the report is like the curate's egg: good in parts. There appears to be a singular pattern of inadequacy — though not a total lack of transparency — and a muddling of what is required by local councils regarding the transparency of their financial accountability to their ratepayers.

Ratepayers are interested in how their money is spent and what value it brings to their neighbourhood. In the case of social services to the elderly and the very young, assurance is needed that vital programs are being delivered not only on time but in a financially responsible and efficient manner. The report indicates

poor strategic planning and ineffective management of community programs across all 10 councils that were the subject of this report. In terms of their performance reporting to their communities, most councils, if not nearly all, were found wanting. Weaknesses were evident in the monitoring processes established to gauge the effectiveness of community projects and programs.

It is true that local government provides a huge array of social programs to the community. Even 20 years ago these programs would have been unthinkable or most likely unaffordable for local councils. A plethora or multiplicity of grant moneys made available over the years by federal and state governments to councils for social services has seen subsequent federal and state government cutbacks and dwindling resources for these essential services.

However, the community still expects the council to continue to provide, at a low or affordable cost, those services they have become used to. All in all local councils are struggling to provide clear processes of performance measurement, but it is their responsibility to provide a clearer and more accountable model of efficiency for their communities.

Victorian Law Reform Commission: sex offenders registration

Mr P. DAVIS (Eastern Victoria) — I would like to make a few remarks concerning the Victorian Law Reform Commission's report on sex offenders registration. The Attorney-General referred to the Law Reform Commission a review of the registration of sex offenders under the Sex Offenders Registration Act 2004. As the report says, a review by the Ombudsman revealed that Victoria Police had not informed the Department of Human Services of more than 300 registered sex offenders who were living with children or who had unsupervised contact with them. I think it is relevant to observe that the act took Victorian law into the largely uncharted territory of preventive response to sexual offending.

The purpose of the act is to require certain offenders who commit sexual offences to keep police informed of their whereabouts and other personal details for a period of time to reduce the likelihood that they will reoffend, to facilitate the investigation and prosecution of any future offences that they may commit, to prevent registered sex offenders from working in child-related employment and to empower the police ombudsman to monitor compliance with part 4 of the act. In summary, the purpose of the act is to prevent child sexual abuse.

What is staggering to me is that the number of registrations is significant. With approximately 4000 Victorians on the register, the question that arises is: what impact has the legislation had on the protection of the public from sexual assault? It is clear that there has been growth in the number of people registered each year of approximately 500. That, predictably, will lead to some challenges in administration. As of 1 December 2011, 711 of the 2830 registered sex offenders who were living in the community faced lifetime reporting obligations. Another 1178 were required to report for 15 years, while 912 registrants were required to report for 8 years.

The Victorian Law Reform Commission believes that the current reporting periods should be reconsidered, because they are producing spiralling workloads for Victoria Police and the Department of Human Services without any evidence of the benefits that such lengthy registration produces. I say therefore that we need to take a serious look at the burden of this registration process and more importantly at what the benefits might be. As at 1 December 2011, 4165 people had been placed on the register since the commencement of the scheme, and at the current rate of increase there will be approximately 10 000 registrants by 2020.

What was interesting to me in regard to this report was whether or not the information provided with the registration was of value and what we should do about this in an ongoing sense. My commentary on this was informed in part by comments made by Professor Paul Mullen. I think I can summarise his view, which is that a great deal too much effort is being put into process as opposed to outcome, that 80 per cent of resources are currently devoted to managing the register and are directed to those who present no increased risk of offending, that there could be much more effective outcomes if there were a program to identify those who are at serious risk of reoffending and that there may be only a couple of hundred people on the register who have a high probability of reoffending and causing problems in the future.

Further in relation to this report, there is a question arising as to whether we should be in a position of concluding that families should be informed in relation — —

The ACTING PRESIDENT (Mr Ramsay) — Time!

Economic Development and Infrastructure Committee: greenfields mineral exploration and project development in Victoria

Mr SCHEFFER (Eastern Victoria) — The final report of the Economic Development and Infrastructure Committee's inquiry into greenfields mineral exploration and project development is to be commended. Issues relating to mining exploration and development are increasingly generating public debate, not least in Eastern Victoria Region and in particular the Latrobe Valley, which, as the report reminds us, holds a massive 69 million tonnes of fossil fuel resources that at current production levels could supply Victoria for some 500 years into the future. However, because of its high moisture content and level of carbon dioxide emissions, brown coal will become less competitive under a carbon price regime, which is important to reducing greenhouse gas emissions.

The Minerals Council of Australia told the committee that there were good prospects for the Latrobe Valley to become a site for so-called clean energy technologies such as carbon capture and storage, electricity cogeneration and transforming coal into diesel, methane, ammonia, urea, coal char and dried coal. However, the Construction, Forestry, Mining and Energy Union (CFMEU) told the committee that both the private and public sectors were timid and half-hearted about making investments in new carbon capture and storage plants. Friends of the Earth cautioned against investment in coal and instead promoted increased investment in facilities that promote energy production from renewable sources that would not so heavily compromise the agricultural use of farmland.

The Latrobe City Council pointed out that \$3.8 million, or 21.2 per cent, of the gross regional product is derived from value adding by electricity generation. It said that for every 10 jobs in the coal and electricity sectors a further 8 indirect jobs were created. Latrobe City Council urged the government to use these new technologies for the responsible development of the valley's brown coal. There is a level of agreement between the CFMEU, the government and industry that if there is a future for Victoria's coal resources, this is where it will be.

The final report includes a brief discussion on coal seam gas, and this is primarily a Gippsland issue because, as the report says, the four major gas fields are in the Gippsland Basin, with the Otway Basin containing considerably smaller gas deposits. As I understand it coal seam gas is trapped in black, not brown, coal deposits, and this is the reason exploration

is going on in South Gippsland and the Bass Coast areas — because that is where the black coal deposits are. Mr Mark Wakeham from Environment Victoria is quoted as saying that coal deposits mostly mirror agricultural land, that there are bound to be tensions between producers of agricultural products and mining interests because of this and that it is important to have these potential conflicts soundly and justly managed.

The most surprising thing is that we have here a multiparty committee with a coalition majority that has had to recommend, on the basis of the evidence, that the government should establish an appropriate process to enable open consultation with stakeholders, including local communities, for issues regarding future coal seam gas exploration and development. I note that Minister O'Brien, the Minister for Energy and Resources, made a statement about that this morning, I think. The wording of the committee's recommendation is almost exactly the same as a motion that the opposition moved in this chamber a few sitting weeks ago, which government members rejected.

The last matter I would like to mention is the issue that Wade Noonan, the member for Williamstown in the Assembly and a member of the Economic Development and Infrastructure Committee, pointed out in the Legislative Assembly regarding evidence that problems within the Department of Primary Industries are hampering Victoria's ability to attract new exploration. Mr Noonan said in his statement in the Legislative Assembly that the committee received indications during a hearing that DPI lost expert scientific staff during the first year of this government's administration and that consequently research capacity was diminishing at an alarming rate when compared to the period of the Brumby government. Mr Noonan obtained through FOI a copy of a staff survey that clearly shows that there are major strategic and planning problems within the earth resources development division of DPI and that the minister needs to step up to explain what is happening and how he is going to fix yet another problem precipitated by this government.

Overall this is a good report, and I commend the committee and the research team, led by Sean Coley, on the good quality of their work.

Environment and Planning References Committee: environmental design and public health in Victoria

Mr ELSBURY (Western Metropolitan) — I rise this afternoon to speak to the report entitled *Inquiry into Environmental Design and Public Health in Victoria* —

Final Report of May 2012 by a Legislative Council standing committee, the Environment and Planning References Committee. Unfortunately what could have been a very useful and good tool for a government to use was diluted and made into basically idealistic and ideologically driven drivel. I will take a few of the recommendations. Recommendation 7 is:

That the Victorian government amends the Victoria planning provisions to encourage greater housing density and minimum requirements of open space, while maintaining choice in the market.

That sounds pretty innocuous if you do not read the document in full, but if we go through to page 46, we certainly find a number of quotes that are used to justify greater housing density. We have Professor Billie Giles-Corti, who says:

... research shows that we need at least 35 houses per hectare to be able to achieve good mixed-use development ...

We then have Dr Margaret Beavis, who says:

We need developments with density of around 26 dwellings per hectare ...

There is also a paragraph here that says:

The committee was informed by the Department of Planning and Community Development (DPCD) that 'The density that we aspire to in the growth areas now is about 15 lots per hectare.' However several of the inquiry's submissions and witnesses advocated for housing densities of between 25 and 30 dwellings per hectare 'to develop sustainable, walkable neighbourhoods'. Urban design company SJB Urban argued in their submission —

and it goes on. In any case the text of the document is a lot stronger than the actual recommendation that is put, which raises the question, 'Why would you put these specific, strongly worded quotes into a document and then pull away at the last minute?'. It is clear that the opposition members, supported by a member of the Greens, basically baulked at the last minute. They had what they thought was a solution to a problem for their own ideology, and they baulked at the last minute because of the government members arcing up in the committee. Indeed, recommendation 21 is:

That the Victorian government, recognising that the work of all government agencies influence health and wellbeing, adopts a whole-of-government approach to health policy-making, such as the 'Health in all policies' model used by the South Australian government and the European Union.

Honestly, at the moment would you be wanting to reference anything from the European Union? In all honesty, why would we want to tack ourselves on to the European Union at this moment?

Recommendation 5 is:

That the Victorian government urgently develops a whole-of-government response to the emerging health problems stemming from poor air quality and the urban heat island effect in Melbourne. As part of this, the design of residential communities should prioritise tree planting and green spaces to provide shade, improve respiratory health and to lower ambient temperatures in summer months.

Would it not have been nice if that had been brought in during the construction of the Point Cook residential area? People there do not have backyards. They do not have any parks, and the area was allowed to develop that way under the Labor government. When members of the government attempted to improve this particular recommendation by saying that we should be looking at shade structures, not just trees, it was knocked back summarily — just given away. Why would we put up shade structures that can provide immediate shade relief?

We also have recommendation 4, which makes recommendations about the ability of local government to restrict the oversupply of packaged liquor outlets. Too bad this was not allowed for the people of the Heathdale community in the city of Wyndham. That community tried to fight against a packaged liquor outlet being put in, but because of the laws that the Labor government had in place, they were not able to fight against it. The Victorian Civil and Administrative Tribunal had to follow the law of the land as it stood.

Certainly this report ignores the value of backyards and the value of space for people to be able to have their own private areas. Certainly it ignored the Kingston green wedge completely, and I will be going on about that in further contributions.

Department of Planning and Community Development: report 2010–11

Mr EIDEH (Western Metropolitan) — I rise today to speak on the report of the Department of Planning and Community Development for the 2010–11 period, a time that includes the last months of a very solid and progressive Labor government under which this state was the envy of the nation and others looked upon us as leaders. However, it also includes the situation today, which has instead become something like the *Titanic* — big in promise but tragic in delivery. Not so under the Brumby Labor government, as we see from this report. The highlights of 2010–11 that are listed at the beginning of the report include:

The urban growth boundary expansion, vital for Melbourne's future housing affordability, was passed ...

The Victorian code of conduct for community sport came into effect to ensure all Victorians can participate in sport ...

Regional strategic plans were launched to help Victoria's regional communities thrive in the face of change.

The Melbourne Rebels super rugby facilities at Visy Park received a \$1.5 million funding boost to help build new office and administration facilities ...

The \$22.8 million phase 3 of the Transport Connections program started, helping to improve local transport and access to services for transport-disadvantaged communities.

Trainshed Way, the extension of Bayley Street in central Geelong, was completed. The new street will form part of a revitalised train station precinct development.

The Bendigo Chinese precinct project was completed with support of a \$1.6 million infrastructure grant ...

The 2010–13 Victorian indigenous affairs framework was released and provides a structure for reviewing the way we engage with and address the needs of Aboriginal people ...

... \$10 million of funding towards the Frankston pool was announced on top of the \$2.5 million provided through the 2007–08 community facility funding program.

Stockmans Bridge, a new western entrance to central Dandenong, opened improving bicycle, pedestrian and vehicle access.

Sixteen students graduated from the pilot course of Australia's first certificate IV in Aboriginal cultural heritage management, developed in partnership with La Trobe University.

The City of Greater Geelong's \$32 million Leisurelink Aquatic and Recreation Centre was officially opened.

Under Labor this was an incredibly efficient and capable department, and I wish to express my thanks to those who were a part of the staff back then as they worked tirelessly on behalf of the people of Victoria. Since that time there have been many changes, many staff movements and funding cuts as well, and I am nowhere near certain that the Department of Planning and Community Development today could achieve as much as it accomplished under our leadership.

As my respected colleague Ms Jenny Mikakos said in this house on Wednesday, 18 April, we delivered across the state and not simply by postcodes, favouring our side of politics and our supporter base. The now Premier promised to reduce spin in the lead-up to the election, but this report proves otherwise — for example, the government acts as if it is a positive thing to destroy wind farming in this state, blowing wind farms away because the Deputy Premier and his party do not believe in them or in alternate energy. It reminds me of a certain federal politician who is on the record as calling climate change 'crap'.

This report also refers to the promises of the then newly elected government — promises that, as my colleague

Ms Mikakos also stated in her speech, disappeared soon after the election from many a website. We on this side of the house will remind the government of its many promises as it continues to snap them like brittle twigs in a snowstorm of inaction. I commend the report to the house.

Environment and Planning References Committee: environmental design and public health in Victoria

Mrs PEULICH (South Eastern Metropolitan) — I join my colleagues Mr Elsburry and Mrs Kronberg in making further remarks about the report tabled recently on the inquiry into environmental design and public health in Victoria by the Legislative Council's Environment and Planning References Committee, of which Labor has the chair.

I have the privilege of chairing the Environment and Planning Legislation Committee, and that committee had the opportunity to look at the Greens legislation on a container deposit proposal brought in by Ms Hartland. That process was a very constructive one; there was a good deal of bipartisanship, and the report was supported by all parties. Ms Pennicuik may have made some dissenting comments, but on the whole accepted the substance of the report.

The situation surrounding the report that was tabled by the Environment and Planning References Committee, on which Labor has the majority, was in stark contrast to that process. There was very little bipartisanship, especially when it came to discussion of recommendations, and Mrs Kronberg mentioned the extensive submissions we had received on a topic of some individual community importance. The reference had wide-ranging terms and looked at environmental design and public health in Victoria.

The committee consulted broadly — perhaps it should have consulted more broadly and been actually interested in some of those consultations — through submissions and public hearings and made a number of site visits. Of course the most notable that comes to memory was the planned site visit to the Kingston so-called green wedge where, as a result of one particular email from Cr Rosemary West, the entire parliamentary visit was canned, pulled, overriding the committee.

It is regrettable that the Kingston green wedge review, which is currently being undertaken by the council with extensive community consultation, has been left without any concrete recommendations and without any comment. It has been sanitised, because for Labor

it is just too difficult politically. The ideological bent of the members of the Socialist Left, who are overwhelmingly the members on the Environment and Planning References Committee — there are no members of Labor Unity — in partnership with Ms Pennicuik on this particular inquiry, made it very difficult.

As I mentioned in our minority report, over 50 per cent of the motions were carried on the casting vote of the Labor chair, and I think that is regrettable. All we wanted to do was to ensure that these very important ideas and policy initiatives were well considered; that the cost and impact implications for various stakeholders were fully considered; and that the recommendations allowed for some latitude and flexibility in their implementation. We did not want to make policy on the run — policy on the run which the Labor chair, supported by Mr Brian Tee, the shadow Minister for Planning, wanted to tie us into. We did not have access to all the information, nor did we have all the expertise or the authority to make final technical recommendations.

A perfect example is the committee's recommendation 35, which was that the Victorian government consider 30-kilometre-per-hour speed limits in school and residential areas. Whilst committee members were not averse to a discussion on reducing speed limits in sensitive areas such as around schools and residential areas, it was acknowledged that speed limits for schools and other areas were currently being considered by a state review by the appropriate authority, VicRoads, in consultation with Victoria Police and other stakeholders. The committee actually voted this down. What those members wanted the committee to agree to was an adoption of the 30-kilometre reduction, irrespective of the usual process, so that we would have politicians sitting on a committee and deciding what the outcome should be.

Another extraordinary recommendation was recommendation 11, which called for the retrofitting of existing building stock, roadways, cycling and pedestrian paths, and public transport infrastructure, without any regard to the cost to and the implications for the state. I think it was an appalling process, which will hopefully not be repeated.

The ACTING PRESIDENT (Mr Ramsay) — Order! Time, Mrs Peulich. It sounds like a very challenging committee.

Sunraysia Institute of TAFE: report 2011

Ms DARVENIZA (Northern Victoria) — I wish to make some comments on the Sunraysia Institute of TAFE, or SuniTAFE as it is known locally. It is one of the many TAFE colleges in my electorate of Northern Victoria Region that is reeling from the budget announcement of the largest cuts to the TAFE sector in its history. In its 2011 report SuniTAFE highlights some of its achievements, for which it is to be congratulated. It achieved a 12 per cent increase in delivery in 2011, which is an increase of 50 per cent over the past four years. Such increases of delivery will not be achieved in the future because of the cuts to funding.

The report also shows 84 per cent of staff are prepared to go the extra mile in their job; and 93 per cent of graduates would recommend SuniTAFE. In the future we hope students who have attended our TAFE colleges will still want to recommend TAFE after so many staff will lose their jobs and so many courses will be cut.

The report talks about SuniTAFE as being a major provider of vocational education and training in the north-west of Victoria. It delivers in a lot of the traditional areas covered by TAFE colleges. But in recent years it has commenced training students in new and emerging industries, particularly alternative energy and mining. Although it has commenced training in those areas, it will not be able to continue it, or will not be able to continue at the rate it would like because of the cuts that will have to be made as a result of the cuts that have been made to the funding.

For SuniTAFE the cuts mean a \$3 million loss. That means approximately 30 per cent of its income will be lost. That was the announcement in the recent Baillieu-Ryan budget. Twenty-six jobs have been lost in Mildura, and two jobs at the Swan Hill campus. The state government has cut \$290 million from the TAFE sector over four years; that is the cut right across the sector, and 30 per cent of SuniTAFE's income has been cut. Also the subsidies for the courses have been cut, and the funding rate for all training providers has been slashed.

Some of the other highlights that are mentioned in the annual report include a 94.5 per cent completion rate for students and a 40 per cent increase in the Koori student completion rate. SuniTAFE outlined a strategic plan for 2012 to 2014, but that has totally been trashed by this \$3 million funding cut. In fact the CEO of SuniTAFE, Win Scott, said TAFEs operate on a very thin margin so it will have to cut courses. Some of the

things that are outlined in its strategic plan will not be implemented. As I said, 2 jobs are set to be lost at the Swan Hill TAFE as part of the shedding of 26 positions from the Sunraysia institute. The CEO said having its budget slashed by \$3 million will mean it will no longer be able to maintain its courses and staff levels.

Ms Scott said low-funded courses such as business and hospitality will no longer be able to have face-to-face teaching, and the traditional technical courses such as apprenticeship training will make a return. Some of those innovative training courses that have been implemented will be lost. The strategic plan is gone, \$3 million of funding has gone, and the TAFE is reeling from these cuts.

CITY OF MELBOURNE AMENDMENT (ENROLMENT) BILL 2012

Introduction and first reading

Received from Assembly.

Read first time for Hon. M. J. GUY (Minister for Planning) on motion of Hon. G. K. Rich-Phillips.

ADJOURNMENT

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I move:

That the house do now adjourn.

Bannockburn: K–12 school

Ms TIERNEY (Western Victoria) — My adjournment matter this evening is in relation to the Bannockburn K–12 school in the Golden Plains shire. The construction of the new early years to year 12 school in Bannockburn, along with the natural gas connection to the township, is the Golden Plains Shire's highest priority project. It is widely known that the shire was particularly disappointed to see that the Bannockburn K–12 school project was ignored in the 2012–13 state budget and that the promise for natural gas connection has still not been delivered on as we stand here today.

The *Golden Plains Miner* ran a piece in its 17 May edition which said:

... most of the community leaders are dumbfounded and reluctant to speak because they say 'What can we do?'

I recently received correspondence from a resident living in Bannockburn who was particularly confused

by the Baillieu government's approach of encouraging Victorians to choose a rural lifestyle and then failing to fund important infrastructure projects like the Bannockburn K–12 school. My constituent said:

... the Victorian government are hell bent on pushing people into rural communities and calling it 'Good Move'; well, it would be a good move if communities such as Bannockburn and other surrounding communities had access to passenger rail transport ... natural gas ... K–12 education facility ... (as the current primary school is adding additional portable classrooms just to keep up with demand).

The constituent goes on to say that he has written many emails to the Premier and to his lower house member of Parliament, Terry Mulder, but has not even received acknowledgements of the emails he has sent.

Members in the house this evening may be aware that Bannockburn is one of the fastest growing townships in one of the fastest growing municipalities in the state. In my time as an MP the Golden Plains Shire Council has been particularly impressive in the way it has lobbied on behalf of its constituents and worked with state and federal governments to provide for growth in the municipality. Whilst the hard work from the Golden Plains Shire Council has not slowed, it seems that support from the state government has ground to a halt. I urge the Minister for Education to make a commitment to the Golden Plains shire and to the community of Bannockburn and indicate when the money will be available to make sure that a K–12 school is delivered to that community as soon as possible.

Housing: tenant survey

Ms HARTLAND (Western Metropolitan) — My adjournment matter tonight is for the Minister for Housing, the Honourable Wendy Lovell. I bring to the minister's attention some ongoing human rights issues related to the recent consultation with public housing tenants as part of the public housing restructure process. The problems are well known to the minister — the survey discriminated on the basis of language and access to the internet — but I would like to draw her attention to the fact that the problems are ongoing and I believe amount to a breach of both the Victorian Charter of Human Rights and Responsibilities and the DHS (Department of Human Services) client services charter.

Tenants still have difficulty accessing translated versions of the discussion paper and survey. While some translated versions are available, tenants say they are poor in quality and difficult to understand. I do not think we can blame the translators. The original questions sound like they were written by a random

sociology jargon generator — for example, the discussion paper asks:

What are the appropriate measures to increase leverage to encourage and initiate investment in community housing?

While arrangements have been put in place to let tenants send their survey responses in the mail to avoid excluding the many tenants who do not have regular access to the internet, this has not been very well communicated to the tenants, who are still relying on the early information that they had to respond online. The DHS client services charter says:

We will:

make it easy for you to contact us;

...

arrange for an interpreter or other language services, if you need this;

...

give you opportunities to be involved in decisions about the services you access, and support you to have a say.

The Victorian Charter of Human Rights and Responsibilities says:

Every person in Victoria has the right, and is to have the opportunity, without discrimination, to participate in the conduct of public affairs ...

Every eligible person has the right, and is to have the opportunity, without discrimination —

...

to have access, on general terms of equality, to the Victorian public service and public office.

...

All persons with a particular cultural, religious, racial or linguistic background must not be denied the right ...

In these circumstances it would be appropriate for the minister to make a special effort to put this situation right. If the government is going to go forth to shake up public housing in Victoria, it should not outsource the research to the sorts of people who have written these questions. I suggest to the minister and her department that they actually get out there and speak to people. I ask the minister to meet with tenants in person, with an interpreter present, to talk to them about their experiences in public housing.

Breastfeeding: research program

Mrs COOTE (Southern Metropolitan) — My adjournment matter this evening is for the Minister for Children and Early Childhood Development, Wendy

Lovell. I sincerely commend the minister for an excellent program that she has just announced, which involves \$1.1 million for a study to boost breastfeeding rates in Victoria. A survey has shown that of all the babies born in Victoria each year only half are still being breastfed at six months. Extensive research has shown that breastfeeding has health benefits for mothers and babies and that babies who are not breastfed are more likely to develop medical problems and obesity in later life.

If we are going to build a proper policy into the future and be able to encourage mothers to continue to breastfeed for as long as they possibly can — and the minister acknowledges that not all mothers are able to feed their babies by breast — it is important to understand the issues that are driving women to stop breastfeeding at six months and what elements might encourage them to continue past that date.

This is a particularly welcome study that is going to take place in Victoria, and it is going to take place over three years. Some good empirical evidence will be collected. The program will be undertaken within 10 municipalities — Hume, Wyndham, Whittlesea, Cardinia, Greater Bendigo, Ballarat, Macedon Ranges, Wodonga, Wellington and Mitchell. It is particularly impressive to see that country women are going to be listened to and that some very good data will be collected as a result.

The action I seek from the minister this evening is that she investigate whether there is a possibility that this excellent program could be expanded with the option of looking at a growth area within Southern Metropolitan Region, such as the city of Port Phillip, where there are in fact a number of new mothers who could certainly benefit from knowledge of breastfeeding programs and procedures.

Just as an aside, it is pleasing to note that in this year's budget the coalition government provided an extra \$104 million for early childhood development, including the biggest ever investment in maternal and child health, with \$62.7 million over four years dedicated to providing new mothers with 10 visits to maternal and child health nurses. I commend the minister and ask her to take up my suggestion.

Planning: wildfire management overlays

Mr LENDERS (Southern Metropolitan) — The matter I raise on the adjournment tonight is for the attention of the Minister for Planning, Matthew Guy. It relates to the process of closing roads in bushfire-prone areas. After the 2009 bushfires a number of planning

scheme changes were implemented. These changes included the introduction of wildfire management overlays (WMOs). Currently the WMOs largely relate only to new dwellings, schools, public meeting places et cetera. I have been made aware of an issue in Yarra Glen, where a proposal to close a road, in this case Scott Road, is the subject of much contention and concern for safety. Correspondents have spoken to the Minister for Water, Mr Walsh, and the Minister for Environment and Climate Change, Mr Smith, about this.

Currently municipalities have the power under the Local Government Act 1989 to close local roads. This is not formally affected by the presence of a WMO. In the case of Yarra Glen, Scott Road was used by a farming couple to escape bushfires on their land on Black Saturday. This road is now subject to a road closure proposal. Many people have expressed concerns about the safety implications of such a closure and the broader legal context in which a council is empowered to close an existing road.

I have mentioned that councils have the power to close a road under the Local Government Act 1989. The Department of Sustainability and Environment (DSE) is similarly empowered under the Land Act 1958. However, neither of these bodies is required to formally refer the decision regarding a road closure to experts to evaluate the impact on the safety of human lives during a bushfire.

In correspondence I have received the Department of Planning and Community Development has stated that it is not considered necessary to initiate statutory reforms, as concerns regarding bushfire risk can be raised by third parties in submissions as part of the normal closure processes. In the case of Yarra Glen, the Country Fire Authority has advised that Scott Road provides clear benefits in regard to bushfire response and safety. However, the road is still subject to a closure proposal and the Shire of Yarra Ranges is not obligated to take this advice into consideration.

Given that any proposal to build a new road would have to take this advice into consideration because a WMO exists, it appears that on the surface there is an anomaly that has the potential to cost lives. I therefore ask the minister to establish a review into this legal situation and that in doing so he consider legislative changes that would place a statutory obligation on councils and DSE to take into consideration bushfire risk when considering a road closure proposal in areas subject to a WMO. These are sound matters for the minister to look at from a policy position.

I have received correspondence from a farming couple in this area, which I am happy to give to the minister if it would assist him. He has the correspondence to the other two ministers and the departments. While the response has been positive on every occasion, there appears to be a bit of a disconnection here. I urge the minister to look at this matter. I am happy to give him the correspondence, and I am happy to introduce him to the family that has raised the issue.

Libraries: Northern Metropolitan Region

Mr ONDARCHIE (Northern Metropolitan) — I rise to ask the Minister for Local Government to consider public library funding requests from a number of local councils in Northern Metropolitan Region. Public libraries are a valuable community asset, and I am pleased that the coalition government is providing more than \$17 million over four years for the building of new libraries and the upgrading of existing libraries.

Victorians love their public library network. Around half of the population belongs to a public library. That is not surprising when you consider that libraries offer so much more than the traditional book-lending services. Libraries today offer connection to the internet, the ability to borrow DVDs and CDs, support for book clubs, events for seniors and programs aimed at school-aged children. Libraries have become meeting places; they are now important community hubs.

I hope the minister will find the funds to help Whittlesea City Council to establish a new library in the Whittlesea township as part of the redevelopment of the community activity centre. This is an important project for the local community of Whittlesea, a community that has had more than its fair share of pressures over the last few years, including the tragic bushfires and the loss of lives. The town is currently serviced by a mobile library. Establishing a permanent library and co-locating it with the early years centre and the town hall seems like a sensible planning outcome.

I would also like to see funds made available for Yarra City Council to relocate the North Fitzroy library. The current site is within a shopfront on a shopping strip. I understand the plan is to co-locate a new library with family and children's services and a multicultural centre. Again this is a good investment in community infrastructure, and I would like the minister to get behind it.

Finally, I also throw my support behind Melbourne City Council's plan for a new library in Docklands, a place where there are lots of families and a growing community. The intention down there is to co-locate the

library with a community centre that will provide community meeting spaces, play activity areas and a general meeting area. It will be a hub. It will be a place where the people of the Docklands community can get to meet each other. I am told that this could be a very impressive new facility.

I encourage the minister to help make these exciting projects a reality in Northern Metropolitan Region.

Higher education: Auslan programs

Ms MIKAKOS (Northern Metropolitan) — My matter this evening is for the Minister for Higher Education and Skills. I am very disappointed, because he has just left the chamber. I hope he is coming back. I have recently expressed my concerns about the Baillieu government's decision to rip \$290 million from Victoria's TAFE sector, and in particular how this relates to my local TAFE institutes. As a result of these cuts, Kangan Institute has recently announced that its Auslan course has become unviable, and therefore will no longer continue beyond 2012. Kangan's Auslan course is offered at its Broadmeadows and Richmond campuses, both of which are situated in my electorate. It has been the only Victorian TAFE to offer Auslan diplomas since GippsTAFE withdrew its course last year.

Auslan is the native language of many deaf people who have deaf parents and of many hearing children of deaf parents. It is also the primary or preferred language of many deaf people who do not have deaf parents but have learnt Auslan later in their lives. All too often deaf or hearing impaired people are disadvantaged by ineffective access to communication and education services in Australia. This is why interpreters trained in Auslan are so important.

Susan Emerson, the chair of the Auslan Interpreting Industry Forum Victoria, was quoted in the May edition of Deaf Australia's *Outlook* as saying:

... without access to interpreters, the experiences of deaf people are entirely commensurate with the wheelchair user who faces a flight of stairs and no ramp.

A diploma in Auslan is often the precursor to studying to work as an interpreter, so it is particularly concerning that the only provider of this course in Victoria has now been forced to stop teaching it because of these funding cuts. Kangan Auslan coordinator Julian Herten was quoted in the *Age* of 23 May as saying:

Losing this course means that training in Victoria stops and the situation deteriorates.

I have been interested to read the history of Auslan on the internet. It was quite surprising to me to learn that this has really only taken off in the last few decades. I would hate to see the deaf community go backwards through the loss of this course. At question time today the minister failed to give a guarantee to Mr Leane that he will ensure that an Auslan course will continue in Victoria. I ask the minister to give that guarantee today.

Mulgrave neighbourhood house: Living Libraries grant

Mrs PEULICH (South Eastern Metropolitan) — I raise a matter for the attention of the Minister for Local Government, the Honourable Jeanette Powell. Mr Ondarchie's adjournment matter was a good preamble to mine.

Mr Finn — A warm-up act.

Mrs PEULICH — It was. Mr Ondarchie outlined the importance of the public library network to Victorians and Victorian families, and in particular the wonderful Living Libraries grants program. Recently I raised the importance of such an initiative in the city of Greater Dandenong, but tonight I raise a matter brought to my attention in my capacity as Parliamentary Secretary for Education by a couple of frequent users of the Mulgrave neighbourhood house.

Recently I had the opportunity to visit the Mulgrave neighbourhood house, where I spent some time having a look at the facility, including the new community garden, which was in part funded by the Department of Planning and Community Development. I also spoke to the neighbourhood house's IT manager, Einar Beckmann, who maintains all the IT and provides a lot of training to the community in terms of using computers. I also had a good chat with Margaret Harris, the chief executive officer. They do some pretty good things, including providing programs that are otherwise very difficult to access.

One additional program that they are working on developing is a homework club — a very important initiative for a community such as Mulgrave. Through the City of Monash the Mulgrave neighbourhood house has made an application for a Living Libraries grant to support its activities and in particular for a homework club.

I do not make it a practice to ask for funding or grants, but I understand it is a very modest application, and if there were any way that it met the relevant criteria, it would be money put to very good use. The neighbourhood house provides a very impressive range

of activities, including floristry classes and a range of other things. I think the homework club is very exciting, especially for children who will have access to volunteers to assist with their homework.

If there is any way that a Living Libraries grant could be made to assist with the establishment of a homework club, I know there would be many parents grateful for that additional support. I endorse these initiatives in the community and in particular this one at the Mulgrave neighbourhood house. I call on the minister to look favourably upon the application of Mulgrave neighbourhood house.

Northern Victoria Region: TAFE funding

Ms DARVENIZA (Northern Victoria) — I raise a matter for the attention of the Minister for Higher Education and Skills, Peter Hall. The matter I raise concerns the Liberal-Nationals government's budget cuts of \$290 million to the TAFE sector and the impact those cuts are having in my electorate of Northern Victoria Region. Wodonga TAFE has indicated that it will lose \$7 million. Goulburn Ovens Institute of TAFE has indicated it will be down \$6 million. The Sunraysia Institute of TAFE has indicated it will lose \$3 million and has made 26 jobs redundant, two of them based at the Swan Hill campus. Funding for Bendigo TAFE will be cut by \$8 million, and it is estimated that it will lose 150 jobs.

These cuts are the most savage funding cuts to TAFE that Victoria has ever seen, and they have put the Victorian education system in the TAFE sector in crisis. Funding rates for all training providers have been slashed to less than \$2 per student hour in courses such as business, hospitality, retail, consumer services, events management and fitness. The cuts include the complete removal of differential pay funding. This funding provides essential community services support for TAFE's larger infrastructure costs and provides essential training in small rural communities.

The Baillieu-Ryan government has ignored the Essential Services Commission's recommendation that the government acknowledge TAFE as a community service — —

The ACTING PRESIDENT (Mr Ramsay) — Order! I ask Ms Darveniza if there is a direct question for the minister on a specific issue.

Ms DARVENIZA — There is. I am coming to that. I am a minute into it, Acting Chair, and I will come to my — —

The ACTING PRESIDENT (Mr Ramsay) — Order! It is starting to sound like a statement.

Ms DARVENIZA — No, it is not a statement. I have a request.

The ACTING PRESIDENT (Mr Ramsay) — Order! Thank you. I will wait to hear the question.

Ms DARVENIZA — I am putting it in context. As I was saying, the government has failed to implement the Essential Services Commission's recommendation to acknowledge TAFEs as a community service obligation in formal funding.

The specific request I have of the minister — even though my understanding is that we do not necessarily have to make a specific request as such — is that he reinstate this critical funding so that job losses will not occur. I am very disappointed that the skills minister, Mr Hall, has refused to rule out campus closures. The cuts come on top of losses of almost \$100 million last year following last October's budget cuts. These cuts are having a very significant impact in Northern Victoria — —

Mr Finn — On a point of order, Acting President, the member on her feet is clearly flouting your earlier concern about making a set speech. She is making a clear statement to the house — clear political points — and not seeking support, advice or a form of action from the minister. She has now descended into a rant, to tell the truth, against a government policy. I ask you to bring her to order.

The ACTING PRESIDENT (Mr Ramsay) — Order! I do not uphold the point of order; however, I do have some sympathy with Mr Finn, because I have been brought to account in previous adjournment debates in relation to statements. This is a broad question to a minister. I am taking advice from the clerks, and they tell me that under the new rules in relation to adjournment matters within the standing orders, a question is not required. However, I have to say — and I am happy to speak to the President about this tomorrow — that this is getting very close to being what I believe is a political statement. I am taking advice from the clerks, and I will have the discussion with the President in the morning. I ask Ms Darveniza to continue for the next 16 seconds.

Ms DARVENIZA — These cuts are having a devastating impact on the TAFEs in my electorate of Northern Victoria Region, and I ask the minister to reinstate that critical funding to them.

Braybrook: community renewal program

Mr ELSBURY (Western Metropolitan) — My adjournment matter this evening is for the Minister for Local Government, Jeanette Powell. It relates to a project being undertaken by the Maribyrnong Shire Council, which has started a rejuvenation project in the suburb of Braybrook. The information supplied to me by Maribyrnong council tells me that Braybrook is the second most disadvantaged suburb in Victoria, and it certainly needs some work to be able to give the people who live there better support. Since coming to government the Minister for Sport and Recreation, the Honourable Hugh Delahunty, has provided \$650 000 to assist with the reconstruction of a sports pavilion in the Braybrook area.

Mr Finn — We were there.

Mr ELSBURY — Indeed we were, Mr Finn, giving great support to the people of Braybrook and the community thereof. The renewal program is multifaceted, and there are many parts to it. It is not only about sport but certainly about community engagement and the provision of services. This is where Mrs Powell can come in by assisting the council with the latest component of this project, which is a new library complex.

Information provided to me by the City of Maribyrnong tells me that education outcomes in the region are very poor. The rate for completion of year 12 in the region is around 10 per cent lower than the state average, and the number of university qualifications there is less than half that of the state average. Other figures show that 25 per cent of housing in the area is public housing, unemployment is higher than the state rate and individual weekly income is half that of the state average. Poor English is spoken in over 30 per cent of households. Internet access — so it will really help these people to have high-speed broadband — is only just over 50 per cent; they do not have access to the internet.

A new library facility will assist this community to access educational opportunities. I ask the minister to give every consideration to how, in her portfolio of local government, she can assist this council to implement its renewal program and the rejuvenation of Braybrook by providing it with a new library complex.

Royal Yacht Club of Victoria: world disabled sailing championship

Mr FINN (Western Metropolitan) — I raise a matter for the attention of the Minister for Tourism and

Major Events, Louise Asher. I bring to the attention of the minister a media release that came across my desk the other day from the Royal Yacht Club of Victoria. It is headed ‘Another major sailing event set for Melbourne’ and states:

The Royal Yacht Club of Victoria ... is very proud and honoured to be selected by the International Association for Disabled Sailing to host the IFDS world championships 2015.

The IFDS world championships will bring the ‘best of the best’ of disabled sailing to Port Phillip as athletes fight for their spot in the 2016 Paralympic Games.

I was excited at the prospect of such an event coming to the Royal Yacht Club of Victoria in Williamstown, and then I read the next paragraph, which says:

The bid by the club is subject to the event being financially secured by October 2012 ...

This is where the matter I raise with the minister comes in. I am informed by the general manager of the club, Alex McGillivray, that the event will tie into the ISAF Sailing World Cup, will draw more than 90 per cent of its competitors from overseas to Melbourne for approximately three weeks and, in the belief of many, will be worth about \$5 million with approximately 500 visitors for three weeks following the Spring Racing Carnival. We could have racing on the land and on the bay.

This event is something that I believe would be very beneficial to Melbourne. It is obviously something that would not only bring people and money to Melbourne but would also promote Melbourne overseas, and that has to be a very good thing. Anybody who has visited the royal yacht club knows what a delightful place it is. It will be a major asset for Melbourne if this event goes ahead.

I ask the minister to undertake every possible examination of the proposal to secure this event and to give favourable consideration to its funding. It would be a tragedy if the Royal Yacht Club of Victoria and Melbourne missed out on this event due to lack of funding. There is a great deal of enthusiasm and excitement, and this yacht club is already heavily involved in the sport of sailing for disabled people. This event would be the crowning glory. I ask the minister to give her favourable consideration to securing this event.

Kindergartens: funding

Mrs PETROVICH (Northern Victoria) — My adjournment matter is for the attention of the Minister for Children and Early Childhood Development, Wendy Lovell, and it relates to early childhood infrastructure, which has received a boost of more than

\$40 million in capital grants. The funds have been provided for the upgrading of facilities to develop integrated children's service hubs. Last week I was delighted to join Minister Lovell in announcing the funding, which is great news not only for the provision of the present services but also for services well into the future.

I am proud to say that I have had the pleasure of visiting three of the four centres in the Macedon Ranges and one in the city of Hume which have received much-needed funding to help them increase their capacity and prepare for the 15 hours universal access in the year before school as part of the national partnership agreement.

I am very happy to say that the Woodend Kindergarten, Nicholson Street — which both my children attended — received a grant of \$300 000 as part of a significant upgrade. The Macedon Bruce Street Kindergarten received a grant of \$100 000 to fully fund its project. Sunningdale Avenue Children's Centre at Sunbury received a grant of \$300 000. The Lady Brooks Kindergarten at Kyneton is in the electorate of Mr Ramsay, Mr Koch and Mr O'Brien, and it received a grant of \$300 000.

The grants are a combination of the state and national partnership funding. The Woodend Kindergarten funding is to accommodate 15 hours of weekly funded kindergarten time under the universal access program and also the three-year-old program. The upgrade focuses on safety and sustainability, creating shared office space and a flexible family area and consulting room, and it is very much appreciated by the families I spoke to.

The Macedon kindergarten funding will provide universal access and will also be used for its three-year-old program.

The ACTING PRESIDENT (Mr Ramsay) — Order! To provide some balance in the rulings from the Chair during the last 10 minutes, I ask Mrs Petrovich if she is getting to the point where there will be a question or something other than a statement on funding announcements.

Mrs PETROVICH — There will be an action, but I want to explore this properly. The Sunningdale Avenue Children's Centre at Sunbury will provide an additional 33-place preschool program. This will create an additional 56 places. It is very important to acknowledge these programs as there has been a lag in funding over a period of time and it is good news for these communities.

These projects will meet the regulatory requirement of the 1-to-11 child-to-staff ratio under the national quality framework. It certainly shows the commitment of the Victorian coalition government to providing such an important foundation for the education of our young children. I congratulate Minister Lovell and her staff on this result. I was pleased to be able to attend those kindergartens.

The action I seek is that Minister Lovell join me on the completion of these projects to view the progress of these important initiatives in the Macedon Ranges and Hume shires.

Responses

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I have a number of matters from members tonight. Ms Tierney, who is not here, raised a matter for the Minister for Education with respect to the Bannockburn K-12 school, and I will pass that on.

Ms Hartland raised a matter for the Minister for Housing with respect to the public housing review, and I will pass that on to the minister.

Mrs Coote raised a matter for the Minister for Children and Early Childhood Development with respect to the minister's recently announced breastfeeding campaign, and I will pass that on.

Mr Lenders raised a matter for the Minister for Planning with respect to road closures in bushfire-affected areas, and in particular he referenced the Yarra Glen area. I will pass that matter on.

Mr Ondarchie raised a matter for the Minister for Local Government with respect to public library funding, and I will pass that on.

Ms Mikakos and Ms Darveniza raised matters for the attention of the Minister for Higher Education and Skills with respect to TAFE funding, and I will pass those matters on to the minister. However, the reality, as both Ms Mikakos and Ms Darveniza failed to mention in their contributions, is that the system of vocational education training (VET) funding put in place by the previous government was unsustainable. This government inherited a VET system with a funding black hole of around \$400 million. A demand model for that funding was put in place by the previous government, and adequate funding was not provided.

This government is putting the VET system on a sustainable basis. We are providing more than \$1 billion in additional funding over the next four years, which the previous government failed to do. We are

increasing subsidies for more than 220 VET courses, including all apprenticeships, and we make no apologies for putting the system on a sustainable basis after the mess we inherited from the previous government.

Ms Mikakos — On a point of order, Acting President, the matter I asked of the Minister for Higher Education and Skills, Mr Hall, was specifically to do with giving a guarantee about refunding the Auslan course. I am seeking a clarification that the minister's response is not discharging this particular adjournment matter, given that he has just delivered a political diatribe that has nothing to do with Auslan.

Hon. G. K. RICH-PHILLIPS — If Ms Mikakos had listened, she would have heard me say I would pass that matter on to the minister.

The ACTING PRESIDENT (Mr Ramsay) — Order! I do not uphold the point of order.

Hon. G. K. RICH-PHILLIPS — Mrs Peulich raised a matter for the Minister for Local Government. She made representations on behalf of the Mulgrave neighbourhood house in South Eastern Metropolitan Region, and I will pass that matter on.

Mr Elsbury also raised a matter for the Minister for Local Government with respect to the Braybrook rejuvenation community renewal project being undertaken by Maribyrnong City Council, and I will pass that matter on to the minister.

Mr Finn raised a matter for the Minister for Tourism and Major Events with respect to attracting sailing events for the disabled to the Royal Yacht Club of Victoria, and I will pass that on.

Mrs Petrovich raised a matter for the Minister for Children and Early Childhood Development with respect to a number of successful kindergarten programs in the Macedon Ranges area, and I will pass that matter on to the minister.

Ms MIKAKOS (Northern Metropolitan) — Under standing order 4.13 I wish to raise two outstanding adjournment matters that I have not received responses to. One relates to a matter raised for the attention of the Minister for Community Services on 28 March, which had to do with the funding for Project Respect, which deals with women who are sex trafficked. I note that the organisation has now run out of state government funding, so I wish to receive an urgent response to that matter. That is now 70 days overdue.

The other outstanding matter I raised on 29 March for the attention of the Minister for Youth Affairs, and it deals with his lack of interest in youth body issues. That matter is 69 days overdue. I ask the minister for an explanation or at least that he undertake to follow these matters up.

Hon. G. K. RICH-PHILLIPS (Assistant Treasurer) — I will take those two matters to the Minister for Community Services and the Minister for Youth Affairs and follow up Ms Mikakos's request for a response.

The ACTING PRESIDENT (Mr Ramsay) — Order! The house stands adjourned.

House adjourned 7.07 p.m.



Minister for Energy and Resources

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Mr Wayne Tunnecliffe
Clerk of the Legislative Council
Parliament House
EAST MELBOURNE VIC 3002

Dear Mr Tunnecliffe

I refer to the Legislative Council's resolution of 1 June 2011, seeking the production of:

"the following documents relating to the Government's Advanced Metering Infrastructure project, also known as the 'Smart Meters' project:

- (a) all documents relating to all cost-benefit analyses of the project;*
- (b) all correspondence and instructions, direction, guidelines and similar documents provided to, or received from, the party or parties undertaking any cost-benefit analyses;*
- (c) all correspondence to or from the former and current Minister for Energy and Resources, his department or agencies, and Victoria's electricity distribution businesses concerning smart meters;*
- (d) all documents relating to the operation of time of use pricing and smart meters, including the Government's decision to impose a moratorium on the operation of time of use pricing and the Government's subsequent decision to determine that time of use processing will not be mandatory; and*
- (e) all documents relating to any proposed communications, education or public awareness campaigns concerning smart meters, including financial documents and invoices."*

I am advised that the terms of the Council's resolution captures many thousands of documents and, if processed in full, would require a significant diversion of Government resources to identify and assess.

Rather than processing the Council's resolution in full, the Department of Primary Industries (DPI) and the Department of Treasury and Finance (DTF) have identified documents falling within each of the categories listed in the order, which may be of interest to the Council.

Privacy Statement

Any personal information about you or a third party in your correspondence will be collected and protected under the provisions of the Information Privacy Act 2000. It will only be used or disclosed to appropriate ministerial or departmental staff in regard to the purpose for which it was provided, unless required or authorised by law. Enquiries about access to information about you held by the Department should be directed to the Manager Privacy, Department of Primary Industries, GPO Box 4440, Melbourne, 3001

I enclose with this letter an Index (Attachment A) and 343 documents. Material has been redacted from a number of these documents on the basis that it could, if released, be prejudicial to the State's commercial interest and its ability to obtain similar information in the future, or reveal the deliberations of Government.

Some of the enclosed documents also contain personal information, such as the names and contact details of individuals. In the interest of personal privacy, and in accordance with normal practice, these details have been excluded.

The Government respectfully requests that the Council not insist on processing the full terms of the resolution.

Yours faithfully



HON. MICHAEL O'BRIEN MP
Minister for Energy and Resources

5/6/2012