

**PARLIAMENT OF VICTORIA**

**PARLIAMENTARY DEBATES  
(HANSARD)**

**LEGISLATIVE COUNCIL**

**FIFTY-FIFTH PARLIAMENT**

**FIRST SESSION**

**23 March 2005**

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**Outer Suburban/Interface Services and Development Committee** — (*Council*): Mr Scheffer and Mr Somyurek. (*Assembly*): Mr Baillieu, Ms Buchanan, Mr Dixon, Mr Nardella and Mr Smith.

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

*Hansard* — Chief Reporter: Ms C. J. Williams

*Library* — Librarian: Ms G. Dunston

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Director, Infrastructure Services: Mr G. C. Spurr

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**FIFTY-FIFTH PARLIAMENT — FIRST SESSION**

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Buckingham, Hon. Helen Elizabeth	Koonung	ALP	Mitchell, Hon. Robert George	Central Highlands	ALP
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Davis, Hon. Philip Rivers	Gippsland	LP	Scheffer, Mr Johan Emiel	Monash	ALP
Drum, Hon. Damian Kevin	North Western	NP	Smith, Mr Robert Frederick	Chelsea	ALP
Eren, Hon. John Hamdi	Geelong	ALP	Somyurek, Mr Adem	Eumemmerring	ALP
Forwood, Hon. Bill	Templestowe	LP	Stoney, Hon. Eadley Graeme	Central Highlands	LP
Gould, Hon. Monica Mary	Doutta Galla	ALP	Strong, Hon. Christopher Arthur	Higinbotham	LP
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Hilton, Hon. John Geoffrey	Western Port	ALP	Viney, Mr Matthew Shaw	Chelsea	ALP
Hirsh, Hon. Carolyn Dorothy	Silvan	ALP	Vogels, Hon. John Adrian	Western	LP



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**Wednesday, 23 March 2005**

**The PRESIDENT (Hon. M. M. Gould) took the chair at 9.33 a.m. and read the prayer.**

**OUTWORKERS (IMPROVED PROTECTION) (AMENDMENT) BILL**

*Introduction and first reading*

**Received from Assembly.**

**Read first time on motion of  
Mr GAVIN JENNINGS (Minister for Aged Care).**

**GEO THERMAL ENERGY RESOURCES  
BILL**

*Introduction and first reading*

**Received from Assembly.**

**Read first time on motion of  
Hon. T. C. THEOPHANOUS (Minister for Energy  
Industries and Resources).**

**CHARITIES (AMENDMENT) BILL**

*Introduction and first reading*

**Received from Assembly.**

**Read first time on motion of Hon. J. M. MADDEN  
(Minister for Sport and Recreation).**

**PAPER**

**Laid on table by Clerk:**

Auditor-General — Report on managing patient safety in public hospitals, March 2005.

**STATEMENTS ON REPORTS AND PAPERS**

**Notices**

**Hon. D. McL. DAVIS** (East Yarra) — I desire to give notice that on the — —

**The PRESIDENT** — Order! Will the member give notice that he will delete the one that is on the notice paper and insert this one in its place?

**Hon. D. McL. DAVIS** — I will. I desire to give notice that next Thursday, in addition to deleting the one that is on the notice paper, I will make a statement on the Auditor-General's report on managing patient safety in public hospitals, March 2005.

**Further notice given.**

**MEMBERS STATEMENTS**

**Former Minister for Corrections: performance**

**Hon. RICHARD DALLA-RIVA** (East Yarra) — I rise to give my first members statement in 2005. As we finally begin a parliamentary sitting period for this year I congratulate the Bracks government on its reshuffle of the deckchairs on the *Titanic*. I would like to put on record my congratulations to the former Minister for Corrections. The legacy he has left has been magnificent. We now have in this state the most significant overcrowding of any prison system in Australia. It is the most overcrowded system we have seen at 126 per cent of design capacity. This government has dealt in a most destructive manner with the prison system.

I am not alone in this. An article on an honourable member for Ballarat Province, Ms Dianne Hadden, published in the Ballarat *Courier* of 26 January and titled 'Hadden takes swipe at reshuffle and fellow MPs', says:

Ms Hadden yesterday declared her local parliamentary counterparts unfit for cabinet amid the aftermath of this week's cabinet shake-up.

She is reported as saying:

I didn't put my hand up; the only role I've ever wanted is Attorney-General and I'll never get that.

But the important thing is that she is reported as saying on the record:

There's no talent locally apart from myself and I've got no aspirations of having a portfolio.

I agree. She is the only person in this entire mob who is worth while.

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

**Australian Synchrotron: open day**

**Mr VINEY** (Chelsea) — Last Sunday I had the pleasure, along with many thousands of Victorians, of attending the community open day for the new

Australian Synchrotron in Clayton. This project is going to deliver fantastic benefits to Victoria through this government's investment in innovation and science. The project will attract scientists back to Australia and will retain much synchrotron science in Australia. It will deliver benefits in technologies ranging from health to materials technology and even technologies that will aid in food businesses in Victoria and Australia.

I must say it was disappointing though that only two weeks ago Ms Asher, the member for Brighton in the other place and the shadow Minister for Major Projects, said on 3LO when she was criticising this fantastic project for Victoria that she was unable even to describe what a synchrotron does. I would think that is hopeless opposition when it does not know — —

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

### **Planning: Melbourne 2030**

**Hon. C. A. STRONG** (Higinbotham) — In this place we hear many slogans parroted by the wood ducks on the government benches. Slogans are a substitute for logic, and none more so than the Bracks government's slogan of 'Listens then acts'. I would like to refer to the government's Melbourne 2030 planning scheme in this context. If the government listened, it would know that there is massive community disquiet on this issue. The latest expert opinion published in yesterday's paper confirms that when its heading says 'Planners at war with city's style'. The article highlights that 'the city's leafy, suburban style is being attacked by a coalition of politicians, bureaucrats and planners'.

The question is: is the Bracks government listening to the great concern that is out there on Melbourne 2030; and if it is listening, how is it responding? I heard the response of Mr Hulls, the Minister for Planning in another place, on the radio yesterday morning, and what is the action he proposes? It is: 'We need more education of the public on this issue! What are we going to do? We are going to be sending all the local councillors and residents to re-education camps. We are not listening to find a solution, we are listening and we are going to re-educate the public!'. What a joke this listening and acting government is.

### **Australian Synchrotron: open day**

**Ms ROMANES** (Melbourne) — I would like to commend the Minister for Innovation in another place, John Brumby, and the parliamentary secretary, Matt Viney, for the initiative Mr Viney spoke of earlier: providing the Victorian public with the opportunity to

visit the third-generation synchrotron at a critical point in its construction last Sunday. Thousands took advantage of that opportunity and flocked to the Australian Synchrotron site near Monash University in Clayton. Like my family, no doubt they were looking for some insights into what this mysterious creature is all about. They would not have been disappointed. It was no easy task to explain to the general public how the structure, with its concrete tunnels, will in months to come be transformed into a giant electron microscope with various beam lines of intense radiation which can be used to perform many different types of experiments at the same time.

I would therefore like to commend the staff for assisting our imagination and understanding with their diagrams, models, equipment and patient explanations of a very complex project and how it works. Impressive information was given, providing lots of everyday examples of how a synchrotron can be used for scientific research and development to spur industrial innovation and to boost Victoria's capacity in this field.

### **Courts: judicial independence**

**Hon. ANDREW BRIDESON** (Waverley) — Yesterday a minority report was tabled by the Scrutiny of Acts and Regulations Committee in the *Alert Digest*. This report was signed by Andrew McIntosh, the member for Kew, and Murray Thompson, the member for Sandringham, from the other place and me. It deals with the Courts Legislation (Judicial Appointments and Other Amendments) Bill. The minority report noted that provisions of the Courts Legislation (Judicial Appointments and Other Amendments) Bill potentially trespass on rights and freedoms by fundamentally undermining judicial independence.

The minority supported the notion of judicial independence protected by the security of remuneration and tenure of judges and magistrates. The minority is of the view that the appointment of acting judicial officers potentially violates the security of the tenure of judges. Since the bill was first considered by the committee, the Chief Justice of Victoria, the Honourable Justice Marilyn Warren, has publicly criticised the bill. Further, the Law Institute of Victoria and the Victorian Bar Council have expressed their objections to the bill. The Honourable Justice Ronald Sackville, on behalf of the Judicial Conference of Australia, has also indicated the Australian judiciary's concerns about the passage of the bill.

Given the public comments of senior judges and lawyers that have been made since the committee's original report on the bill, the committee should have

rightly reconsidered the bill pursuant to its statutory charter. The minority believes the *Alert Digest* should now include reference to the potential trespass on rights and freedoms of all litigants who come before our courts.

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

### **Maggie Diaz**

**Mr SCHEFFER** (Monash) — I would like to pay tribute to Maggie Diaz, one of our finest photographers. Maggie has lived in Monash Province since she came to Australia from the United States of America more than 40 years ago. I am proud to have known her for more than 30 of those years. Maggie is now 80 and was recently honoured with an extraordinary birthday celebration in the old Carlton Courthouse, where to two packed houses she talked the audience through half a century of pictures from Chicago of the 1950s to contemporary Melbourne. Maggie is technically expert in her astonishing use of light and shade, and she has an extraordinary genius for capturing character and situation. She loves outsiders, those who often go unappreciated. Her life has been hard and this has been a rich treasure house of insight and inspiration for a great art.

A retrospective of Maggie Diaz's work is planned and will, I am sure, be a very great exhibition. I honour Maggie for her fine contribution to photography and for enriching our lives.

### **Aquatic centres: closures**

**Hon. B. N. ATKINSON** (Koonung) — I want to comment on a rally that was held yesterday on the front steps of Parliament. The Minister for Sport and Recreation and the Premier in the other place were both invited but failed to attend. In fact both gentlemen have shown a considerable disinterest in the matter that local communities raised. It concerned the saving of some pools that have served these communities for a long period but that local councils are replacing following what would seem to be inadequate consultation and too many decisions being made behind closed doors.

The communities I refer to are Footscray, Sunshine and Pakenham, all of which have outdoor swimming pools that are being replaced by their councils in a trend towards these great Taj Mahal swim and leisure centres. This seems to be driven by both a government funding program and the views of consultants on how councils might derive better opportunities from larger facilities. I do not know that in all cases the consultants' reports

and the government's position really support the communities' needs in terms of swimming facilities. That is certainly the view of these communities at Footscray, Sunshine and Pakenham.

I support their case for a review of the decisions that have been made about their pools and their request that, if possible, the Minister for Sport and Recreation in particular review the Better Pools program to see whether it ought not also apply to some of these outdoor facilities. At the moment, it is anticipated that the new centres will be located some distance from the existing pools at Footscray and Sunshine. Quite some time ago — —

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

### **Australian International Airshow**

**Hon. J. H. EREN** (Geelong) — I was pleased to be one of the hundreds of thousands of people who attended the Australian International Airshow at Avalon throughout last week. The airshow has cemented its position as one of the top six aerospace and aviation events in the world, and one of the top events in Victoria, full stop. The figures have not been finalised for this year but the airshow held at Avalon in 2003 injected over \$80 million into the Victorian economy and that meant more than 1600 jobs.

This year the airshow showcased Victoria's \$600 million aerospace and aviation sector and outstanding defence capabilities. The joint Victorian and Australian Industry and Defence Network display featured 18 Victorian aerospace and defence companies. The display focused on the naval shipbuilding capabilities that make Victoria the proven and prepared choice for the \$6 billion air warfare destroyer contract. It is also interesting to note that our state's strength in the aerospace sector has seen Victorian companies win key contracts for major international projects like the joint strike fighter, the Boeing 787 and the Airbus A380. It is great news that the Bracks government has secured an agreement with the airshow organisers to run the event in Victoria through to 2015.

Something different at this year's airshow was the inclusion of Jetstar flights which landed every few minutes on the Avalon runway. Avalon is all go and Geelong and Victoria are benefiting from it.

### **Bendigo: Sports Star of the Year**

**Hon. D. K. DRUM** (North Western) — Earlier this month I had the pleasure of attending the Sports Star of

the Year awards night in Bendigo. Run by the *Bendigo Advertiser* and Southern Cross 10, this extraordinary program has been rewarding and encouraging athletes from a wide variety of sports for over 40 years. The sports represented in this year's awards included cycling, billiards, softball, indoor cricket, kayaking, athletics and others.

I was delighted to share the excitement of all the monthly winners, and to hear basketballer Kristie Harrower, a silver medallist at the last Olympic Games, named as the overall winner for the second time. Jeff Tho was named the Cyril Michelsen Trust Fund winner, and Alexandra Donegan was the winner of the Maxine Crouch Trust Fund. Sports Administrator of the Year went to Graeme Macdonald.

I am also pleased to report that Mr Ron Best, my predecessor for The Nationals in North Western Province, was singled out for a special award on the night. Ron was inducted into the Sports Star Hall of Fame for his extraordinary feats on the football field and his contribution to sport in general in the Bendigo area. It was a great awards night. The Sports Star of the Year awards acknowledge the hard work and sacrifice that go into helping our talented athletes achieve such great results. I congratulate everyone involved in the organisation of the night as well as all the finalists, and especially the winners.

### **Libraries: web pages**

**Hon. S. M. NGUYEN** (Melbourne West) — Thanks to the Brimbank City Council I was invited to the Brimbank Library and Information Service's Lunar New Year celebrations, which included the official launch of the library's Chinese and Vietnamese web pages by the mayor, Cr Suleyman, and other councillors. The occasion was also well attended by Vietnamese and Chinese parents and their children.

As members know, web pages are now very important for many people, especially those who cannot access a library. They can find information and look up books, videos, movies, music and other things on the Internet. In providing this service to the wider community, Brimbank council could be one of the first councils in Victoria to put its library on a Chinese and Vietnamese web site. It is a very good initiative and will also enable parents to access children's stories.

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

### **Nathalia: soldier settlers**

**Hon. W. R. BAXTER** (North Eastern) — I want to draw the attention of members of the house to a ceremony in the township of Nathalia on 13 March which resulted in the unveiling of a monument commemorating the soldier settlers who took up land in the Nathalia district following the Second World War in what has become one of the most successful land settlement schemes in history. Ninety-seven settlers took up their purchase leases and many of them were able to return to Nathalia for this ceremony, or if they were deceased, members of their families were present. I commend the organisers for contacting each and every one of the 97 settler families who came to Nathalia. The settlers changed the face of that district, bringing a new confidence and breadth of vision to the area, and have contributed immensely to the economy of northern Victoria. I am sure many of them and their families have gone on to make their mark in Nathalia and well beyond.

I commend Mr John Fox from the Rural Finance Corporation who attended and gave a magnificent outline of the history of soldier settlement in that district, and I certainly commend Cheryl McKenzie and Philip Hawkey, the secretary and president respectively of the group that organised it.

### **International Women's Day**

**Ms CARBINES** (Geelong) — During the week of International Women's Day I was pleased to attend several celebratory functions to mark the occasion. The Geelong branch of Soroptimists International held a fabulous breakfast with last year's National Citizen of the Year, Teree Gordon, as guest speaker for Geelong women. Teree certainly is an inspiration to all of us.

Later in the day I joined many women for the announcement of the 20 new inductees onto the Victorian Honour Roll of Women by the Minister for Women's Affairs in the other place, the Honourable Mary Delahunty. The women who have been added to the honour roll have all significantly contributed to their community and academic life and are thoroughly deserving of their inclusion. I was especially pleased to see the posthumous inclusion of Associate Professor Wendy Weeks. I quote from the Victorian Honour Roll of Women publication:

Wendy Weeks made an outstanding contribution to improving the lives of Australian women through putting women's rights on the agendas of both governments and service agencies.

I knew Wendy as the mother of two sons whom I taught at Banyule High School, and I was delighted to reminisce with her son Dion about the contribution she had made.

Finally, on the Friday I joined other female members of Parliament, Minister Delahunty and the Premier at the wonderful Girls to Government function here at Parliament House. Several hundred secondary school students from around the state spent the day in Melbourne learning about how government works and the involvement of members of Parliament, what it is like to be a female member of Parliament, and tackling some of the very difficult issues affecting young people across the state.

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

## HEALTH: RURAL AND REGIONAL VICTORIA

**Hon. D. McL. DAVIS** (East Yarra) — I am pleased to move:

That this house expresses its grave concern at the Victorian government's continuing attack on country hospitals and health services and draws specific attention to —

- (1) the government's decision to force the closure of the operating theatres at Rochester and Elmore District Health Service and at the Koo Wee Rup hospital;
- (2) the government's mismanagement of the Portland hospital in reprehensibly allowing a dispute to threaten services at the hospital;
- (3) the concerning increase in waiting times at Victorian country hospitals and their emergency departments as reported in recent government reports, particularly the 2000 per cent increase in the number of patients waiting more than 12 hours on a trolley in emergency; and
- (4) the government's connivance in the closure, without consultation, of key country blood donor collection centres;

and calls on the government to reverse its policies of cutting and closing critical country services, particularly acute and surgical health services and obstetrics, and to undertake full prior parliamentary consultation with the affected communities before any significant future changes to country health services.

I begin by saying that in 1999 and again in 2002 the Bracks government made a series of promises to people in country Victoria. Those promises were fundamentally to protect their health services. I strongly recall many occasions — and I doubt that the government will dispute this — when the then Leader of the Opposition, John Brumby, the later Leader of the

Opposition, Steve Bracks, and the then opposition health spokesperson, John Thwaites, attacked the performance of the then government and promised that they would be different, that they would treat country health services differently and that they would protect those services. There would be no further cuts and closures in country Victoria, and country services would be treated fairly. They also talked about process — about the need to avoid pre-emptive cuts and closures and avoid targeting towns and services without discussing that with the community.

These promises have been comprehensively broken by this government with its disgraceful behaviour over the last two and half years — since 2002 — in particular. There has been a series of disgraceful steps concerning country Victoria. The government has wound back key services and has also comprehensively mismanaged many of the larger regional services.

Over the last two or two and a half months there has been a very discernible trend of arrogance and irresponsibility in this government's approach to health care in country Victoria. A series of steps has been taken as if the government or some central planner had sat down and said, 'We have to cut and close these services quickly ahead of an election in 2006'. I can only conclude that the extraordinary decision to close the operating theatre at the Rochester and Elmore District Health Service, specifically at the Rochester campus, was a decision the government had been considering for some time.

The government has claimed that the decision was taken by the hospital board. In some trivial sense that may be true — the board made a decision to close the hospital operating theatre. The fact is that the board's hand was forced by the government over a period turning off the capital funding tap and allowing the service to wither and slowly die. This can only be seen as a deliberate attempt by the government to wind back that service. I believe the government has connived with senior bureaucrats to ensure the result that it wanted to achieve, and that is the closure of the small operating theatre in Rochester and the considerably larger turnover that has occurred over a long period at Koo Wee Rup hospital — and I will come to that in greater detail in a moment.

My colleague Ms Lovell will have a great deal more to say about Rochester later in this debate, but the government's decision to allow that process to occur was extraordinarily. The visiting medical officers (VMOs) were gathered for a surprise meeting in mid-January. They were not told the purpose of that meeting, but at it the chairman of the hospital board and

the chief executive officer, clearly with riding instructions from the region and probably from 555 Collins Street, announced pre-emptively, without any consultation whatsoever, that the hospital operating theatre would not reopen — indeed, would never reopen.

That set of statements set off a bombshell, and the town moved to protect its services. The VMOs, including orthopaedic surgeons who travelled to the town in a regular pattern to provide those services, were outraged by the behaviour and arrogant way in which it had been done. When this was brought to the attention of the department and the minister, all they did was to indicate that it was a series of steps that they supported.

The lie to the minister's words on this is revealed by the fact that she supports the process followed by the local officials. I condemn that process in the strongest terms. It is only in the last two days that the unsatisfactory process has come to light more clearly. Members of the Rochester Hospital Community Action Group (RHCAG), a group elected at a large public meeting on 27 January — —

**Hon. W. A. Lovell** — There were some 1400 at that public meeting.

**Hon. D. McL. DAVIS** — The estimates vary, Ms Lovell, between 1000 and 1400, depending on to whom you talk. It was put to me on the night by someone who regularly arranges speech nights in that hall that there were more than 1400 people there. I am happy to say that there were between 1000 and 1400 people at that meeting. It was an angry meeting, a meeting where the people in the community showed that they felt very let down by the decisions of local hospital officials and did not in any way see that the decisions being local let the government off the hook because the government had worked hand in glove with the local officials and had almost certainly directed various steps in the process.

I turn to this week's developments. The letter from Russell Kennedy Solicitors in effect threatening or gagging the Rochester Hospital Community Action Group is a disgrace. The public debate in this community has hit a new low when statutory authorities are prepared to use legal tactics to shut up or gag community groups that are trying to hold a public meeting to save a health service.

Ms Lovell and I are informed there were up to 500 people at the public meeting last night. That is again a very significant number of people for an area like Rochester, Elmore and the surrounding districts.

The meeting convened by the Rochester hospital action group was called to inform citizens of Rochester and district of the group's dealings with the minister and the board of management of the hospital; to reveal the facts of what has occurred; to reveal the degree of cooperation of the board of management; to decide how to convey to the board of management the disgust of Rochester citizens at their neglect as caretakers of the Rochester hospital and their failure to respond to a petition of 1700 citizens presented to them on 11 February 2005; to reveal the alternatives to closing the operating theatre that were identified by the board's own consultants, but ignored; to consider the other agendas of the board and the Department of Human Services; to decide how members of the community can reliably convey their future health service needs to the minister; and to consider the worth of the board of management in its role as hospital caretaker.

Clearly that statement, which seems to me an entirely reasonable political statement by people trying to save their hospital, riled the officials at the Department of Human Services and perhaps some of the local officials too, to the extent that they ordered Russell Kennedy Solicitors to take action. I am interested that in the Legislative Assembly yesterday when the Minister for Health was asked about this extraordinary letter from Russell Kennedy that sought to gag debate at the public meeting, she chose not to distance herself from this letter; she chose not to discuss the letter at all. The question asked by the honourable member for Caulfield in the other place was a very specific question as to what the minister's attitude was to this extraordinary letter. The minister, by her failure to condemn this letter, in my view adds tacit support to the letter, and I am disappointed that the Minister for Health has not seen fit to comprehensively distance herself from it. These are not the sorts of actions I thought Steve Bracks promised when he came to government in 1999. I did not expect to see him quashing community dissent and debate and gagging public meetings, but that is what he has done on this occasion.

The state government is very guilty and very nervous about what is occurring in country health services. It knows that it has comprehensively failed, and it knows more than that: it knows that a major breach of faith with country Victorians has occurred here. It is, as I say, very nervous and very touchy about these matters and is now moving to try to silence opposition, no matter whether it is at Rochester or elsewhere, such as the extraordinary attack by the minister on the Ramsay Health Care Group that runs the Mildura hospital — a very well-run community hospital that has strong local support, a public hospital funded by the Victorian

taxpayer to provide public services in Mildura for the people of Mildura and surrounding districts.

I was saddened by the minister's response to a debate that developed in Mildura, a debate that sought to put on record many of the issues surrounding funding at that hospital. There is no doubt that on any population analysis that hospital has been underfunded by this government. There is no doubt that services cannot be delivered unless there is sufficient funding. There is no question that the hospital runs efficiently. An examination of its emergency department makes clear that it runs arguably more efficiently than similar public hospital facilities in other large regional centres.

It might be worth while for the house to quickly review some of the figures on Mildura. Bendigo and Ballarat, for example, see between 30 000 and 35 000 people through their emergency departments each year, and each receives just over \$5 million to run those emergency departments. Mildura sees about 31 000 people go through its emergency department and is given \$2.8 million to run that department. These are the figures for the previous financial year. We do not know the final figures, obviously, for the current financial year, but the point is that on any reckoning the statistics show that the emergency department is well run.

The state government fails to declare the waiting list figures for Mildura in its quarterly *Hospital Services Report*, and in my view it ought to declare those figures. They ought to be declared, along with those for all of the other major regional centres. The government would give a much better account to the community in country Victoria if it were prepared to put out publicly those figures that are funded by Victorian taxpayers. Then we would be able to examine the value that people get in country Victoria for what we are spending on those services. I would encourage the government to adopt that approach with the Mildura hospital and to release all of those figures each quarter, as it does for other hospitals around the state.

I want to say something particularly about waiting lists in country Victoria. There is no question that under this government waiting lists have got much longer in country Victoria. The number of patients waiting for elective surgery has skyrocketed — this is for semi-urgent elective surgery — from 422 in the September quarter of 1999 to 825 in the September quarter of 2004. If you look at the numbers waiting in emergency, the numbers have gone up quite extraordinarily. I will make available to the house something that I seek to incorporate in *Hansard*. I have spoken to the Deputy Leader of the Government, to

Hansard, of course, and to the President about this, and they have no objection of which I am aware.

*Leave granted; see tables pages 217 and 218.*

**Hon. D. McL. DAVIS** — I have copies for people. It is worth making the point that the government's own statistics show that the number of people waiting for more than 12 hours before being admitted to a bed in the same hospital — that is, people waiting in the emergency department — has increased from 48 in the September quarter of 1999, the last quarter of the Kennett government, to 1076 in the September quarter of 2004, the most recent quarter for which we have statistics. That is more than a 2000 per cent increase in the number of people waiting.

If you look at the Bracks government's record on these country hospital emergency departments, the ones for which we have figures show a very similar pattern across country Victoria. The number increased from virtually 0 in 1999 in most places to a very significant figure in each of those country hospital emergency departments — Barwon Health, that is at Geelong, from 5 in the September quarter of 1999 to 397 in the September quarter of 2004; at Bendigo Hospital, from 0 in the last quarter of the Kennett government to 202 in the most recent quarter under Steve Bracks; at Goulburn Valley Health from 14 up to 367; Latrobe hospital from 29 up to 70 after peaking at 181; and at Ballarat hospital from 0 to 40.

These figures are not comprehensive for the number of patients waiting 12 hours. These only include those patients who wait 12 hours in the emergency department and are then admitted to a bed in the same hospital. They do not include those who go into an emergency department and wait 12, 24 or 46 hours — 96 hours in some cases — and are then transferred to another hospital or are transferred out of the hospital to home, or indeed, they do not include people who die in an emergency department in regional Victoria. They are not included in those statistics.

We know from the Auditor-General's examination of metropolitan hospitals that the number of those who are waiting 12 hours is vastly greater than the official figures declare, but we do not know the accurate figures for country Victoria if those other categories of those who are waiting more than 12 hours on a trolley are included. We know that this compromises the health of people in country Victoria; we know that people who are forced to wait on trolleys do less well and recover less quickly, and we know that people who are forced to wait on trolleys for huge amounts of time are more likely to die in emergency departments than people who

are dealt with promptly, efficiently and effectively by those emergency departments. This is a disgrace, something that the Bracks government ought to be very ashamed of, and I believe some members in the government are ashamed of what has occurred in our country hospital emergency departments.

Returning to Rochester for a moment, I want to make something else available to the house. This is not to be incorporated but just to be made available to the house if people are interested because I want to quote briefly from a Russell Kennedy letter to the Rochester Hospital Community Action Group. It says:

We have been provided with a copy of a notice of public meeting ...

We note... these public comments ...

The comments appear to have been made with a disregard to ascertaining the factual position ...

We have advised the health service that the comments are highly defamatory of the health service, the members of the board of management and the senior staff ... Each of those individuals, and the health service itself, would be entitled to take legal action against the members and office bearers of the RHCAG ...

You are therefore notified that the health service entirely reserves its rights in relation to these claims, and may seek full compensation for the loss of reputation and other damages suffered as a result. In addition, should any of these comments be repeated or republished, the health service entirely reserves its rights to take immediate action.

As you may be aware, the RHCAG, as an unincorporated body, has no separate legal identity. Any claims against RHCAG can be made against the office bearers and members personally. We place you on notice that you may be personally liable for these claims, and any future claims that arise.

In pursuing [these] claims, the health service will also be seeking full compensation for its legal costs, which you will appreciate may be substantial in the event of litigation.

That is pretty threatening to a small community action group fighting hard to protect its local community. Again, copies of this extraordinary letter are available to members of the chamber if they would like them. It is a letter that in retrospect will reflect a disgraceful day for the Bracks government.

I also want to make the point about remote services in country Victoria. The Australian Institute of Health and Welfare data makes it very clear and the independent Productivity Commission report on government services 2005 released in late January shows that since 1999 the number of available remote area beds in Victoria has dropped from 2.3 beds per 1000 people to 0.3 beds per 1000 people in 2003. These figures blow the whistle on Steve Bracks's country bed closures.

This is clearly an attack on country Victoria. The AIHW data prove that hundreds of beds have been closed since the government came to office five years ago, although the Bracks government does not really want to release the number of beds that are in Victoria. The AIHW data is the best approximation of the information we have.

The figures on remote beds also put Victoria to shame against its neighbouring states: New South Wales currently has 5.4 beds per 1000 people in remote areas, and 3 beds per 1000 in regional areas; South Australia has 7.9 beds per 1000 in remote areas — an increase since 2000 — and 3.9 beds per 1000 in regional areas. In Victoria there are 2.8 beds per 1000 in regional areas. These figures speak for themselves. The state government has not understood how to run our country hospital services and how to properly resource them in an effective way.

There are a number of ways that you can look at the government's mismanagement of country hospital services. I want to focus very briefly on one example — the country hospital pay blow-out that occurred at Christmas where the government in a pre-emptory step that was a sop to its union mates, particularly in the Shop, Distributive and Allied Employees Association, declared three additional public holidays, two this year have gone and one in the forthcoming Christmas period. Those two additional days cost the state public health system something over \$20 million in unscheduled wage and salary costs. That is \$20 million that is pulled straight off the bottom line for each of those health services. The amounts are quite significant: \$104 000 at Portland, \$180 000 at Hamilton Base Hospital, \$336 000 at South West Health Care, up to \$300 000 at Bass Coast Regional Health, \$100 000 at Echuca, and I am informed over \$300 000 at Wangaratta. All of these services are facing huge costs — huge additional bills that come off their bottom line. Those costs coming off the bottom line have to be topped up properly by the Bracks government.

Under pressure from regional newspapers, the minister made the decision to give some words of comfort to some of the chief executive officers and boards of these country hospitals, but the words that I have heard and seen reported are not comprehensive enough. We need to know that every public facility in country Victoria that has incurred extra costs because of the state government's decision to declare two unscheduled public holidays will be fully and completely compensated. I can see there is a lot of scope for only partial compensation to be provided, and certainly a number of the board members I have talked to in country Victoria indicate they are concerned that the



compensation provided by the state government may not be complete.

I want to also say something about what has occurred with the Bracks state government's decision to weaken the boards in country Victoria. It has done this in two ways. It has done it firstly by the Health Services (Governance and Accountability) Act, which we passed through this Parliament and which was bitterly opposed by the Liberal Party in this chamber. While that act has a fine-sounding title, it is about nothing of the sort. It is about imposing central control on country hospitals across the state as well as imposing additional central control on the large metropolitan and regional hospitals. It created a new series of powers for the minister and the secretary: the power to dismiss boards in a more straightforward way; the power to force statements of priorities on boards; the power, where the minister so chose, to appoint spies to attend board meetings; and the power to require a whole series of things from boards that will simply weaken their local authority and their autonomy.

Mr Baxter will remember, having been in government — and looking around the chamber I note he is about the only one who was a minister in the previous government — that central agencies like the Department of Human Services are not powerless. They are very powerful bodies; they already have a lot of authority, not the least being the power of the purse. The minister's decision to take unto herself these additional authorities and powers will be seen as trying to crack a walnut with a sledgehammer. It is very unnecessary and will simply lead to weakened and cowed local hospital boards in country Victoria. The other way the government has weakened boards is through its so-called conflict-of-interest provisions that have thrown doctors and nurses off boards across country Victoria. There are now well over 16 or 17 that I am aware of personally that have been thrown off country hospital boards. These are people with clinical knowledge who provided the boards with a powerful understanding of what was required for their local community.

No-one is opposed to proper conflict-of-interest provisions, but the idea that in a small rural community you would say anyone who has any financial or other link to a hospital or health service would not be entitled to sit on the board is extraordinary. That counts out generally most of the local doctors, the local nurses, often the local accountant and solicitor who may from time to time provide services to the hospital, food suppliers and other suppliers, and perhaps even the local electrician and plumber who may from time to time provide services to the hospital. You are left with a

much depleted pool of talent to choose from in a smaller country community. The idea that in a smaller community the provision of services would not be closely interlinked is an extraordinary proposition. Ideas that sound sensible in Melbourne and may well apply perfectly properly at hospitals like the Alfred, the Royal Melbourne or Box Hill become absurd when applied in smaller rural centres. These steps taken by the government I believe had a sinister underlying motive, which was to weaken those country hospital boards further ahead of the attack that the state government has recently launched on them. I believe that attack will, in retrospect, be seen as a very negative attack.

I want to also say something about Koo Wee Rup and the decision to close operating theatres down there. That was a very significant service, which undertook about 2500 procedures a year. That is not a small number by any measure. I know some people will say the operating theatre at Koo Wee Rup needed to be upgraded, and that is true. But, again, if you cut off the capital funding for a period of five or six years, hospital facilities decline and are not maintained properly and you are left with a very difficult situation where the boards are then forced into a legal cul-de-sac where they have very little room to move. Of course the state government and the department know this. They know what is going on. They know what happens when you cut off capital funding and cut off options.

In the case of Koo Wee Rup the regional director and the regional office went further than that. Nobody could get sensible advice out of the regional office. People would go to the regional office and the board members would say, 'What about if we reshaped our service in this way or that way or a different way, would you support us in doing that?'. In the case of Koo Wee Rup they faced a wall of silence from the regional director, a former Labor member of this Parliament, Val Callister, down. They faced a wall of silence that left Koo Wee Rup in a very difficult position — and that wall of silence continues to today.

Even though the theatres have been closed that hospital still has acute beds which it wishes to use for its local community, and it wants to use them in a very specific way. The Koo Wee Rup hospital has a plan for a mother-and-baby program, including the provision of overnight accommodation, day accommodation and an approach to assist mothers and babies, and often mothers who are in crisis and who need to learn parenting skills. Mothers seeking to provide better care for their babies should be assisted. The information I have is that the whole of the Gippsland region has no mother-and-baby program. Mr Hall may have a view on this, I do not know, but the information I have is that

there is no mother-and-baby program in the whole of the Gippsland region.

Koo Wee Rup, which has acute beds ready to go, has staff that have been partially trained in this way. It has linkages to city-based services that can provide the upgrades and the assistance to that hospital to provide that critical mother-and-baby program. It is willing to provide those services. But again it meets the wall of silence from the regional office. The regional office will not give a green light. It will not give a yellow light. It will not give a red light to the hospital. There is just a wall of silence. I think this is a very wrong approach.

I believe the minister needs to talk to the regional office. Mr Hall will agree with me when I say that it is not as though the regional office in Gippsland has covered itself in glory recently. It has not managed hospitals in its region well. You need only to look at the fiasco at Sale. It is not my purpose to discuss Sale at length today, other than to say there are only a few possible constructions on the Sale situation, and all of them include mismanagement by the regional office. The management either did or did not know that the board, and perhaps others involved, were not managing things as well as they should have been; and I am being modest in saying that. But the regional office either did know or did not know. If it knew, it is part of it and culpable. If it did not know, it should have known. You would imagine that a regional director worth her salt would have known. But we wait to hear a response from the regional director about her involvement in the happenings at Sale — and a precise account.

I want to talk about Portland. I was honoured to meet a number of board members and senior executives at that hospital just a few weeks ago. I was also honoured to meet in the office of Dr Denis Naphthine, the member for South-West Coast in another place, all of the medical officers who were determined to put their case about Portland to Denis Naphthine as the local MLA and to me as shadow minister. I was pleased to hear their stories and explanations.

I want to put this precisely. Government in the end has responsibility for country health services, and boards are put in place to manage services on behalf of their community. I support strong, independent boards that have the authority, the local knowledge and the capacity to advocate on behalf of their communities and the capacity to stand up to governments on many occasions. I would say that whether I was in government or in opposition.

**Mr Viney** interjected.

**Hon. D. McL. DAVIS** — It was my view, Mr Viney. You were not in this Parliament at that time, to be honest.

**Mr Viney** interjected.

**Hon. D. McL. DAVIS** — We could talk about Frankston on another occasion, and we probably will, but that is not the purpose of today's debate, which is about country hospitals.

**Mr Viney** interjected.

**Hon. D. McL. DAVIS** — Yes, but we did not send out the sort of legal letter we have seen today, this extraordinary attempt to silence a community group. Mr Viney would be shocked to read that sort of thing, or perhaps he, like the minister, chooses to remain mute on the matter. I will be very interested to hear what he has to say on the idea of silencing and gagging country hospital boards. I hope he will have more to say than the minister, who has ducked and weaved and hidden and should have come out clearly and said, 'I do not support gagging community groups that are fighting for services in the local community'.

I want to say something about blood services in country Victoria. I have reliable information — a Red Cross spokesman has said this on radio — and the government was informed at a very early point. My information is that the government connived with the Red Cross to close a long list of country blood collection services. The centres closed include those at Ararat, Beechworth, Camperdown, Cobram, Donald, Euroa, Maryborough, Myrtleford, Nhill, Portland, Rutherglen, Stawell, Terang, Wonthaggi and Yarrowonga. Again these closures were without consultation and were pre-emptive decisions. The state government has tried to take a Pontius Pilate approach saying, 'We are not responsible; this is a federal body'. Well, I have to say the National Blood Authority is a joint body funded by state and federal government. The Victorian government allocates money each year to fund blood products that come through the National Blood Authority. It is true the authority funds the blood collection services, but you need only look at the issues surrounding the budget papers to understand the situation.

While the National Blood Authority undertook its rule from 1 July 2003 the state government continued to report on blood products in its budget for the year that followed. It is only this year, as shown in budget paper 3, that the government took the decision to remove blood products. Discontinued performance measures include platelet products issued, red cell products issued and compliance of blood production

and supply activities with Therapeutic Goods Administration requirements. And spending in 2003–04 was \$49 million. That \$49 million of expenditure has not stopped. This year it will almost certainly exceed \$50 million, but that is not reported anywhere in the acute health services budget from which it is taken. I believe that is a serious oversight.

If one goes back to the 2003–04 budget, one sees that blood collections were measured. I believe the decision by the Red Cross, with the connivance of the Victorian government, is reprehensible and unfortunate decision. It sends the wrong signal to our whole community, including country Victoria. I think the volunteers in country Victoria who have for so long provided a great deal of support to our blood collection arrangements in Victoria and in Australia have been treated very shabbily by this government.

I can think of no better person to quote than Ms Dianne Hadden, who in this place made a contribution to debate about blood products and the Red Cross blood services. She said:

In mid-January this year the Victorian division of the Australian Red Cross announced to country Victoria —

and she talked about her area —

that it proposed to close the blood bank donor stations immediately. That has had a negative impact on Red Cross volunteers across the rural areas of Ararat and Stawell and others west of Ballarat.

The Red Cross has received much negative criticism in the media on the suddenness of its announcement, as well as on the short and long-term repercussions on the dedicated groups of volunteers within these rural communities. As we know, unpaid volunteers are the backbone of rural communities.

Another issue is the negative impact which the Red Cross announcement is having on the good name and reputation of Red Cross in country Victoria and also on its fundraising ability.

I suggest that the Red Cross seek a compromise — and I am paraphrasing now.

I do not think compromise is good enough. I compliment Ms Hadden on her preparedness to speak up. Her government, the Bracks government, knew about these closures before and connived in and acquiesced to those closures. The government cannot in fairness wash its hands of responsibility like Pontius Pilate did. The Bracks government knew about these closures. It could have acted, said no, raised the issue publicly and stepped forward. It chose to do nothing whatsoever, and it should have acted. It is a repeat performance of the disgraceful behaviour of this government with respect to Intragam P, which is a

lifesaving product which the government made a peremptory decision to limit supply. On blood products I was not made happier by the minister's statements to the Public Accounts and Estimates Committee on 19 May 2004. I was made aware that the minister thinks she can step away from responsibility for these matters.

The government should reverse the decision on country blood donor collection. It should step in and assist the Red Cross in continuing those collections. It should be able to come to a sensible compromise with the Red Cross. The Red Cross has not covered itself in glory, which is disappointing.

I want to say something about the process of extracting information from the Rochester and Elmore District Health Service. I place on record my thanks to the people at the Rochester and Elmore District Health Service for allowing me to visit the hospital recently and to see the arrangements in their medical wards and other services, as well as the now closed operating theatre. I want to place on the record today my concerns about their obstruction of the lawful freedom of information requests that I have put to that hospital. I am not inexperienced in dealing with freedom of information (FOI) requests. The FOI request seeking access to agendas, minutes and attachments to board papers is an identical FOI to one that I have put to many health services, including some of the major services in this state. Bendigo Hospital, Royal Melbourne Hospital and other large and small facilities have been able to comply with this request, but not the Rochester and Elmore District Health Service. It appears to have dug in and is unprepared to release information which, on any reading of the Freedom of Information Act 1982, should be public information in the format I have requested. This is the same format that I have used elsewhere. I will send the health service another letter today pointing out the fact that this is the wrong approach. I hope it is prepared to re-examine that issue sensibly.

I also want to place on record another tendency that has begun to occur in country Victoria with the Bracks government and its difficulties with surgical and health services. We know that through the Hume plan the minister has every intention of winding back surgical and obstetric services across the state. We know that more than 14 services have been closed in the last two and a half years and that this is beginning to impact severely on country Victorians and city Victorians who travel. Examples are beginning to come to light, like the case at the Alexandra District Hospital on Friday where an expectant mother — —

**Hon. T. C. Theophanous** — Your speaking ability has not improved.

**Hon. D. McL. DAVIS** — I am not concerned about Mr Theophanous's views on these matters. Unlike him I am concerned about the content of these things. The situation at Alexandra District Hospital is a case in point. An expectant mother who was going into labour was turned away from that hospital. She was forced to travel to Melbourne. This is the sort of situation that we will begin to see more of in country Victoria under the Bracks government.

**Hon. T. C. Theophanous** — What about Tony Abbott? He was an expectant father.

**Hon. D. McL. DAVIS** — Mr Theophanous's comments about Tony Abbott are reprehensible! Tony Abbott's situation is a difficult one. Most Australians would have a generous view towards him and that situation, especially today.

In terms of obstetric services, the Seymour hospital has got itself into a great deal of trouble over the recent period with the closure of that service. Now the government has sought to reopen it. It will be the sole obstetric service that has been closed or suspended indefinitely. I understand that Seymour hospital has appointed a public relations consultant, Barbara Hapgood, in recent weeks. She has a role to liaise with the media and talk about new developments at the hospital. This is the triumph of spin over substance. This is a government decision to use public relations consultants to spin its way out of the closures and cuts that it has instituted in obstetrics around country Victoria.

**Mr Viney** — Are you going to sit down and give Wendy a go?

**Hon. D. McL. DAVIS** — I am.

**Mr Viney** — You are not; you are using up all of your time.

**Hon. D. McL. DAVIS** — No, I have several minutes to go. The appointment of this public relations consultant is a waste of money. I am not sure if it is additional state money that has gone into Seymour hospital to fund the government's spin problems in Seymour, or whether it is money that Seymour hospital is going to have to find out of its budget to pay the spin merchant to get the hospital out of the problem it has with its local community. I know from a number of people who have spoken to me from the Seymour district that few people believe the hospital is doing a good job and that few believe it is being satisfactorily

run at the moment. The minister tried to walk away from any sense of responsibility. The community saw through that and understands that the state government has got a responsibility to run that hospital properly. The community will also see through the smooth and soft words of consultants who have been appointed to spin the government out of its problems in Seymour and district.

I know that Ben Hardman is a fine fellow, but he has not been able to protect his local community. He was not able to protect the Alexandra and District Ambulance Service from the forceful takeover of its board and the things that will flow from that in the longer term, when the government starts stacking the board with its own mates who will all be Labor members in the end. The sad truth of the matter is that the community does not believe that Ben Hardman has protected its hospital in the way he should have. I hope that the political pressure put on the Bracks government by the opposition — by Ms Wendy Lovell in particular — and others who have been prepared to intervene on behalf of the community in Seymour to help protect its services will pay dividends for the community and that the government will reverse many of the decisions it has taken.

I conclude by saying that this attack on country hospitals and health services by the Bracks government is outrageous. It is a major breach of faith and of the promises made to communities in country Victoria prior to the 1999 election and again prior to the 2002 election. The community will see through the cuts, the closures, the wind backs, the pre-emptory action and the decisions to reduce the opportunities for country people to have the full range of services, and it will exact a toll on the Bracks government.

**Mr VINEY** (Chelsea) — I am clearly indicating that the government will be opposing the motion before the house today. In doing so I will take the opportunity to set the record straight on a few matters. I must say, though, that I have already set the record straight on health matters on a number of occasions but Mr Davis seems unwilling to listen.

There is a saying that the winners write history. What we have heard today is an attempt by Mr Davis, on behalf of the losers, to rewrite history in a revisionist way. It is interesting that Mr Davis, in attempting to rewrite history with his version of these matters, has completely ignored the fact that he was part of a government that cut into hospitals and health services across Victoria. It sacked nurses and it closed 12 hospitals.

Mr Davis spent a lot of time today talking about issues related to the Rochester and Elmore District Health Service. It is interesting that he has done so because it is called the Rochester and Elmore District Health Service even though it is located, of course, in Rochester. This is because in 1994 the Kennett government closed the Elmore hospital and it had to relocate to Rochester. He forgot to mention that the reason it is called the Rochester and Elmore District Health Service is because that region was subjected to the Kennett government cuts in health services! It ripped into our health services. It closed hospitals at Koroit, Clunes, Elmore, Mortlake, Beac, Lismore, Macarthur; and in the metropolitan areas it closed the Fairfield, Burwood and Essendon hospitals and the Preston and Northcote Community Hospital. In contrast, this government has been putting resources into hospital services in metropolitan and country areas across Victoria and I will go through some of the details of them in a while.

It is also disappointing that Mr Davis deliberately misrepresented the situation at Rochester for political purposes. In my understanding, what occurred — and it is important to put it on the record in this debate — is that the board of the Rochester and Elmore District Health Service was advised through an independent audit that its operating theatres did not meet the appropriate national standards. This posed a legal problem for the health service because it would have become liable for any untoward event that may have occurred as a result of operations undertaken in those theatres. When one looks at something like operating theatres, it is obvious that this situation has not arisen because of funding shortfalls in the last year or two; it has occurred after what may well be, if we went into deep investigation on the matter, years of neglect by the Kennett government, which did not put money into capital works for country hospitals.

The board of the Rochester and Elmore District Health Service was placed in the position of having to make a decision to suspend operations in those theatres because they did not comply with the appropriate standards. As a consequence the government has responded to the situation and Mr Davis — and Ms Lovell, for that matter — would be well aware of that response because there have been two media releases on the subject. If they have any diligence at all as opposition members they would at least check the media releases of the government.

On 28 January the Minister for Health met with the Rochester and Elmore District Health Service board and the local member of the Legislative Assembly, Noel Maughan, to discuss the service planning progress

that now needs to be undertaken at the Rochester and Elmore District Health Service.

**Hon. D. McL. Davis** — After the closure! After the cuts! After!

**Mr VINEY** — Mr Davis, you had your go, and you did not tell the truth.

**Hon. D. McL. Davis** interjected.

**Mr VINEY** — So loudly interjecting the misrepresentations does not make them accurate.

**Hon. D. McL. Davis** interjected.

**The ACTING PRESIDENT (Mr Smith)** — Order! Through the Chair, please. Mr Davis has had his go. He knows interjections are disruptive.

**Mr VINEY** — Acting President, Mr Davis well knows that loudly interjecting a mistruth does not make it accurate. The truth is that these are not cuts. There is a suspension in the operating services at the hospital because the theatres did not meet the standards.

**Hon. D. McL. Davis** interjected.

**Mr VINEY** — If Mr Davis would like to listen, I am actually pointing out that from two media releases on this matter he well knows the truth, but he chooses otherwise. The Liberal Party is doing nothing more than playing political games in that area, presumably because it wants to nick that seat off Noel Maughan. Presumably the Liberal Party wants to take the seat off The Nationals. It is playing political games in this community.

**Hon. D. McL. Davis** — Why did she wait till after the closure? Nothing would have happened.

**Mr VINEY** — I am trying to put on the record, despite Mr Davis's rude and loud interjections, the correct position on this. The first point is that a detailed service planning stage is now being undertaken for the whole of the hospital's needs. The second is that on 15 March the government announced the appointment of architects to look at the situation in relation to the upgrades necessary to get the operating theatres at the Rochester and Elmore District Health Service up to standard.

**Hon. D. McL. Davis** — Also without consultation!

**The PRESIDENT** — Order! Mr Davis has had his opportunity.

**Mr VINEY** — Indeed he has, President. What he did in his opportunity was to completely misrepresent the situation at Rochester. What I am going to do in this debate, despite his interjections, is get the correct situation on the record at least, and there will be no further excuses for Mr Davis's misrepresenting things.

**Hon. D. McL. Davis** interjected.

**The PRESIDENT** — Order! Mr David Davis!

**Mr VINEY** — As I was saying, the second thing the government did was to put in place a firm of architects to deal with the required upgrades of the operating theatres, but to do that in the context of the entire fabric of the Rochester and Elmore District Health Service. That is an appropriate response by the government to the situation that has developed as a result of the independent audit that found that these theatres did not meet the standards and needed to be improved. The government is responding in an appropriate way, looking at the detailed service planning of the hospital and at the physical fabric of not only those theatres but the entire hospital in order to make a sound and rational decision about how to resolve the need to provide important medical services to that community. And the government will continue down that path. The situation is not advanced or furthered by the Liberal Party taking pot shots in order to make political points and stirring up the community.

Everyone should recognise that members of hospital boards, particularly rural hospital boards where the positions are honorary, give enormous amounts of dedicated service and time not for themselves but to deliver good services to their local community. Having been as a parliamentary secretary involved in helping to find people for hospital boards, I can tell Mr Davis that it is not true at all that there is any political overlay on those appointments. That is completely unreasonable.

**Hon. D. McL. Davis** interjected.

**The PRESIDENT** — Order! Mr David Davis!

**Mr VINEY** — It is absolutely appalling that he would besmirch the character of people who are putting forward their names to volunteer in this way. It would be particularly useful if everyone involved in the situation at Rochester went about looking at the situation rationally and in the long-term interests of the community. It is not helpful for people to be unfairly critical of board members who are doing the best they can to deliver reasonable services to the community. I regret that the board has felt it necessary to send legal letters in this situation.

**Hon. D. McL. Davis** — Do you support that?

**Mr VINEY** — I regret that the board has felt that necessary. But I say to Mr Davis that people who volunteer their time to help the community and to deliver reasonable services are not in the business of politics, as we are, and it is reasonable for them to say that their reputations need to be protected. So whilst I am not condoning or rejecting or doing anything in relation to this matter, people have their legal rights.

**Hon. D. McL. Davis** — What are you saying? Do you support that letter or not?

**Mr VINEY** — I think it is regrettable that the situation has come to this point. I think that Mr Davis and Ms Lovell have contributed to getting it to this point, because for their own political purposes they are inflaming a situation that the government is trying to deal with. It is for their own political benefit that they are prepared to allow the community to get into conflict instead of helping it to work through this in a reasonable and considered way, which is what the government has put forward.

It is a difficult situation for the Rochester and Elmore District Health Service. It is difficult for the community and it is difficult for the board, and I am sure that it is also difficult for the medical staff and the ancillary staff at that hospital. It is a difficult situation, and the only way it can be resolved is to go through a rational and sensible planning process, which is what the minister has announced — a service planning process and an architectural process. Mr Davis says we should listen to the community.

**Hon. D. McL. Davis** — After the closure!

**Mr VINEY** — Mr Davis, I hope you have learnt the lesson of that seven years, because you did not listen to the community when you were in government. I mentioned Frankston when you were speaking, and you did not want to discuss it.

It is true that at the same time as I and others were campaigning for more beds at Frankston Hospital and the hospital had made a submission to the government for more beds, the Kennett government denied there was any need for more beds at the hospital. Not only that, it silenced the hospital.

**Hon. D. McL. Davis** interjected.

**Mr VINEY** — There was a substantial process of misinformation under Mr Davis's government, so he should not tell me about listening to the community. This government — —

**Hon. D. McL. Davis** interjected.

**The PRESIDENT** — Order! I am sick of asking Mr David Davis to desist from interjecting. He should stop it.

**Mr VINEY** — This government has been committed to putting community representatives back onto hospital boards, making sure that hospital boards not only in country Victoria but in metropolitan Melbourne have good, strong community representation.

It is important to take the opportunity to put on the record some of this government's achievements in relation to health services, in particular those in country Victoria. We only need to go back to the budget delivered in May last year, the current budget, and look at the massive boost to rural and regional health — \$142 million over four years in additional funding for upgrades to hospitals and other health services in provincial and country Victoria. The list is substantial: \$50 million for a new community rehabilitation centre at the Grace McKellar Centre; \$18 million to upgrade cancer services at the Andrew Love cancer centre in Geelong; \$11 million in cancer treatment services at the Latrobe Regional Hospital in Traralgon; \$8 million for the construction of the Latrobe Valley community mental health centre; \$10.5 million to redevelop the nursing home and acute services in Yarrawonga; \$9.5 million to complete the second stage of the redevelopment of the Maryborough hospital; \$7.7 million to redevelop the operating theatre, day procedures area and mortuary at the Echuca hospital; \$5 million for construction of a new 30-bed residential aged care facility in Seymour; \$3 million to establish a new 12-chair dental facility at Goulburn Valley Health; \$14 million to redevelop the Polwarth nursing home at Colac hospital; \$2.5 million for 22 replacement ambulances for Rural Ambulance Victoria; and \$3.6 million for the upgrade of ambulance stations at Kangaroo Flat and Geelong and a new ambulance station at Ballan, which also includes funding for five new community response teams at Birchip, Boort, Lang Lang, Nagambie and Nangiloc.

Clearly we do not need to look past the last budget to see this government's substantial commitment to rural and regional health service delivery. If we look at the total growth of the aged care and health budget from 1999 to 2004–05, we can see — and I am working from a graph — that total expenditure for health and aged care was around \$5 billion in the 1999–2000. From reading the graph, health expenditure looks like about \$3.3 billion or \$3.4 billion, the balance being in aged care. This has grown to something in the order of

\$7.5 billion, which is about a 40 to 42 per cent growth in total expenditure in health and aged care in this state over the course of this government. This government has substantially invested in our health services — —

**An honourable member** interjected.

**Mr VINEY** — About 40 to 42 per cent — I am working from a graph, not from raw figures, but it is in that order. This is a substantial investment in health services across Victoria.

Everyone in this house would acknowledge that it will require the continuing commitment of government to get the health sector right and that the growth in demand for health services sometimes seems to be exponential. In fact the per annum growth in the number of admissions to hospitals over the last few years has been in the order of 8 per cent. We have to look at some of the reasons for that — the ageing of our community, the decline in the number of people taking up private health insurance and the lack of bulk-billing GPs, because people at the lower end of the socioeconomic scale cannot afford to pay some of the upfront GP costs and are left with no option but to go to an emergency department when they could be more appropriately seen by a GP. Part of the increased pressures on our public hospital system comes from the lack of aged care beds in Victoria. In the last figures I read, and it may have been a few months ago, Victoria was in the order of 5000 beds short for the aged profile of our population.

These factors are causing an increase in attendances and admissions to public hospitals. The government is having to continuously increase funding to our public hospital systems to ensure that we stay not only abreast of that demand but ahead of it. The record shows that we have been able to stay ahead of that growth in demand and at the same time manage the finances of the operation of our hospitals with some degree of success.

In November last year the minister, through annual reports, announced that country hospital budgets were in surplus. In fact, the performance of country hospitals resulted in a combined surplus of \$900 000, compared with a \$10.3 million deficit the previous year. The government has been responding to that increase in demand, which has sometimes pushed hospitals into deficit, with increased funding.

One of the first things that the government did on coming into office in late 1999/early 2000 was to initiate the Duckett review of our public hospital system. That resulted in important changes in the

funding structures of public hospitals. The review found that hospitals across the state were in severe financial crisis and many had been forced to sell their assets to stay financially viable. This government significantly increased funding to our public hospitals both in country Victoria and metropolitan Melbourne to ensure that that problem could be stopped. It has done so successfully. Nevertheless the financial and demand pressures continue in our hospitals.

I turn to the issue of additional nurses in public hospitals. Now there are 5200 more nurses in Victoria's hospital system than when we came to office. This has been a deliberate and conscious strategy of the government, to ensure not only that we are able to treat more patients but that the quality and standard of health care delivered in our hospitals can be continuously improved. Because of increasing admissions we have put the resources in to ensure that we are able to provide a better quality service. We have done that by improving the ratio of nurses to patients.

This has been one of the critical factors in attracting nurses back into the system. All of the research shows that nurses want to work in a setting that is less stressful and that allows them to provide the quality of care to their patients that they believe they can and should deliver. That is by far a much more important attractor to the profession than many of the other additional wages and conditions that one might expect in the workplace. One of the critical decisions the government made in its last term was to improve the nurse-patient ratio and that is now a long-lasting benefit to Victoria not only in the quality of health care delivered but in attracting nurses back into the profession and into our public hospitals, from where many had left the public hospital system.

It is interesting to look at country hospitals. As I said, some 5200 nurses have come back into the hospital system. There are 3600 additional nurses in the metropolitan area but the balance, some 1592 nurses, are in the rural and country hospitals of Victoria. That goes across all the regions in country Victoria. In the Barwon region there are an additional 367 nurses; in the Grampians region an additional 288 nurses; and in the Loddon Mallee region an additional 317 nurses. I might add that the equivalent of 8.5 of those nurses are at the Rochester and Elmore District Health Service — what a contrast that is to the previous government that was cutting into nurses and closing the Elmore hospital. In the Hume region there are an additional 357 nurses, and in the Gippsland region there are an additional 263 nurses.

We have a government that has been committed to delivering more resources to our hospital system —

financial resources not only to fund the hospital system properly and adequately but more resources for personnel. Only last week the minister announced additional equipment totalling some \$17 million for public hospitals around the state. The government is continuing not only with providing the resources to fund the positions for nurses and medical staff but also funding the hospitals to adequately deliver services. It has also been putting additional resources into important medical and diagnostic equipment.

If one looks at the total benefit of how all of that has come together in Victoria — of course continuing work needs to be done — one of the most recent patient satisfaction surveys found that 95 per cent of patients expressed that they were satisfied or very satisfied with their hospital stay. In 16 of the smaller country hospitals the patient satisfaction rate was 100 per cent. People who receive country hospital services are responding positively to the additional resources that the government has put in place, the emphasis that this government has put on the need to properly fund and properly manage our hospital services, and to the fact that the government has put our community hospitals back in touch with their communities by ensuring that board representatives are reflective of the local community. It is through those efforts that we are getting such outcomes from patient satisfaction surveys on hospital services. As a net result of all the additional resources, reductions are now occurring in waiting lists across all sectors. Victoria did extremely well across recent surveys, in comparison with hospitals across Australia.

So far from the crisis that Mr Davis, and no doubt later in this debate Ms Lovell will contribute to, what is happening is that this government is dealing with the inevitable issues that will always arise within the health service. There will always be situations such as has occurred at Rochester where an issue or problem arises and the government is dealing with it in an appropriate and rational way — that is, by doing a proper and detailed service planning review and a full architectural fabric analysis of the hospital, not only for the delivery of operations in the operating theatres but for the overall fabric of the hospital. No amount of shouting, bellowing and yelling from the opposition is going to change the basic facts. The problems that have now arisen between the local community-based board and the local community have in part been contributed to by the opposition, which is deliberately inflaming a situation for its own political ends. That is the tragedy of this. We have decent community people on a hospital board who are now subjected to criticisms coming from the opposition because it wants to score political points and make political capital.



As I said, the only way that one could interpret this is that the Liberal Party wants to knock off Noel Maughan in that seat. That is the only way that you could interpret why it would be putting so much political capital into this issue and beating up an issue that is being dealt with.

**Hon. D. McL. Davis** interjected.

**Mr VINEY** — Yes, it is a problem. Absolutely it is a problem. The government has acknowledged it is a problem. The government has responded to the issues in an appropriate and rational way.

**Hon. D. McL. Davis** — After the closure! After it closes! After!

**Mr VINEY** — It does not matter how many times you shout and bellow 'closure', Mr Davis, it does not make it true.

What has occurred has been an audit that has identified that the hospital's operating theatres, as I said before, do not meet the standards. The hospital was then placed in a position where it could not allow operations to continue in those theatres, and the board has worked with the government, has worked with the department — —

**Hon. D. McL. Davis** — Five years of neglect!

**Mr VINEY** — Mr Davis, I have just gone through case by case the amount of investment that has been put into country Victoria's hospitals. Not only have I done that, I have pointed out what your government did in seven years — closed 12 hospitals — and this hospital, as I said at the beginning — —

**Hon. D. McL. Davis** interjected.

**The PRESIDENT** — Order! I have warned Mr David Davis numerous times. If he interjects one more time, I will use sessional orders to remove him. I ask him to desist. He has had his opportunity to contribute to the debate.

**Mr VINEY** — As I said at the beginning to Mr Davis, this hospital is known as the Rochester and Elmore District Health Service, and the reason it is called that is because his mob, when they were last in government, closed the Elmore hospital. This is the point here. If you want to go down this path, you have by contrast the Kennett government's closures of 12 hospitals, cutting 3000 nurses out of our system and closing hospital beds across the system, compared to a government that has put in 5200 additional nurses, has put millions and millions of dollars into the upgrades of

our hospitals and has put additional resources into the operational funding of our hospital systems. Yes, it is a proud record of contrast. I am happy to stand on it at any time.

What is happening in the Rochester hospital is a proper and rational response to a problem that has emerged — and no amount of political grandstanding and beating up is going to make it any different. It does not matter how much Mr Davis bellows and yells and creates complete fabrications on this matter. He should stick to the facts. The facts are that the government has responded appropriately and the government has invested massively in country Victoria and massively into country Victoria's hospitals. This motion before the house today needs to be completely rejected.

**Hon. D. K. DRUM** (North Western) — I suppose we tend to follow a bit of a trend with these opposition business motions. The opposition puts forward an issue that is, as it sees the case, operating out in the broader public in a vast array of fields, and then the government tends to stand up and blame the Kennett government for so many of the — —

**Hon. D. McL. Davis** — Or the federal government.

**Hon. D. K. DRUM** — Or the federal government, for so many of the issues, but in this instance — —

**Mr Viney** — I did not do that.

**Hon. D. K. DRUM** — Not today, you didn't. You blamed the Kennett government certainly, but you did not blame the commonwealth government.

**Mr Viney** interjected.

**Hon. D. K. DRUM** — Mr Viney, I would like you to afford me the same respect you were asking Mr Davis to afford your side.

**The PRESIDENT** — Order! I will rule in this house, not Mr Drum. I ask him to continue his contribution.

**Hon. D. K. DRUM** — I am always trying to help! It is interesting also that Mr Viney came up with a figure for investment by the Bracks government since it has been in government of increasing its spending in regional hospitals by 40 to 42 per cent.

**Mr Viney** — Of all hospitals.

**Hon. D. K. DRUM** — Of all hospitals — I am sorry, Mr Viney.

While 40 to 42 per cent is an impressive figure, it is not as impressive as the amount of disposable revenue the Bracks government now has at its disposal. That has gone well past 50 per cent over and above what it had when it first came to government. If you wanted to be truly analytical and simply talk about the finances, if the Bracks government is spending more than 50 per cent of its disposable income, in any one of the various portfolios in the various departments it has to deal with it is actually getting a smaller portion of the available pie than it was paying for when it first came to government. I think it is sometimes convenient for the government to talk in terms of the millions of dollars that it is now throwing at these problems, whereas it should be talking about the percentages of total revenue that it is spending on the various problem areas that are coming before government.

I want to talk about some of the hospitals in my region in the north-west of Victoria. Certainly Warracknabeal has had its share of trouble in the last 18 months. Warracknabeal hospital has lost its obstetrics services and has closed beds out of the hospital's nursing home and the hostels.

**Hon. D. McL. Davis** — And the surgery.

**Hon. D. K. DRUM** — It has. The member for Lowan in the other place has done a lot of work in that area in recent years. He has been forced, along with the member for Swan Hill in the other place, to talk to the hospital board and to people in the governance in trying to come up with some form of answers for the people in those areas who are going to be forced now to drive many hundreds of kilometres. People from that area and its surrounds are going to have drive to Horsham and Nhill or even further for treatment they were once able to receive at Warracknabeal.

The Productivity Commission has warned of the growing disparity between the levels of health services in Victoria's metropolitan area as opposed to the country. If a hospital cuts its services in Melbourne, city residents simply go to the nearest hospital in the nearest suburb. That luxury is not available to people who live in regional Victoria. They quite often have to travel several hundreds of kilometres to receive the health care they once received in their nearest regional town.

We have also had similar issues with the Mildura hospital. As was pointed out by Mr David Davis, the Mildura hospital is run by the Ramsay Health Care group. It has been having some serious funding problems with the state government in relation to its operating expenses and is in the unenviable position of having to offer either one or the other — that is, it can

provide the services that will help its patients or it can go the other way of meeting government budgetary targets. That certainly puts that hospital in a very difficult position. Interestingly, only as recently as last week, I think it was, the government made a \$1.1 million payment, a one-off grant to Mildura to enable it — —

**Hon. D. McL. Davis** interjected.

**Hon. D. K. DRUM** — It was to help it to at least get through this financial year without a substantial loss in its operating figures. At Mildura hospital we have had a serious threat of the loss of elective surgery services. The taking away of any elective surgery options there would also create a serious problem with the elderly in that region because Mildura has such a wide catchment area. Hopefully they have now been restored with the injection of the government's grant.

There are other areas that we need to talk about. Specifically this motion talks carefully about the closure of the operating theatres at the Rochester and Elmore District Health Service and at the Koo Wee Rup hospital. I would like to leave Koo Wee Rup to Mr Peter Hall, who will add to the debate at a later stage. But certainly with Rochester there are some real issues that I would like to put on the table on behalf of The Nationals. In this case I will do something I do not often do in Parliament — that is, agree with Mr Viney's call on the Rochester situation.

It seems that the facts about the Rochester operating theatre have in fact been skewed somewhat. We need to be very careful when we debate these issues in Parliament, because we need to ensure that we keep at the forefront of our minds the true aim of what the people in these regions want. Certainly the people in the Rochester and Elmore district want a new hospital. If it turns out that we have to endure a temporary closure of the operating theatre at the current site — which is in a 50-year-old hospital — in order to gain a brand new hospital with all of the existing services, including an operating theatre, then that surely has to be our priority. If we were to go hell for leather and at breakneck speed and damn the cost and the consequences in order to return the operating theatre to its pre-existing state, and if in turn that decision cemented the existing hospital and the existing operating theatre in our future for the next 20 years, then that would seem to be not what the people of Rochester want. So when we go through this situation we have to look at how we can achieve the very best outcomes for our people.

The people of country Victoria are a little bit different to the people of metropolitan Victoria by the fact they

have so much ownership of their hospitals. They work tirelessly to create finances; they actually build the hospitals themselves and they have a history of going out there and giving — similar to what Melburnians and Victorians in general do on Good Friday with the Royal Children's Hospital appeal. But country Victorians do that on a weekly basis. They have ownership, and they need to make sure — —

**Hon. D. McL. Davis** interjected.

**Hon. D. K. DRUM** — They do, Mr Davis; I understand where you are coming from. The government needs to be held accountable for its actions 100 per cent, because the people in regional Victoria have so much more ownership.

Recently we had a Tynan-Eyre football match in Bendigo, when 14 000 people came along to watch a game of football between two fantastic Australian Football League teams. Over \$100 000 was raised that night and given to the local hospital for it to do with as it pleases. That is an enormous contribution from a city such as Bendigo, which could obviously use the money for so many other areas.

Next Monday, Easter Monday, the township of Rheola, which is no more than a town hall, will swell to approximately 5000 people, and I am sure John McQuilten will be there to enjoy the festivities. Every year the Rheola Charity Festival raises in the vicinity of \$20 000, which goes straight to the Dunolly and Inglewood hospitals. That happens every year. So the people of regional Victoria have an exceptional ownership of their hospitals, and they are insistent upon knowing the facts. I think in some respects what Mr Viney is saying is right; there were reports after reports after reports telling the board at Rochester that it faced serious legal problems if it continued.

We need to make sure that we protect people on boards; we cannot afford to slam down the people who work on hospital boards throughout Victoria. And we need to make sure that we provide people of the regions with the facts so they can make informed decisions. We have done too much work in this area.

I want to praise the work of the member for Rodney in the other place, Noel Maughan. Mr Maughan was able to have included on the consultancy group four members from the Rochester action group, so they were able to determine the terms of reference in a consultative capacity. The chief executive officer (CEO) of the Campaspe shire was also included in that group. So members of the board, members of the action group, and the CEO of the Campaspe shire came

together to conclude what the actual terms of reference would be for the consultative group to go away with and come back and report on. We need to acknowledge the work that Noel Maughan has done in that area — with one aim only: trying to get the best outcomes for his people. We really need to ensure that that is seen as the main issue here.

From talking to Mr Maughan about these issues, he has informed me that this consultative group will proceed immediately. It is only four or five days into the eight-week period, and it will take it a long time. Mr Maughan has also been able to make sure that this consultative group, which will go around doing its report, will also consult with the action group. That is now part of the reference that the Rochester — —

**Hon. D. McL. Davis** interjected.

**Hon. D. K. DRUM** — They have given the assurance that the consultative group will consult with the Rochester action group, and I think that will be very important. Again I would like to congratulate Mr Maughan on his achievement.

I am the last person to speak negatively about people who have a vested interest in their community, because they are also the people who need to be supported. But if you have an issue with anybody who is in a position of governance, which I have recently had with harness racing, and which we quite often have with people who are involved with the Department of Human Services, there is only one way to address those concerns — that is, to go straight to the people with the concerns and talk to them.

**Hon. W. R. Baxter** — Face to face.

**Hon. D. K. DRUM** — Face to face. Now for the Rochester action group to say that they will meet with the board but not in the presence of the chief executive officer (CEO) of the hospital is ludicrous. If you have an issue with somebody surely you must have the courage to stand before the person and outline your problems or concerns and speak with the — —

**Hon. W. A. Lovell** interjected.

**Mr Viney** — On a point of order, President, I am actually trying to listen to Mr Drum, and Ms Lovell is constantly interjecting on Mr Drum's contribution. I would really like to hear it.

**The PRESIDENT** — Order! I do not uphold the point of order, but I ask honourable members to desist from interjecting.

**Hon. D. K. DRUM** — Nice try! One of the things we do is try to work with a lot of people, and obviously in this job more than most jobs you are going to come up against people who have a different opinion from your own. People who are in a position of power and authority will not always be working in a way you would prefer them to when deciding their key areas of direction. To simply not meet with them is an area that we have to be careful about. I do not think it is the right way to go. If the action group has an issue with the CEO it is incumbent upon it to sit down and talk with the board in the company of the CEO and get it all out on the table.

And yes, the opposition has a point — maybe the minister does need to get up to Rochester. Perhaps she should have been there last night to talk to 600 people, should have been there a few weeks ago to talk to 1000 people. The fact that the minister has chosen not to do that is something that she is going to have to grapple with as this whole saga is dragged out. Certainly the people of Rochester and surrounds seem to want the facts and the answers. The reports from last night's meeting were that there was an awful lot of confusion. People were wanting to know why the group had not met with the board and why the minister was not there. Those questions were not able to be answered at that meeting.

One of the things in researching for this morning's contribution I came across a press release put out by the Minister for Health on Friday, 27 June 2003, where the minister was holding up the Rochester and Elmore District Health Service as a shining light in the overall scheme of Victoria's health performance. I would like to quote a couple of paragraphs. It states:

Continued good performance from Rochester and Elmore District Health Service is part of the overall improvement in Victoria's health system, Ms Pike said.

The Rochester and Elmore District Health Service admitted 296 patients for the three months of the March quarter, up 0.7 per cent on the 294 admissions for the corresponding quarter of 2002, the minister said.

It does seem quite bewildering that the minister during 2003 was holding up this health service as an overall shining light for regional Victoria and then within two years somehow or other it has fallen into a state of disrepair and we are unable to see it continue. I would like to leave Elmore and district at this point and urge everybody in the chamber to make sure that we have one aim and one aim only here — that is, to achieve the very best outcomes for our people.

We have some other areas that are the subject of this morning's motion and which need to be touched on,

like the waiting lists and the number of patients who are waiting in hospitals on trolleys for longer than 12 hours before being admitted to beds. As Mr Davis has shown in the documents he tabled this morning, it is really quite a concern. It has been mentioned numerous times here in the house that to have people in Geelong — we have many more than one per day now — waiting longer than 12 hours on a trolley before being admitted to a bed is simply not good enough. When you look at a figure of 397 people, it is just a figure, but it represents more than one person every day in the city of Geelong who has to wait on a trolley for a period of 12 hours or longer. As Mr Davis said, there are quite a few other factors included in this, such as people having to go to a different hospital, people turning around and going home and people doing other things. We also have Bendigo hospital, where two people every three days are forced to wait on a trolley for longer than 12 hours. In a city the size of Bendigo that is incredible. The situation is even worse in Shepparton at the Goulburn Valley hospital, where we have up to one person every day waiting on a trolley for a hospital bed. We really do need to act — not just listen — on the number of people being forced to wait on a trolley for more than 12 hours before being admitted to a hospital.

One of the other interesting points to talk about is the background on rural health. We have had numerous hospitals that have been forced to close various services throughout Victoria. It is not only the ones mentioned here like Warracknabeal, Mildura and now Rochester and Elmore but a range of other services which I would like to put forward. In a 2003 annual report we had 37 rural and regional hospitals reveal an overall deficit of \$18 million. Mr Viney has come up with figures to show he now believes that has been addressed. We also had a situation in 2003 where 70 rural and regional hospitals were forced to pool their funds to gain higher interest. This generated a \$1.2 million bonus to the government. There has been very little said about that in recent times. It is also worth putting forward here that the Australian Private Hospitals Association released a report in October 2004 claiming that the Victorian government had closed 224 public hospital beds between 1999–2000 and 2002–03.

I shall list some of the health service centres that have had various services closed. Koo Wee Rup Regional Health Service has been affected. Bairnsdale has had surgery services closed. Part of the surgical wing at Hamilton has been closed. At Seymour there have been temporary closures of maternity facilities. At Ballarat there have been bed closures, as well as at Hopetoun and Wangaratta. At Warracknabeal there have been bed closures, plus loss of obstetrics and closure of the theatre. At Wodonga there have been bed closures. At

Nagambie there has been a loss of acute and emergency services. At Seymour there has been a loss of obstetrics. Birchip, Boort, Charlton, Cobram, Donald, Nathalia, Seymour, Nhill, Warracknabeal, Wycheproof and Yarram have all had bed closures or services suspended; and Kyneton has announced the cancellation of procedures for 450 people on its elective surgery waiting list. So we have a theme coming through in regional and country hospitals. It is not right for anybody to say we are on top of things. When Mr Viney says they are bringing down the numbers on waiting lists I should point out it is certainly coming down from a very high base and we certainly need to look very carefully at that.

I finish my contribution by mentioning a couple of things that are happening in regional Victoria that we should be very proud of. In Bendigo, in an attempt to address the shortage of rural GPs throughout the north-western part of rural Victoria, Monash University has the school of rural health up and running. This is a fantastic program where students in their third and fourth years of study are coming to Bendigo to get first-hand experience within the hospital system. Under the guidance of Professor Gordon Whyte they really are escalating their knowledge and experience up above those of their city counterparts because of their ability to actually have a much more hands-on experience in the country hospitals. That has been funded primarily by Monash University, and also the commonwealth government is working very hard to try to address the shortage of country GPs.

Another centre is actually a non-medical centre in Bendigo, the Chum Street respite centre, which operates out of a church hall. It deals with people who are receiving palliative care. It is what they call a non-medical model, where they are working socially with people and trying to give people the opportunity to talk, relax and get a bit of massage. It enables people to openly talk about some of the fears they have as they go through some of these terminal illnesses.

The respite centre is currently running a pilot program. I have previously written letters to the Minister for Health fully endorsing the program, and I certainly hope that when this program is evaluated, along with a couple of others out of Melbourne, it will be taken up and will help many more people receiving palliative care, and also provide a break for their carers from the exceptionally demanding and draining job of caring for someone with a terminal illness.

I fully support the centre in Chum Street, Bendigo, and I hope the model is picked up once the review of its performance has been completed by the Department of

Human Services. As I said, I hope the people of regional Victoria continue to support their public hospitals and that they will continue to donate to hospitals such as Inglewood and Dunolly next Monday at Rheola, and that we continue to have a true ownership and a real and positive say in the way our hospitals are run in the future.

**Hon. W. A. LOVELL** (North Eastern) — I congratulate the Honourable David Davis on moving this very important motion. The winding back of health services in country Victoria is a very serious issue and country Victorians feel they are under attack by the Bracks government. When I was elected to Parliament one of the first health issues that crossed my desk was the Hume health services report in March 2003. I happened to be in the office that day — I was not invited to the launch of this report — but at about 3 o'clock in the afternoon, my phone started ringing hot. Doctors who had been at the launch of the report started ringing me. The report was launched by Dr Tom Keating, the director of the Hume region. I am told that at the launch Dr Keating said, 'This is our 10-year plan for the delivery of health services in country Victoria'. He said 'This is our plan'. What did that plan include? It recommended the closure of acute and obstetric services at nine hospitals in the Hume region, and naturally the doctors were enraged.

**Hon. D. McL. Davis** — And the community.

**Hon. W. A. LOVELL** — And the community was also enraged. They contacted the opposition to try to put a stop to this plan by the Bracks government. When we confronted the government with that plan, it immediately tried to distance itself from the plan. It said it was a draft. The funny thing was that copies were received both in hard copy and electronic form and none had 'Draft' marked on them. Normally on important documents like that you would have it marked right across them. By about 3 o'clock the following afternoon the government had abandoned the Hume health services report. It may have abandoned the report but it has certainly not abandoned the objective of that report — that is, to close acute and obstetric services in country hospitals. It is now rolling that out statewide under the guidance of the Minister for Health in the other place, Bronwyn Pike.

The Rochester and Elmore District Health Service is an issue very dear to my heart. It is a very good health service in my electorate. The hospital was actually built by the community around about 50 years ago. There was a letter to the local paper recently from Les Anderson of the RSL in which he reflected on all the many hours of community service work and

fundraising RSL members had done in order to build a health service to cater for them in their older age. He was saying that now that they are at an age when they need the health service the government is trying to close it down and take it away from them.

I visited the Rochester and Elmore District Health Service in August last year and at that time I was told by the director of nursing and various board members I met with that they were very keen to continue the services at that hospital. They were proud of the procedures they were undertaking at the hospital. I had a tour of the facility and was told about everything that could be done to bring that facility up to standard. They certainly gave me the impression that they wished to continue with that facility. There were certainly some problems with it; because standards change there were things that needed to be done, and they needed capital funding.

The health minister had visited the service just a few weeks before, and the hospital was confident the minister would provide them with the funding they needed to bring their theatre up to standard to allow them to continue with the procedures undertaken at the hospital. So you can imagine my surprise on 11 January when it was suddenly announced that the theatre would close. I had a further meeting then with the board and the chief executive officer, and took a tour that was quite different from the original tour I was given. I was told about everything that was wrong and everything that could not be done to upgrade the theatre.

We need to look at the real reason why it was closed. It was closed because there was no capital funding forthcoming from the Bracks government in order for the hospital to be able to upgrade that theatre. You can imagine the community's surprise. If I was surprised at the closure of the theatre and I knew it needed an upgrade, you can imagine that the community was absolutely shocked, because it had no idea there was anything even wrong with the theatre. It had no idea it needed the upgrade, and there was no warning for the community — just a sudden closure of that facility. The community was outraged. I would like to put on the record that I am totally opposed to the closure of the operating theatre by Bronwyn Pike. Not only am I opposed to it, but the community of Rochester and Elmore district is also opposed to it, and it is 100 per cent behind me in my quest to have the government reopen the operating theatre.

One of the first steps we took in order to let the government know how enraged the community was was to call a public meeting. To my disappointment I came under heavy pressure from the health services to

close down that public meeting. In fact I was even more disappointed that I received personal threats from a very senior member of the board of management. But over 1200 people did attend that public meeting, as the Honourable David Davis said. Some people estimated the number to be more like 1400, but whether it was 1200 or 1400, out of a community of 1600 it is a significant number. The entire meeting spoke as one. They want their operating theatre reopened. Bronwyn Pike has hung the board out to dry. She has allowed the board to take the blame, yet there is really only one person to blame for the closing of the operating theatre at the Rochester and Elmore District Health Service; that is the Minister for Health. She is to blame because she failed to provide the capital funding required to upgrade the theatre.

I will look now at how the minister has handled the situation since the public meeting. It was announced at the public meeting that a meeting was already organised for a delegation from the board to visit the Minister for Health to further discuss the closure of this service. On behalf of the community, as I was asked to do at the public meeting, I contacted the Premier and asked him to receive a delegation from the community. The Premier wrote back to me saying that the community group and I should attend the meeting between the board and the minister.

Very late in the afternoon before the meeting Mr Anthony Carbines from the minister's office rang my female staff member and in a very rude and abusive manner told her that I would not be welcome to attend the meeting. My female staff member asked for an explanation as to why I could not attend and there was absolutely no reason given as to why. Mr Carbines, as my female staff member said, is a rude and abusive little upstart. I think Mr Carbines owes my female staff member an apology for his rudeness, tone and manner that day. It is a shame Mr Carbines's parents did not teach him better manners. I think the minister needs to give him guidance on how he should best represent her when dealing with other members of Parliament.

**Mr Lenders** — On a point of order, Acting President, I have been listening to Ms Lovell with some interest. While this place does have parliamentary privilege and while I guess it is acceptable in this place to pass comment on what is happening, what we are hearing now is a long attack on an individual for some fairly horrendous things and reflections on the parents of that individual. That is undoubtedly having a go at a member of this place. I ask you to urge Ms Lovell to reflect on where she is and the parliamentary rules before she starts denigrating more people in this place.

**Hon. D. McL. Davis** — On the point of order, Acting President, there is no reasonable point of order here. What Ms Lovell has been doing is discussing an incident that is quite pertinent to the debate today about the particular health service at Rochester and Elmore and a series of incidents that have occurred with respect to a meeting between the minister and the board and members of the community group and an intention that members of Parliament would attend that meeting. Ms Lovell has briefly outlined the sequence of events and issues that occurred at that time. That is pertinent to the debate, it is something that is relevant and it is something that affected her and a member of her staff. I think she is well within her rights to reflect on those incidents and to place them on the public record in the context of this debate.

**Mr Viney** — On the point of order, Acting President, what happened in Ms Lovell's contribution just now is that she made allegations that someone behaved in a particular way without any substance or evidence. I think the point the Leader of the Government is raising is that it is really an abuse of the privileges of this place to be throwing around accusations about someone, without any substance or evidence or even a preparedness to say how someone was acting in a particular way. It is easy to throw things around in this chamber because of the protections of privilege, and people outside of it cannot defend themselves. To do so without any evidence or substance is highly inappropriate.

**The ACTING PRESIDENT (Mr Smith)** — Order! There is no point of order. Whilst I can understand how some members of the house may be concerned at the direction the current speaker is taking, she is entitled to proceed along the lines she is taking. I remind the house that the individual she is talking about has the right of reply under the standing orders of the house if they want to exercise that option. There is no point of order.

**Hon. W. A. LOVELL** — At the meeting the minister agreed that the community group would be involved in the consultation process and the appointment of consultants. The community group was not included in the appointment of consultants. The minister actually invited six firms to tender and the minister appointed the consultants. In the consultants' brief it does not say that the community group will be involved. It says that the principal consultant may be required to provide presentations and briefings to the community representatives as directed by the project control group. I can tell you that the community group is most upset about this. Its members were given the impression by the minister that they would be actively

involved in the consultation, and it is now only that the consultants may be required to provide them with presentations or briefings. The community is once again feeling left out of the process.

Last night over 500 people attended a second public meeting at Rochester to voice their concerns over the government continuing to shut the community out of any debate or decision making about their local health service. In an attempt to gag the community a threatening letter was sent from Russell Kennedy Solicitors. I was appalled that the minister did not distance herself from it. The minister condoned this action by not distancing herself from this letter. The letter is threatening and intimidating. It is bully tactics at their worst.

In addition to the closure of the operating theatres at the Rochester and Elmore District Health Service and at Koo Wee Rup we also have seen the closure of 14 obstetric and maternity services in country Victoria. We have seen the number of patients waiting on trolleys for more than 12 hours increase by over 1000 patients during the term of the Bracks government. At Goulburn Valley Health more than 20 per cent of all patients who present to accident and emergency services actually wait on trolleys for longer than 12 hours. The Bracks government's mismanagement of the health system has caused enormous damages to health services in country Victoria.

On 5 May last year during a debate in this place I extended an invitation to the Minister for Health in the other place that she failed to accept. Once again I extend an invitation to Bronwyn Pike to accompany me on a tour of the destruction in health that the Bracks government has imposed on health services in North Eastern Province.

**Hon. KAYE DARVENIZA** (Melbourne West) — I am delighted to rise to make a contribution to this important debate and to speak against the motion that has been put on the table by the opposition. I oppose the motion. I am always delighted to have an opportunity to speak on opposition business. It gives us a real opportunity to highlight what we have been doing, the money we have been spending and the areas we believe are of major importance to our health sector. One of those areas is health services for those who are living in rural and regional areas. Since the government came to office in 1999 we have been putting significant amounts of money into all health services, particularly those in rural and regional health areas.

**Mr Lenders** — Labor cares!

**Hon. KAYE DARVENIZA** — Mr Lenders is right, we do care about delivering a high standard and good quality of care to all Victorians. We also want to see that the high standard and good quality is accessible, so that health services are provided near to where people live so they are able to more readily access them. The sorts of things being said by the opposition today in this motion are outrageous and contrast dramatically with the way the opposition behaved when it was in government. The opposition hates to hear this. It hates to be reminded of how it behaved and the sorts of slash-and-burn tactics it used on our health services, not only those in metropolitan areas but also those in rural and regional areas. I will remind it. When the opposition was in government it was a coalition of the Liberals and The Nationals. When you contrast that with the way that we have behaved and the sort of action we have taken — which I will highlight during my contribution today — the Liberals and The Nationals are all guilty.

I wish to speak about Rochester and Elmore District Health Service and Seymour District Memorial Hospital and some of the allegations and assertions that have been made as a part of the opposition's contribution in relation to those hospitals. The reason that the operating theatres are not currently in use at the Rochester and Elmore District Health Service is because they are not of a good enough standard and high quality to be carrying out those sorts of activities. For obstetrics sections, the services for women, to be able to deliver babies across the state depends on hospitals being able to provide specialist obstetric services. Hospitals must have an obstetrician or someone who is skilled in obstetrics. They must have anaesthetists so that if there are complications or special procedures required they are available to expectant and delivering mothers. There has to be an appropriate number of nursing staff and other health professionals to be able to provide the high standard and quality of care that we all expect when we enter one of our health services.

The problem that we have, and it is particularly highlighted in rural and regional areas, is attracting and retaining medical and allied health professional staff with these specialist skills to regional and rural areas. We even have some difficulty attracting staff to some of our metropolitan areas. This is because we have a shortage, not just here in Victoria or Australia but world wide, of these sorts of skilled professionals in the medical area. They are very highly sought after and in demand. Every country across the world requires them. We, as the government in Victoria, are doing an excellent job in attracting and retaining many of these people who have these specialist qualifications and

skills. That is not to say that more cannot be done. As a government we are looking all the time to do more to attract people with skills, particularly for our rural and regional areas. You only have to look at the sorts of efforts we are putting into our skilled migration program. Right up at the top of the list are people who have these sorts of medical and health expertise and skills.

Getting back to Rochester and Elmore District Health Service, none of us wants to have surgery or be operated on in a facility which is not of a high standard and which is not going to afford us the best quality of care that we can get. What have we done? The minister has met with the delegation. Noel Maughan, a good member from that area in the other place, headed the delegation of the local community and those interested in the Rochester and Elmore District Health Service. It attended a meeting with the minister. The outcome of that meeting was that a decision was made that there would be consultants employed by the government to look at what was required to bring the theatre and surgical services at the Rochester and Elmore District Health Service up to the standard that is required.

They would look at what was going to be required not only in terms of equipment and the fabric and fibre, but also at money and at the cost for infrastructure in dollar terms. The consultants who have been appointed will be contacting people in the local community to see what they have to say. They will meet with the doctors who have admitting rights to Rochester hospital. They will meet with the staff, particularly those involved in providing theatre services. They will be consulting with stakeholders, and one of the biggest stakeholders is the community whose members will be accessing the hospital and its services. These consultants are architectural experts who have been appointed by the Minister for Health in the other place, the Honourable Bronwyn Pike, and they will report at the end of next month. They will let us know exactly what has to be done and how much it is going to cost.

Even though opposition members hate to hear it I will continue to remind them; I will not let them forget and I will not let the community forget, because I feel it is one of my duties as someone who went through the closures of health services during the opposition's term in office to remind them again that part of the problems facing Rochester now were created by the opposition when it was in government and it closed the Elmore hospital.

I note that Mr Baxter is not leaping to his feet like he usually does and saying, 'Tell us which ones!' I always have my list here and I love to rattle them off. I am very



disappointed, Mr Baxter! You only got me once on that one. Of course Elmore hospital was closed back in 1994.

There is more — there is always more; it never runs out! The only thing that runs out for me is time. This is about political point-scoring by the opposition — there is no doubt about that — particularly by the Liberal members in respect of Rochester. They see Mr Noel Maughan, the member for Rodney in the other place, and his hold on that electorate as being an opportunity to perhaps pick up a seat. My best guess is that the Liberal Party will never pick up that seat while Noel Maughan is holding it because he is very highly regarded and very well respected by the community in that area; there is no doubt about that.

I cannot say the same for some of the Liberal members, particularly Mr David Davis and Ms Wendy Lovell. In fact locals have been writing into their community newspaper, the *Campaspe News* — and they did so back in February. It is not just the government saying that the opposition is just about point scoring; it is locals like Pete Gibson and Bill Ward who — —

**Hon. D. McL. Davis** interjected.

**The ACTING PRESIDENT (Mr Smith)** — Order! I ask Mr Davis to resume his seat.

**An honourable member** interjected.

**Hon. KAYE DARVENIZA** — Steady on chaps, I have to find the best bits! The letter from Pete Gibson is talking about David Davis here. He asks:

Has he ever visited the hospital, spoken with the board of management, or spoken to the minister about the Rochester hospital?

**Hon. D. McL. Davis** — Twice!

**Hon. KAYE DARVENIZA** — The letter continues:

Does he really care about Rochester ...

No, he does not. They know. Mr Gibson asks whether this is just an attempt to win government and have another go at taking the seat of Rodney from The Nationals. They are awake up to the opposition. The Liberals have played it out in public by making this about David Davis, who is making lots of noise for very little gain. There are no convictions in his proposals, no forward planning and no cooperation. That sums him up beautifully. Pete Gibson has Mr Davis marked.

The Honourable Wendy Lovell does not miss out either — and I am sure she has read the letters published in that newspaper. This is back in February again.

**Hon. W. A. Lovell** — No, I did not!

**Hon. KAYE DARVENIZA** — In relation to Ms Lovell, the letter to the *Campaspe News* written by Bill Ward, a local, suggests that her main interest was to use Rochester hospital to play politics, rather than achieve outcomes.

I agree with both Bill Ward and Pete Gibson. They have hit it right on the mark because that is what this is about. The operating services at Rochester hospital are no longer being provided because they can no longer deliver a high-quality standard of care to people who need surgical procedures. The government has engaged consultants to talk to the community and report back on what needs to be done in respect of infrastructure, and on what the costs will be.

I want to speak briefly about Seymour hospital. Obstetric services were suspended there and this was very unfortunate. As a woman and a mother I know how important it is to feel confident about where you are going to give birth to your child. You want to be sure that anything that may be needed for medical intervention will be available and that people with the expertise and qualifications to deliver your baby and look after you at the same time will also be on hand.

Mr Davis knows about this. He is closer to this subject than I am. Having recently become a father himself he knows how important it is that people have confidence in obstetric services. Unfortunately, Seymour hospital did not have an obstetrician. Women do not want to deliver their babies if there is no obstetrician available, because if there are difficulties or complications someone with the relevant expertise is needed. But we have good news for Seymour because an obstetrician has been recruited from the United States.

As well as that we wish to ensure that all the necessary expert staff will be there to provide the best possible service to expectant mothers in the Seymour area. We want to keep the service as near as possible to the women who are about to deliver. I oppose this motion, and I advise all members of the house to vote against it.

**Hon. J. A. VOGELS** (Western) — I would like to say at the outset to the Labor government members that if they keep on believing their own spin doctors they will do so at their peril. I picked up the *Herald Sun* yesterday and saw that it had asked in the Voteline section, 'Are you satisfied with the state of Victoria's

health services?'. It is amazing, but it says that 93.7 per cent of respondents said no while 6.3 per cent were happy with the government. If they keep on believing their own spin and doing what they are doing they will go down the tube.

The motion we are debating here today is:

That this house expresses its grave concern at the Victorian government's continuing attack on country hospitals and health services...

The state government of the day should ensure that rural communities enjoy access to health and related services of equal quality to those available to metropolitan people. Our regional and small rural hospitals deserve nothing less. Recently I visited South West Health Care in Warrnambool, and I was absolutely shocked at the infrastructure of this major regional hospital. The palliative care wing is 1950s style and it is disgraceful. I went through the birthing unit and saw 16 or 17 birthing unit beds in a corridor where the women having babies have to share one toilet and one shower. There could be four people to a ward with only a bit of a curtain around each bed so that privacy is absolutely nil. That hospital is a major regional hospital in the Western District, and certainly it needs a large amount of money put aside or into it for upgrading.

The Camperdown hospital is in exactly the same situation, with 1950s or 1960s facilities. The Terang hospital is the same. We have heard about the Mildura hospital and the trouble it is having, and recently we heard about the Portland hospital. I could go on. Hamilton has huge difficulty in getting obstetricians. As I said before, we demand full consultation with the department before any significant changes are made to our hospitals and not afterwards, as happened with Rochester, as we were talking about earlier. There is no point going round saying, 'We will have a consultancy to look into this hospital after it has been closed'. Surely you do these things before you close a hospital, because I can tell you that once something is closed it is very difficult to get it back.

There is also a strong demand for rural communities for the devolution of health funding control, power and decision making. I remember back in the middle 1990s that our wonderful Liberal Minister for Health, Rob Knowles, worked very closely with the Labor federal government and brought in multipurpose services for rural Victoria. That was an excellent idea. If a hospital or health service became a multipurpose service it could look after people from the cradle to the grave.

An excellent example I will give is the Timboon health service, where the hospital was threatened with closure. Last year there were 1000 patients and 80 births at that hospital. It has four doctors, provides excellent nursing, has excellent staff and a new facility. That is because the community had some input into what it believed the community needed. The Timboon district has a population of around 10 000. It is mainly an agricultural area, but tourism is also a huge issue there because the hospital also services Port Campbell and the Great Ocean Road area. The Kennett government in the 1990s was listening to what the communities wanted and the communities got the facilities they believed they needed. If you had a league ladder of the 50 hospitals in the Barwon Health region and you graded them, the smallest hospital in the region, Timboon, would probably be at the top of the ladder because it is actually delivering the services which the people down there require.

I have only a minute or so left to speak on this motion so the other issue I would like to talk about is Red Cross Calling. We see signs advertising Red Cross Calling every year in March. I have spoken to so many people who have been going around collecting for Red Cross this year who are absolutely angry at the closure of the blood donor system in country Victoria. A lot of country people over the years have taken great pride in going in once a month to their local centres, where there was the setting up and organising for blood donors to come in, and the collection of the blood. The service and the blood are definitely needed and sometimes desperately needed. The volunteers love doing it, and it was a great community service. For Red Cross to pull the pin on that service in country Victoria is outrageous. The consequences will be felt because as the volunteers go around collecting money for Red Cross this year they are finding a lot of people are saying, 'We are not giving you anything this year because we believe closing the blood donor service has been absolutely outrageous'. The government should get involved to make sure the service is revived. You will find out in the next 12 months or so that donations of blood are going to suffer because of these decisions.

**Mr PULLEN** (Higinbotham) — I am absolutely amazed as I join this debate today. Mr Davis, who has moved this motion, surprises me because he did not even turn up to the Southern Health annual general meeting. I did, and I hunted everywhere for him. I went out to see whether he was at the refreshment table, but he was not even there. That is how much interest he has in health matters. He did not turn up!

**Hon. D. McL. Davis** — I was not invited.

**Mr PULLEN** — That is to be expected. Before I move to this silly motion that is before the chamber I will look at the situation of the Moorabbin hospital in my electorate, where the people over there closed the emergency service.

*Honourable members interjecting.*

**Mr PULLEN** — And it's gone to a better place at Casey! Under this government we have created a better cancer treatment centre for the people in my electorate. But let us go a bit further before we get onto my electorate. I happened to be given a press release from the Liberal Party in relation to Mr Murray Thompson, the member for Sandringham in another place, which was issued on — —

**Hon. E. G. Stoney** — On a point of order, Acting President, The motion before the house is specifically about rural hospitals and has nothing to do with metropolitan health at all.

**The ACTING PRESIDENT (Mr Smith)** — Order! The member is entitled to develop his arguments on this particular issue. There is no point of order.

**Mr PULLEN** — The point I am trying to make is that we have a motion before us that the government's decision to force the closure of the operating theatres at Rochester and Elmore District Health Service — and I will come back to that; do those on the other side know where Elmore is? — and the Koo Wee Rup hospital. The point I am making is that the Liberal Party has a history of closing hospitals, and I mentioned the Moorabbin emergency centre. This press release issued of 16 February 2004 from Mr Murray Thompson talking about the Hightett gas works site in my electorate, says:

Other options that could be considered for the site include a major hospital facility ...

But he does not go on to say anything about the idea of closing the Sandringham hospital. That is what the thinking of the Liberal Party is on this issue. That is what members of the Liberal Party have told me privately and quite clearly. The City of Bayside does not want to lose its hospital.

Regarding the motion that is before the house, we know that the previous government sacked nurses and closed hospitals. I can go through the closures it made in rural Victoria, if opposition members want me to. One interesting one is Elmore hospital, which the previous government closed. It also closed the Koroit hospital, the Clunes hospital — —

**Hon. J. A. Vogels** — On a point of order, Acting President, I was at the Koroit hospital last week and it was not closed. The member keeps saying the Koroit hospital was closed, but the Koroit hospital is working.

*Honourable members interjecting.*

**Hon. J. A. Vogels** — It is! I was there last week.

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

**Mr PULLEN** — A couple of weeks ago I was in the wonderful electorate of Lowan and the little town of Willaura. That particular hospital has changed and that is what happened at Koroit. The previous government also closed Mortlake hospital, Beeac hospital, Lismore hospital and Macarthur hospital. We know what the Liberal Party is up to, and I found this out when it was in Lowan: it is going to get rid of Noel Maughan. Noel is a good bloke. I got to know him pretty well when we played bowls together — I notice an the honourable member for Geelong Province, Mr Eren, is here — and Mr Maughan and I had a long talk about this wonderful area. I used to work in the electorate of Rodney many years ago, and I know a lot about the area. I can assure you that he is a good member. The Liberal Party is virtually defunct up there. We know what they are up to — they are to get Noel Maughan, who is a decent and good man.

**Mr Viney** — That is all this motion is about.

**Mr PULLEN** — Of course it is. Even Mr Drum had the decency to support Mr Viney about the stupidity of this motion.

In the five years since the Bracks government came to power our hospitals have treated 400 000 extra people. I think it is important that I give some figures, because Mr Vogels started talking about the Red Cross. I was out collecting for the Red Cross last week, and all I got was support everywhere I went for the wonderful job it does and the wonderful job I do in my electorate. The government has provided \$314 million to build or upgrade country hospitals and \$26 million to upgrade equipment. It has employed more than 1500 extra nurses in the bush and treated more patients, with more than 377 000 rural hospital admissions last financial year and 43 135 more people being treated than in 1999–2000.

Mr Vogels also talked about the *Herald Sun*. Why bring up my favourite newspaper in this place! It is an absolute joke and a failure. Yesterday it had a satisfaction rating on hospitals. Bully for it! It was most

probably Liberal Party members who kept on ringing all day to make sure they gave a negative report.

**Hon. W. R. Baxter** — You have done a lot of that in your time!

**Mr PULLEN** — I shall give some positive points. We had a country hospital satisfaction rating survey which took into account a number of key criteria, such as the helpfulness of hospital staff; being treated with respect; courtesy of nurses; availability of staff; opportunity to ask questions; explanation of the purpose and side effects of medicines; willingness to listen to problems; and waiting time for admission.

I happened to have a look at the ratings because the *Herald Sun* did not have any of that information in its report. I shall go through a few of them which show 100 per cent satisfaction. The lowest rating I could see when I looked at the list was about 94 per cent, which is not a bad percentage, and that was for the Latrobe Regional Hospital. A lot of the hospitals are in Ms Lovell's electorate. The following all have a 100 per cent rating: Alpine Health; Beaufort and Skipton Health Service — I was in Beaufort only the other day, because we go all over the state; we do not sit in the Western Province or somewhere like that, we travel all over the state; the Benalla and District Memorial Hospital, once again in Ms Lovell's electorate; the Boort District Hospital; the Casterton Memorial Hospital; Dunmunkle Health Services; the Hesse Rural Health Service; the Lorne Community Hospital; the Maldon Hospital; the Mallee Track Health and Community Service; the Manangatang and District Hospital; the Otway Health and Community Services; the Terang and Mortlake Health Service; the Yarrawonga District Health Service in Ms Lovell's electorate; and no. 1 on the list, the Rochester and Elmore District Health Service.

**Hon. W. R. BAXTER** (North Eastern) — I am pleased that the amendments that were made to sessional orders yesterday provide me and my colleagues Mr Hall and Mr Bishop with the opportunity to speak today, albeit very briefly.

There is no doubt that the benchmarks the Bracks opposition prior to 1999 set itself for regional Victoria were very high indeed and are going to be the Achilles heel of this government, and it is beginning to feel the heat, and nowhere more so than in the health area. We have heard some examples of that today and will hear a few more no doubt. I have to say that country people are getting heartily sick and tired of hearing the minister whining on the radio and in the Legislative Assembly as she did again yesterday, blaming the federal

government for the ills in the health service or blaming the supposedly 'dreadful' Kennett government for what it allegedly did and then claiming that she and her government have put millions of dollars more into health services. That is true so far as it goes, but the flaw in that argument was absolutely fatally exposed by my colleague Mr Drum earlier today.

**Mr Viney** — So far as it goes! We have put hundreds of millions into it, that's so far as it goes.

**Hon. W. R. BAXTER** — It does not matter how much money you put into it, Mr Viney, if it is not keeping up with the expenses of running hospitals. That is clearly where the problem is in country hospitals. Yes, the government is putting more money in than the last government did five years ago, and one would surely expect with consumer price index increases and so on — —

**Mr Viney** — In real terms.

**Hon. W. R. BAXTER** — They are not the figures the minister uses. She uses raw dollar figures, and they are simply not keeping up, and that is why hospital budgets are getting into trouble.

We heard Mr Viney accuse Mr David Davis of rewriting history with what has happened in terms of hospitals across the state, and to some extent perhaps Mr Davis did, but Mr Viney did his own rewriting of history on the Elmore hospital. As I well remember, in 1991 the then Minister for Health in the Cain and Kirner governments, the Honourable Maureen Lyster, had proposed to close the Elmore hospital. In fact I had a deal of sympathy for that view. It was a very small hospital and was not going to be sustainable into the future. We had a very large public meeting in Elmore of 700 people. I have to confess that I went to water and decided that I would fight to keep the hospital open. Unfortunately my representations were successful, and I convinced the minister keep the hospital open with the result that the next government, which came in shortly thereafter, had to make the hard decision to close an unsustainable hospital.

That is a thing that we have to acknowledge in public life and in government, that sometimes the tough decisions need to be made. None of the people of Elmore, although they were concerned at the time, would now say that it was the wrong decision, because they have now got a much better health service than they could possibly have had if the Elmore hospital, tiny as it was, had continued. So I point out to Mr Viney that it is all very well to be selective in your rewriting of history, but you need to look at what has happened overall.

Returning to the Rochester hospital, I think it has been underdone by all governments in the last 20 years. It was underdone by the Cain government and the Kennett government, and it has been underdone by this government. There are no two ways about that. I was very proud during the time of the Kennett coalition government that most of the hospitals in North Eastern Province were upgraded. Rochester was one that was not upgraded. I have to say that few of us have got clean hands in this argument about Rochester that is currently going on. Certainly the minister has not got clean hands, because she has not been open in telling the people of Rochester what her intentions are. Certainly the minister has not got clean hands in excluding Ms Lovell from the deputation she received back in January. The board to some extent has been the meat in the sandwich, and I have some sympathy for the board, but certainly the board has not got clean hands either, in the sense that it did not take the local community into its confidence and did not communicate well enough.

I have not got clean hands on the issue either, in that when I was briefed by the board I did not point out to it in very strong terms that it would not get this decision through or accepted unless it took the community into its confidence. I was remiss in that, and I certainly acknowledge that I should have given stronger advice to the board at the time. And Ms Lovell I do not think has got clean hands, because she went back on an undertaking as to how the public meeting was to be conducted. Certainly the action group has not clean hands entirely either, because it has allowed some personal abuse of board members and others to gain some currency. I think we have all got something to answer for in this. The only one who seems to have played a straight bat is the member for Rodney in the other place, which has been acknowledged by other speakers today. To some extent he has been left to pick up the pieces. He is the one who has arranged the deputation to the minister, he is the one who has been working closely with the action group since the public meeting in Rochester and he is the one who has been working with the minister and the department to get a satisfactory outcome for this imbroglio. I commend Mr Maughan for what he has been doing in very difficult circumstance is indeed.

I finish in the few minutes available to me by endorsing the scenario that was painted by Mr Drum in what I think has been the most reasonable and practical contribution we have heard to the debate today. What we are all interested in getting in terms of Rochester and Elmore District Health Service is the best outcome for the community that we represent, and that is a brand-new hospital, including an operating theatre.

**Hon. B. W. BISHOP** (North Western) — I also appreciate the change in the sessional orders which gives all The Nationals members an opportunity to have a say on these particular issues.

I want to say a few words about the Red Cross blood service, which I think is better known to most of us as the Red Cross blood bank. Members might very well ask, even though we have the motion moved today by the Honourable David Davis, 'What does it have to do with government?'. That is a good question. It is one of those issues that has been around our community and one where the government had a good chance and a good reason to step in and represent people in rural and regional Victoria. I believe the government had an excellent chance to inject some practical and community commonsense into the Red Cross blood service. If the government is out there looking and listening, as it always says it is, it could have picked that up and done a very good job for our communities.

There is real hurt in our communities. Our volunteers are hurting and they are annoyed as well, and it is not only the volunteers. I will read a part of the editorial in the *Wimmera Mail-Times* of 7 February 2005. The editorial is headed 'Blood bank woes costly'.

The Red Cross is a wonderful organisation which does a host of great things to make life better for those in need.

It is an institution in Australia with a great reputation ... until now, it seems.

For many years volunteers have been an essential part of the blood collection service which bears the Red Cross name.

Today, they are on the outer.

Further down it says — and I think this is an extremely pertinent paragraph in the editorial:

For many of these volunteers, working for the Red Cross blood service was much more than a job. It was a social occasion and a chance to make a difference.

We see the same tone across many areas of country Victoria and the same tone used by many media outlets as well. That chance to make a difference has been taken away because of the attitude of the Red Cross blood service and the inactivity of the government, which has not listened and looked and represented country Victoria. There are a large number of towns — and I am not going to attempt to go through them — like Sea Lake, Swan Hill or Walpeup in the central Mallee. The town of Walpeup had a bus that used to go to Mildura so that people could partake in the blood bank activities. That has now gone because that funding was withdrawn. There is a bus that goes from Ouyen to Mildura. That is funded by the Mallee Track Health and

Community Service, which is an excellent health service. That gives some options for people in that area to give blood.

I was talking to a young lady whose family farms in that area called Pier Millan, right in the centre of the Mallee. She said to me, 'It is a great thing. We can get together a carload of people and we can go and give blood'. That is what they can do — make a contribution from country Victoria.

The Red Cross auxiliaries all work to raise money. They have been ignored by the Red Cross and, may I suggest, ignored by the government as well. On that particular issue the *Wimmera Mail-Times* and many other papers have said it is awful public relations for the Red Cross blood service. I think it is very bad PR for the government too. It should have stepped in and stuck up for rural and regional Victoria.

Our Nationals spokesman on this particular issue, the member for Lowan in the other place, has done a lot of work on the issue. He wanted the Red Cross blood service to come in and have a chat to us as a party. It would not do it; it would not come and talk to us. In a letter from Stephen Shanahan, the operations unit manager Bass, the Red Cross said it would not come and talk to us, but it would talk to Mr Delahunty on his own. It talked about working with both the government of the day and the alternative governments. It was a real opportunity for the government to haul the Red Cross into the system and work the issue through with it. I think, and I am sure many members in this house think, that if this is an example of the Bracks Labor government listening and acting in country Victoria, then it has failed miserably. It has let rural and regional Victoria down again.

**Hon. P. R. HALL** (Gippsland) — This motion is all about country hospitals and country health services. The first thing I want to do today is to commend the service provided by all of our country hospitals and the staff who work in those hospitals under some pretty difficult circumstances at times. I believe they do an absolutely sterling job in providing that service to their local communities. I also want to commend the people who are prepared to put up their hands and volunteer for board of management positions for those respective services, because at times it is a thankless task.

These health services are absolutely vital in rural and regional Victoria and they need to be supported to the maximum. I said that they are doing it hard, because it is true that many of our country hospitals are operating under severe financial strain and they are not being funded adequately to provide the services, nor are they

being funded to provide the physical infrastructure necessary to deliver the standard of service required of their local communities. They are not getting sufficient government support in those areas.

This motion makes mention of some hospitals in particular, but I could add to that list. I could add the Latrobe Regional Hospital, the Central Gippsland Health Service and the Bairnsdale Regional Health Service — just three in my electorate. Let me quickly mention the Latrobe health service and particularly the pressure it is under with the provision of mental health services. It has provided, funded through government, 20 acute beds for mental health services for the whole of the Gippsland region. They are the only mental health acute beds in the whole region, and yet not a night goes by when mental health patients are not being accommodated in the emergency section of that hospital simply because the demand on those acute mental health beds far exceeds the 20 available. Consequently there is an overflow and it impacts on the delivery of the general health services as well in that hospital.

Yes, as Mr Viney said in his contribution, the government has committed \$8 million to build a community mental health facility. The first sod has been turned, but not a brick has been laid yet despite the promise one and a half years ago that that would happen. Thankfully it is starting, but it will not address acute mental health beds at all.

Central Gippsland Health Service is an area that we could debate for an hour; I have 4½ minutes. I cannot do the topic justice except to say this has been a critical and very controversial issue in the Sale and district community, and it needs resolution immediately.

I will be attending a deputation meeting with the health minister this afternoon on this particular matter. I sincerely hope that there can be some resolution to the fiasco we have in respect of that particular hospital situation and the government's action on that this afternoon. One of the things that has been pointed out so strongly by people associated with the hospital in that community is that because of the turmoil, they are unable to attract health professionals to the area. Who would want to go to work in a hospital where an administrator is being appointed, the board of management has been sacked, and consequently there is no stability in that position whatsoever?

Bairnsdale Regional Health Service was briefly mentioned by Mr Drum. It was forced to close beds because of funding pressures. There has been a slight improvement in that, and there have been some

additional professionals attracted, but not all of those beds have been fully reopened. The service is not as it should be because of a lack of finance.

Koo Wee Rup hospital is mentioned specifically in this motion. Although Koo Wee Rup is not part of my electorate, it will be after the next election, and I look forward to working with those people in West Gippsland. I can say that the closure of the operating theatre, as has been mentioned by a couple of speakers, was because that operating theatre did not meet the required standards for such a facility. We can agree with that. But whose fault is that? The government has failed to properly and adequately fund the capital works required at that hospital, and Koo Wee Rup is symptomatic of the other hospitals mentioned here and many of our small hospitals in country Victoria. If you fail to provide adequate capital works funding, then you are not going to be able to provide services. Consequently medical professionals are not attracted to those hospitals. The ultimate result is that you get closures of services or you get inferior services, and we say in *The Nationals* that is simply not good enough. It impacts broadly on the community. Once you start losing some status or some services from a hospital, it has a roll-on impact right throughout the community.

I wanted to quickly mention the blood donor service operated by the Red Cross. A couple of years ago — probably three years ago, I think — I was heavily involved with the Red Cross's decision to close the Maffra service. The excuse put forward by the Red Cross as to why Maffra was closed was that they could not have a satisfactory facility to accommodate blood donations.

They operated out of a room at the hospital at Maffra. At that point in time I pleaded with the government to make available some capital works funding just to bring the donor service facility up to a standard acceptable to the Red Cross so the good people of Maffra could continue to donate blood. The government turned its back on that request on my behalf. Maffra had won awards as the top Red Cross branch in terms of the amount of blood donated at that branch.

As the Honourable Barry Bishop said, blood donation in country Victoria is more than a simple act of having an injection in your arm and a pint of blood withdrawn. It is part of the social fabric of many of these communities. I know that many people in Maffra came especially on the Tuesday or the Wednesday night — whatever it was — every month or so as part of the social integration there. Some people came down for a chat; some loved volunteering to help out with the act of collecting the blood and providing people with a cup

of tea and a biscuit afterwards. It was an important part of the social fabric of those communities. Now the Red Cross has decided to close 15 sites, including those at Wonthaggi in West Gippsland, at Bairnsdale and at Warragul. They will now be serviced for blood collection by Donormobile, as I see it is termed in a press release issued by the Red Cross. I say the government should step in there. It is an important service and is part of the social fabric. As I said, if you start eroding those components of what makes up rural communities, then it is the start of our demise. Really the government needs to take a stronger hand, step forward and assist in both health services and blood collection.

**Hon. D. McL. DAVIS** (East Yarra) — In conclusion on this motion, I believe the contention in this motion that the government has launched an attack on country hospitals and health services has been supported. There is no question that the government's behaviour with respect to the operating theatres at the Rochester and Elmore District Health Service and the Koo Wee Rup hospital has been reprehensible in the extreme. There is no question that the way that process occurred, and the way the process at Rochester continues to occur, is something on which all Victorians can be ashamed of the behaviour of their government.

There is also no question that the failure of the government to properly manage country hospitals and health services has seen a frightening increase in the waiting lists — the 2000 per cent increase in the number of people waiting 12 hours in emergency and the massive increase in the number of people on the elective surgery waiting lists. Earlier I talked about the deficiencies in the information we have on those waiting lists, but what information we do have shows a frightening story. A number of members — and I think across this chamber — have recognised that the Red Cross made the wrong decision to wind back through so many country centres the collection of blood from volunteer donors.

The role of volunteers in country Victoria has been strongly supported — I support that role — and it is not sufficient for the government to try to walk away from or to connive behind the scenes on those closures. That is not satisfactory. We need to make the point very strongly in this chamber that the state government has a role here. The National Blood Authority is a joint commonwealth-state body — state money does purchase blood products — and we have a legitimate health interest in ensuring that collections are adequate and are across the whole of the Victorian community. The closure of collection centres has sent the wrong

signal into country Victoria and into the city as well. I think the Red Cross needs to take a good hard look at itself, and I think the state government needs to stop hiding behind its Pontius Pilate defence.

Equally, at Portland the government mismanaged a difficult situation at the hospital. The government has to accept that whilst boards are there — I strongly support the role of hospital boards, and the Liberal Party would like to see those boards strengthened, not weakened as this government has done — at the end of the day the government of the day has to accept responsibility for the delivery of key health services in country Victoria. The minister's behaviour of walking away from Portland and saying, 'I have nothing to do with this', is not satisfactory. The minister has to step into the equation and ensure that those proper services are protected at Portland.

The state government has a plan. As Ms Lovell said, it comes out of the Hume plan, and — the minister has admitted this time and again on radio — smaller country centres will lose their obstetric and maternity services, and smaller country centres will lose their operating theatres. That is what is happening around the state. Fourteen obstetric and maternity services have either been permanently closed or indefinitely suspended around country Victoria. In only one case — at Seymour — has a service restarted, and that is an inadequate service which does not cover the whole of the day, which is not up to scratch and which is not one that town would seek.

**Hon. E. G. Stoney** — Babies don't come 9 to 5!

**Hon. D. McL. DAVIS** — Babies do not come 9 to 5, as Mr Stoney correctly points out. We saw that in the same district with the story from Alexandra just last week. It was a tragic story, but a story that is now all too often being repeated in various versions around country Victoria.

The government has launched an attack on country Victoria. It is incumbent on country members of Parliament to stand up and fight for their communities. Ms Lovell has fought in the case of Rochester. She called the big public meeting where 1400 people came to fight for their town and fight for their health services. We have to work hard as members of Parliament — as an opposition and as individual local members of Parliament — to protect those services. It is no good having the wool pulled over your eyes by smooth bureaucrats in Melbourne. It is no good rolling over and having your tummy tickled by the minister. We have to be prepared to fight and tell her, 'No! We will not allow

these closures! We'll stop the government's attack — —

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

#### House divided on motion:

##### *Ayes, 17*

Baxter, Mr	Hall, Mr
Bowden, Mr ( <i>Teller</i> )	Koch, Mr
Brideson, Mr	Lovell, Ms
Coote, Mrs	Olexander, Mr
Dalla-Riva, Mr	Rich-Phillips, Mr
Davis, Mr D. McL.	Stoney, Mr
Davis, Mr P. R.	Strong, Mr
Drum, Mr	Vogels, Mr
Forwood, Mr ( <i>Teller</i> )	

##### *Noes, 23*

Argondizzo, Ms	Madden, Mr
Broad, Ms	Mikakos, Ms
Buckingham, Ms	Mitchell, Mr
Carbines, Ms ( <i>Teller</i> )	Pullen, Mr
Darveniza, Ms ( <i>Teller</i> )	Romanes, Ms
Eren, Mr	Scheffer, Mr
Hadden, Ms	Smith, Mr
Hilton, Mr	Somyurek, Mr
Hirsh, Ms	Theophanous, Mr
Jennings, Mr	Thomson, Ms
Lenders, Mr	Viney, Mr
McQuilten, Mr	

##### *Pair*

Atkinson, Mr	Nguyen, Mr
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**Motion negatived.**

**Sitting suspended 1.03 p.m. until 2.05 p.m.**

## QUESTIONS WITHOUT NOTICE

### WorkCover: inspectors

**Hon. BILL FORWOOD** (Templestowe) — My question without notice is to the Minister for WorkCover and the TAC, Mr John Lenders. Last year the government used its numbers to ram through occupational health and safety legislation, and I make the point, limiting scrutiny of it as it went. That legislation empowers Victorian WorkCover Authority inspectors to break, enter and search any place named in a warrant, including people's homes, for any article or thing and to arrest any person apparently having possession, custody or control of the article or thing. My question is: does the government intend to stand by its decision to give powers of arrest to workplace inspectors?



**Mr LENDERS** (Minister for WorkCover and the TAC) — I thank Mr Forwood for the opportunity to answer the question, but in answering it I think I need to put on the record that in the establishment of what is now the Occupational Health and Safety Act that came to this place there was long consultation. Any government knows that with consultation it means you go out, you discuss, you engage, you work through, but in the end you draw your own conclusions, and you live by your conclusions.

So firstly, there was a lot of consultation there, and part of it was unashamedly that the government wanted to go forward to make Victoria a safer place for workers to work. Last year in the state of Victoria 29 people died in workplaces. In addition, there were a further 32 000 Victorians who were injured and who have put in claims. It is all about balance, as to how we make the workplace safer and how we then deal with compensation that arises out of workers being injured.

The government went forward to find a better, more streamlined, more modernised, more accountable and more transparent system through WorkSafe and the Victorian WorkCover Authority (VWA) to deal with all of these areas. Amongst them inspectors' powers were dealt with in a number of ways. Yes, inspectors were given greater powers in certain areas, but also and significantly as part of the balance, and certainly in the work force — whether it be employers or their employees or their employees' representatives — there was the view that there had to be consistency across the VWA WorkSafe inspectorate.

Ultimately an inspector is accountable to the Victorian WorkCover Authority for their actions, so we have things like guidelines which are being developed through the Occupational Health and Safety Authority Consultative Committee so that we can get them in place and get consistency and also so that there is accountability and consistency within the VWA and WorkSafe of inspectors' powers and inspectors' decisions. If you have a situation where an inspector goes off on a frolic of their own, there has to be an accountability in those areas. Yes, inspectors have been given powers to do a very important job — they have been — but also the VWA has now got the responsibility to make sure there is a greater consistency so that we can deliver.

It all goes back to when we had a very vigorous three-day debate in this place — three days we were debating on this — right up to 4.00 p.m. on the last parliamentary sitting day. We had divisions, we had a committee stage, and before that there was a very vibrant debate that Mr Forwood was engaged in. He

was engaged in this debate for a long time, and I pay tribute to Mr Forwood. He pays a lot of attention to the detail. He gets out and about, and he actually does a lot of good work in this area, which I would not say for many opposite, but I will say that of him in this area.

In the end the long and the short of all of this is that we had 29 deaths in our workplaces last year and 32 000 injuries. We are getting better, and those rates are coming down, but we have a lot further to go. The act was all about making Victoria a safer place to work — safe for the workers, better for the people who employ them and better for the state. That is what our Occupational Health and Safety Act was all about, and the inspectors' powers and those things arise out of enforcing that legislation, and we will always look to make the act better. This legislation on occupational health and safety is often before the Parliament, so it will be interesting to have a dialogue with Mr Forwood as to how we can better make it safer for employees and more consistent. We bit off a lot in getting our act in place. We have a lot of implementation to do by 1 July, and we will be working very hard to make workplaces safer.

#### *Supplementary question*

**Hon. BILL FORWOOD** (Templestowe) — Let me start by applauding the minister's aim of having safer workplaces. Let me point out that the clause that empowers an inspector to arrest someone is clause 104 of the legislation, and the government guillotined it when we got to clause 90, so we did not get the opportunity to particularly debate it.

My question is: how can the government with any conscience allow workplace inspectors powers of arrest rather than just powers of search?

**Mr LENDERS** (Minister for WorkCover and the TAC) — Inspection powers are something I might say that as Minister for Consumer Affairs before the last reshuffle was an area I had to focus on, but every minister in this government and every member of the government has to focus on it; and people like Mr Baxter, who have been ministers, would focus on something that governments do not do lightly. They do not lightly give powers to inspectors on one hand because you want to protect the individual and you want to be very sure there are powers in place with the appropriate checks and balances. On the contra side, unless you have inspectors with actual powers to go out there, enforce and get information a lot of your laws become toothless. Like governments before it, this government will carefully consider every time what inspectors powers are. We will get the balance right,

and we will be held accountable in the public domain for our decisions. We want safe workplaces, and we will put laws in place to make them safer.

### **Home and community care program: funding**

**Hon. KAYE DARVENIZA** (Melbourne West) — I direct my question to Mr Gavin Jennings, the Minister for Aged Care. Can the minister advise the house how the recently announced increase in home and community care funding will ensure that the Bracks government can continue to deliver quality services to frail aged and disabled Victorians who are continuing to live at home?

**Mr GAVIN JENNINGS** (Minister for Aged Care) — I thank the honourable member for her question. I know she shares the enthusiasm of all members of the Bracks government to ensure all older members of our community are provided with quality care at times when they need it, particularly those who want to live independently at home. All members of the chamber would know that yesterday I reported to the house a number of initiatives, including a \$4.3 million increase in the home and community care budget of state unmatched money that was announced last week. I want to put that in the context of a great Bracks government initiative that took place today.

Along with my ministerial colleagues I was in attendance for the launch of a new policy framework announced by the Deputy Premier, John Thwaites, in the company of non-government community organisations, people who are working in the welfare sector and our business partners who do philanthropic work and other good works in the sector to address disadvantage in the Victorian community. The framework document is entitled *Challenges in Addressing Disadvantage in Victoria*. It outlines that despite the commitment of the Bracks government in terms of its levels of investment in social policy areas, and the infrastructure and programs it has supported over five years, there continues to be disadvantage to members of our community in the provision of equitable results, whether through geographic isolation, through some cultural barriers to access to services, through disability or through lack of mobility. Wherever those pockets of disadvantage occur our government is absolutely committed to rising up to the challenge of meeting the legitimate expectations of members of our community to receive fair and equitable services and to providing them with opportunities to enable them to achieve their potential. That is what this framework is about.

Members of this house would know that on a number of occasions I have outlined the rebuilding program for aged care. I am charged with the responsibility of overseeing the redevelopment of 34 aged care facilities right across the state of Victoria. This report outlines that in fact I do not lead the biggest asset capital redevelopment in the state of Victoria, so there is a competitive environment within the Victorian government to try to achieve that. Sixty police stations and 51 new schools have been opened; 26 hospitals, including 15 in rural areas of Victoria, have been redeveloped. There has been the opening of the new Casey Hospital. Significant improvements have been undertaken by the Bracks government. This policy outlines that despite that level of investment and despite the fact that we have increased services such as disability programs, which have increased by 60 per cent over the life of this government, we need to drive the programs of government agencies further in partnership with communities to try to address that disadvantage. That is what this policy framework enables.

I will give some practical examples. The \$4.3 million that I recently announced in relation to home and community care will be dedicated to ensuring that a series of equity questions are addressed. The majority of that \$4.3 million will be spent on making sure that whether people live in Hume, Whittlesea, Melton, Casey, Dandenong, Frankston or in other areas that have not received their fair share of home and community care we actually put in place funding mechanisms to increase access to that care. It builds on the Cultural Equities Gateway program to try to ensure that people who receive home and community care are not limited by lack of language or other disadvantage. It also piggybacks on \$1 million that I announced this week to make sure people have access to home and community care, public transport and so on, and to ensure they are provided with those services in an equitable way right across the breadth of Victoria.

### **Alzheimer's disease: government support**

**Hon. ANDREA COOTE** (Monash) — I direct my question without notice to the Mr Gavin Jennings, the Minister for Aged Care. 'Dementia' is a term used to describe a range of neurodegenerative conditions associated with ageing, and Alzheimer's disease is the most recognised of these. Access Economics released a report for Alzheimer's Australia which predicted 13 600 Victorians will be diagnosed with this disease this year. That is on top of the almost 52 000 Victorians who already have this disease. The Howard government has committed \$52 million to research on the disease. What is the Bracks government doing to

address the issue of the increasing number of Victorians suffering from Alzheimer's disease?

**Mr GAVIN JENNINGS** (Minister for Aged Care) — I am very pleased the member has a concern for the wellbeing of members of our community who have to suffer the rigours of dementia. Indeed this is a matter I have spoken on on a number of occasions in this place. I am also pleased to know that she is cognisant of how dementia will permeate our community in years to come. Indeed in regard to the Access Economics works that she reported on, I have spoken on them in the house on previous occasions because I recognise the dimensions of this issue in terms of both the care needs of members of our community who require residential care and the level of respite care that is appropriate for the carers who provide care for their loved ones who actually have to endure dementia.

Respite care is a very important component of the needs of people with dementia and their care support network. Indeed as recently as yesterday in the house I outlined an initiative that I was proud to announce only a couple of weeks ago in terms of additional funding for an additional 9000 hours of respite care. Much of that additional capacity for respite care will go to support the carers of loved ones who suffer the rigours of dementia. The Victorian government does provide significant support to Alzheimer's Australia. I am sure the shadow minister is aware that we make a significant contribution to the organisation in Victoria, which provides training and support to carers and people who suffer from dementia. It is a significant program that we have embarked upon for a number of years in total cooperation with Alzheimer's Australia. We ensure that it has the wherewithal to make sure it provides the ongoing range of its activities, which include advocacy. In fact I recently met with the Victorian branch — —

**Hon. Andrea Coote** — An excellent organisation.

**Mr GAVIN JENNINGS** — An excellent organisation indeed. It shares the enthusiasm of the shadow minister on this matter and makes sure it is an excellent advocacy group in relation to the ongoing needs. It is interesting to note that during the course of that conversation it was very fulsome in its support of the federal minister's commitment to these matters, although as to the \$52 million that the member referred to, I am not quite sure that money has been allocated yet. I think the cheque might well and truly be in the slow post. The sector will be very pleased when those funds are released. In fact I am looking forward to building on the work I have reported to the house in previous answers and in this answer in cooperation with

the sector and in cooperation with the carers, and most importantly to providing a level of support for people with dementia in residential aged care. As everybody in this chamber is pretty clear about, I am committed to ensuring the public sector provides that level of care throughout the breadth of Victoria through 200 residential aged care facilities. Many of them are actually — —

**Hon. Andrea Coote** — Two hundred?

**Mr GAVIN JENNINGS** — There are 200 facilities, many of which are developing dementia-specific wings and services to meet the challenges of the ageing population which is forced to endure dementia. I look forward to collaborative efforts between the state and the federal government to make sure we meet that ever increasing demand in the years to come.

#### *Supplementary question*

**Hon. ANDREA COOTE** (Monash) — Specifically, how much money is the Bracks government going to invest into Alzheimer's research between now and November 2006?

**Mr GAVIN JENNINGS** (Minister for Aged Care) — Without necessarily committing myself to it, there is a very good chance that we might almost spend as much money as the commonwealth government based on its track record of the last year.

As the member knows, the critical issue is when that money will be released by the commonwealth government. We look forward to that money being released, because it is a very large headline number of \$52 million. I would be very interested to know how much it has rolled out. The member is relying on the \$52 million headline figure. I look forward to it being rolled out, and when it is rolled out I will be very happy to come back and report to the house about how we will build on that work, and we will build on it together. Relying on a headline number does not necessarily mean the delivery of it.

#### **Housing: neighbourhood renewal program**

**Hon. J. G. HILTON** (Western Port) — My question is addressed to the Minister for Housing, Ms Candy Broad. Can the minister outline to the house the progress made by the Bracks government in reducing disadvantage and creating fairer communities through the neighbourhood renewal program, and has the government considered the impact of alternative policy positions?

**Ms BROAD** (Minister for Housing) — I thank the member for his question and the interest in the Bracks government's continuing efforts to create fairer communities right across Victoria. The Bracks government believes that everyone deserves decent opportunities in life. This morning I was pleased to attend the launch by the Deputy Premier and Minister for Victorian Communities of the report *Challenges in Addressing Disadvantage in Victoria*. This is a report which not only presents a picture of the nature and extent of disadvantage in Victoria, but it also shows the considerable progress which the Bracks government has already made towards reducing disadvantage. As well as that, the report also outlines the government's future approach to addressing disadvantage, including a pre-budget statement that will follow this report setting out further steps in the government's strategy for reducing disadvantage right across Victoria over the next five years.

Through the neighbourhood renewal program the Bracks government is taking action to link the physical renewal of our ageing housing stock with opportunities to address disadvantage linked to employment, education and training opportunities for public housing tenants. As a government we have already invested a massive \$100 million in neighbourhood renewal right across Victoria, and our commitment has not ended there. We have committed a further \$90 million across this financial year and the next financial year.

In each neighbourhood renewal site residents working with local and state government agencies, together with businesses, local community agencies and local government, are developing community action plans for the investment of those funds in infrastructure. As a result neighbourhood renewal is transforming 15 communities across Victoria from our high-rise estates in inner city places like Fitzroy and Collingwood through to places like Colac and the Latrobe Valley in regional Victoria.

**Hon. Andrea Coote** — What about Ballarat?

**Ms BROAD** — Indeed, in Ballarat! These communities are benefiting from housing upgrades, new jobs, safer streets and better access to essential services. I understand there is a demand for further communities to be added to the list, and that is a good sign. Residents of these areas now feel greater pride in their communities. We are seeing very positive signs. Crimes against people have fallen by some 90 per cent in neighbourhood renewal locations, which is a great result.

The Bracks government has considered the impact of alternative policy positions on the ability of the neighbourhood renewal program to continue to address disadvantage across Victoria. We have rejected the policy position put forward by the Liberal Party to spend \$7 billion on the Mitcham–Frankston project, which would effectively destroy neighbourhood renewal and other housing infrastructure across Victoria. For its part the Bracks government will continue to address disadvantage by delivering neighbourhood renewal and other initiatives, even if those opposite are committed to irresponsibly spending \$7 billion and wasting Victorians taxpayers money.

**Hon. Bill Forwood** — You are lying to us!

**The PRESIDENT** — Order! That is unparliamentary language. I ask Mr Forwood to desist and withdraw.

**Ms BROAD** — I heard that interjection. I take offence and ask the member to withdraw.

*Honourable members interjecting.*

**The PRESIDENT** — Order! The minister has taken offence, and I agree with her. I picked the honourable member up before I noticed the minister was on her feet. I ask the member to withdraw.

**Hon. Bill Forwood** — I withdraw.

### **Hazardous waste: Nowingi**

**Hon. B. W. BISHOP** (North Western) — My question without notice today is directed to the Minister for Major Projects, Mr John Lenders. In welcoming the minister to his new portfolio — and it is quite fortunate for us that a member of this house has this portfolio — I inquire whether he is aware that the application of regulation fire buffer zones to the Bracks government's proposed toxic waste dump site at Hattah-Nowingi will require a facility measuring about 72 metres or 20 storeys high by the end of its 30-year life? Given that fact, will the minister now terminate this flawed project so that taxpayers funds can be saved and people in the area can get on with their lives?

**Questions interrupted.**

### **DISTINGUISHED VISITOR**

**The PRESIDENT** — Order! Before I call the Leader of the Government I acknowledge that Mr Barry Pullen, a former minister of this house, is in the chamber.

**Questions resumed.**

**Mr LENDERS** (Minister for Major Projects) — I thank Mr Bishop for his question. I guess my only surprise is why it took three question times to come. It probably says something about the priorities of The Nationals on this issue.

The problems of what to do with industrial waste and how to deal with a long-term containment facility are not unique to this government. They are problems that — without referring to a person in the gallery — someone who had been a minister in a previous government, or someone like Mr Baxter who was a minister in a previous government, would know are difficult for governments to solve. Victorian governments in a bipartisan fashion — whether it was the Coleman committee originally, which was chaired by Geoff Coleman, a former Liberal member for Syndal in the Legislative Assembly, or whether it be a later committee chaired under the Bracks government — have constantly looked at ways and means of managing long-term containment of industrial waste.

Obviously the long-term solution for the government and the community is to reduce the waste coming out of industry so that where it is disposed of is less of an issue. The decision, in a sense, that the government needs to make on this issue is about how you have a society with a huge emphasis on manufacturing, and all the jobs that come from manufacturing right across Victoria — from Mallacoota to Mildura — and still manage the resulting waste. There has been a big community debate on this issue both under the Kennett government and the Bracks government, and probably a debate under every government since we have had an industrialised age.

One of the things this government is doing to try to manage the debate about how we deal with the long-term containment of industrial waste is being achieved through a process that started off, as I said, with the Coleman committee and went through into this government. We then started trying to find a range of sites that could provide a logical place to contain industrial waste up to and until we are able as a society to better manage it or produce less of it on site where it is manufactured. I know there is not a single community in Victoria that welcomes with open arms a long-term containment facility, and we know what communities around Melbourne's fringe that have dealt with both urban and rural waste have encountered; we know what communities in the electorate of Mr Davis and Mr Hall think; and we know what the communities

in the electorate of Mr Bishop and Mr Drum think about it, as well as those in other electorates.

As part of the process of dealing with this problem the government has set up an environment effects statement (EES) process, and a report on the first of its two stages will come to me as Minister for Major Projects by the end of May. We are scoping the questions that need to be asked on legitimate issues being raised by the Sunraysia community about where it fits economically, environmentally and socially into that area, and we will forensically go through the process and deal with it. To date we have taken on board, as part of that process, issues that were recently raised by a local alliance — its name escapes me, but it is essentially concerned with Sunraysia's reputation — and we have added to the terms of the EES, consideration of how it is affecting the reputation of that community abroad with respect to its exports.

The government has set up a process and it is serious about that process. We want to get answers to the questions that we as a government have raised, and the Sunraysia community is raising with us continually — vocally and loudly. We have officers from Major Projects Victoria in the area frequently. We have displays and meetings, and my predecessor has been to the area to address the issue. We want answers to these questions so that we as a government can make an informed decision. We will await the outcome of that process and make decisions accordingly.

*Supplementary question*

**Hon. B. W. BISHOP** (North Western) — I thank the minister for his answer. It is quite obvious that he has not been briefed on the size of the facility that will be required if it reaches its 30-year life and is placed in that particular area. The minister has very clearly said there is a process under way to deal with the issue and that will be finalised in May. As a minister with a new portfolio, I would have thought part of that process would have involved a visit to the area concerned to ensure that he can make a good assessment of the area first-hand. Would the minister be prepared to visit the area in the very near future so that he can have a better appreciation of the issues I have raised in the house today?

**Mr LENDERS** (Minister for Major Projects) — I make two points. Mr Bishop implies that I am not really aware of the issues in that area. Firstly, there are a lot of exciting projects in the major projects portfolio, but let me assure Mr Bishop that I have been briefed on a number of occasions on many of the aspects relating to a long-term containment. Secondly, I certainly would

have no hesitation in revisiting Sunraysia to talk to people about this subject, but I remind Mr Bishop and the house that in my previous incarnation as Minister for Consumer Affairs I visited Mildura and went through a number of picket lines. They were very polite picket lines, I might say, but I did go through a number of them. People on the pickets lines, quite forcefully through the car window, gave me brochures and material; they quite forcefully followed me to the consumer affairs function I was going to and let me know their ways; and quite forcefully, on a number of factory visits, they let me know their views.

While I have not been to the site, I can assure Mr Bishop that I have engaged with the Sunraysia community on a number of occasions, as I normally do by phone, as I do by mail, and as I do through the media.

### **Consumer affairs: energy initiatives**

**Hon. S. M. NGUYEN** (Melbourne West) — I address my question to the Minister for Energy Industries and Resources. Can the minister inform the house how the recent announcement of an inquiry into energy consumer hardship will protect Victorian families?

**Hon. T. C. THEOPHANOUS** (Minister for Energy Industries and Resources) — I thank the member for his question. Consumer hardship in the energy sector is an issue that has attracted a significant amount of public attention over the last year or so. It has not been limited simply to issues surrounding prepayment meters, although they were significant community issues. The general issue of hardship in the energy sector has been debated at length and it was partly as a result of that debate that last December the government passed what are Australia's most advanced and progressive protections for energy consumers. These protections included extending the safety net until the end of 2007, banning late payment fees, giving government the power to regulate early exit fees and prepayment meters, making sure retailers publish their market offers on the Internet, and imposing a \$250 fee payable to consumers for wrongful disconnection.

I was very proud to bring those reforms before the house, but it is not the only set of issues. We recognise that there is still hardship in the community, and for that reason I am pleased to be able to provide more details in relation to the hardship inquiry the government has announced. As the honourable member mentioned, last week I announced the establishment of the inquiry. It is an example of our leading the way in Victoria in a range of ways in the energy area. The inquiry, I am

pleased to say, will be headed by Professor John Nieuwenhuysen. For those who do not know him, he was one of the architects of the groundbreaking liquor reform legislation in the 1980s. In fact that groundbreaking liquor reform led to a whole new sector in the liquor industry. Other members of the committee will be John Huitfeldt and Cath Scarth, representing the industry and consumer sides. Assisting them will be a reference panel made up of a number of people from industry and consumer groups along with two members of Parliament with a longstanding interest in this area, being Rob Hudson, the member for Bentleigh in the other place, and Mr Bob Smith from this place, who of course heads the appropriate parliamentary committee as well.

This inquiry is very important for a number of reasons. Principal among these is that we want Victoria to set the pace in the lead-up to national regulation. We want Victoria to set the pace for the best consumer protections available anywhere in the country. We want to do that through this inquiry. Secondly, one of the biggest issues that is faced in this area is trying to decide when a disconnection occurs whether the people concerned are under genuine financial hardship and cannot pay. Most people would say that disconnection should not occur in those circumstances, so this inquiry has a big job in identifying the type of policy we should put in place.

### **Melbourne Markets: relocation**

**Hon. PHILIP DAVIS** (Gippsland) — I direct my question without notice to the Minister for Major Projects. I refer the minister to the government's proposal to move the fruit and vegetable market from its long-established location in Footscray. Will the minister tell the house why the market has to be moved and how far the project has progressed to date?

**Mr LENDERS** (Minister for Major Projects) — One of the hallmarks of the Bracks government is that it wants to add good value. We believe in strong agriculture and in very strong Victorian products being sold, and one of the things we are very keen on doing is having the most modern and efficient wholesale markets to enable that to happen.

We have a market at the moment, as most members would know, and I would invite members who wish to be up at 5 in the morning to go down and inspect the market at its prime, which is 5.00 a.m. when it starts. Coming from a dairy farming background, that is not so unusual to me, although I do not actually like getting up. We have a market that has been a great Victorian institution, but it cannot remain on that site viably in the

longer term. In fact, it is coming to the end of its life in that area, so it is logical for it to move to a higher technology location that better suits the needs of the stallholders, the people who supply the market and those who rely upon it.

That is the task the government has. It needs to look at it and think into the future. Out of that process the government is looking at moving the markets. There are a number of options for where the markets can move. If you talk to the stallholders you will hear their views. The municipalities and stakeholders in Melbourne's northern suburbs, Melbourne western suburbs and Geelong all have views too. The task for government is to choose how to deal with this. If the Leader of the Opposition thinks that the markets can stay viably on their current site for a long time, then I suggest he take a leaf out of Mr Forwood's book and ask himself whether he is part of the past or whether he is part of the future. Sadly, I think he will be rapidly part of the past, because we need to move on to bring the markets forward.

Change is always a difficult process. The stakeholders involved in the markets have very strong views. The preferred position of many of them would be to stay where they are. However, the stakeholders and users know that that is not a long-term view. The government is engaged in a process. As Minister for Major Projects I am working closely with my colleague the Minister for Agriculture in the other place to go through this process and make some informed decisions with the market community and with the users as to the best future location for the wholesale markets. We will work through that as appropriate, and when decisions are made in consultation with those stakeholders we will obviously be announcing them publicly.

*Supplementary question*

**Hon. PHILIP DAVIS** (Gippsland) — I thank the minister for his response, but it does not take me very far. I was interested in understanding where the project had progressed to. But the answer provokes the following question: will the minister advise whether the vegetable growers and wholesalers in the markets have been consulted on the move, which they do not want?

**Mr LENDERS** (Minister for Major Projects) — I would invite the Leader of the Opposition — and I raise the challenge here in Parliament today; I will go down with him at 5.00 a.m. — to go down to the markets and meet with some of the people at the markets to actually discuss it.

**Hon. Philip Davis** — Have you been down there? Have you talked to them? They tell me you have not talked to them.

**Mr LENDERS** — I will go down to the markets to meet with people there and discuss this. I invite the Leader of the Opposition to talk to some of the stakeholder groups — the peak organisations, whether it be the flower growers, grocers or all five organisations — and get their views, firstly, about whether you need to move, and secondly, about where you should move to if you do need to move. Through me; through my predecessor as Minister for Major Projects, the Minister for Transport in the other place; and through the Minister for Agriculture in the other place, this government has actively engaged with the stakeholders at the market, met with the leaders of their peak organisations and discussed the issue with them. That is how this government makes its decisions — through talking with stakeholders. We will make informed decisions based upon that.

**Darebin: velodrome**

**Ms MIKAKOS** (Jika Jika) — My question is directed to the Minister for Sport and Recreation, the Honourable Justin Madden. I ask the minister to inform the house of how the Bracks government is delivering for Victorians through the development of world-class sporting facilities for both elite athletes and local communities.

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — I thank the honourable member for her question, and I particularly thank her in relation to the great support she has given to the launch of the new state training velodrome at the Darebin International Sports Centre. Members of the other side of the chamber would appreciate that the Darebin International Sports Centre will be hereon referred to as DISC. It is worth appreciating that at the formal launch of this magnificent facility last weekend we held the junior and masters track championships. The great thing about this facility is that it will cater for elite athletes in the lead-up to the Commonwealth Games and beyond, but as well as that it is a fantastic facility not only for the community in Darebin but also for the greater Victorian cycling community. It is a state-of-the-art facility.

Just recently we have had endorsements from significant people. Katie Mactier gave a glowing endorsement of the new track, saying:

This is like a pool. It doesn't matter what the weather is doing outside, you know your training sessions are secured.

Already elite sportspeople have endorsed the project because it will give them a greater opportunity to develop as sportspeople.

The president of CycleSport Victoria, Joe Ciavola, has said:

This venue could be the revival of track cycling in the state.

This is a state-of-the-art facility and a substantial investment. It will complement the other facilities that are being developed in and around DISC. We will see the development of five new soccer pitches as part of the state soccer centre. We will see four new lawn bowling greens, which will also be used in the Commonwealth Games. This accounts for the \$14.45 million investment by this government in the Darebin community to contribute another major sporting infrastructure development in this state.

I congratulate all those involved in the development of the facility, because it has been an extensive partnership. Those partners have been CycleSport Victoria — there has been substantial work done by it and its president, Joe Ciavola; the Victorian Soccer Federation; and the Darebin City Bowls Club. It shows that when communities come together and focus on what they can achieve — whether it be cycling, lawn bowls or soccer — the critical mass can be brought together and the viability of the centres can be developed and generated to ensure that those sports not only develop but continue to grow. Again I congratulate all those involved in the new centre as we look forward to cycling in Victoria going from strength to strength.

### **Australian Football League: anti-sexual assault courses**

**Hon. B. N. ATKINSON** (Koonung) — My question is to the Minister for Sport and Recreation. I note the *Age* newspaper report today headed 'State tackles AFL on sex'. I am keen to know if the minister shares the view of his ministerial colleague the Minister for Women's Affairs in the other place, Mary Delahunty, who has two brothers who played football in the Australian Football League (AFL), that male team sports are:

... where the culture of 'team bonding' develops, with its implications for violence against women.

I note that Minister Delahunty has announced a plan for anti-sexual assault courses in AFL clubs. As former ruck coach for Carlton, the Minister for Sport and Recreation would no doubt be aware that the AFL and its clubs have been working on a program to improve the conduct of players for some six months. I note also

that Eddie McGuire has told a luncheon today that the AFL has been used by the government as a stalking horse on this issue. I ask the minister: is the government program required because the Australian Football League has not adequately addressed this issue?

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — I welcome Mr Atkinson's substantial question. I am not quite sure whether he is asking this as shadow spokesperson for sport or the opposition spokesperson for erotica, as we have seen in recent times with his comments — —

**Hon. Philip Davis** — On a point of order, President, the minister knows full well that question time, as with any other time in this Parliament, is not to be used by members for attacking each other. I suggest, President, that you draw the minister's attention to the need for him to contain himself to responding to the question which deals with his portfolio and not comment on the honourable member who asked the question.

**Hon. J. M. MADDEN** — On the point of order, President, I know the situation of the member who asked the question, but I would have thought that if the member had taken offence he would have raised the matter rather than his leader raising the matter.

**Hon. B. N. Atkinson** — On the point of order, President, I am not particularly precious about this issue. I am actually amazed at the hypocrisy of members of the government, but I am not perturbed about it. I point out that it really is ridiculous that the minister should stray into other areas rather than address the particular question, which was quite specific and, as he said by his own admission, quite detailed.

**The PRESIDENT** — Order! On the point of order by the Leader of the Opposition, I draw the minister's attention to the fact, as I did in the first sitting week of this autumn session, and remind honourable members that they should use members' correct titles. I think I addressed the Leader of the Government and said when he was referring to the Kennett government that he did not use the appropriate title. When the minister refers to shadow ministers he will use their correct titles and not anything else he picks up along the way. I remind members on both sides of the house to extend that courtesy to each other.

**Hon. R. G. Mitchell** interjected.

**The PRESIDENT** — Order! Mr Mitchell will not speak while the President is on her feet. I remind all members of that. I ask the minister to continue with his response.



**Hon. J. M. MADDEN** — I welcome Mr Atkinson's question in relation to this matter. This is an issue of great significance in the sporting community because over the course of probably 18 months we have seen many recent media reports about the behaviour of lead sportspeople. Knowing elite sportspeople are role models, whether they like that or not, their role in the community, particularly to young people, is of vital importance not only in those respective sports that they represent and are involved in but also to the broader community. To make sure that they maintain their status as elite sportspeople and the significant benefits that they derive from those positions of privilege they must ensure they maintain their value and their presence as role models to the greater community.

I also compliment the Australian Football League on its work in recent years on a number of issues; whether it is in relation to racism in sport or the behaviour of its own sportspeople off and on the field and the statement that that reflects in the broader community. I compliment it on the work it has been doing. It is important in relation to any of these significant matters that these are not delivered in isolation. It is particularly important that the announcement today by my colleague the Minister for Women's Affairs has been in conjunction and partnership with the AFL to reflect in the community what values we as a community expect from our elite sportspeople and the broader community.

I thank the member for his question. I thank also my colleague the Minister for Women's Affairs for having put so much effort into this issue. I also remind the member on the other side of the chamber that this issue was presented at the Sport and Recreation Ministers Council, where we discussed this. It was an issue presented by this government, by me, with the endorsement of the Minister for Women's Affairs. This has been a matter in dialogue for some time, and to see the outcome of this presented in the way it has been reflects on this government as making not only this a great place for sport but a great place to raise families.

*Supplementary question*

**Hon. B. N. ATKINSON** (Koonung) — I note that the *Age* reports that the government believes Andrew Demetriou is on side in supporting the government anti-sexual assault courses and I note the minister's answer about the Australian Football League being supportive. Given that statement, it is interesting therefore that Brendan Gale, the president of the AFL Players Association, who is holding a press conference this afternoon, said today that there has been no consultation with the AFL or AFL Players Association on this issue. I ask the minister why there has been no

consultation on this issue, whether he just misled the house or it is because the government program is simply a publicity stunt that attempts to revive the career of a failed Minister for Planning.

**Hon. J. M. MADDEN** (Minister for Sport and Recreation) — I welcome the member's comments but I must make mention of the outstanding work that Brendan Gale does in his capacity as the players association chief executive and also the outstanding job that Andrew Demetriou does in his role. Both those gentlemen do a tremendous amount of work in representing their respective stakeholders.

**Hon. B. N. Atkinson** interjected.

**The PRESIDENT** — Order! Mr Atkinson!

**Hon. J. M. MADDEN** — In representing and communicating with their stakeholders, my understanding is that there have been significant discussions with the AFL, which is endorsing this proposal. We are very proud of this initiative taking place and being promoted across the wider community.

**The PRESIDENT** — Order! The minister's time has expired.

**WorkCover: performance**

**Mr VINEY** (Chelsea) — My question is addressed to the Minister for WorkCover and the TAC. Can the minister inform the house of how the Bracks government is delivering for Victorians by outlining the financial performance of the Victorian WorkCover Authority?

**Mr LENDERS** (Minister for WorkCover and the TAC) — I thank Mr Viney for his question because I know of his long-standing interest not only in WorkCover matters but also in sound financial management and how important that is to his and all of our constituents.

Over the past five years the Bracks government has continually delivered sound financial management of the WorkCover scheme. The financial basket case left by the previous government has been turned around as we have worked hard to restore the scheme to a position of long-term viability. In doing so we have managed to do two things: firstly, we have managed to make it the second-lowest premium anywhere in Australia, which is good for business, and secondly, we have made the benefits unquestionably the best in the country while introducing common-law claims for certain injuries. We have a balance in place that has made this a better scheme.

The strong performance that Mr Viney referred to was highlighted by the Victorian WorkCover Authority's return for the six months to 31 December. If you take the measure 'Performance from insurance operations' and strip out how equities were performing at a particular time — the various investments; funds the authority puts aside for the long-term care of injured workers — the result was \$287 million. That result reflects sound management by a very good team at WorkCover, the legislative regime around it and the changing culture in Victorian workplaces — a whole range of things.

What are interesting are some of the comments that have come out of that. The shadow minister made some comment that we were ripping \$160 million out of WorkCover. That is something I am happy to engage on with him in a discussion at a later time. One thing I am interested is this, and I refer the house to the *Age* article by Lawrence Money on 7 March 2004, where he said that the shadow minister — and I need to be careful how I say this in the house so as not to upset sensitivities — would bare his gluteus in Bourke Street. He would bare his backside in Bourke Street if we ran on the profit.

**Hon. Bill Forwood** — It wasn't true then. It was never true. Hulls made it up. He just made it up.

**Mr LENDERS** — I take the shadow minister's word that it was made up. I was merely referring to what appeared in the *Age*. The important thing here is, if we reflect on whether someone is part of the past or the future, whether the WorkCover losses are part of the past or the future, and if this is correct, Mr Forwood's past will haunt him into the future. If it is not true, this government will still say that a well-managed WorkCover can deliver good outcomes for both workers and for their employers.

The WorkCover scheme is a very important scheme. It is a sign of an enlightened society where we deal with our injured workers in a fashion that lets them recover from their injuries, eases them back into the work force and deals with their economic needs at the time. This government is proud of the work done by my predecessors in the WorkCover portfolio, Bob Cameron and Rob Hulls in the other place. We are very proud of the work done by the Victorian WorkCover Authority. We are very proud of the work done in the Victorian community, whether it be the workers and their representatives, the unions, or the employer groups, for the cooperation we have had across the board to make this a better scheme. We are pleased with those things, but the important thing here is that WorkCover is doing what it was designed to do, and it is doing it in a

financially responsible way with sound financial management. That is something this government is proud of. We have delivered services with sound financial management. That is what the Bracks government is about. That is what we are doing.

## QUESTIONS ON NOTICE

### Answers

**Mr LENDERS** (Minister for Finance) — I have answers to the following 13 questions on notice: 2062, 3633–36, 3786, 4095, 4299, 4477, 4478, 4480–82.

## WATER EFFICIENCY LABELLING AND STANDARDS BILL

### *Second reading*

### **Debate resumed from 22 March; motion of Ms BROAD (Minister for Local Government).**

**Hon. E. G. STONEY** (Central Highlands) — I would like to say at the outset that the opposition supports this bill. Given that and given the cooperation in the other house and while the bill was between houses, I do not see the point in making a long contribution. It is pleasing to see that our amendments were adopted in the other place by the government because they are sensible and practical and will assist in the future administration of the legislation.

Water efficiency labelling is a federal government initiative, and this state's legislation is complementary to the federal legislation. The whole concept in a nutshell is to use labelling to make more use of water and therefore encourage consumers to use less water. It is very simple, and the bill is quite simple in itself, but I will run through the main clauses.

Clause 3 explains that the bill is intended to ensure that purchasers are provided with more information to assist and encourage them to select more water-efficient products. It is also intended to encourage suppliers of these products to adopt more water-efficient technology. I will deal with clause 7 later, but clause 8 notes that the bill is intended to form part of a cooperative scheme between the commonwealth and the states and territories. Clause 16 prevents persons from being punished or penalised twice for an offence under the bill if they have already been punished or penalised for the same offence under the commonwealth act. Clause 18 enables the commonwealth minister to determine that certain products are covered by the water efficiency labelling

and standards (WELS) scheme and sets out standards for these products.

Part 5 addresses the WELS regulator, and clauses 21 to 25 deal with that clause. Clauses 26 to 31 deal with the registration of WELS products. The bill goes on to deal with offences related to the supply of WELS products — issues such as registration and labelling, minimum efficiency and performance requirements, the misuse of the WELS standards and extensions of criminal responsibility. It then goes on to deal with other enforcements — things such as publicising offences, enforceable undertakings and injunctions. It goes on to talk about the power of WELS inspectors, applying for warrants, giving information to WELS inspectors, the charging of fees, and the review of decisions et cetera.

I would like to go back to clause 7, which I think is the most important thing. It shows the bipartisanship shown on this bill in the lower house and while the bill was between houses. In clause 7, the definitions clause, the bill presented to this house now includes the amendment proposed by the member for Benambra in the other place. It now reads:

... "penalty unit" has the same meaning as in the Commonwealth Act;

Note: "Penalty Unit" is defined for the purposes of laws of the Commonwealth in section 4AA of the Crimes Act 1914 of the Commonwealth.

When the member for Benambra moved his amendment he explained that it introduced a new definition for penalty unit, which is to have the same meaning as in the commonwealth act. He explained that the balance of the amendments are consequential to the original amendment, on the basis that once a penalty unit definition is introduced it replaces the dollar terms which have been set out and the other penalties throughout the bill. Everything flows on from the first amendment.

The reason for doing this is quite simple, and I applaud the government for picking up the opposition's suggestion. Changing it so it has the same meaning as in the commonwealth act means the legislation will not have to come back to this Parliament every time the federal government changes its penalty units. At the risk of repeating myself, I congratulate the government and, especially, the member for Benambra for bringing forward the amendment. It just shows that sometimes Parliament does work in the way it should. Personally I would like to see a lot more of this bipartisanship in the Parliament to make the Parliament work better for our Victorian community.

The commonwealth bill went through federal Parliament last year, and I feel we should acknowledge that. I would like to quote from the second-reading speech made by the Minister for Environment and Heritage. He said:

Managing Australia's fresh water resources effectively and efficiently is one of our most important environmental and resource management challenges. Without secure and high-quality water resources we would be unable to sustain our regional economies or our urban communities.

I am going to say a little bit more about our regional communities on water as it relates to the Murray River in a minute.

The introduction of a national water efficiency labelling and standards scheme will require water efficiency labels to appear on a range of common water-using properties like washing machines, dishwashers and toilets.

**Hon. David Koch** — I draw your attention to the state of the house.

**Quorum formed.**

**Hon. E. G. STONEY** — I will just quote that again. I believe I was talking about the Murray River. Dr Kemp said:

The introduction of a national water efficiency labelling and standards scheme will require water efficiency labels to appear on a range of common water-using products like washing machines, dishwashers and toilets and also establish a regime for the setting of minimum water efficiency standards.

Dr Kemp went on to say that the bill must be seen in the context of the government's very significant achievements in relation to water reform and how it contributes to water efficiency improvements under the national water initiative. He went on to explain:

The purpose of the ... bill is to establish a water efficiency scheme for a range of important water-using products ...

He said:

... the government wants to empower consumers by providing them with information about the water efficiency of products so that —

everyone can do their bit, I think is what he was trying to say, towards saving water by buying machines that save water. I congratulate the federal government.

The Victorian legislation will assist in forming a cooperative scheme to provide a national water efficiency labelling standard as all the states pick it up. In shorthand it is called the WELS scheme.

The federal government is really weighing in with water. The *Australian* of Tuesday, 14 September 2004, has the headline 'Howard pours \$2 billion into vote-winning water plan'. Of course the federal government has recognised the very important issue of water and the water environment. The article lists the main points and refers to \$1.6 billion over five years for the Australian Water Fund to spread knowledge and the use of technology and smart water-use practices. It refers to the recycling of water to provide increased water supplies, money for desalination, money to improve water-use efficiency in new urban developments and \$200 million in funding over five years to lift water standards through water accounting, strategic ground water assessment and what we are talking about here today, a water efficiency labelling scheme.

It goes on to refer to money for the Water Wise Community program et cetera. The federal government is really weighing in on this. The states and the federal government are working together to save water and to use water more efficiently. Of course no-one would argue with that, and that is precisely why the Liberal opposition is supporting this bill. The bill is part of a national water saving program.

I would like to make a short comment on the Murray River and its health and what is happening in that part of the state. Last week the member for Benambra in the other place, Tony Plowman; the Honourable Philip Davis; the Honourable Wendy Lovell; the shadow Minister for Environment in the other place, Phil Honeywood; and I visited the red gum forests. Over the years I have become very familiar with the red gum forests, which are in a wonderful part of Victoria. A very deep understanding of those forests and how they should correctly be managed is required, given the intervention by European settlement.

We have been told some very interesting facts about the Murray. I have here a letter from Mr Neil Eagle of Barham to the editor of the *Northern Times*, in which Mr Eagle is rebutting something that appeared in the *Northern Times* of 17 October. In his rebuttal Mr Eagle quoted data presented by Dr Jennifer Marohasy showing that the river is in fact in a state of improving health. He goes on to quote Jennifer Marohasy by referring to four main river health indicators:

1. Salinity levels have been falling for 20 years at Morgan, South Australia, and are now at pre World War II levels.
2. Turbidity levels are actually improving with carp numbers reducing in the past 10 years.
3. Native fish numbers, particularly Murray cod and perch, are dramatically increasing ... as evidenced by the

MDBC's own fish ladder data at Torrumbarry Weir and —

anecdotal evidence —

by the fishing fraternity. Contrary to the nonsense being continually spouted that native fish numbers are below 10 per cent of pre river regulation.

That is a direct quote from this letter. It continues:

4. Nutrient levels of both nitrates and phosphates are actually declining on —

the Murray Darling Basin Commission's —

own data.

Mr Eagle went on to state:

... Dr Marohasy's appropriate question is, 'Why is this good news story not being promoted and publicised by the —

Murray Darling Basin Commission?

There is some very strong politics with the Murray, and some very strong misinformation is being spread about the Murray. My strong opinion is that the Murray is not dying. It can certainly always do with better management — always — but it is not dying; it is probably in better health than it has been for many, many years.

I consider that part of the future management of the Murray must involve the locals. The locals up that way have a lifetime interest in and knowledge of how the Murray River works. Groups such as the Barmah Protection League, which our group met with last week, have an absolute store of knowledge — it would be hundreds of years if you added everyone's knowledge together — and that must be tapped into and preserved.

Mr Eagle stated:

... as I have stated ... many times before, the people who are most concerned about the long-term sustainability of the river are the people who live there and who have invested in the area.

We were just knocked out by the depth of knowledge these people have, which was shown in the issues raised with us. People from the Barmah Preservation League discussed in great depth issues about the flow of the river, the vagaries of the river, how flows at the wrong time are bad for the forests and how the cod numbers have improved. They even told us where the river crays hide and how to get them — I was very interested in that bit. They told us that the old-timers can go out in a small boat, put a hand in the river and tell you exactly where the water came from in the upper storages. That really knocked me out. They could do

that from the temperatures of the different layers as they put an arm down into the river.

The other thing they told us, most importantly, was how to get the most water down that river through some of those difficult areas — the Barmah Choke especially — while providing environmental flows to our red gum forests. The point I am making now is that that knowledge is absolutely invaluable and must be tapped into for the future management of the Murray River.

I noticed that water-saving shower heads were mentioned several times during the debate in the other place. There were several jokes about showering with a friend. I make the point that I have a water-saving shower head in my flat in East Melbourne, but not once has a friend knocked on the door offering to have a shower! Seriously, though, shower heads, triggers on hoses, appliances that save water and front-loading washing machines all assist with the saving of water.

I know it is getting to be a hackneyed phrase, but water is probably the biggest issue in Australia. We must be smarter in the use and the administration of our water. This bill assists in that, and I wish it a speedy passage.

**Hon. B. W. BISHOP** (North Western) — I rise on behalf of The Nationals to speak on the Water Efficiency Labelling and Standards Bill. It is probably quite fitting that the short name for the bill is the WELS bill — a play on words, perhaps, but it certainly fits quite well.

The purposes of the bill are to fulfil Victoria's commitment to a national mandatory scheme; to ensure that purchasers of water-use appliances, fixtures and fittings are provided with necessary information to make their selection; and to encourage and require suppliers to adopt more water-efficient technology. Shower heads, washing machines, dishwashers and toilets will have mandatory labelling, and taps, urinals and flow regulators will have voluntary labelling, with the long-term aim of changing urban water use behaviour to conserve supplies.

Some people who have looked at this bill and this project and initiative might say that it is not all that high profile. Any initiative, project or legislation that saves water has The Nationals support, as does this bill.

I thought it reasonable to bring a personal note into this to say that when we grew up as kids in the Mallee, conditions in relation to water were fairly tough for country kids. Some of us had channel-filled dams, and they were filled once a year; some of us had catchment-filled dams, and if we did not get the right

type of rainfall, like a thunderstorm, quite often those catchment dams ran dry. We certainly did not have any piped water when we were kids, and I can remember my father carting water in a little trolley — with a horse actually — for the few plants we had around the house. I guess that was a pretty good education for country kids to learn very quickly, and at a very young age, how to look after and conserve water.

We had rainwater tanks and, as Mr Stoney would remember, they were always guarded with your life because if a hole appeared in the rainwater tank and you could not immediately stop the leak, you transferred the water to somewhere else and made sure that you conserved as much of the water as you could.

**Hon. E. G. Stoney** — The possums were the worst!

**Hon. B. W. BISHOP** — That is right. They were good lessons we learnt and I think they stayed with us forever.

Now it is different in our part of the world. We now have the piped water from the northern Mallee pipeline stock and domestic scheme. It is very good quality water. It is always available, and has certainly made a difference to the living conditions in the Mallee. We obviously still have rainwater, and most houses in our area utilise rainwater through their homes in hot water services and other areas of the house. Still the lessons remain in that part of the world, and particularly for those of us of a more senior age who can remember the real lessons we learnt as kids in relation to saving water.

I notice the second-reading speech makes a strong point of this legislation being consistent nationally. That is an excellent idea. We have always in The Nationals been strong promoters of national regulations and laws, which make things easier particularly for those who live in border areas as I do. As I was getting ready to speak on this bill I thought, 'Why would the Bracks government axe the cross-border anomalies committee?' Again I say that it might not seem very important for people who do not live on the borders, but I suspect that in most weeks in our area something comes up that is a cross-border anomaly. It might be training standards for any number of things: boating rules, houseboat rules, real estate rules, or other regulations. I think that it is a set of double standards when we find the Victorian government talking about national consistency when in fact it has axed the cross-border anomalies committee. I take this opportunity to call on the Bracks government to show some real leadership and reinstate a stronger cross-border anomalies committee, and link it up with other states, have it strong, open and transparent so that

we can live and work together much more consistently than we are able to at the moment.

It appears that the drive for this legislation is from the federal area, and I congratulate the commonwealth government on its initiative. I note that there was agreement between the commonwealth, states and territories in 2003 to proceed with this particular initiative, and I suspect that we are probably going to be first again in Victoria. That is okay as long as national coordination and a national set of standards are put in place. Again I make the point about how important that is for those of us who live in border areas. I can remember debating a piece of legislation in this house about boat operators licences when we were told New South Wales would be conforming with us quite quickly. We were all sold a pup on that issue, because to the best of my knowledge that has not occurred. I make the point that it must be consistent nationally for any of these issues to work.

The chain of responsibility bill which went through this house not long ago again showed these minor differences between the states, and for the life of me I cannot see why we need to do that, particularly in areas of transport which travel across our borders on a daily basis. In this case I understand that we are all in it together. The commonwealth will agree with the majority of the states to determine the standards. It is my understanding that the Commonwealth will also provide the funds until 2005 to establish and operate a regulatory regime or system, but after 2005 it is our understanding that the funding will be 50 per cent from the commonwealth and 50 per cent from the states on a pro rata basis of population. There is an estimated figure for Victoria on an annual basis of \$200 000 per annum. As I understand it the standards are currently being reviewed. The standards will specify which products. The products that are mandatory, as we may have mentioned before, will be shower heads, washing machines, dishwashers and toilets, and there are some voluntary or non-mandatory areas in there as well.

The regulatory impact statement connected to this piece of legislation suggests that we will save 4400 megalitres by 2011. That will lift up to 20 300 megalitres by 2021. The labelling appears in 2005. It is estimated that the percentage of savings across the areas will be around 30 per cent out of washing machines, 25 per cent out of showers and 22 per cent out of toilets. Some might say when they look at that initial figure of 4400 megalitres by the year 2011, for example, that it is not a lot. That may be true, but it is certainly a step in the right direction to see bigger savings come through into the future.

I can think of other savings that the commonwealth and the states collectively have been able to put into place in this state. The first one that springs to mind is the northern Mallee stock and domestic pipeline. If my memory serves me right, it used to take around about 50 000 megalitres of water to service that particular area and now it takes 5000 megalitres. So there has been a substantial saving of at least 45 000 megalitres across that particular area. If my memory further serves me right, that project was worth about \$54 million in total. In fact it is still going in the Cannie Ridge area of the Mallee. Pipes are still being laid there at this point in time in preparation for moving further forward into the completion of the Wimmera–Mallee pipeline system in total.

It is interesting to note when talking about saving water that when the northern Mallee stock and domestic system was first mooted and promoted there was some resistance and some of it was very strong, but I am very pleased to say we now have strong support. I guess some of the dry years we have had in the Mallee have driven that support, as people have realised that if you get a run of dry years you will not get runoff of water, your dams might not be filled as regularly from the channel system and in fact the sustainability of the water supply will suffer. I can remember the Vallance family from Pier Millan were very nervous about this piping system at first, but now they have become great supporters of the piping system. All credit to them that they were able to see the advantages of this and then become strong supporters of that particular area.

I commend Victoria for recommitting — I guess that is the right word — to the national water initiative. That is a great initiative and will enable the completion of the Wimmera–Mallee pipeline to take place. That is a huge project with an estimated cost of \$501 million. It will save approximately 100 000 megalitres of water. As importantly, it will also raise the quality of the water delivered to those properties. It will also guarantee supply. We now see some difficulties in supply in those areas where only a percentage of the channel-filled dams are filled each year, which of course has an effect on that area's income capacity in relation to its ability to carry stock.

We in The Nationals believe we should look everywhere we can in relation to the saving of water. It is interesting to note that in Melbourne about 480 gigalitres of water is used per annum, and about 60 per cent of that is for residential use. These figures come from the government's white paper. The white paper indicates there is no doubt there are great opportunities for recycling. We do not believe Melbourne has done as well as it could have done. The

white paper suggests that in fact 11 per cent of effluent has been recycled. We suggest that is a bit of a pea-and-thimble trick, because 9 per cent of that figure goes to the Werribee sewage farm where the water is cleansed by irrigation, so that leaves only about 2 per cent in true recycling. But if you compare that with country Victoria — I am referring to figure 2 at page 25 of the white paper — and look at the lower Murray water in the top of the state, where I come from, about 68 per cent of effluent is recycled. If you look at the Grampians the percentage is even higher, at 93 per cent. If you look at the Goulburn Valley, it is 79 per cent; and in East Gippsland it is almost 100 per cent — 99.5 per cent; and in Glenelg it is 74.3 per cent.

So we suggest that country Victoria is not doing too badly at all. It is putting its shoulder to the wheel. We congratulate people in country Victoria. We believe Melbourne now has the opportunity and the challenge of getting on with the job of raising the level of recycling effluent water. If I recollect the figures correctly, the aim was that 20 per cent of waste water be recycled by 2011.

One of the issues in recycling water is the value of the water recycled. Of course the highest value water is the potable water that everyone wants to see quite an adequate amount of. Other countries do quite well in that area. They have excellent technology and education and a good attitude to reusing treated water as potable water. I suspect our use of recycled water as potable water is quite low at this time. I am sure that in future we will be able to use the technology and the education systems that have been put in place in other countries around the world. I am sure they will be put in place here and we will see a much higher use of recycled water up to potable water standard where in fact we can get most of the value out of the whole process.

As I said, from The Nationals point of view the management of water resources is very dear to our hearts. Only a couple of weeks ago our leader, Peter Ryan from the other house, released quite a large document on strategic policy direction and our views on water management. I urge anyone who wants a copy to get one and invite anyone who has read or will read it to provide us some feedback on that particular document. It raises a number of issues. One of the questions the document raises is why not build new dams, which seems to run against the environmental movement. But if you think about it, the suggestion is quite sound. As I said, we invite some feedback on those issues. But the broader approach to that paper is a two-way pathway, if you like. The first bit of it is to maximise the economic and social wealth from our

water resources and at the same time improve the health of our rivers around Victoria. It is quite a sound document, and I urge and invite anyone interested to have a very close look at that.

As I said before, The Nationals welcome the national water initiative. Obviously the \$2 billion from the funds available from the commonwealth government is very welcome. We pledge ourselves to working with the commonwealth government to invest in our water infrastructure. There are so many projects around Victoria where we could improve the infrastructure and certainly save water as well that they are almost too numerous to mention. However, one dear to my heart is the irrigation system in Sunraysia area. Just over the border in South Australia a great precedent has been set. South Australia was clever enough to use what it calls the 40-40-20 project — which is 40 per cent commonwealth, 40 per cent state and 20 per cent irrigators' resources — to put in place a world-class pressurised water irrigation system that will see them well into the future.

The national water initiative gives a great opportunity to the Bracks government. The Nationals urge the government not to play politics with this, as it did with the completion of the Wimmera-Mallee pipeline project, but to grasp it with both hands and simply get on with the job of lifting our irrigation infrastructure up to world-class standard and saving water at the same time.

So The Nationals support this legislation. We commend the commonwealth government for its part in this initiative. We commend it for driving the issues relative to this project, and we again make the strong point that these initiatives must be nationally driven. They must be consistent nationally across all state borders; otherwise they are very complex and difficult to make work. We point up that right across Australia we need to be innovative and visionary and we certainly need to work together in the management of one of our most valuable resources, water. As I have said before, there are relatively small savings in relation to the particular initiative in this bill, but it is certainly a step in the right direction. We commend the commonwealth and we support the bill.

**Ms CARBINES (Geelong)** — I am very pleased to speak on behalf of the government on the Water Efficiency Labelling and Standards Bill on the World Day for Water. I wish everybody a happy world water day. It is important to be acknowledging the day by debating such a cooperative national approach to water efficiency and labelling standards.

As everyone in this house well knows, Victoria has been in the grip of its most prolonged drought since white settlement. We have had to look seriously at the way we manage water. I commend the Bracks government, in particular the Minister for Water in another place, Mr Thwaites, for his preparedness to tackle a very difficult issue confronting our state, the issue of ensuring that we have sustainable water supplies not just for today but well into our future. I commend the minister for his work to ensure that. It is groundbreaking work, work admired by other states across the nation. Everyone knows that the minister launched a green paper on water management. After an extensive submission period last year, in June he announced the results of the consultation period in the white paper *Our Water Our Future — Securing Our Water Future Together*. That was a groundbreaking document in that it outlined the government's structural reform for the whole of the water industry and the water sector.

I know that reform has been well received across the state — in metropolitan Melbourne, regional Victoria and rural Victoria — because everyone recognises that if we continue to use water the way we did we would not have sustainable water supplies in the future. At the beginning of March we saw the introduction of permanent water conservation measures for Melbourne. That was pleasing to see. Again it came out of an extensive consultation period with metropolitan Melbourne residents. As members have heard me say before, I am proud to acknowledge the role that my hometown, the city of Geelong, and Barwon Water, our water authority, played in bringing to Victoria the state's first water conservation measure, which the minister launched two years ago in Geelong. I like to say that we initiated these permanent water conservation measures in Geelong and we are pleased to see that Melbourne is catching up.

The aim of the permanent water conservation measures is to bring about behavioural change in the way people use water. The bill we are debating today builds on the impetus behind the white paper on water reform in building behavioural change in our state. In line with the very useful, popular and energy-saving labelling that is already done in the state, the government, with the cooperation of the federal government and other states and territories, has now decided to introduce a water efficiency labelling and standards regime for water products — things like shower heads, washing machines, toilets, dishwashers, urinals and taps — bringing in minimum efficiency standards for toilets and voluntary registration for labelling for flow control devices.

What we very much want to do is show Victorians how much water they use and how much water their appliances use, so that when people are purchasing new appliances they can use that information to inform their purchase. Obviously if a machine uses less water, it uses less energy. If it is a dishwashing machine or a clothes washing machine, it uses less detergent. So it will have many savings, not just water savings but also financial savings and energy savings as well.

The water efficiency and labelling standards which we are debating today and which will be introduced will be a model that will be replicated around the nation. Our bill is being used as a model for the nation. We expect to save about 50 per cent of water on washing machines, 25 per cent on showers and 22 per cent on toilets. They are important appliances and devices to minimise the use of water and make sure it is used efficiently.

I know that all members of this house support this bill. It is something we are all pleased to play our part in. That is the message of the Bracks government reform agenda for water: no matter where you live or work in our state, you have a role to play in using water sustainably and conserving it.

So I am very pleased that we are debating this bill on the World Day for Water. As I said, the Victorian bill is the model that will be used for the other states and territories. It comes out of a joint agreement made in October 2003 by all the state and territory environment ministers and the federal Minister for Environment and Heritage to implement a national mandatory water efficiency and labelling scheme.

As a result of the passage of this bill, from the middle of this year we will expect to see the labels on the appliances. The regulatory impact statement that was done in relation to the water efficiency labelling standards estimated that some 4400 million litres of water will be saved per year by 2011. It is about changing the practice of Victorians in relation to water and how they use water in their homes, whether they live in metropolitan Melbourne, regional or rural Victoria. People have responded well to energy efficiency labelling and they will to water efficiency labelling as well.

As a result of all the changes in the white paper, we will change the way people use water in our state. We only have to look at the take-up of the Bracks government rebates for water-efficient devices and appliances to see they are very popular. People have been pleased to take up the rebates. The rebate scheme has encouraged more people to use these appliances in their homes. Like



Mr Stoney, I have a water-efficient shower rose at my residence in Melbourne. I am not quite sure that I like it on some mornings!

**Hon. E. G. Stoney** — Have you had any friends call in?

**Ms CARBINES** — I have not had any friends call in. I empathise with your situation, Mr Stoney. It is certainly a very efficient device. At my home in Geelong we have the trigger nozzle on our hoses. We in the Carbines household are well into water conservation.

The bill outlines the administrative arrangements in relation to the implementation of the water efficiency labelling and standards scheme. Manufacturers will have to apply to the regulator, who will be the Secretary of the commonwealth Department of the Environment and Heritage, for registration of their appliance. They will have to prove that it meets the standard. They will have to comply with the labelling scheme and there will be penalties for non-compliance. It is a well supported scheme.

I was interested to hear from The Nationals about their advertisement for their water policy. A fundamental premise on which The Nationals water policy is based is that Victoria needs more dams. I am a little concerned that The Nationals still do not get it. They still do not understand water conservation. They still do not understand that building another dam would not make it rain anymore, and in the process it would damage one of the state's rivers irreparably and the environment where the dam would be built. I am disappointed to see that Mr Bishop still does not get it, but I understand he supports the impetus of the Water Efficiency Labelling and Standards Bill, which is pleasing.

The bill is all about a cooperative national approach to sustainable water supplies. The Water Efficiency Labelling and Standards Bill will play its part, as have the other measures in the white paper water reform, to ensuring that Victorians will play their part — no matter where they live or work — in making sure that our water supplies are sustainable, not just for now but into the future. Again, I commend Minister Thwaites for his preparedness to act and to save our water supplies across the state. The work he has done in our state is admired throughout the nation. I congratulate him. I wish the bill a speedy passage.

**Hon. DAVID KOCH** (Western) — In rising to speak to the Water Efficiency Labelling and Standards

Bill, or the WELS bill, I indicate that the Liberals support the bill before the house.

The purpose of the Water Efficiency Labelling and Standards Bill is to provide water efficiency labelling and to set water efficiency standards across a broad range of water products. This is extremely important legislation as it is the means by which all of us can make a contribution to saving water, not only in this state but nationally.

The Bracks government would have the Victorian community believe that this was its initiative under the white paper titled *Our Water Our Future: Securing Our Water Future Together*. I assure the house that it is quite the reverse. This is federal legislation and a Howard government initiative that has already passed both houses in Canberra and is awaiting complementary state and territory legislation. The legislation follows earlier non-compulsory labelling by manufacturers which has been in place for many years, albeit only demonstrated on efficient products. The impact has been important as consumers support resource efficiencies across all sectors, be it power, water, gas or even transport. Importantly, a member for Geelong Province, Ms Elaine Carbines, raised the water efficiency rebate scheme that we were enjoying.

**Mr Pullen** — Six million dollars!

**Hon. DAVID KOCH** — As Mr Noel Pullen says, to the tune of \$6 million. There was a major flaw within that rebate scheme which came to the attention of my office on many occasions — that is, it was only applicable to those who were tied to urban databases because the rebate was distributed through water authorities. In many cases the rebate was not applicable to those who were not supplied by water authorities. In my electorate many married people from the farming community approached my office about the rebate not being applicable. There were some grievances from those young married people or people upgrading their whitegoods who were not on urban water authority databases and who did not enjoy this rebate scheme. In future I hope another medium is exercised in relation to any water efficiency rebate schemes in Victoria.

Water efficiency labelling will offer greater use of water by increasing efficiencies. It will reduce water usage and particularly wastage. This is good and positive legislation that will have an impact in this state. As mentioned earlier, an important oversight was recognised by the member for Benambra in the other place, Mr Tony Plowman, concerning the penalty process on default. Mr Plowman successfully amended the bill away from the monetary or dollar penalty

amount, to the penalty unit process that aligns it with existing federal and state acts. Although it was only a small amendment, if it had not been picked up it could have set an unwarranted precedent for future legislation.

Part 2 of the bill defines water-saving products, be they appliances, devices or fittings. Here we refer to taps, hoses, sprinklers, shower roses, irrigation equipment and anything else that uses water.

Part 3 relates to the introduction of the bill and incorporates cooperative arrangements between the states and the commonwealth.

Part 4 gives registered manufacturers of water products the opportunity to use the essential WELS labelling on all retail products.

Part 5 deals with the introduction of a WELS regulator. Clause 21 of part 5 empowers the secretary of the relevant commonwealth department to undertake this role, with the power to delegate responsibility for that process to a state government or a state government department.

Part 6 deals with the registration of a WELS product. It is important to note that on making application for registration, the names of people who have had their application granted are published in the *Commonwealth of Australia Gazette*. Manufacturers and importers should be aware that if nothing happens and nothing is published in the gazette within 90 days their application has been refused. It is also important to note here that no correspondence will be entered into in respect of those who make these applications. These people should be very wary of going ahead and advertising their products on the assumption that approval of their application will be forthcoming. It is also important to realise that the only way of gauging whether or not your application has been successful is through the gazette, and we should acknowledge that the gazette does not necessarily have a very large readership. Large penalties certainly come into play if people market products without their applications having been approved. It would be far more responsible if the regulator notified manufacturers directly in writing as to whether their applications had or had not been approved.

This is good legislation that will achieve greater efficiencies in the use of our current water supplies. It does not apply only to urban users but also to rural licence-holders, who have been proactive for many years. From an agricultural point of view the standout example is where people have in the past heavily relied on flood irrigation. They have now moved over to using

centre pivots on a broadacre basis. This has achieved marvellous efficiencies within our water industry.

As urban communities continue to grow water efficiencies achieved by better products such as clothes dryers and dishwashers, the many taps we have the opportunity of buying, sprinklers, certain nozzles and improvements to toilet cisterns will not by themselves be enough to create extra potable water supply for the future. Some consideration will have to be given to finding further supply opportunities if the proposed growth of urban communities continues.

As we all know, it is recognised Melbourne has a water supply for 3 million people that is currently servicing 4 million people. Recognition of unused regional infrastructure should now be considered for residential and commercial further growth. Decentralisation over the next 20 years may avert construction of further dams, and there must be greater use of reuse water if our demands are to be met. It is about time that the Bracks government's green rhetoric was put to bed and reality was given consideration before it is too late.

If we require more storage dams, especially for human consumption of potable water, we should be planning for them now. Not to do so — and the white paper negatively suggests that we will not construct another dam for the next 50 years — is absurd. It is important to recognise that if more favourable climatic conditions were to be experienced across Victoria, especially across our water catchments, it would relieve a lot of the stress we have in these catchments after such a long period of dry years — and in many cases we are now entering our eighth year. There would be opportunities for further off-stream storage capacity to be made available, most likely in storage dams. If the Liberals were to gain government after 2006 we would certainly consider what additional storage capacity was necessary so that this state would be water sufficient in 40 to 50 years time.

Some important statistics reflect the finite nature of water in this state. Melbourne currently uses 480 gegalitres of water annually against a sustainable annual yield of 556 gegalitres for all sources. Of this water, 60 per cent is used residentially, 28 per cent is used commercially and 12 per cent is lost to leakage and other miscellaneous uses. Of the residential use, 30 per cent goes to gardens, 20 per cent goes to sewage and the balance of 50 per cent is used for drinking and domestic uses such as washing and bathing. With population growth forecast to be 25 per cent higher by 2030 we will have a water need of over 600 gegalitres, far outstripping the current storage capacity but importantly not outstripping our catchment yield. In

excess of 250 gigalitres of waste water is lost to the ocean annually, with up to 450 gigalitres also lost through stormwater flowing into Port Phillip Bay. We have many options for lifting our water opportunity, especially in metropolitan Melbourne, but it needs to be recognised now. Provision needs to be made immediately if Melbourne and Victoria are to remain the most livable part of Australia.

This is responsible and good legislation, and the sooner Victoria signs up the better. I wish this bill a speedy passage through the house.

**Hon. J. G. HILTON** (Western Port) — I am very pleased to speak on this bill today. As part of my parliamentary responsibilities I am on the Environment and Natural Resources Committee. The committee includes three other members of this house — Mrs Andrea Coote, Ms Wendy Lovell and Mr Damian Drum — and three members of the lower house, Ms Jenny Lindell, the member for Carrum, who is the chair, Ms Joanne Duncan, the member for Macedon, and Mr George Seitz, the member for Keilor.

At present we have a reference in front of the committee to make recommendations to government as to how the use of water and electricity and the generation of waste can be reduced. We have been taking evidence on these issues for the past nine months, and we went overseas in January and February, visiting Denmark, France, Germany and Belgium. One of our findings was quite clear: consumers are aware that they use too much water, but they sometimes lack the information to make informed choices, particularly in relation to appliances.

The fact that we use too much water is particularly pertinent in Australia. Except for Antarctica, ours is the driest continent in the world, yet on a per capita basis we use more water than any other country apart from the United States. To reduce water consumption we can use a number of mechanisms. We can price the commodity to the extent that people realise that it is a scarce resource and reduce their use of it accordingly. The innovation of the Bracks government in the last couple of months in introducing a stepped tariff was a good approach. The concept is that if people use a standard amount of water they are charged a specific rate; if they use more than what is considered to be a standard amount, they pay a slightly higher rate. We can also regulate how water is used.

Given eight years of drought, the community was accepting of the implementation of stage 2 water restrictions, as it understood they were required. Victoria has also readily accepted the introduction of

stage 1 restrictions, but people would still like to use water more efficiently, which obviously means they could reduce their own water bills. The bill before the house today is a step in that direction.

The Water Efficiency, Labelling and Standards Bill, known by its acronym of the WELS bill, will introduce mandatory labelling for shower heads, washing machines, dishwashers and toilets. This scheme essentially replaces the voluntary labelling scheme which in the past has been managed by the Water Services Association of Australia. The reason the scheme has become mandatory is that under the voluntary scheme manufacturers naturally decided not to label all their appliances. As has been pointed out, quite significant savings can be made: an old-fashioned toilet can use 12 litres of water per flush, while a more modern appliance would use a third of that amount.

Going back to the reference of the Environment and Natural Resources Committee, we were told in evidence when we were overseas that Australia, with its labelling strategy, is seen to be at the forefront in the world in its approach to water and energy saving. I believe it is appropriate to congratulate the Minister for Water in the other place for his innovative approach and commitment to improving water usage in Victoria. The fact that these standards have been accepted by other states and the commonwealth is testimony to his innovativeness.

People would like to know how to use less water, but in the past they have lacked the information. These labelling standards will enable people to make direct comparisons between appliances because they will know how much water they use. My view is that labelling is the first step to giving consumers more information. It would be very useful if the labels showed not only the amount of water an appliance uses but the amount of money to be saved on a yearly basis if that appliance is selected, although obviously this would be difficult with changing prices. As an aside, during our overseas trip we were informed that in California there is very strong resistance to water-efficient toilets. Apparently the average Californian believes that an 8-litre flush is the minimum required. Fortunately Victorians do not have that view and are more sensitive to the use of water.

By increasing consumer information we enable consumers to make informed choices. We can reach a stage where consumers are overloaded with information, but I believe the way this information is currently presented is informative and enables consumers to make comparisons on which to base their decisions. Victorians realise that they cannot continue

to use the amount of water they do now, and they are quite prepared to use less water if they can be told how using less water will contribute to the sustainability of that resource.

This very important piece of legislation is a step in the right direction, and I certainly commend it to the house, but before I finish I must refer again, as did my colleague Elaine Carbines, to the almost obsessive consideration the Liberals give to the fact that we need a new dam in Victoria.

**Hon. David Koch** interjected.

**Hon. J. G. HILTON** — Yes, Mr Koch. I have just been handed something, but it is a copy of something I already had.

To build a new dam will cost \$1 billion. I am interested to hear whether the next speaker from the opposition will indicate from where in the budget process members of his party would take that \$1 billion. Would they take it from schools, from hospitals or from other resources devoted to police stations and other parts of our economy?

The advice I have been given, which I am sure is correct, is that 24 of the 29 river basins have their water resources fully allocated. Introducing a new dam does not create more water; it does not make it rain any more; it makes absolutely no contribution to the harvesting of our water resources. I believe the Liberal Party would be far better employed in coming on board with the government's strategy of conserving water rather than indulging in what can only be described as harebrained ideas which may appeal to its constituency but which have no relevance to Victoria's need to use water more efficiently and conserve its resources.

As I said, this is a good bill. It recognises the fact that more information means more informed consumer choice. I commend it to the house.

**Hon. A. P. OLEXANDER** (Silvan) — In rising to speak in support of this legislation I put on record my congratulations to the shadow Minister for Water in the other place, Tony Plowman, the member for Benambra, who has over many years had a very close association with all the issues related to water and its usage in Victoria, very personally, through his background in country Victoria and his connection with many people in the agricultural sector, who of course are very high users — and efficient users, in many respects — of water. The way he has handled himself in this portfolio is second to none. He has provided enormous leadership in this sector on a range of fronts as far as our water resource is concerned. I congratulate him for

that, as I am sure my colleagues on this side of the house would also do.

I join with other speakers from the Liberal Party in supporting this legislation. At the very basis of our decision making here is our belief that our water is an incredibly precious and important resource, one which needs not only to be preserved and managed adequately but also to have the way in which it is used in the future enhanced.

The claims that I think were somewhat petulantly raised by the last speaker from the government are very easy to refute. On this side of politics we do not see management of water resources as simply a matter of educating consumers of water products — whether they be agricultural, industrial or household consumers. We believe that is an important aspect, but not the only one. We also recognise that issues related to our water catchments and storage of water — yes, I will say the word 'dams' — are also important for the future of our state, particularly when the government's own projections tell us that in years to come the population we will have to resource with water will be much larger than at the present time. I urge government members to refer to *Melbourne 2030*.

This legitimately raises the issue of greater storage and more efficient use of water in the future. That may mean that we require further dams. We are not obsessed with the issue, but we recognise that it is one of the important elements of an efficient water management strategy for the state. Efficient use, labelling and educating consumers are others. We also believe other incentives are important. Recycling water so that it is potable again is an incredibly important thing. We note that the government's own data indicates that Victoria lags behind in water recycling. I think we only recycle about 2 per cent of water to a potable standard. That is at the very bottom of the table in terms of national standards. The government would do well to pay attention to the recycling issue, because it is another element of the management of our water resources which deserves attention.

None of the three elements I have mentioned — efficient usage and consumer education, storage and catchment areas, and the recycling of water — should be ignored. They all form a legitimate part of the management of what is one of our most precious resources. It is precious from an economic point of view, and it is precious from an environmental point of view. It is also precious to the people who live in this state from a lifestyle point of view. All of these impacts are profound, and every element of the water management portfolio needs to be looked at seriously.

I also raise another key element in our water management which the government would do well to do more about — that is, reuse. I draw the distinction between recycling and reuse because a lot more water in Victoria is reused. About 11 per cent of our water in the state is reused. It is not of a potable standard, but it can be reused for certain purposes. In terms of national standards we are at the top of the table with that 11 per cent being reused. We are doing quite well in reuse but not well at all in recycling.

There are many elements to this debate. We welcome and support this legislation. We believe that the federal government is to be commended for producing this national scheme legislation. Victoria is obviously not the only state that will be introducing the water efficiency labelling and standards, or WELS, system. It is a laudable thing to be doing. It can work extremely well in informing consumers about products that can make the use of a very precious resource more efficient so that less of it is used to achieve the same objective than would have been the case previously.

There were certain problems with the legislation. I again pay tribute to Mr Tony Plowman, the member for Benambra in the other place, for identifying two key problems on behalf of the opposition. The first issue we had did not suspend our support for the legislation. It was the fact that the penalty units were expressed in the federal legislation on the basis of penalty units and in the Victorian legislation on the basis of dollars. That is a machinery issue, but it would have required the introduction of legislation every time the penalties for breaches of water-efficient equipment labelling standards occurred at the federal level to make those simple changes in the state legislation. Mr Plowman in the other place put on the table amendments which the government sensibly and rightly accepted. We welcome that acceptance, and we understand now that the government has made that change initiated by Mr Tony Plowman and the Liberal opposition.

There is a second problem with this legislation, which probably still remains, in that there is a three-month time lag between an application for labelling as a water-efficient product and a decision that a product either meets or does not meet the standards — that is, in achieving the labelling or not achieving the labelling. This is an important issue for those in the private sector that manufacture, distribute and market those products which can be so important in the more efficient use of water because the legislation does not require that they be informed in any way as to the status of their application — that is, whether it has been approved as a water-efficient product or not. Of course any company producing household or garden equipment, or fittings

for showers or bathrooms, is going to want to be able to market those products based upon any water efficiency rating or standard they have achieved.

The legislation says that if after three months they have not heard from the authority they should just assume they have not been approved. However, this in itself is problematic because anyone in the industry and businesses need to understand specifically whether their application is still being considered, whether there are any impediments to it; and if so, what they are. They might be surmountable. In terms of modern business marketing practices some form of notification from the relevant authority is not only justified but desirable because at the end of the day the idea is to educate consumers about water efficiency standards through labelling, and the private sector will play an important part in doing that. It will put millions and millions of dollars behind that education program and take it to the next level. It will popularise the program and educate consumers as to what it will mean for water efficiency if the product they buy for their home, garden or business is labelled. We should be doing everything in our power to assist the private sector in that regard.

Unfortunately this legislation still falls down in that way. We believe the government's criticism of the opposition is not justified on what the previous speaker referred to as our obsession with dams. We do not have an obsession with any one water-saving, efficiency or management measure. We believe, however, that to rule anything out blindly is a retrograde step, and it is the government's putting its head in the sand about the state's future needs for this precious resource, whether they be industrial, agricultural or in the home. By way of response we counsel the government not only to open its mind to yet another critical water management issue in the state of Victoria but to realise that issues like taxing the water resource for households and businesses is not really the way to go to save water. Putting on a consumption tax, which it has done in effect with the so-called environmental levy, is not the way to go because at the end of the day it has been shown clearly by the opposition and by water users that that measure does not work.

The block structure for the charging system will penalise larger families on a per capita basis because they might be using less water per head than a small household. It is possible under the government system of the so-called environmental levy designed to reduce water consumption that smaller households can splurge and that larger households that are very frugal will still be penalised financially. We counsel from the Liberal side that the government should end its obsession with taxing Victorians and initiate some real water

management policy. The only things we have seen initiated in Victoria are taxes on water consumption by businesses and households. It is not a fair system because it does not work to eliminate water use or give incentives to consumers to use less water. In fact, it can work against them.

I nonetheless support the legislation because it has come from a very sound national water strategy. It has come from a very sound federal government that looks at all of the issues related to water management and efficiency in this country. The Victorian government is playing its part in the national scheme. We welcome and support it, and we wish it a speedy passage.

**Ms ROMANES** (Melbourne) — I am pleased to speak on the bill before the house this afternoon, and I am very proud of the Bracks Labor government, which has shown great leadership in Australia in the work that is being done to move towards a sustainable water future. The Bracks government has shown great leadership as a champion of the new WELS scheme that we are debating in the house today. I note that the speakers from the Liberal Party and The Nationals are claiming this is a national initiative. I put on record the history of the development of the scheme that has been agreed to by all states, territories and the commonwealth government, including the state of Victoria.

If I can go back to the history of the development of this scheme, the opposition's assertion that the commonwealth initiated the WELS legislation is not correct. The Victorian government raised the concept at an Environment Protection and Heritage Council meeting in 2001. The concept was then formalised in the Victorian ALP 2002 election platform, and in 2002 the Victorian government took the concept back to the council of ministers. It has led the development of the WELS legislation. It is Victoria that prepared the concept instructions and the drafting instructions for the national scheme of bills, and it is Victoria that is putting through the Parliament today model legislation for the states. That legislation, which we are dealing with now, is consistent with commonwealth legislation that was passed through the commonwealth Parliament on 8 February this year.

It is pleasing to see national cooperation and agreement that this is a good idea and that all governments throughout Australia are keen to implement this good idea as a national scheme that will follow on the national energy rating scheme that has been so successful over the last decade or so. The Bracks Labor government has also given great leadership in terms of getting across the message that the future supply of

water is an issue we need to take very seriously, given other pressures that come into play on our environment and on our future. They are the pressures of climate change and the doubt over its effects in the future. They are the projections of another 1 million people in this state by 2030. They are the pressures of increased agricultural and industrial production, as well as the need to restore environmental flows to our rivers and to provide better water flows for healthier rivers. We have allowed them to deteriorate in past decades.

There is an imperative to reduce our use of water, to use water in smarter ways, to recycle water and to take much greater care with how we use this precious resource. Other speakers, Mr Olexander included, have referred to how precious water is and to our new attitude to water in this state and this country. To facilitate reduced use and smarter use, on 23 June 2004 the Minister for Environment and Minister for Water, the Honourable John Thwaites, released the white paper that was the result of many months of discussion with community groups and stakeholders throughout the state and launched it on its way. That document, as everyone knows, is called *Our Water Our Future*, and it contains 110 water-saving initiatives and a range of policy tools to use to help achieve those vital objectives in regard to future water use.

These tools include public education. They include incentives, regulation, planning provisions, technical changes, pricing and investments. We have already seen that message getting through to the public and the community throughout Victoria. We have already seen considerable water savings, with 19 per cent lower average water use per capita in 2004 compared with the 1990s. We know that this has already involved a considerable behaviour change of the kind that was effected by other similar schemes. As I mentioned, they include the 5-star energy rating scheme, the Quit scheme, the Travel Smart scheme, which is endeavouring to effect change in the transport sector, and so on. As Mr Hilton said, in order to continue to influence behaviour and the decisions of Victorians about the way they use water, we need informed choices, and informed choices come with better information and awareness. They may come in the light of various incentives and disincentives that bear on those choices and decisions.

I am aware that the rebates for a range of appliances and other fixtures that have been introduced in Victoria as part of the smarter water use program have been taken up enthusiastically in various quarters — none more so than the washing machine subsidy that was introduced as part of the strategy. I am mindful of the fact that a couple of years ago when we were replacing

a washing machine my husband and I had to search quite hard to find out, under the voluntary standards in place, which washing machine was best for water efficiency.

**Hon. Andrea Coote** — I hope he uses it!

**Ms ROMANES** — He uses it all the time. I never use it. That is the way things are in our household. We had to read a lot of background information. The Asko we bought did say AAA under the voluntary standard, but we had to find a lot of information to make the comparisons. The manufacturers and the retailers tend to label only the better performing products, so it was quite a task to make a decision about that, but under the WELS scheme and with the labels that are mandated by the legislation before the house that process will become a lot more straightforward. There will be a 6-star rating for water efficiency. The labels will detail the litres of water used for a cold wash and the litres used for a warm wash. We know that the amount of water used will also affect the amount of hot water used, the amount of electricity used and the amount of detergent used, and therefore there are flow-on benefits in making a choice to use a water-efficient washing machine. Useful stickers and labelling to help better inform choices about different appliances and fixtures that use water will be very helpful in advancing widespread savings in this area.

It is very important to draw attention to the savings. Mr Bishop and a number of other speakers have mentioned the savings, but I want to remind the house that the calculations that have been done for the water efficiency labelling and standards scheme show that it is expected that by 2021 household water consumption will reduce by about 5 per cent, which is quite significant. That will mean the conserving of 20.3 billion litres of water per year in Victoria and 87.2 billion litres of water per year nationally. Mr Bishop used the term 'megalitres', and I think that shrouds a little the extent of the water to be saved under this scheme. I think the importance of the scheme is reflected much more by talking about the billions of litres that will be saved by making it mandatory to have water efficiency labels on all shower heads, washing machines, toilets, dishwashers, urinals and some types of taps.

I note that the opposition has made comments about clause 28 and the registration of products, and the notification back to the applicant about whether or not registration has been refused. Clause 28(2) states:

- (2) The Regulator must give the applicant written notice of the registration or refusal —

of their WELS product. This ensures that, whether or not the applicant reads the *Commonwealth of Australia Gazette*, they will be notified of the regulator's decision. So written notice of registration or refusal must be given. However, clause 28(3) ensures there is no loophole. It is not the outcome that is being sought; it just ensures there is no loophole in that the refusal to register cannot be denied or confused. If within three months of the application there has been no notice registering the product in the *Commonwealth of Australia Gazette* and the applicant has not received the letter required under subclause (2), the regulator is taken to have refused to register the product. That is only to cover the loophole. Clause 28(2) is the relevant clause — that is, that there is to be a written letter of registration or refusal.

The other important point that has been covered to some degree by my colleague Mr Hilton is the one about dams. Having undertaken an excursion last week to look at Victoria's water supply in the Yarra Valley and its effects on the Yarra River downstream, I am much more conscious of the concept of water harvesting and the fact that there is only the same amount of water that drops on the earth, and that it is about how we distribute it and use it, how much we take into our homes and use, how much we leave in the rivers, how much we put into dams, and how much we use for irrigation and other purposes.

I want to make the point that economically and environmentally the building of new dams just does not make sense. Because 24 of Victoria's 29 river basins have their surface water resources fully allocated, there is no additional water available for harvesting in these fully allocated river basins. So water not allocated for irrigation, urban and industrial use is required for the health of rivers, streams and wetlands. What the Bracks Labor government is setting out to do is to make sure — —

**An honourable member** interjected.

**Ms ROMANES** — No. It is setting out to make sure there is water for irrigators, there is water for farmlands, there is water for rural towns and there is water for metropolitan Melbourne; but also to make sure there is water to restore our rivers to good health and to make sure we meet the growing needs of the population in this state that we do that as much as possible through being conscious of how precious water is, how much we can all personally contribute as households to saving that water and looking at a whole range of ways to recycle and reuse water for many other purposes.

**Hon. J. A. VOGELS** (Western) — I am pleased to make some comments on the Water Efficiency Labelling and Standards Bill and to also congratulate our shadow water spokesman, the member for Benambra in the other place, Tony Plowman, on the work he has done in this industry for many years. This is an important bill and nobody would disagree that we should be careful and not waste our precious water resources.

The bill is intended to form part of a nationally consistent suite of legislation referred to as WELS. The scope of the scheme includes mandatory labelling for shower heads, washing machines, dishwashers and toilets et cetera. The scheme provides for voluntary labelling for taps, urinals and flow regulators. As is usual with any Bracks government legislation, there is always a sting in the tail. That is the fees, fines and charges if anybody is caught out doing the wrong thing. Even if, as we have heard, they have accidentally not known they have done the wrong thing; they will still be fined.

Having grown up in rural Victoria where rainwater was always a precious item I remember the rainwater tanks, as most of us who come from rural Victoria do. We never ran out of water; we probably had one or two rainwater tanks. In those days — unlike now — every family had 5, 6, 7, 8 or sometimes 10 kids or more, but we did not run out of water because we treated water very carefully — and we did not waste it. I always remember that when our city friends came up we used to put a sign on the shower saying, ‘Shower for 3 minutes only’; or quite often in the summer, ‘Shower for 1 minute only’; because we knew how precious our rainwater was. In the toilet cistern you would put a big brick, or sometimes a brick and a half, to save water.

I hear people talking about having a different rose on their shower which does not deliver as much water. But I fear that many times people will just spend longer in the shower, so I believe it will not actually save much water. I would have thought that in our modern age it would be much better if we invented a system where after a minute of showering the water got progressively colder, so that after about another 2 minutes you would be getting out of that shower very quickly, rather than not as much water coming through as people will probably just spend longer in the shower.

It is similar with hoses with water triggers. I have been to many places where people now actually rely on the water trigger rather than the tap to turn off the water. At night or over a weekend the pressure builds up and the trigger on the hose or the connections burst, and for the whole weekend or all night water from the hose is

running down the gutter because people have not turned it off at the tap. I do not know whether that will save much water either.

I am very concerned about the Bracks government continually using water as a tax revenue earner. In many cases this has quashed future growth and development, especially in rural Victoria. On my way to Melbourne on Monday of this parliamentary sitting week I pulled up at the Shell service station, as I regularly do — it is called Bob and Renee’s Cobden Motel Caravan Park Food and Auto — to fill up with fuel. I was shocked to hear Bob tell me that he was hoping to put another 50 cabins on his caravan park site, but that when he went to the local water authority he was told that the connection fee to connect onto the sewer was \$447 000 — \$447 000 to connect onto a sewerage scheme.

When you consider that there is ample capacity in the system since Bonlac, the major dairy factory in Cobden, stopped using that facility about three years ago — it has put up its own system and spreads its effluent on a farm somewhere — I suggest that there is about a 90 per cent capacity in the Cobden water effluent system. Yet he is being asked to put up \$447 000 to connect to the sewerage scheme. Obviously there is no way known that he can go ahead with the proposal.

I would like to quote from the Water Price Review carried out by the Essential Services Commission of Victoria. Under ‘New customer contributions’ it says:

When new customers connect to water, sewerage and recycled water infrastructure, they are often asked to make an upfront contribution to the costs of connecting to the system. These contributions are additional to costs they (or developers on their behalf) pay for installing the local reticulation assets, and once connected, the price they pay to receive services on an ongoing basis.

Most of the businesses have put forward a schedule of new customer connection charges to apply over the regulatory period ranging from \$0 to \$9200 per lot for water and \$99 to \$4819 per lot for sewerage.

The commission has undertaken a detailed assessment of the basis on which each of the businesses calculated its charges. This analysis indicates that:

there is very little consistency in the approach taken on setting these charges across the industry;

some businesses have been unable to provide the information to the commission to substantiate the basis on which they have set their charges; a number of businesses have proposed charges that are either significantly higher or lower than the costs they themselves have calculated should apply to new customers;



Overall the commission does not believe the proposed new customer contributions or the basis on which the business are proposed to determine the charges is consistent with the requirements of the regulatory framework ...

... the commission is unable to be satisfied that the proposed charges, or the basis on which they have been determined, is consistent with the regulatory framework.

The commission has considered three options that would lead it to be satisfied that the basis on which proposed new customer contributions are to apply for the regulatory period is consistent with the requirement of the regulatory framework, namely:...

For most, if not all, businesses a \$500 per lot charge for water and sewerage respectively would be likely to exceed any estimate of the incremental cost associated with new customer connections and is likely to provide an appropriate transition to potentially implementing an incremental cost approach in the future.

What we have here is a water authority demanding about \$10 000 per unit or per customer, and the Essential Services Commission here is saying that it does not believe it should be more than \$500 per lot. If you actually work that out with these 50 cabins at about \$9000 per unit and \$500 per lot, you see there is a huge difference between \$447 000 and \$4500 — it is about a 1000 per cent increase. I hope that the government reads the Essential Services Commission review — has a good look at it.

I would like to finish with an item that I read in the *Australian Financial Review* on 25 October 2004 entitled 'State abuse of monopoly power in water'. It says:

... I am professionally appalled at the utter nonsense being pedalled as conventional wisdom on water pricing ...

The truth is that Australia's potential water supplies per capita are higher than for many countries.

What is really happening is that state/territory governments are turning water into a taxing mechanism. They are stripping exorbitant dividends out of government-owned monopolies while refusing to invest in additional infrastructure.

If none of the excess profits being gouged from water users are ever ploughed back into additional infrastructure, of course water prices must rise towards infinity.

That is what we are seeing at the moment. It is not all doom and gloom in the water industry. I come from south-west Victoria and South West Water is the business in charge in my neck of the woods. The annual report of South West Water says:

This system —

which supplies Warrnambool, Camperdown, Terang and a large area around there —

currently delivers 13 500 megs of water and has not failed even after seven years of drought. Current usage 10 500 megs per annum.

So even after seven and a half years of drought there is plenty of water. However, the charges do not reflect that and are ever increasing. The report continues:

In reserve the aquifer at Curdievale ... has a proven reserve of 3500 megs which is untapped but a back back-up if needed 10 to 20 years down the track.

Then we have what they call the Newlingbrook aquifer, which has beautiful fresh water pumping a few kilometres out into the Southern Ocean, completely untapped and completely wasted. Tests have proven that you could take 75 000 megalitres of this water per annum without affecting that aquifer — and it is just out there going to waste. No-one is game to actually say, 'Let us start using some of that water that is running out into the ocean about three miles out to sea', because someone would say, 'You are interfering with the environment' or something like that. It is absolutely ridiculous.

In conclusion, while we all support water efficiency savings, a lot more needs to be done, as I have heard previous speakers say, on recycling and reusing water — and I need some water — and on repairing our failing infrastructure and so on. That is where large gains can be made into the future. I commend the bill to the house.

**Motion agreed to.**

**Read second time.**

*Third reading*

For **Ms BROAD** (Minister for Local Government), Hon. M. R. Thomson (Minister for Consumer Affairs — By leave, I move:

That the bill be now read a third time.

In so doing I thank all members for their contributions to the bill.

**Motion agreed to.**

**Read third time.**

*Remaining stages*

**Passed remaining stages.**

**RETIREMENT VILLAGES (AMENDMENT) BILL***Second reading*

**Debate resumed from 22 March; motion of Hon. M. R. THOMSON (Minister for Consumer Affairs).**

**Hon. W. A. LOVELL** (North Eastern) — Acting President, at the outset can I say what a pleasure it is to have you back in the chair. We missed you during your illness and it really is a pleasure to have you back among us in the house.

It is always a pleasure to rise and speak on any important legislation in this place, and today it is a pleasure for me to speak on the Retirement Villages (Amendment) Bill. In doing so I pay tribute to Nick Kotsiras, the member for Bulleen in the other place, who handled the legislation through the Legislative Assembly on behalf of the Liberal Party. Nick did a tremendous job in the lower house. He also assisted me tremendously in the consultation on this bill. He always takes enormous interest in the consumer affairs bills that come through this house, and I commend him on his work.

Normally at the outset of speaking on a bill such as this I would thank the minister and her department for the briefing that was given to the opposition. Unfortunately on this occasion I will not be thanking the minister because the briefing the Liberal Party received was absolutely appalling. I appreciate there has been a change of minister since this legislation was brought into the house, but when the change of minister was announced I left it for about a week before I rang the minister's office to request a briefing because I thought I needed to give the office some time to settle down.

Unfortunately when I got through to the minister's chief of staff the minister's office was not even aware that this legislation was before the house, and I was told they would need to seek a briefing before the Liberal Party could be given a briefing. When they finally declared they would give us a briefing, the minister's adviser, Mr Robert Larocca, tried to limit that briefing to just the shadow spokesperson and not allow any other Liberal MPs to attend. This has never been the case with bill briefings; they have always been open to all interested members of the opposition to attend and so they should be when we are talking about important changes to legislation in this state. When we did finally received the briefing, the Honourable Andrea Coote, Mr Nick Kotsiras and I all attended and we were actually quite appalled at the content of that briefing.

We came away feeling that we knew no more than when we had arrived at the briefing. In fact Mr Kotsiras asked a question about the new category of personal fees and the departmental officer was unable to give even a decent response. In fact it was up to Mr Kotsiras to prompt the departmental officer as to what a personal fee may be.

When Mr John Lenders was the Minister for Consumer Affairs the Liberal Party was always extended the courtesy of prompt and extensive briefings on bills. As I said, that should be the case. Bill briefings should be extensive because they brief the opposition on proposed changes to acts of Parliament in Victoria. If the briefing we received on this bill is going to be the standard of future briefings under the new minister then we may as well all pack up and go home now because no consideration was given to the parliamentary process in that briefing. Because of the content of the briefing the Liberal Party will be taking this bill into the committee stage to seek directly from the minister the answers that we were unable to get during the briefing.

The background to this legislation is that there has been a period of consultation of almost three years: a discussion paper was produced in July 2002, and then a review of the legislation to be conducted in November 2002 by Maxine Morand, the member for Mount Waverley in another place, was announced by John Lenders; a further discussion paper on the review of the Retirement Villages Act 1986 proposing legislative changes was released in March 2004; and we are now debating this legislation in the Parliament in March 2005. So the consultation was undertaken from July 2002 to March 2005, nearly three years, and after such a long consultation period it is reasonable to expect to see a bill that all the stakeholders are happy with or at least a bill with no surprise inclusions in it. Unfortunately that is not the case.

The Liberal Party consulted widely with stakeholders. I would like to put on the record a list of some of the stakeholders we did consult because it was quite a wide consultation. We consulted with the Victorian Association of Health and Extended Care, the Retirement Village Association of Victoria, the Aged Care Association of Victoria, the Council on the Ageing Victoria, the Real Estate Institute of Victoria Ltd, the Housing for the Aged Action Group, the Retirement Village Advisory Service (Independent), Retirement Services Australia, Russell Kennedy Solicitors, Mahons with Yuncken and Yuncken lawyers, Real Estate Lawyers Victoria, Mr Lance Woodhouse of Feltham and Company lawyers in Shepparton, and Mr David Fordyce who is also of

Feltham lawyers in Shepparton and a board member of the Shepparton Retirement Villages.

While I am talking about Shepparton Retirement Villages I would like to pay tribute to the Rotary Club of Shepparton, whose members in 1968 had a vision to provide a community-funded retirement village in Shepparton. Later when it was recognised that there also needed to be a community-funded retirement village in Mooroopna they were joined by the Rotary Club of Mooroopna. We now have three villages: Tarcoola, Rodney Park and Kialla Gardens. Over the years they have been conducting a major fundraiser to raise desperately needed funds for them to expand. The Brighter Tomorrows Building Appeal Fund raised around \$2.2 million. Last year Shepparton Villages took out the Fundraising Institute of Australia's national award which was presented in Melbourne. Shepparton Villages made its submission for its Brighter Tomorrows Building Appeal in the highest category of more than \$500 000 in funds raised. It earlier won the Victorian state award in that category and went on to compete against every state in Australia.

As I said, the Brighter Tomorrows Building Appeal raised \$2.2 million. It enabled the building of three new high-care facilities: Boronia House, Grevillea Lodge at Rodney Park Village and the new Acacia House at Tarcoola Village. This is all part of a \$14 million planned growth strategy. I have many terrific villages in my electorate, not only in Shepparton but right throughout the whole province, but I did want to make special mention of Shepparton Villages for the effort it made. The Tarcoola Village is not far from my home, and over the years I have watched it develop into an excellent facility for the people of Shepparton.

As I said before, the long consultation period should have ensured that the bill did not include any surprise provisions, but that was not the case: the bill included a few surprises and it also excluded some provisions that stakeholders had been led to believe would be included. A further concern is that the government has focused on only the higher socioeconomic end of the retirement village sector and that these amendments have completely ignored the almost 5000 Victorians on low incomes who reside in independent living units that are also covered by this legislation.

The Housing for the Aged Action Group wrote to us about that concern and I quote a couple of sections of its letter. It says:

While there are some changes to the legislation that we applaud, the basic needs of low-income older people who live in independent living units that are covered by the Retirement Villages Act have been ignored by the state government. For

20 years the legislation has favoured retirement village owners and managers and we are disappointed that residents' needs have not been met.

It went on to say:

It became clear towards the end of the review that the state government was focusing their reform of the legislation towards residents with assets.

Again, it ignored the needs of those nearly 5000 low-income earners.

The Liberal Party will not be opposing this bill, but we will not be supporting it entirely, because although the government promised to consult and listen and to include in the final draft of the legislation the concerns it had heard, unfortunately that has not occurred. Stakeholders are disappointed that the government did not give any indication that some major changes would be included in this final draft of the bill.

The purpose of the Retirement Villages (Amendment) Bill is to make further provision in relation to the sale of premises in retirement villages, the operation and management of retirement villages and the occupation of premises in retirement villages; to establish a register of retirement villages; to make further provision for enforcement powers; and to provide for other matters in relation to retirement villages.

Some villages also offer serviced apartments, which may include additional services such as cleaning, meals and laundry. Residents will always pay an ingoing fee and enter into a contract. The ingoing fee may be paid as a purchase of a strata title of a unit or residents may enter into a long-term lease or purchase unit shares in a trust. When a resident leaves a village there may be a deduction made from their exit fee for deferred management fees. These arrangements would be outlined in a contract. Contracts have been a major issue that has arisen from this review. Contracts vary in their content and are often difficult for residents to understand. A good thing that will come out of these changes is that contracts will be more standard and easier to understand.

Community-funded villages also offer independent-living units. They are run by not-for-profit organisations such as churches or service clubs. The arrangements in these villages differs according to a person's circumstances. Residents may or may not pay an ingoing fee and fees may be subject to a means test. In some cases the operator may receive a portion of the resident's pension. Exit fees and deferred management fees may be payable depending on the contract signed.

I now turn to the main provisions of the bill, including the sale of titled units. Residents who own a strata title retirement village unit will now be entitled to set the sale price of their unit and

to appoint a selling agent of their choice. The village operators and managers will be obliged not to interfere in the sale process in any way and will obviously not be entitled to a fee or commission when the unit is sold. This is a good inclusion. It gives residents more control over the selling of their unit and the price of the sale.

The bill also provides that any payment due to departing residents will be required to be paid within a statutory period. For owner residents this will be 14 days from the resale of the unit. For non-owner residents it will be 14 days from the receipt of a new payment from an incoming resident, 14 days from the date of a new resident taking up residence or a maximum of six months after the person has delivered the vacant possession of the unit, whichever is earliest.

The industry is most concerned about the six month deadline. This was not included in the discussion paper, and it was not the original intention of the discussion paper. I refer to these comments in the discussion paper regarding this:

Refund entitlements. Some residents and residents groups called for the introduction of a statutory refund period to prevent overly long delays in refund entitlements. In particular, residents felt that uncertainty concerning when they would receive their money after they had terminated their contract hindered their ability to exit a village

However, to prescribe a narrow period of time in which residents' entitlements must be refunded may cause financial hardship for the retirement villages and such financial hardship would inevitably be passed onto existing residents.

There was an concern originally about any limited time period for the repayment of those exit fees. The Retirement Village Association has also commented. It says it endorses the comments in the discussion paper that it would cause hardship for villages and their management. The cash flow mismatch could potentially bankrupt some operators, particularly the smaller ones who do not have cash resources or the borrowing ability to weather a spate of turnovers in a village. The interests of departing residents are therefore being preferred at the potential detriment of existing residents.

On Monday the Retirement Village Association had a meeting with Mr Robert Larocca. At that meeting the association was told that the failure to implement proposal 8 was not a mistake, that it was a policy driven on the basis that non-freehold owners, in contrast to the strata title owners, had no control or influence over the resale process. As this policy reversal was done without

notice, village owners have not had a proper opportunity to make submissions. Proper process demands that an adequate opportunity should be allowed for submissions to be made. The Retirement Village Association is suggesting that non-owner residents should have been given similar rights to owner residents to have an influence and measure of control over the resale process rather than just to have the inclusion that the refund must be made within six months.

The six-month period not only has the potential to disadvantage operators but also has the potential to disadvantage residents. Residents may be disadvantaged if their unit has not been resold, and it may be difficult to establish what the capital gain would be. We will be seeking some guidance from the minister during the committee stage as to how that will be handled. The industry has dubbed this as a stampede provision. Russell Kennedy Solicitors put out an in brief on the proposed amendments to the Retirement Villages Act. It says:

Although it was not expected that the bill would contain any surprises, the bill does in fact contain a critical provision which was not raised in the 2004 paper. This provision is to the effect that for non-titled retirement village units, exit payments to the outgoing residents must be ... made within six months after the outgoing resident has delivered up vacant possession.

It is also concerned as to how a village will cope with meeting those payments if a number of residents leave.

The bill introduces a new concept of personal services. Village operators will not be entitled to charge a resident for a personal service beyond 28 days after the resident has ceased to be a resident of the village. I wonder why operators need to charge residents up to 28 days after residents leave a village. In New South Wales those personal services charges stop immediately a resident leaves a village; the charges do not continue. There is no actual list of personal services given in the bill. I presume it includes services such as laundry, meals and cleaning. As I said before, the departmental officer was unable to give examples of this at the briefing. We will be seeking those from the minister.

The bill also provides a statutory period during which maintenance fees can be charged after a resident leaves a village, and a resident of a non-titled unit can only be charged maintenance fees for a maximum of six months after the resident has vacated, or until a new resident enters into a contract with the management or takes up occupation of the unit, whichever date occurs first. Owners of titled units will still be required to pay maintenance fees while they remain the owners of their units. I do not have any problems with that. If you

owned your own home you would continue to maintain it until it was sold.

Village operators will no longer be able to require a resident to grant the village operator their proxy to vote at a meeting, and all existing proxies will automatically become void when the relevant section of this act comes into operation.

With respect to power of attorney, village operators will no longer be able to require residents to grant them a power of attorney. However, unlike the existing proxies, it is proposed that any power of attorney granted before the commencement of the relevant section of this act will continue to apply.

Clause 16, which inserts new sections 38E and 38F, sets out the provisions relating to the resolution of disputes between a village operator and a resident, or between two residents within the village. Village operators are required to have a system in place to deal with complaints and disputes. They must have relevant written policies and procedures in place to deal with these. New section 38H requires the manager of a village to keep a record of all such disputes and any outcome or action taken. The manager must report on those matters to the residents at the residents annual general meeting. Disputes that cannot be resolved at the village level can be referred to Consumer Affairs Victoria or to the Victorian Civil and Administrative Tribunal. Consumer Affairs Victoria will always be the first point of contact if the dispute cannot be resolved within the village, and from there matters may be referred to VCAT.

The dispute resolution process has been the most contentious inclusion in this bill. During the consultation stage stakeholders were promised an independent adjudicator. Proposal 16 in the discussion paper reads:

The current arbitration provisions in the Retirement Villages Act be replaced with a dispute resolution process involving Consumer Affairs Victoria for information and conciliation and an independent adjudicator for complex disputes.

Not only was this independent adjudicator important enough to be included as a proposal in the discussion paper, it was also included in Maxine Morand's foreword to the discussion paper. She says in her foreword:

Consumer Affairs Victoria also proposes the introduction of more comprehensive dispute resolution services which includes a retirement village-based procedure and an external remedy through Consumer Affairs Victoria and an independent adjudicator.

Stakeholders are feeling rather cheated about losing their independent adjudicator. There was no notice or further consultation with them on this decision. They did not find out that the provision for an independent adjudicator had been removed from the bill until it was before the house. In its letter the Housing for the Aged Action Group wrote:

Of most concern to the HAAG is that we had been promised throughout the review that residents would have access to a low-cost tribunal to resolve disputes. The final discussion paper produced by consumer affairs, the department given the charter of conducting the review of the legislation, stated that the government's preference was for the introduction of an 'independent adjudicator' who would have the legal power to make decisions where disputes cannot be resolved at the village level.

Without consultation, the independent adjudicator has been removed and replaced with VCAT and, as I said, stakeholders are feeling most aggrieved about that situation. There is major concern amongst stakeholders that VCAT does not have a specific retirement village listing, as it does for the Residential Tenancies Act. In its letter to us the Council on the Ageing says that one key issue for COTA is that the Fair Trading Act, which covers VCAT, does not have a specific retirement villages listing — that is, it does not have lawyers who are experienced and skilled in retirement village issues to handle complaints. There is also concern that the frail and vulnerable will not want to go through the VCAT process because it may be too difficult and remote for them to access.

In addition, there are real concerns about the reporting of disputes at village annual general meetings (AGMs). No guidelines have been set so far on how that reporting will be conducted. In a closed community the reporting of any dispute is highly likely to identify the complaining party, even though the name is not identified. This applies particularly to independent living units where there may only be six units in a block. It will be very easy to identify which two residents are involved in the dispute or which resident is in dispute with the manager of the village. People are concerned about the privacy issues related to this reporting. It would be good if the minister in her summing up could give us some indication of how these matters will be reported to the AGM without identifying the party who made the complaint.

Aged care facilities that are funded by the commonwealth government will be exempt from the provisions of the Retirement Villages Act under these amendments. The exemption will apply to a facility only after all residents in that facility have been assessed by the commonwealth Department of Health and Ageing as requiring either nursing or hostel care.

Existing facilities that are built on lands affected by a retirement village notice and a retirement village charge must make an application to Consumer Affairs Victoria for the notice and/or charge to be extinguished. The procedures for extinguishing the notice and charge for these facilities have been simplified, but the simplified procedures will only be in place for a period of 18 months.

Under these amendments to the bill Consumer Affairs Victoria will be required to keep and maintain a register of all retirement villages. The register is to contain the name and addresses of all retirement villages, as well as information as to whether any exemptions under the act have been granted to a particular village. All new resident contracts must comply with the regulations. The regulations may provide for the form of the contract, the substance of the contracts, and even the manner in which a contract is set out and its style. But the regulations are yet to be developed. I am told that they will be developed in consultation with the industry over the next 12 months, but as always the devil is in the detail, and here we are debating enabling legislation but we really do not know what effect it will have on people because the regulations will be the detail of this legislation.

I would like the minister to ensure that consultation over the regulations includes representatives of the residents association which she is about to set up. I have a letter from Mrs Elizabeth Smart, who is the secretary of the residents general committee in the Cumberland View retirement villages. Mrs Smart lists concerns about the independent arbitrator being removed from the bill. She also lists concerns about the management's complaints process and the definitions of the maintenance charges.

She refers directly to the Retirement Villages Residents Association, saying that it should be established with government support as soon as possible. I note that the minister has announced that she will establish the association with some government support, and I hope she gives it adequate government support to ensure that it is ongoing. Mrs Smart goes on to say that residents, whatever their stake in the village, should take their place with representatives of the retirement village industry when the regulations covering the contracts are developed this year. It is only fair that representatives of the residents of retirement villages be at the table during the consultation on the regulations for the contracts that residents will enter into to go into retirement villages.

We were also advised during the briefing that the regulations may allow for Australian retirement community contracts to continue. These contracts allow

for a lower ingoing fee to a retirement village, although that contribution is not refunded immediately a resident leaves and a retirement village may hold onto the fee for up to eight years. However, the resident or their estate will receive 100 per cent of the contribution back after eight years. While we may think that eight years is an extraordinarily long time to hold on to someone's ingoing contribution, provided it is clearly set out in the contract that that is the case and it will allow residents to enter a retirement village by paying a lower ingoing contribution, then if they so choose, residents should have the choice to enter into a contract of this type. Having said all that, it is important that we have contracts that are easily understood so that residents who find themselves in a position where they want to leave a village do not suddenly discover that they cannot access their ingoing contribution and are not hit with a deferred management fee which they were unaware they would be required to pay.

I congratulate the former Minister for Consumer Affairs, Mr John Lenders, who instigated the review of the Retirement Villages Act. It is important that we have good legislation that protects consumers in this market and also provides a vibrant retirement village industry. For that reason the Liberal Party will not be opposing this legislation. However, I note that the Liberal Party is concerned that even after almost three years of consultation the government still has not been able to produce legislation that satisfies the retirement village operators or the associations which represent retirement village residents. The absence of the independent adjudicator that was promised by the government and the prospect of a village operator being placed under significant financial pressure if they suddenly have an abundance of vacant units are the two main concerns of stakeholders. The Liberal Party will be keeping a close watch on the impact of those matters on both retirement village residents and the industry.

**Hon. D. K. DRUM** (North Western) — I, too, am pleased to rise to contribute to the debate on the Retirement Villages (Amendment) Bill. I was lucky enough to have Mr Hugh Delahunty, the member for Wimmera in another place, do some preparatory work for us. The Nationals will not be opposing this legislation. We have consulted the relevant stakeholders throughout the industry and have found that the bill has relative support in the major areas. We have had contributions from some retirement villages that have some concerns, but effectively the vast majority of people we consulted were happy that the review had taken place, even though it had taken quite a while, having been instigated back in 2002. They were just keen to see that the government was in fact moving to tighten up the existing loose ends in the industry,

especially the open-ended exit packages, because the industry was not as well regulated as it should have been. Hopefully it will be better regulated in the future.

The bill centres on regulatory contract terms and clearer rules for exit arrangements, especially fees, the resale of units and limitations on the operators. There will be attempts to address dispute resolution, and as part of that operators will now have to keep to a process for the management of complaints. They will have to put procedures in place to deal with residential disputes and to provide information regarding complaint and dispute mechanisms. They will have to make sure that the residents of the villages are truly informed about how to deal with disputes with other residents or with the managers. The operators will have to keep a record of all reporting of such arrangements. We tend to think that these types of regulations and making sure the residents are aware of these processes will reassure retirees living in retirement villages. Owners and operators will have to put in place specific consultation processes. They will have to meet regularly with residents to enable issues to be flushed out.

As was mentioned earlier, hopefully we will be able to avoid disputes going through the courts. They will be diverted to Consumer Affairs Victoria, and if it deems it necessary then they will be sent off to the Victorian Civil and Administrative Tribunal. We hope that will expedite the resolution of disputes in the sector, and we think it will. While it will further impact on VCAT's workload, it seems to be a much better and quicker option for resolving disputes than going through the court process. Some constituents have been concerned that they may lose their right to work out their differences in the courts, but we tend to think that, on balance, the opportunity to go through Consumer Affairs Victoria and then if necessary to go through VCAT is better.

There are some 25 000 retirees in Victoria, spread amongst some 400 retirement villages, which are a combination of for-profit and not-for-profit organisations. The review which led to this legislation started in 2002. It was stated earlier that Maxine Morand, the member for Mount Waverley in the other house, played a key role in leading this legislation. We had a reasonably good briefing from the government, so we must also thank it. However, we did and still do have some issues with the legislation, which I will make clear in my contribution to the debate. Also, hopefully there may be the opportunity at the end of the summing up or in the committee process to have our questions answered.

As we understand it, the consultation process that was taking place with the review panel continued right up until as recently as a few weeks ago, when there were some concerns about the exit packages. We believe stakeholders in the industry have had the opportunity to access the review panel, which is very good. The final results, the detail of the legislation, will show whether we will get all the outcomes we want.

The thing about this industry is its diversity and the different entrance and exit packages that are available for retirees. We have a mishmash of options available to retirees. They may purchase the bricks and mortar of the building and therefore live in their own building within the confines of the retirement village. When they leave the retirement village — they may go into a hostel or other form of residence or may die — the bricks and mortar remain their property, so the unit is sold, ongoing maintenance is paid and so forth. Another option is paying a lesser amount not to buy the actual bricks and mortar and own the house but to buy the right to live in the house. Those entrance fees obviously are considerably lower; likewise, the exit package received on the way out is also considerably lower. As was pointed out by the previous speaker, there is also the option of going in for a lower amount again. That full amount is repaid to you or your estate upon your leaving the retirement village, but that occurs after a sustained period. The operator is able to take that money, use the capital to invest and therefore return the full amount.

A myriad options are available to people. That is why it has been very difficult. While we have had some calls from constituents saying they are looking for the one model that fits all, we are comfortable that will not be the case and there will not be the one style of entry to and exit from these villages. We are happy that there will remain flexibility in the industry for different people, especially the not-for-profit villages that are often run by church and service groups that are able to provide what sometimes equates to very comfortable but low-cost housing options for retirees. If it means they have to make their money in other ways while still enabling retirees to enter these villages at a low cost, then that flexibility needs to be played out within the industry.

Effectively it will be up to each of the operators and each of the villages to have its own entry and exit fees and contracts drawn up. This legislation will ensure that when a person goes into a village then that is the start of the contract, and it will put in place a concrete fee to be paid when exiting the retirement village. That will be very good and a commonsense way of going about it. It

will create a greater sense of security for those who enter retirement villages.

As I said earlier, there are a couple of issues that must be referred to before I close my contribution to the bill. Clause 8 substitutes section 26(2) of the act, and new section 26(2)(b)(iii) calls on the operator to pay a former resident their exit package within six months of being granted vacant possession. We have looked at this closely and believe it will create some issues on three fronts — namely, when the operator is unable to fill that vacant unit, if they have to pay the person who has exited that unit within six months, at what price do they then pay the resident who has exited, or the resident's estate? It is a reasonably straightforward question to which we should get an answer from the minister when she sums up.

The situation could occur where a person who leaves has, through this legislation, the right to be paid out within six months. If the village operator is unable to pay that person out for some reason or other, such as three or four units being vacant in a particular village, or the village being run down and maintenance issues being a problem and so on, at what rate does the operator pay the resident if it cannot sell? Should there be an exodus from the village for any number of reasons, what will face the industry if it is set down that the residents have to be paid out? Some hundreds of thousands of dollars may have to be forked out without any income coming in if the operators are unable to fill those vacancies. We see potential problems with the rigidity of the legislation if should happen. Under the terms of those types of contracts where 100 per cent of the entrance fee is paid back but after a sustained period, how will those contracts be paid out in full when the application of section 26 of the act directs the operator to pay back the full amount within six months? We would like to have those issues clarified. How can operators, who are currently operating totally within their rights and within a structure that is suitable to the residents, operate through those three areas if those three scenarios are played out? I reinforce that we are concerned about passing legislation in this house where the strength or the weakness of the legislation will be played out in the detail of the regulations. The regulations could be 12 to 18 months away, yet we are effectively debating legislation when the detail is unavailable for us to debate. That obviously causes us concern.

We have had representations from the Cumberland View Retirement Village. It has called for a independent arbiter to look into the definition of 'maintenance charges' to make sure it is crystal clear. It also calls for the introduction of a retirement village

residents association. The call for a retirement villages residents association is pertinent when you consider that it would be a good consultation body in relation to defining the regulations that will be applied with the legislation. They may be issues that the department could look at. The recommendations will work with the legislation, not against it. It is not one or the other, it is something that could be worked in together.

**Hon. H. E. BUCKINGHAM** (Koonung) — I rise to speak on the Retirement Villages (Amendment) Bill. The purpose of the legislation, as set out in the bill, is:

- (a) to make further provision in relation to the sale of premises in retirement villages, the operation and management of retirement villages and the occupation of premises in retirement villages;
- (b) to establish a register of retirement villages;
- (c) to make further provision for enforcement powers;
- (d) to provide for other matters in relation to retirement villages.

The bill also defines the roles and other related matters to do with retirement villages.

This amendment bill will affect the operators, residents and those thinking about entering a retirement village. I find it interesting that my colleagues who sit in this upper house are all speaking on the bill, but I would like to place on record that none of us are in fact interested in retirement villages in the near future, although I actually became an empty nester only last week — but I like my big house.

**Hon. Andrew Brideson** — They will be back!

**Hon. H. E. BUCKINGHAM** — Thank you. The previous Retirement Villages Act was enacted in 1986 and had not been reviewed since then. In the meantime the retirement village industry, the numbers of people living in retirement villages, the number of village units and the broader aged accommodation sector have expanded significantly. I did a little bit of research into the numbers of retirement villages in my electorate, which was a bit difficult because it covers three council areas. The 2001 census tells me that there are 15 retirement homes in Whitehorse, three of which I have visited — Coronella in Nunawading, Fountain Court in Burwood and Hayville in Box Hill. In Knox there are 12 retirement villages, and in the city of Monash there are 27 retirement villages, but Monash does not cover the whole of my electorate because I only cover a small part of it.

When I was trying to extrapolate out the people who live in these villages, I found it interesting that the



census actually puts retired people in with aged care, so it was very difficult to get an exact number of how many were living in retirement villages in my electorate. The second-reading speech of the minister in the other place tells us that there are over 400 retirement villages statewide with over 25 000 residents. It is therefore imperative that Victoria have an adequate consumer protection and regulatory scheme in place that will covers the whole community but in particular those who want to go into the retirement village community in the future. To this end a review was established in 2002 and a discussion paper was released for comment in July 2002. After extensive public consultation a proposals paper was released in March 2004. That paper outlined proposed legislative changes and as well recommended the formation of a residents association to provide a collective voice for retirement village residents. I wholeheartedly support that.

After extensive consultation an amended bill was introduced to Parliament late last year, and it is with us here today. The review identified a number of issues relating to an imbalance of information and power between residents and operators of retirement villages which needed to be addressed to ensure that minimum standards in the industry remain acceptable into the future. The amendments to the 1986 act centre on the regulation of contract terms, clearer rules around exit arrangements, including ongoing charges and fees, resale of units and payments of exit entitlements, limitations on operators with regard to making decisions on behalf of individual residents and improved dispute resolution.

The government is confident that the new or improved mechanism for solving a wide range of problems contained in the revised legislation will make life in retirement villages better for residents now and, more importantly, in the future. The proposed amendments will be introduced in three stages to allow the government time to consult on and draw up regulations that will be necessary and will allow the retirement village industry time to plan and implement a structured and effective change process.

Stage 1 will operate after the bill is enacted. Stage 2 will commence six months later, and stage 3 approximately 12 months after the legislation has passed. Public consultation has been extensive following the release of the discussion paper in 2002 and the proposals paper in 2004. Round table discussions were held with residents committees of retirement villages and the Retirement Village Association, the Victorian Association of Health and Extended Care, the Law Institute of Victoria, the

Council on the Ageing, National Seniors and the Housing for the Aged Action Group to name but a few. Over 100 formal submissions were received on the discussion paper and 40 on the proposals paper

What are the major changes to the Retirement Villages Act 1986? As I have previously stated, these changes are to be staged. In stage 1, the changes are: contractual disputes will be referred to Consumer Affairs Victoria (CAV) or to the Victorian Civil Appeals Tribunal (VCAT) to settle rather than commercial arbitration; operators will not be permitted to hold proxies for residents except where the resident is a relative of the operator; aged care facilities will be excluded from the act and will be exclusively regulated by the commonwealth Aged Care Act; and Consumer Affairs Victoria inspectors will have powers to inspect villages in the course of enforcing compliance. That will be in place as soon as the bill passes this house.

In stage 2 residents in all villages will have access to on-site dispute regulation. It is always better to try to settle a dispute at the lowest level with the residents involved. Consumer Affairs Victoria will operate a register of retirement villages kept by the director of CAV. This will contain the names and addresses of all villages. Residents will be able to reserve the right to sell their strata title unit through an agent of their choice — a very important change. Charges for personal services to individuals will cease 28 days after a resident leaves the village and charges on non-owners for general services to all residents such as maintenance will cease within six months. These are also extremely important changes.

In most cases operators will be required to make any payments to outgoing residents within 14 days of the new residents taking their place. In stage 3 the contact terms to be used by retirement village operators will be subject to regulation, and prospective residents will be better able to compare the costs and services offered by different villages. Operators may not seek or accept a power of attorney from a resident if they are not related to that resident or in other circumstances that will be defined in the regulations.

I believe the most far-reaching changes concern dispute resolution and the establishment of a residents association to act as an advocacy group across the state. Instead of residents having to face arbitration to settle disputes, Consumer Affairs Victoria will be the first place both residents and owner-operators go if they do not gain satisfaction from the on-site dispute resolution service that will be established by operators as part of the stage 2 amendments. There is also an option to go VCAT should the need arise. The residents association,

as well as being an advocacy group, will also act as an information and social resource for residents. Similar associations already exist in New South Wales, South Australia and Queensland.

Concern over retirement village contracts featured strongly in submissions. Contracts were complex and difficult to understand. Amendments to the 1986 act require contracts to be set out and their terms prescribed in the regulations. The regulations will be developed in consultation with the industry and stakeholders.

I commend the former Minister for Consumer Affairs, John Lenders, and Maxine Morand, the member for Mount Waverley in the other place, on the roles they have played in bringing this bill to the house today, and Ms Morand for chairing the review process. This is good legislation that protects the residents and owners of retirement villages both today and in the future. I also commend Consumer Affairs Victoria and its officers for their work on this bill and the review. I commend the bill to the house.

**Hon. ANDREA COOTE** (Monash) — I too at the outset would like to make a comment about the briefing that we had from the department. I am very cognisant of the fact that this bill came through at a time when responsibility for this area fell between two ministers. However, even given that, there is absolutely no excuse at all for the type of briefing we received or the fact that the department was not ready and fully cognisant of what this bill was about. Indeed there was very bad changeover between the ministers. I would have expected that this government, because it has been in office for some time now and has had a series of reshuffles, should have been able to get this process right. I think the people of Victoria deserve better. In fact the briefing that we had was less than adequate, and I hope to see this minister make a huge improvement to what happens in the department.

However, this process of review, as has been said already today, has been welcomed by the entire sector. The retirement villages sector is a vibrant part of our ageing process in this state and has been a great contributor to the whole of this process. I have addressed some of its meetings. It was pleased with the process and was pleased it had gone on as long as it had and was as comprehensive as it was. Having said that, I know the sector was disappointed because it was led to believe that certain aspects would be incorporated in the bill and that was not the situation. It was particularly concerned to think that it had gone to so much effort and trouble yet there were still no regulations.

Given the fact that the member for Mount Waverley in another place had been working on this for almost three years, it was a great pity to think that a proper set of regulations was not produced at the same time to give the sector certainty, to give it an understanding of where to go for future planning and to make certain that all of the i's were dotted and the t's crossed. There was a perfect opportunity to do that, but it was not done. The whole sector is particularly disappointed with that. At the outset it is important to understand what is happening as a trend in this state. We have a significant ageing population and there is a great deal of confusion with people entering the sector at different levels.

There is a lot of different terminology and it is important for us to understand what terminology we are dealing with here. For the record, we have nursing homes, we have hostels, independent living, residential care, rental — for example, Village Life — and retirement villages. In fact, there are over 400 retirement villages, and that figure is rising. There is some concern about the number of retirement villages we have, because if you look at where the retirement villages are you will see they are being placed on greenfield sites right around the perimeters of this state. A lot of developing areas are also retirement areas and the infrastructure in these outlying areas of Melbourne is just not coping with what needs to happen, and *Melbourne 2030* — that abysmal document of that abysmal planning process, or so-called planning process, that this government has come up with — has not taken this into consideration at all. If you look at 2030 you see that this government is encouraging young families to go out into areas such as Cranbourne and Pakenham, but it is not looking out at all for people who are coming out of retirement villages. The infrastructure and the support is just not there.

If you look at the hiccups — not even hiccups but blockages and absolute stonewalls — in metropolitan Melbourne, you find there are no retirement villages and no greenfield sites. The City of Boroondara cannot find any places for retirement villages or nursing homes. Indeed we are facing a huge crisis in this area, and 2030 is simply not addressing it. This issue is brought up time and time again. This government should have done much more about just that. I certainly commend it for introducing this bill after looking at this act, which has not been reviewed since 1986, but it does not go far enough. Given that we have an ageing population and that it is growing very quickly, it is absolutely vital that we make proper blueprints for the future.

It is important for us to understand what happens with retirement villages. People tend to downsize from a larger home. The family is involved in it and a lot of emotion goes with the whole process as people leave a large family home to downsize and go to something smaller. There are a number of issues. Many people go into a retirement home believing that that is the final move they will have to make. But we must be very mindful that most frequently it is not the final move that a person has to make. Indeed, as people become frail — they may have a stroke or other disabilities from contracting a disease such as muscular dystrophy — they are not able to live in a retirement home for the length of time that they expected. So it is important that at the outset they are very certain about exactly what they are facing.

I welcome parts of this bill, certainly after looking at some of the clarification about contracts. During the committee stage I want to refer to a number of issues to get to the bottom of and have clarification on them, because a number of people going into retirement villages need to understand what it is they are facing and to be completely comfortable with the decision-making process. This is a very big decision, both financial and emotional, that many people make.

As I explained before, it is very interesting to see some of the trends things that are coming through in this sector. I visited Village Life's facility in Dromana. Its web site says:

Village Life was established to answer the growing demand for quality affordable rental accommodation for seniors at the same time providing investors with an opportunity to invest in a niche property market.

This is an area where people can have their own villas. They rent them and services are provided.

If we then consider retirement homes and villages we see that Blue Hills in Cranbourne is an excellent facility. I congratulate the Clarkson family, who had the initiative to develop this excellent facility. I remind people, as I have done in this chamber before, just what an inhabitant of Blue Hills can expect. The facility boasts an attended reception area, a medical room, a hairdressing salon, a community shop, a fully equipped hydrotherapy pool with water exercise classes, a gymnasium with a visiting instructor, a computer room, a library, a pool room, a restaurant, a cocktail bar, a dance floor, a theatrette — and it goes on. It is also interesting to note that Blue Hills has a section on its grounds which has been earmarked for a nursing home in the future. So this particular group is forward thinking and is looking into what will happen in the future.

I have limited time to speak on this and I have a great deal to say. In the committee stage I will be raising some of the issues that many of the organisations have brought up with us. However, I would like to talk about the Council on the Ageing, which made a submission to the review of the Retirement Villages Act. On the whole this sector was very pleased to see the review commence. But on 18 February this year they sent us an email, and I would like to read what their concerns were. In their email Sue Hendy, the executive director of the Council on the Ageing (COTA), and Jill Thompson say:

We write to draw to your attention our request for the insertion of a clause in the revised act for a review date for the changes being implemented. We believe this issue has not received sufficient attention during the review process.

...

However, the changes are extensive, especially those relating to the complaints mechanisms being introduced, and some are still to be negotiated (including the very sensitive topic of contracts). COTA Victoria believes that these changes themselves will need to be reviewed, to ensure they are adequate and working as intended, and would urge the insertion of a review date in the amended act.

My colleague Ms Wendy Lovell spoke at length about some of these concerns, and we will take these up in the committee stage.

Another expression of grave concern was from the Victorian Association of Health and Extended Care (VAHEC). Its submission to the review says:

Time limits for the refund of ingoing contributions should not be imposed. This is because it is not appropriate that all villages be required to refund the balance of ingoing contributions to residents when they leave. Lease-based villages in particular would not be financially viable if an outgoing resident was entitled to a refund of the balance of their ingoing contribution before a new resident purchased that particular unit.

This has not been properly addressed; it is still a major concern. It goes on:

If many residents were to depart the village at the same time, the village operator would find it difficult to finance payment of all the refundable ingoing contributions at once.

Recently Minister Thomson was sent a letter from VAHEC which refers to clause 8 which proposes a substituted section 26 of the original act. The letter states:

This section provides that exit entitlements for non-owner residents must be paid:

- (i) within 14 days of receipt of a new payment from a resident ...

- (ii) within 14 days of an incoming resident taking up occupation of the unit of the outgoing resident; or
- (iii) within six months after the outgoing non-owner resident has delivered up vacant possession of the unit.

It says it wants proposed section 26(2)(b)(iii) of the act reviewed, as it does not believe it has been addressed properly. In the letter to the minister it says:

Currently, many retirement village operators adopt the practice of paying the exit entitlements to outgoing residents only when they have received a new payment from a new resident in respect of the... outgoing resident. Under point (iii) above, if a new resident could not be found within six months then payment would need to be made to the outgoing resident regardless of the fact that no new payment has been received in respect of the unit. Lease-based villages may not be financially viable if they are run in this manner. Further, if many residents were to depart the village at the same time, the village operator would find it difficult to finance payment of all the exit entitlements at once.

Further complaints came from the Housing for the Aged Action Group, which my colleague Wendy Lovell spoke about. It raised some major concerns in its submission to the review. It said there was a major gap in the discussion paper — and indeed it does not believe it has been addressed in the legislative reform in this area. It said that its organisation received a high number of complaints from residents about matters where they should have fundamental rights but are denied them because the Retirement Village Association does not address the problems they face. It has particular concerns about an independent adjudicator, a role which it does not believe has been addressed at all in this bill, and there are some holes that could have been addressed better. There are some concerns that certainly should have been looked at more closely — for example, the regulations, as I mentioned before; the sale of the unit; and the contracts, which could have been tidied up. A great deal more could have been done in a number of areas, which is disappointing, seriously disappointing.

A lot of good work has been done in this bill, and the sector was very pleased and encouraged to see it happening, but it is a great pity that the government did not go to the next step and get it right, a great pity. We have, as I said, an ageing population. It is imperative that we get it right for the future and that we make it very clear and transparent into the future for — looking around this chamber — all of us. We must also make certain that the retirement village operators are encouraged to go forward and that the developments they intend to put up are well run and have the confidence of the sector, because we are going to need them to understand and to work with us very carefully because of our ageing population. We have

400 retirement villages in this state now; by 2006 there will be considerably more, and I urge the government to go back to the drawing board to have a look at the issues that we have raised and to make certain that the retirement industry in this sector can have confidence for the future.

**Hon. J. G. HILTON** (Western Port) — I am very pleased today to follow my friend the Honourable Helen Buckingham in speaking on the Retirement Villages (Amendment) Bill. Ms Buckingham made reference to the fact that I would be speaking on this bill, as would my colleagues Mr Pullen and Mr Scheffer. It is a coincidence that the four of us who were elected in 2002 — probably somewhat against our expectations — should be speaking on this bill. As Buckingham said, that should not be read in any way to imply that we have more of an interest in retirement villages than our colleagues; we certainly intend to be here for a few years yet. However, I am not sure if that quite applies to the members of the opposition. I am sure that quite a number of those members are considering the impact of this bill on their own situation, unless of course they believe that, being in the upper house representing The Nationals and the Liberals, they are already living in a retirement village.

The bill is in response to the review which was undertaken of the original act, the 1986 Retirement Villages Act. Obviously in that 20 years society has changed. The number of retirement villages has increased significantly, and the number of residents of those retirement villages has also increased significantly. We are living in an ageing population, which has an effect on the type of accommodation people are expecting to utilise when they get to the more senior years. The statistics show that, if we are alive when we are 55, there is every likelihood that we will be alive when we are 85. The quality of people's health is also improving. People can be very fit well into their 70s and even into their 80s.

However, their needs change, and retirement villages are a response to those changing needs and can be very attractive to a large number of people. They offer a form of accommodation which enables residents to have certain services provided — for example, meals and laundry — whilst at the same time retaining some independence and having a social group in which they can live. They can be with people in a similar situation to themselves, and that provides social interaction, and there is the opportunity to access emergency services should they be required. As I said, retirement villages can be very attractive for a broad range of people, particularly for those who may have lost their life

partner and are facing the prospect of spending their remaining years alone.

There are two types of villages: the commercially run retirement village and the village run by the non-profit church group. It is one of the drawbacks of living in a commercial society which is profit oriented that people who invest in the development of retirement villages wish to get an appropriate return on their investment. We can therefore have the potential of conflict between people who are making an investment in retirement villages and who wish to make a profit and the consumers, who wish to have the best services available.

I am sure that most operators of retirement villages are keen to do the right thing, but there is always the possibility that some operators can be less scrupulous and more prepared to exploit people's vulnerability for their own advantage. It is true to say that people who are making decisions about retirement villages for their future years can be quite vulnerable: they are obviously older than most people; they are probably facing a very tricky financial situation; they may not totally understand the ramifications of the contracts which they sign, and I think it is fair to say that the balance of power between the providers of these services and the people who are going to avail themselves of these services may not be equal.

I think it is true that the contracts people sign when they decide to enter a retirement village can be very complex. They contain fine print which people are not quite sure of, and people may find themselves in a situation where the fine print has implications that they did not realise at the time of signing. This bill is a most commendable bill in that it attempts to address these concerns. The major amendments include regulation of residents' contracts, limitation on the decision-making powers of the operators, dispute resolution, financial regulation arrangements at exit and a general simplification of the regulation of the industry.

As was mentioned in the other place, no two contracts for residents in retirement villages appear to be the same, and this of course makes it very difficult for potential consumers of these services to compare like with like. The first amendment therefore provides for residents' contracts to follow requirements that will be set out in the regulations. This will enable potential consumers to readily compare contracts. As a minimum it is anticipated there will be: a standardised disclosure of statutory cooling-off rights, service facilities and amenities provided, operator access to the residents, village rules, repair procedures, any restriction on the use of the residence, details of any capital replacement

fund, all retirement village fees payable in the dollar amounts in which they will be payable, termination notice periods, and procedures around the resale of the unit and dispute resolution arrangements.

The second amendment relates to the limitations on the decision-making powers of the operators. Essentially the bill prohibits an operator seeking or accepting an irrevocable proxy or power of attorney from a resident other than a relative. It is common practice for contracts to reserve for village operators both exclusive selling rights and the ability to determine the asking price of each unit. This bill will prevent an operator from requiring the resident to vest rights of sale in the operator or interfering with a sale if an external agent has been engaged.

In relation to dispute resolution the bill will introduce a requirement that the manager of a village must establish an internal procedure for dealing with resident-to-resident disputes and resident complaints about village management. The absence of a dispute resolution procedure was mentioned by opposition speakers, and I think those comments were somewhat misplaced. The bill establishes a three-tier dispute resolution procedure. As I have just mentioned, the manager of the village must establish an internal procedure for dealing with resident complaints. If those procedures do not produce a result Consumer Affairs Victoria (CAV) is able to become involved and people can have access to it to mediate in the dispute. If that fails there is recourse to the Victorian Civil and Administrative Tribunal (VCAT). Consumer Affairs Victoria is discussing with VCAT how to make the VCAT process more easily understood and acceptable to residents of retirement villages.

It is also important to note that as part of this bill the government will fund a retirement village residents association to be set up by the Council on the Ageing (Victoria) to advocate on behalf of Victoria's 25 000 retirement village residents. An important part of the bill is the regulation of financial arrangements should a person exit a village.

In the second-reading debate in the other place my excellent colleague Ms Maxine Morand, the member for Mount Waverley, who was very much concerned in the review leading to this bill, instanced that a relative of one of her constituents left a serviced apartment and 10 months later is still being charged \$1000 a month for the services. This bill will limit charges for personal services such as cleaning, laundry or meals to 28 days and, except for when the resident owns the title, charges for general services such as the upkeep of common

facilities will not be made beyond six months after the resident vacates the village.

This is a very timely bill. It recognises the increasing demand people have for facilities such as retirement villages. It also addresses what I obviously believe is an imbalance between the operator and the consumer and will greatly assist potential consumers to make informed choices about how they wish to live through the next stage of their lives.

I commend the former Minister for Consumer Affairs, Mr John Lenders, and Ms Maxine Morand on the excellent work they have done in the development of this bill and for the consultations they held with the various interested parties. As Ms Buckingham mentioned, they included the Retirement Village Association, the Victorian Association of Health and Extended Care, the Law Institute of Victoria, the Council on the Ageing (Victoria), National Seniors and the Housing for the Aged Action Group. They also held many round table discussions with residents. I believe the bill cannot be criticised for its lack of consultation, as significant consultation took place over an extended period. I understand the opposition has some minor concerns about the bill, which it will raise in the committee stage, but I also note that it is not opposing this bill. If it is not opposing this bill I presume it supports its intention, which is to bring some certainty and regulation to an expanding area of our economy and to protect the interests of our older population. This bill is a very commendable step in that direction, and I give it my full support. I commend it to the house.

**Hon. A. P. OLEXANDER** (Silvan) — In rising to speak on this bill I will try to keep my contribution to the bare minimum in the interests of expediting this debate. I am actually the sixth speaker in this chamber to rise on this issue. So far as I can tell, since Ms Lovell's contribution what we have had is a series of set speeches from government members which did not actually address any of the key questions the opposition has raised in this debate from the outset — the key questions raised by the opposition spokesperson on consumer affairs. It is correct that we are not here to oppose this legislation. We are not going to vote against it; we are voting in favour of it.

Our position is to not oppose because there are two issues, and only two, which concern us in any way at all about this piece of legislation.

The rest of the contents of the bill are not in dispute — that is, provisions for the sale of premises in village, the operation and management of villages, the occupation of premises, the register, the enforcement powers and

other matters contained in it. We actually think this legislation brings forward some very positive and long-awaited reforms to the sector, which we support. Only two issues have remained from the outset of the debate, and significant questions are yet unanswered by either of the two government speakers. The question that remains in my mind is the one about the independent adjudicator, and the second question is on the so-called stampede clause. That was unexpected by the sector but it is characterising it to us as a stampede clause which could impose large or significant financial hardship on certain facilities. Those are the only two issues in dispute in this entire debate.

It is a sad fact that the set and prepared speeches that government members have delivered to the chamber have not addressed my concern or have missed the point completely. To restate it and make it crystal clear so that the minister in her reply can at least clarify these issues for us on a piece of legislation we are not opposing, the dispute resolution issue is important because it was expected by the industry that there would be a level of dispute resolution other than that which has made its way into this legislation. We understand that Consumer Affairs Victoria (CAV) can become involved in dispute resolution and that the Victorian Civil and Administrative Tribunal (VCAT) will be available as a resort for dispute resolution. What we do not understand is what the government meant in its discussion paper when it promised a third tier, which was called the independent adjudicator.

I will read from page 46 of the review report just to make crystal clear what our concern is. Paragraph 4.11.7, headed 'Government and an independent adjudicator', states:

This model involves combining the existing information and conciliation services offered by Consumer Affairs Victoria and an independent adjudicator to address unresolved disputes and make determinations. If this model was adopted —

we do not believe it has been —

consumers could seek information, complaint handling and conciliation services from Consumer Affairs Victoria in the first instance.

However, if a dispute was not resolved through these processes the matter could be referred to an independent adjudicator specifically set up to decide on complex retirement village disputes. The independent adjudicator could be located at the office of Consumer Affairs Victoria.

The introduction of an independent adjudicator to deal with complex retirement village disputes would maximise efficiency —

We agree; the sector agrees; where is it?

and offer a more flexible approach to dispute resolution than VCAT.

We agree with this. We think an independent adjudicator would and should have been another tier of dispute resolution, which was after all promised to the sector but has not made its way, so far as we can tell, into the legislation. It is one issue the opposition seeks to have clarified in this debate. It may not even be possible to clarify this in the committee phase of the bill, so we would appreciate it greatly if this more flexible and more efficient approach than VCAT, which does not seem to have made its way into the legislation, could be explained, whether it actually is there or not.

As one of the government speakers, Ms Buckingham, said, that is to occur in what I think she referred to as phase 2 amendments to the scheme. She made that specific reference and said there would be an on-site dispute resolution service at the site of the facility. I hope the minister will clarify for us what that independent adjudicator facility is. But we want to understand, as do the sector and the stakeholders, what happened to that and whether or not the government intends to provide that more efficient and more flexible independent adjudicator as a third way of settling disputes.

Mr Hilton at least attempted to address the issue when he said that there were three resorts for dispute resolution in this legislation, and one of them was that the manager at that facility itself would establish an internal process. But as I am sure the minister accepts, and probably her department too, that is not always an appropriate resolution mechanism, because the dispute may actually exist with the manager of the facility. So to ask the manager of the facility to create and run the dispute resolution as a first resort may not be appropriate. We understand CAV and VCAT, but there is significant disappointment and confusion in the industry as to what has happened to the independent adjudicator. We just ask that that be clarified.

The second issue we would like clarified by a speaker from the government or by the minister is the issue of the so-called stampede clause. It is a critical provision in the bill because it has the potential — as we have been briefed and advised — to create serious financial hardship for facilities where a number of residents exit simultaneously or within a very short time of each other. And to pay them out — to use the most colloquial language — may be not only difficult but impossible for various facilities. Some in the sector have gone as far as to say that they believe that this provision, which was not expected and came as

something of a surprise to them, is a mistake in the drafting of the legislation. We have not adopted that as our position because we do not know whether it is the government's direct intention on a policy level to have that there or not.

Again we would seek in the course of debate — if this is going to be an actual house of review and we are going to have a debate and not a series of set speeches — an answer to that question. If there is another government speaker, I ask them to consider what the answer to that question is, because there is significant opinion in the industry and among stakeholders that this provision will create a very difficult financial situation. If that is the case, and if they are right and it is a mistake, I hope the government will clarify it. If it is a deliberate step the government is taking as a matter of policy, I hope it will clarify that too and give some indication and some comfort to the sector about how it would intend to handle any situation that did arise where a nursing home or a facility were in dire financial stress as a result of this clause. What would the government do in that circumstance? We are actually talking about something that is causing enormous concern for those who run these facilities.

That is about the size of it. Our only two concerns with this whole tranche of legislation are those two issues, and I ask, on behalf of the opposition, the minister in her response, or another government speaker, to clarify and explain the intentions here as well. Apart from that we are not opposing this legislation. We believe it introduces much-needed and long-awaited reforms to the sector for the most part. I wish the bill a speedy passage.

**Mr PULLEN** (Higinbotham) — I will speak on the bill in my way and not the way Mr Olexander wants me to. I will cut it down though and go through it with expediency. I will cut out a lot of what my contribution was going to be. I will jump straight to the fact that I have the oldest electorate in this house. That means that we have a number of retirement villages in the place. Only last week I received a letter from the Fairway Hostel. Mr Thompson, the member for Sandringham in the other place, spoke very highly of the Fairway Hostel. I certainly support the view that he put across, particularly about Lesley Falloon. Just briefly the letter says, and I quote:

I am writing to you as the president of the Sandringham Aged Care Association about a matter which is proving to be a difficulty for some residents at Fairway aged care hostel.

As you would be aware incoming residents pay an accommodation bond. Many residents arrange this through the sale of their homes, which are no longer required.

In the past 18 months two residents have come to Fairway from —

a retirement village; I will not name it, to be fair to them. The letter continues:

In each case they have been expected to sell their apartment. This has proved not to be difficult but impossible. A major factor has been the inability to sell it independently or to resell it to —

the management company.

We believe these are not the only two people who are involved in this situation. I rang the Fairway Hostel and asked it get the families of these two clients to contact me. I met with the second family last Friday. I wrote a letter to the retirement village saying in part:

I am advised that —

one of the clients —

purchased the unit for \$299 000 in December 2001 and lived there until 16 November 2003, when she relocated due to an assessed need for a higher level of care.

She went to Fairway Hostel, where she paid a \$22 000 deposit bond with a balance of \$198 000 to be paid upon the sale of her apartment at —

the retirement village.

I am further advised that the family was told the apartment could be easily sold and based on this information the purchase went ahead.

The outstanding bond money at Fairway attracts daily interest, initially at 8 per cent but since reduced, and the current interest debt is in excess of \$14 000.

The second lady I interviewed was in the same position. We know there is a number of fees that are payable. This bill will cover them. That has been adequately dealt with by previous speakers in the debate.

I asked this particular organisation two questions, and to its credit a person from that organisation emailed me this afternoon. I have a copy of the email here, although I will not read through it in total. I asked the organisation if it would be good enough to explain the following fees that were payable: a maintenance fee; a South East Water fee; a deferred management fee, which this bill does not affect; the agent's commission — agents have to pay 3 per cent to this retirement village; and a re-establishment fee to fix up the unit. In its email the organisation said that the maintenance fees and others are now discontinued.

Additional fees were also passed on to clients. For example, if clients were sick in bed they would have to pay \$20 to get their meals delivered to their rooms. All

these continual fees add up. Before I came into this place I asked the organisation two specific questions on the telephone: would the management company consider purchasing an apartment, and if so, who would carry out the valuation? This new bill is excellent, because it covers that issue. That is to be commended. But the answer to the question was that it would not purchase a property as it was only the management company. The other question was: would it allow a real estate agent's board to be put out the front of the building? The people from that organisation said that they would not allow that because people would think the whole place was up for sale. I do not know how someone would think that. With a block of units, it is easy to put up an advertisement for individual units. This concerns me.

There are all sorts of excuses in this email, but we do not have a great deal of time to discuss this issue. I intend to continue to follow up this matter with the retirement village. Quite clearly it is not satisfactory for people to be in a position where their units have been vacated for over 12 months. I do not believe the retirement village is making any real effort to sell these apartments. It makes all sorts of excuses in this email. I have been informed by one of the families that when people come to look at a unit to purchase, the management company usually refers them on to another unit in its group of retirement villages. I intend to raise this matter further if we do not get some satisfactory outcomes.

The bill before the house goes a long way towards fixing up these sorts of issues. I asked this particular company for a copy of the contract but I could not get one. It is most important that we have a model contract that the act will cover. It is good to see that the opposition and The Nationals support the bill, and I wish it a speedy passage.

**Sitting suspended 6.28 p.m. until 8.02 p.m.**

**Hon. G. K. RICH-PHILLIPS** (Eumemmerring) — I want to make a few brief comments on the Retirement Villages (Amendment) Bill which amends the principal act of the same name.

The purpose of the legislation, as other members have outlined in some detail, is to expand the provisions in the act that relate to the sale of premises within a retirement village, the operation and management of retirement villages, the occupation of premises in a retirement village, to establish a register of retirement villages and to expand the provisions for enforcement under the legislation with respect to retirement villages.



Of the two areas I want to touch on in my contribution this evening the first relates to a matter that the Deputy Leader of the Opposition touched on in her contribution, and that is the issue of an ageing population. There is no doubt and it is widely accepted that in Australia we have an ageing population. We have a very low birth rate and a population that is rapidly ageing. Work that was done by the commonwealth government last year for its intergenerational report indicated that substantial provision will need to be made by government in the future for an ageing population in terms of medical services and obviously in terms of accommodation. Part of that will be the provision of retirement villages as a first step and then the provision of nursing home facilities as a second, and usually final, step. For that reason, encouraging the development of the retirement villages industry is important for Victoria and Australia more generally. We need to keep that in mind when considering legislation such as that before the house today.

Mrs Coote briefly mentioned Melbourne 2030. That is a particularly relevant reference for this debate because the government has made it clear through that rather blunt instrument that its intention is to restrict urban development around Melbourne inside the area marked by the urban growth boundary. We could have a debate about that particular decision and the way it has created either impoverished or enriched people, depending on which side of the line their properties have ended up on, but the effect of the urban growth boundary is that it requires Melbourne to increase the density of its accommodation.

One way in which that will occur is through people, generally older couples — and in her contribution Ms Buckingham referred to herself as a new ‘empty nester’ — moving from their large family properties to smaller properties and, in many cases, into retirement villages. The development of the retirement village industry is also important to this state in delivering on the government’s objectives under Melbourne 2030.

The other area that it is worth keeping in mind when talking about retirement villages and nursing homes is the lack of infrastructure in the outer areas of Melbourne for older people. In my electorate of Eumemmerring Province, down through the growth corridor, we often talk about it being the fastest growing part of Victoria and one of the fastest growing suburbs of metropolitan Melbourne. This means the demand for services from government is generally in the areas of roads, public transport, schools et cetera. For that reason the focus is on provision of services to younger people and younger families and sometimes

that is at the expense of considering the needs of retired and older people.

When we are considering the location of retirement villages and nursing homes it is worth bearing in mind the level of general government services at both state and federal level available to people settling into nursing homes. In my electorate, particularly in the Berwick area, there are some excellent retirement villages but there is no doubt that with expansion of the retirement-age population in that area more facilities will be required.

That brings me to the second point I want to touch on in the discussion this evening — that is, if the government and the community are to encourage the development of retirement villages and the retirement village industry they have to be careful how they use the dead hand of regulation and legislation. The bill before the house today expands a number of provisions of the existing Retirement Villages Act of 1986, of which other members have spoken at length.

I am always reluctant to see a government in Parliament extending legislation and regulation into a commercial contract — a relationship between a tenant or occupant of a retirement village and a retirement village operator. We accept with this legislation that in some circumstances occupants of retirement villages are of reduced capacity and therefore need the support and protection of legislation such as the Retirement Villages Act, but as a general principal government and this Parliament should not be intervening in those types of relationships unless it is absolutely necessary.

Listening to members of the government in particular during this debate, I have heard cases and circumstances advanced as to why regulation and legislation in this area is required. But we need to keep in mind that these cases and circumstances are in the minority and a majority of retirement village tenants and the majority of retirement village operators exist in a harmonious relationship and do not need the intervention of legislation and dispute resolution provisions to conduct their affairs. When the government is putting regulation in place it needs to bear in mind that it is for a minority of cases. A point that is often overlooked by the bureaucracy in preparing this sort of legislation is that there is always a cost imposition in putting in place new regulatory structures.

Looking through the legislation I note that the requirements imposed on retirement village operators, such as the new register and therefore the requirement for operators to submit returns with certain information to the director, will all impose an added burden and

therefore an added cost on those operators. Ultimately this will be passed on to the village tenants. We need to keep in mind that although we are putting in place a regime to address what would be a minority problem in terms of the relationship between tenants and operators of retirement villages, the cost will have to be borne by all retirement village tenants and therefore their service costs will increase.

At a time when we need to encourage the development of retirement villages because of our ageing population we should do it in such a way that investment in the sector is not deterred by overly onerous regulation and legislation. Given the importance of the future development of this industry that is something the government needs to bear in mind.

**Mr SCHEFFER (Monash)** — The amendments to the Retirement Villages Act proposed in this bill aim to strengthen the legislation by clarifying and protecting the rights of residents of retirement villages. Essentially the bill deals with the present imbalance of power between residents and operators of retirement villages. The government believes that residents of retirement villages often do not have adequate access to relevant information when moving into or leaving their premises in a village. As well, in the case of a dispute with other residents or with the operator of the retirement village, many residents do not have adequate support to resolve differences on an equal basis, especially with an operator.

In recognition of the ageing of the population, the dramatic growth in the number of retirement villages and the inadequate protection of consumers provided in the 1986 legislation, the government commissioned a review of the Retirement Villages Act. That review was released a year ago — March 2004. The review was conducted by the member for Mount Waverley in the other place, Maxine Morand, who consulted widely with people who had an interest in accommodation for the aged, including the industry, consumers, community organisations and residents' groups, to examine the issues they raised. The consultation process was extremely thorough and included an initial discussion that led to the production of a discussion paper that was sent to over 700 groups. Copies of the paper were also sent to all self-funded and community retirement village residents and were available, I believe, on the Internet. As well, round table discussions were held on resident participation and dispute resolution, and workshops were held on retirement village contracts, deferred management fees and capital maintenance fees. By any measure this was a thorough and sound consultation process.

What did the review find? The review found there is a wide diversity in the range of retirement village operators that includes small community-based organisations, larger welfare and church-based agencies and big organisations that operate several villages. However, the review noted that there is very little specific information about the market, even though it is estimated, as previous speakers have said, that there are about 400 retirement villages, 115 funded by residents and private operators and about 280 community-based independent living units run on a not-for-profit basis. There are a number of both types in my electorate of Monash Province.

The review found that ingoing resident contributions ranged from \$100 000 to over \$600 000, and that villages offer a range of services and access to recreational facilities. Independent living units at the lower end of the market account for 27 per cent of social housing for older residents, comprising over 6000 individual units in Victoria. I visited retirement villages in my electorate, and I acknowledged the good work the government has done in supporting the establishment of independent living units for low-income Victorians.

To get into a retirement village or an independent living unit most residents enter into a long-term lease, but there are other arrangements such as the purchasing of a title or buying a share. In addition, many retirement villages may offer a range of personal services. New residents are required to pay very high sums of money to get into a retirement village including, as I said previously, what is called the ingoing contribution. Residents can also be asked to pay a maintenance charge and a deferred management fee that is paid on leaving the retirement village. The arrangements to facilitate all this are complex and I am sure that nearly all retirement village residents enter into such arrangements only once in their lives. There is no doubt that this is an important consumer protection issue.

The review highlights this issue in its discussion of the fact that when it comes to the conditions of entry to a retirement village things are so structured that operators are likely to have more information and experience than new residents. The review admits that there is not much reliable data to prove that this is a seller's market, but it stands to reason that a resident buying into a retirement village for the first time would be far less knowledgeable than the operator who has been up and down this track several times before. Typical contracts range from 50 to 100 pages of not-easy-to-understand language, and contain hundreds of clauses. This imbalance necessarily creates an opportunity for a careless or unscrupulous operator to take advantage of

the situation, so it is important that measures are put in place to protect consumers. The amendments in this act address that issue.

At the other end of the arrangement, when residents are leaving retirement villages, there are also issues. Residents of retirement villages may decide to exit because they need to access a level of personal care not available in the retirement village or they may be moving closer to relatives. Also, a resident's death can give rise to a host of unnecessary difficulties for the family that remains.

The review says that it is not unusual for residents to grant village operators exclusive selling or leasing rights and the ability to determine the asking price of the unit. To be fair, the operators believe they are best placed to carry out this task, as they run the facility, are on top of the issues and have a legitimate interest in ensuring that the new resident is suitable. But in many cases residents who have moved out can still be liable for maintenance expenses until the unit is occupied, and this can take some time. Under the present arrangements there is no pressure on the operator to make a speedy sale as the cost is borne by someone else. Why should a resident be penalised if the operator is finding it hard to find a replacement? Residents are powerless and open to exploitation.

These are some of the findings of the review of the Retirement Villages Act, and the amendments in this bill seek to address these matters through the establishment of a regulatory scheme that will balance the need to protect consumers with the need to support the development of the retirement village industry. The amendments strengthen the act by regulating the terms of contracts, establishing clearer rules for the ways that exit arrangements are managed to better protect residents and limiting the extent to which operators can be empowered to make decisions on behalf of residents. The amendments will also improve the process for resolving disputes.

In relation to contracts, the amendments allow a resident to opt for the operator to act as their agent when they decide to leave the retirement village, but they will not permit an operator to require a resident to let him or her be the resident's agent to sell the unit when the resident is exiting the village. The amendments also prevent the operator from being involved in a transfer that is being handled by the resident's agent and from requiring an exiting resident to pay for any service beyond a period of 28 days after leaving the village. As well, in cases where the resident of a retirement village does not own the unit in which he or she lives, the operator will no longer be able to

ask the exiting resident for funds to pay for services after six months have elapsed.

One of the key difficulties faced by residents of retirement villages concerns the process for resolving disputes. The current act refers to disputes being resolved through commercial arbitration. The government believes that this is not an acceptable option for residents, and it will be removed. Instead the amendments establish a process that is written down for everyone to see whereby the manager of the retirement village sets up an internal procedure for working out disputes between residents and also between management and a resident. The manager will now be required to set up the internal procedure to make sure residents are aware of the dispute resolution process, to keep records of all the issues dealt with and to report to residents at an annual meeting on the type of complaints and disputes. Residents are not required to use this procedure and can have the matter referred to Consumer Affairs Victoria or another appropriate body in the first instance or where a dispute has not been satisfactorily settled through the internal process. To support this, Consumer Affairs Victoria has now, I understand, established a complaints process that specialises in the issues of retirement villages.

Within my electorate of Monash Province, Caulfield and Malvern have a more than average aged demographic, and the issues this bill addresses affect many people — and as the population ages the provisions of this legislation will impact on many more. Concerns regarding operations of retirement villages in Monash Province have been raised with me. These underline the issues identified in the review I have discussed and, I guess, show that the review was thorough and accurate.

The issues raised directly with me concerned the deferred management fee, the requirement that a sale can only be made through the operators, the level of the service fee and the decision-making process where the operator is under no obligation to respond positively to the wishes of the majority of residents as expressed through a properly constituted meeting of those residents.

Besides the legislative changes contained in the amendments to the act, there needs to be a change in the culture and the way younger members of the community and those in positions of power treat senior citizens. Older people already feel vulnerable owing to the objective circumstance of ageing itself, as well as the profound changes in physical and mental capacity and in social relations with family and the wider community.

The conduct of professionals and others who occupy positions of power, such as the manager of a person's home, can discourage people from participating in the decision-making process of the retirement village. Everyone needs to feel valued and in control of their lives. No-one wants their opinions trivialised and unilaterally and arbitrarily overruled. Residents of retirement villages are mostly more than capable of managing their own affairs; they have years of experience and know what they want. It is the unequal power relationship that can blunt their capacity and willingness to engage, and this will in the end have a negative impact on their wellbeing. The amendments in the Retirement Villages (Amendment) Bill will make a useful improvement to the wellbeing of senior Victorians. I commend the bill to the house.

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — Firstly, the Honourable Andrea Coote indicated that we all might have a bit of a vested interest in this bill. I for one am trying to hold off any interest for as long as I possibly can. I will not go through the issues raised at this point, because it would probably be more efficient to do it through the committee stage, but I hope I will be able to address and allay people's concerns as we go through that stage.

This is a unique experience for me, because I have never introduced a bill that is in my area of responsibility and not been responsible for its creation right from the consultation stage through to the end. I am in a unique position. I want to pay tribute to the former Minister for Consumer Affairs, John Lenders, who was a fantastic Minister for Consumer Affairs who really ensured that the Department of Justice and the Bracks government have continued to keep consumers and their interests at the forefront of what we do. This bill is an indication of that.

This is a consumer protection measure, and it is a very important piece of legislation. It recognises the fact that we are an ageing community, that we have 400 retirement villages and that that number is likely to increase. I hope as we go through the committee stage people will feel confident that we will be protecting those consumers in a balanced way.

**Motion agreed to.**

**Read second time.**

**Committed.**

*Committee*

**Clauses 1 and 2 agreed to.**

### **Clause 3**

**Hon. ANDREA COOTE** (Monash) — On a point of clarification regarding the definition of a retired person, the act talks about a retired person being a person who has attained the age of 55 years or has retired from full-time employment. What would happen should the person who enters a retirement village, who may indeed be retired at the time of entering but who may — and this is the case often — realise that they miss their full-time work and would like to do some consulting or indeed start their own business, take up a different type of work and join the full-time work force again? Will the minister give some indication of what would be the circumstances in that instance in light of this definition?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — So long as they have reached the age of 55 years, then that is a requirement. It is an 'or' not an 'and'. They certainly would be covered if they went back to full-time work.

**Hon. W. A. LOVELL** (North Eastern) — In the definitions clause there is a definition of personal services which basically summarises them as services which are not necessary for the maintenance of the village but on which the person may choose to take up the management offer. Will the minister provide a list of the types of services that might fall into this category?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — In relation to the services that may be provided, they are things like cleaning services for your personal area of space or maybe meals that are brought to your room — the kinds of things that you would look for personally to enrich your life. They would be in those areas that you would expect to be clearly identified as a personal service rather than maintenance of the building and the property.

**Clause agreed to; clauses 4 to 6 agreed to.**

### **Clause 7**

**Hon. ANDREA COOTE** (Monash) — I would like some indication of the time frame for the regulations, given that the second-reading speech states that this bill and the review process have taken almost three years. We are very concerned about these regulations and when they will be implemented. What is the time frame for this process?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — In regard to these regulations, we want a proper consultative process to develop them. That is

crucially important. The need for there to be consultation over the regulations was raised during the debate, and of course it will go through a proper regulatory impact statement (RIS) process. I am pleased to be able to say that the member for Mount Waverley in another place, who I acknowledged before and should acknowledge for her wonderful work over the two years that this bill has been out for consultation, has agreed to continue on as part of that role to ensure that there is continuity in the discussions that occur. I thank her for that. We would expect the contract provisions of the regulations and the regulations to be well in place for the commencement of the contracts component of the legislation in 12 months time.

#### Clause agreed to.

#### Clause 8

**Hon. D. K. DRUM** (North Western) — This was mentioned in the second-reading speech as well. Clause 8 substitutes section 26(2) of the act. New paragraph (b)(iii) says:

... on a day which is not more than 6 months after the non-owner resident has delivered up vacant possession ...

So they are effectively asking for the operators to return the exit package on that day, which is six months after the resident has vacated the premises, and there are three or four different scenarios I would like to minister to clear up. Does the minister remember those issues?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I welcome the opportunity to clarify this. I want to clear up a point which may be raised. The discussion paper was precisely that. It was a discussion paper to provoke dialogue and to get meaningful consultations, and I have to say it certainly produced that outcome.

In relation to this area, it was felt after the consultations that there needed to be a reasonable limit. It represents very similar legislation to what is in place in New South Wales. However, there is a let-out clause, and that is that there are provisions within the act for an exemption to be granted for a limited time, and conditional exemptions can be granted. That takes in the issue of where there may be particular hardship or circumstances that arise for the individual retirement village owner. That can be taken into account and can be looked at on an individual basis. But in the main it was felt during the process of the consultations that, as a general practice, this is the regimen we want in place — that people have a right to expect that they will receive those funds within a reasonable time frame. As I said before, we believe six months represents that time

frame. It is indicative of the legislation in New South Wales and will still allow the opportunity for individual exemptions from the provision within the act.

**Hon. D. K. DRUM** (North Western) — In the case where an operator is unable to find a tenant who is able to purchase in a situation where there is a buy-in with the bricks-and-mortar style option, if the operators are unable to get a new tenant to come and buy, will they receive an open-ended extension before they have to finalise things with the previous resident who has now moved on?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — That is certainly not what I am saying. I think what you would do is take into account the financial circumstances, whether or not the retirement village is in unique circumstances and has exceptional reason for exemption, but as a practice we would expect retirement villages to take into account this new provision as they make their plans. But we also accept that there may be occasions where it is totally beyond their ability to do that, and that will be taken on a case-by-case basis.

**Hon. D. K. DRUM** (North Western) — I am simply talking about a value for a property. It is impossible to put a value on that property if they cannot find somebody to purchase it. I am not talking about do you pay or when do you pay or should you pay. Obviously they are going to pay, but what is the amount that they are going to have to pay when nobody wants to purchase the property?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — There are independent professional valuers who come in and do that task. In this instance that is what they would be required to do, get an independent valuer in to assess the value of the property — and it would be done on that basis. There will also be, if that is contested in any way, the ability to take that matter on to either mediation or through to the Victorian Civil and Administrative Tribunal.

**Hon. D. K. DRUM** (North Western) — In the same line of questioning, when there are contracts that have 100 per cent of the entrance fee paid back but over an extended period, does the minister think we will still be able, as was mentioned in the second-reading speech, to maintain those types of contractual arrangements?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I do not know that we are quite on that path, but in relation to the flexibility of the regulations around contracts, I think it is highly desirable that you leave options open as to the way those contracts are

formed. Our issue is not about the flexibility of contracts but the transparency of them, so that people really have an understanding of what they are buying into, what it is going to cost them and what it may mean for them. You do not want a situation, which has occurred and reference has been made to it, where you have someone who says — and this happened in the consultations — ‘I signed the contract. I did not understand until years later what it would actually mean for me financially, and my lawyer did not even understand it. My solicitor found it difficult to interpret’. We want to move away from that, and I am sure through the consultations we will be able to do that and will be able to build flexibility into the standards of contracts that we put out there but still allow the maximum flexibility for those who wish to take up the options.

**Hon. W. A. LOVELL** (North Eastern) — I am still a little concerned about residents being disadvantaged if their unit has not been sold within the six months time. I wonder if when that independent valuer comes in and puts a value on it, and they are paid out in that six months time limit, will that be considered a sale to the retirement village, so that if the unit is sold again a further four weeks later and there was a further \$20 000 in capital gain on it, will that just be a windfall to the retirement village operator or will there be an adjustment payment made to the resident or to their estate?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I think where you have a person who is opting out of a retirement village and seeking to sell — and that is what we are talking about here, the seeking to sell — and it has been dealt with in that regard, then it is a conclusion of a property transaction. It is dealt with, and on that basis it is concluded. You could have that with a resident who goes in, stays for six months and then leaves, and they get a windfall from the transactions. So it is not about the value of the sale of the property in the sense of making money off it, but getting its due worth, and that is the issue as to what a valuer will attest to — the actual due worth of a piece of property.

**Hon. ANDREA COOTE** (Monash) — I would like a point of clarification on behalf of the Victorian Association of Health and Extended Care (VAHEC). I ask the minister to clarify what would be the set of circumstances under the six months rule if a number of residents were to depart at the same time and the village operator found it difficult to finance payment of the exit entitlements all at once? Can the minister clarify what would happen or might happen in this circumstance?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — As I indicated, they will be dealt with on an individual case-by-case basis. We would hope that retirement villages would take into account the new provisions and try to prepare their financials to deal with what would be the general practice of departures from retirement villages, but we accept that there will be unique circumstances from time to time and they will have to be judged on a case-by-case basis.

**Hon. ANDREA COOTE** (Monash) — Still on clause 8, which substitutes new section 26(2)(b)(ii), what will the impact of probate be on that particular sector. New paragraph (b)(ii) says:

... on a day not more than 14 days after the day on which another person takes up residence ...

Could the minister give us some indication of that?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — As I understand it, it is on probate after probate has been settled.

**Clause agreed to; clause 9 agreed to.**

**Clause 10**

**Hon. W. A. LOVELL** (North Eastern) — With the introduction of residents being able to choose their own real estate agent and enter into a contract for a sale, it will then depend on the retirement village manager entering into a contract with the person who purchases. What protection will the government give to operators in determining whether independent living in a retirement village is appropriate for the purchaser — in other words, if the purchaser is incapacitated in some way? At the moment when people purchase directly from a village, the village manager assesses whether independent living units are appropriate for their lifestyle. Will the government offer any protection to operators to ensure that they can still make that assessment?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — They will have an opportunity to suggest who may or may not be appropriate. I might add, though, that it is contestable and will be contestable at the Victorian Civil and Administrative Appeals Tribunal (VCAT). But, yes, you will still have an opportunity before the contracts are signed in relation to the conditions that you undertake to the retirement village as opposed to the buying of the actual unit. There will be an opportunity for that to occur.

**Hon. ANDREA COOTE** (Monash) — Could the minister give me some indication of why ‘independent

arbitrator' was not put into new section 32F instead of 'tribunal'?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I am happy to do that. There are a couple of reasons. One is that it has never been used, to my knowledge. Secondly, I think what we wanted to do was look at levels of dispute resolution and what are successful models. Can I say from the outset that we have a great number of retirement villages that have great dispute resolution mechanisms in place within their own establishments and would probably resolve a great many of their disputes without any recourse to any assistance outside of the retirement village. However, what we wanted to put in place was an opportunity for conciliation and mediation. I might add at this point that this has a huge success rate in other areas of government, and I will talk from my own personal experience with the small business commissioner. Two-thirds of disputes have been resolved through this process, and you would hope that it would be a far more friendly environment for those from retirement villages to use those mechanisms. Ultimately there is VCAT when you cannot reach that kind of agreement.

**Clause agreed to; clauses 11 and 12 agreed to.**

#### Clause 13

**Hon. ANDREA COOTE** (Monash) — New section 36A says that 'a resident may appoint another person'. Can the minister clarify for me whether this person has to be a resident of the village?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — No, they do not.

**Clause agreed to; clauses 14 and 15 agreed to.**

#### Clause 16

**Hon. ANDREA COOTE** (Monash) — I refer to new section 38A in clause 16. The minister has acknowledged previously that many parts of this bill have been taken from the New South Wales legislation, and this is one provision from New South Wales that has been looked at. New South Wales has no days specified; this bill specifies 28 days. What is the reason for having 28 days, which is almost a month, after the resident has left? Can the minister give me some explanation please?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — Until very recently the situation in New South Wales was 28 days. It only recently moved to no days. The consultation process really showed the

28 days as being fair and reasonable from the position of the owners of the retirement villages and the residents. It was felt that this would give us an opportunity to put it in place to see how it works, and also get a chance to see how it is working in New South Wales. If the New South Wales model is successful, this will give us an opportunity to see that. In the meantime, during the consultation process this was an agreed sort of basic time frame that was fair and reasonable and, at the time, was what was in place in New South Wales.

**Hon. ANDREA COOTE** (Monash) — How long will it take to monitor the New South Wales one? Will it be a 6-month period or 12-month period? How can it be implemented here until the government sees if it is working extremely well?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I would certainly envisage more a period of 12 months than 6 months to just get an accumulated history of how it is working. We would want to consult again on it just to get an understanding of the effect and to really understand what has actually happened in New South Wales. I would say it would not be before 12 months.

**Hon. ANDREA COOTE** (Monash) — I refer to new section 38C. I would like to know the position. Sadly, some of the people who are in retirement homes actually have no-one — no family members at all — and do not have friends either. Often the manager of a retirement village is a confidante, a friend et cetera. What if they actually have no-one — absolutely no-one?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I am certain in the vast majority of retirement villages the proxy will be handled with respect to the individuals for whom they hold proxies, but unfortunately that is not necessarily the practice in all. In that instance there is a process for appointing an administrator or a guardian, and that is through VCAT. We would envisage that would be the process if they had no-one else at all to appoint.

**Hon. ANDREA COOTE** (Monash) — Would it be a possibility that it be obligatory that the manager be alerted to what this process is when a person goes into a retirement village? If, for example, a person dies or somebody is incapacitated to the extent where they are not able to be cognisant and make decisions the manager may have nowhere to go. Should it be obligatory for that manager to know what those arrangements should be upon a person entering the village?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I think it would be reasonable for the manager to ask questions about that. Whether it is obligatory is not something that we have actually looked at, nor at this stage would I be encouraging there be an obligatory nature to it. If we are alerted to issues down the track we will relook at it, but from the position we are in there is an ability to go to VCAT should those circumstances arise. It is not unusual for State Trustees to be appointed in these instances. At this stage I would see no need for anything of an obligatory nature to be applied.

**Hon. ANDREA COOTE** (Monash) — Does the minister see a role for the public advocate anywhere in this process?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I cannot actually see what the role of the public advocate would be. There are set processes already in place for these sorts of circumstances.

**Hon. ANDREA COOTE** (Monash) — Proposed section 38E(1) says:

The manager of a retirement village must set out in a document the procedure to be used by the manager in addressing management complaints and must include the following information in that document ...

Are these to be the same as in proposed section 19(2) in clause 5?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — The procedures that are laid out are in a sense basically the same. The manager is required to keep records of it. I do not know if this is an appropriate time to mention the issues of privacy or whether there is another question in there.

**Hon. ANDREA COOTE** (Monash) — Proposed section 38F(3) once again raises the privacy issue. This is an issue for the Victorian Association of Health and Extended Care and the Housing for the Aged Action Group. All have problems here.

**Hon. W. A. LOVELL** (North Eastern) — With proposed section 38H, given that some villages and special —

**The ACTING CHAIR (Mr Smith)** — Order! I remind all members of the house that if they wish to ask a question they may do so, but the procedure is that they stand, get my attention and then get the call.

**Hon. W. A. LOVELL** — I apologise, Acting Chair. Given that some villages, especially those with independent living units, are small and confined

communities, concerns have been raised with us about the manner of reporting back to the annual general meetings (AGMs) without identifying residents making complaints. What guidelines would the government put in place to protect the identity of residents during the reporting of complaints to the AGM?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I would like to thank the member for this question because it is a very important one. The guidelines will be very specific. The privacy of the individual complaint is paramount. If there is any way in which you are going to expose the individual and it is important that you do not, then there will be latitude for that to be taken into account. The guidelines that will be prepared will be primarily very concerned with ensuring privacy of the individual complainant.

**Hon. ANDREA COOTE** (Monash) — I have a point of clarification in proposed section 38J. It is obviously going to be online, but I presume it is going to be available in hard copy too. Is that right?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — It will certainly be available as a printed copy.

**Clause agreed to.**

**Clause 17**

**Hon. ANDREA COOTE** (Monash) — I also have a point of clarification here. I mentioned in the second-reading debate a retirement village that has extensive acreage, and that acreage is set up to provide for a number of facilities — almost resort facilities; they will have golf courses, tennis courts and swimming pools et cetera. There is also provision for availability of a nursing home should it be needed. Can the minister tell me what would happen with that area in this instance under this clause? It has never been used for a retirement village, and it has not been used as a nursing home either. What would happen if that land were to be excised under this clause?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — If it were excised for the purposes of a nursing home it would come under the commonwealth legislation.

**Clause agreed to.**

**Clause 18**

**Hon. W. A. LOVELL** (North Eastern) — I am told that there is an 8 to 10-week waiting period for civil claims under the Fair Trading Act compared to 2 weeks



under the Residential Tenancies Act. What priority would be given to dealing with retirement village claims under the Fair Trading Act?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — We would certainly be monitoring the level of complaints that go to the Victorian Civil and Administrative Tribunal in relation to retirement villages, and the relationship with VCAT is very good. Discussions will be held about the processes that will be put in place to deal with the disputes that go to VCAT. Given that the dispute mechanisms have not been used under the old act, it is a bit hard for us to tell what level of complaint will go to VCAT, so we will have to keep a monitoring eye on it and deal with it on a knowledge basis rather than in the current circumstances.

**Hon. W. A. LOVELL** (North Eastern) — Under the Residential Tenancies Act tenants have protection — for example, they have a provision that says that repairs must be carried out within a 14-day period or the landlord must give a 24-hour to 7-day notice of entry to carry out any repairs et cetera. How will the Fair Trading Act provide these types of protections for retirement village residents?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — This is an area we will want to discuss in the regulations in relation to the contracts to see whether we can look at clauses that will cover off that in regard to the contract regulations.

**Hon. W. A. LOVELL** (North Eastern) — I ask the minister to clarify for me how the government will resource the Victorian Civil and Administrative Tribunal to adequately deal with the extra issues relating to retirement villages.

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — At this stage we do not know whether VCAT will need additional resourcing in relation to this, and we will deal with that on the basis of experience.

**Clause agreed to; clauses 19 and 20 agreed to.**

#### **Clause 21**

**Hon. W. A. LOVELL** (North Eastern) — Proposed sections 47 and 48 in clause 21 deal with the extinguishment of a charge and the cancellation of notices. These are the simplified terms for the transitional period and there is a sunset clause on them for 18 months. Why have the simplified arrangements been put in place for only 18 months and not continued on?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — It was believed that 18 months was enough time to deal with those that needed to be dealt with over the transitional periods of the bill and then it would revert back, because we believe there is far more capacity in the existing provisions for residents to be able to be involved in that process.

**Hon. ANDREA COOTE** (Monash) — Proposed section 48(2)(b)(ii)(A) refers to ‘all residents and former residents of the premises’. How far back does the minister envisage this going? For example, the Village Baxter is 27 years old. How far back does the minister see this referring back to?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — It is intended to deal with that through guidelines, but an assessment does need to be made of what is a reasonable period of time.

**Hon. ANDREA COOTE** (Monash) — Are guidelines in place, will they be in place, or when will all that happen?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — They will be in place.

**Hon. BILL FORWOOD** (Templestowe) — I would just like to follow up that point. Sure, the guidelines will be in place. Can the minister indicate to the committee any sort of time frame — 2 years, 5 years, 10 years, 15 years? You are on the continuum between 0 and 100.

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — It would be intended at this point in time that given it would be difficult to get access to everyone in relation to this, it would suffice to do it by advertisement.

**Hon. ANDREA COOTE** (Monash) — And is that going to start now, or when?

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — On the commencement of the bill.

**Clause agreed to; clauses 22 to 24 agreed to.**

**Reported to house without amendment.**

**Report adopted.**

*Third reading*

**Hon. M. R. THOMSON** (Minister for Consumer Affairs) — I move:

That the bill be now read a third time.

In so doing I thank honourable members for their contributions and thank members for a very orderly committee stage, which I think did bring out some issues and, I hope, resolved some as well.

**Motion agreed to.**

**Read third time.**

*Remaining stages*

**Passed remaining stages.**

## **CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) (ENFORCEMENT) (AMENDMENT) BILL**

*Introduction and first reading*

**Received from Assembly.**

**Read first time for Hon. J. M. MADDEN (Minister  
for Sport and Recreation) on motion of  
Hon. M. R. Thomson.**

## **HEALTH (COMPULSORY TESTING) BILL**

*Introduction and first reading*

**Received from Assembly.**

**Read first time for Mr GAVIN JENNINGS  
(Minister for Aged Care) on motion of  
Hon. M. R. Thomson.**

## **CORRECTIONS (TRANSITION CENTRES AND CUSTODIAL COMMUNITY PERMITS) BILL**

*Second reading*

**Debate resumed from 22 March; motion of  
Hon. T. C. THEOPHANOUS (Minister for Energy  
Industries and Resources).**

**Hon. RICHARD DALLA-RIVA** (East Yarra) — I rise on behalf of the opposition to make the Liberal Party's contribution in the upper house. In doing so, we will be making it very clear that we oppose this bill. While is a very small bill of only a few pages — 14 in total — it will have a very significant impact on the way the administration of justice and corrections are handled in this state. From the outset I will say, as I always do, that we have had an appropriate briefing. It was interesting listening to the debate on the previous

bill, because unlike the issue of the briefing we had on that bill, we always receive appropriate briefings from the Department of Justice and Corrections Victoria on bills about corrections. I appreciate the assistance of the advisers and the minister. Despite all the shortcomings of the former Minister for Corrections there was always one thing that he did well: he provided reasonable briefings. I would like to put on record my appreciation of that.

**Hon. Bill Forwood** — I hope the new minister will pick up where he left off.

**Hon. RICHARD DALLA-RIVA** — I agree with Mr Forwood's suggestion. We hope there will be a continuation of appropriate briefings. I hope the new minister does not adopt the atrocious behaviour of some of the other ministers in the way they allow their staff to conduct briefings.

It is obvious from a media release from the Premier of Victoria dated Monday, 21 February, that the polling shows that the government is soft on crime. It has no responsible approach to dealing with crime, with law and order. I am about to demonstrate the reasons why, but I thought it important in the context of this debate to put the media release on the record. It is entitled 'Parliamentary session to focus on law and order' and states:

Mr Bracks said legislation to be introduced next week included the Serious Sexual Offenders (Monitoring) Bill ...

I must interpose and recall that there was no mention in the debate on that bill that it related to serious child sex offenders. The Premier came out saying, 'We are tough on serious sexual offenders' but in actual fact it only related to one class of serious sexual offenders. In his press release it is interesting that the Premier says, 'We are going to focus on law and order' because in the following week he would introduce:

... the Corrections (Transition Units) Bill ...

I hate to tell the Premier that he had it wrong when he issued a press release and nominated the bill before the house as the Corrections (Transition Units) bill. I put on the record that the bill is the Corrections (Transition Centres and Custodial Community Permits) Bill. The reality is that the Premier of this state has no idea about law and order. We have a press release that is an absolute waste of A4 paper. That paper could have been utilised in a Sorbent advertisement.

This bill is strongly opposed by the opposition. This bill is very brief and there are two parts to it. The first part relates to the establishment of transition centres. You have to love the politically correct way jails are referred

to these days. These are not jails. The purpose clause says the purpose of the bill is to provide for the establishment of transition centres and to provide for separate types of custodial community permits. On a first reading that sounds like an appropriate path to go down.

Part 2 on page 3 of the bill deals with what a transitional centre is. I will not go into the details. The briefing indicated that clause 4 was a technical provision to include all prisons. A transition centre as mentioned in clauses 5 and 6 is the same as a current prison or police jail. We have the smokescreen about the transition units and what they are meant to be doing. The realities are that transition centres are jails. This will be with me for a long time because I cannot believe that the former Minister for Corrections would actually say they are not mini-jails. The second reading speech says:

The CTU will not be a mini-prison. The CTU will be a ... correctional facility managed by Corrections Victoria ...

This is a total smokescreen hiding the real issue — that is, being soft on crime, soft on law and order and soft on prisoners' approaches to this system. Why do I say that? Over the last two to three months we have seen this government close two country jails. It closed the Beechworth jail, a medium-security prison which had 132 beds. Those medium-security prisoners have gone into the remaining 12 jails. Then this government had the audacity to proceed down the path of closing the Won Wron, which decimated the communities of Yarram, Sale and the surrounding areas. This was an ideological drive that the government believed was the appropriate way to go. It closed 127 beds. It said that those 127 prisoners would go to the new Beechworth jail, a 120 bed ultra-minimum security prison. I went to see this prison but it was not open. The government has closed two jails and has yet to open another jail.

On the basis of the government's own figures we had a prison capacity of 116 per cent back in July 2004 and on the calculations I have the prison system is currently sitting at a capacity of around 126 per cent. In other words, for every 100 beds purposely provided by government we now have a ludicrous situation where 26 extra prisoners in the system need to be put somewhere.

What is the Labor government doing? It is very good at stacking things. This government has started to stack out the prisons. It has stacked them out with bunk beds.

**Mr Viney** interjected.

**Hon. RICHARD DALLA-RIVA** — It is interesting to hear the interjection from Mr Viney. Whenever anyone mentions stacking we always seem to have an interjection from Mr Viney. I do not know if I am paranoid about the issue but it seems to me that he gets upset about the word 'stacking' — so I will say stacking 100 times. This government is stacking bunk beds into existing prisons.

We are now down to 11 prisons in this state. We are now in the ludicrous situation of sitting 25 per cent plus above capacity. The best the former Minister for Corrections can do after five years and after having been in opposition for an additional five years — which is a total of 10 years in the portfolio as a member of both the opposition and the government — is to leave the state with a prison system that sits at around 126 per cent of its capacity. That is an absolute disgrace and we now have the most overcrowded prison system in Australia — there is absolutely no doubt about it.

The reason the opposition is opposed to this bill is because the government is about to spend \$4 million to \$5 million on a transitional unit that is essentially a mini-prison. It is going to stick it right in the guts of metropolitan Melbourne. It is interesting that the government initially said it was going to build three of them. Suddenly it realised the heat would be on so it said it was now only going to build one. It is not declared in the bill how many of these transitional units will be built. The government stated that it would build three and has now changed that number to one.

In an article on page 3 of the *Yarra Leader* of Monday, 14 March, is an admission by this government about what it really intends to do with these left-wing, ultra-soft, minimum security mini-jails in suburban Melbourne. The article states:

Corrections Victoria spokesman Jim Tennison said he could not rule out the opening of more units in the future, saying the government initially had plans for three transitional units.

Maybe he should have spoken to the minister. The minister said in his second-reading speech that the government does not have any such plans, yet we have a Corrections Victoria spokesman saying that he could not rule out the opening of more units in the future. There is an admission by this government department that it has an ulterior motive: to close down prisons and open these soft mini-jails in metropolitan Melbourne.

I am eventually going to find out where these jails are going to be located. I know about the one in West Melbourne near the Docklands; where is the other one going to be? There was a story in the *Hume Leader* newspaper which said that the government has ruled

out locating a mini-jail out there. I will keep on running it out and eventually the government will have to say it is going to build one in that particular area. That is when it will get caught out.

We are opposed to this happening. We see it as being soft on crime, left-wing madness, and about not really delivering. The government is taking \$4 million to \$5 million out of the system — money that could be spent on the remaining 11 prisons — to build these small jails. Why does it not put that money into the existing prisons? It could be invested into all the programs that are needed for releasing prisoners appropriately into the community?

**Hon. P. R. Hall** — It could put \$4 million or \$5 million into Won Wron prison. That would be a good start.

**Hon. RICHARD DALLA-RIVA** — Absolutely, Mr Hall. It could put \$4 million or \$5 million into Won Wron prison. I had the opportunity of going out to Won Wron on the Monday after it closed. I walked around the facility and, apart from the need for an upgrade, as we have all agreed, it is an exceptional prison that could have remained operational with significant support. Well in excess of 200 years of operational experience shared by prison officers at that facility has been lost, and the community has also lost out. The Prisoners on the Run program that was operated on a yearly basis has also been lost. I believe that program generated something like \$300 000. I may stand corrected but it was a substantial amount of money over the period it operated.

**Hon. P. R. Hall** interjected.

**Hon. RICHARD DALLA-RIVA** — Mr Hall did it and I am sure we look forward to his contribution about how he was in front of them as he was running. We will get to the subject of running and this government a bit later.

The opposition is opposed to this part of the bill. It is opposed to the fact that at a time when there is mass overcrowding and a significant growth in reoffending rates, prisons are being closed. Let us put the facts on the table. When the Kennett government lost office in 1999 the recidivism rate was 25 per cent. I did not make up these figures, they were reported in the Public Accounts and Estimates report and they were figures reported by the Productivity Commission. What do we have now after five years with Mr Haermeyer at the helm? And he has left it now. We have the prisoner recidivism rate — that is, those returning to prison within two years; in other words, getting out of jail and then committing a crime serious enough for them to be

returned to prison — now sitting at 33 per cent. What a great improvement that is!

The government is now trying to bring in these sorts of boutique prisons. I call them boutique prisons because that is what they are. They provide no service other than to deliver some ideological drive of this government about it not liking to lock up people who commit crime. I will get to the other part of the bill a bit later. The fact of the matter is, if you commit a crime, you should go to jail. You should not end up being treated with a soft approach such as this government advocates.

The amount of people on parole in this state is absolutely out of control. This government has brought in the soft option of home detention and now it is bringing in mini-jails. The way the prison system is being dealt with is an absolutely farce. Whilst I understand that the government is bringing in this legislation and Corrections Victoria has to implement the policy, it is bizarre policy, and it is bizarre to even think that this would be an appropriate way of doing the right thing for the community.

What does this say about the existing programs in all the remaining prisons? This is about providing zero support for prisoners in the existing prison system. If government members think that putting in a 25-bed ultra-soft minimum security mini-prison in the metropolitan area is going to solve the problems of prisoners reoffending, they have rocks in their heads. They do not understand that the program and processes should be operating out of the correctional facility, not out of some boutique prison in the Docklands or elsewhere in Melbourne.

The other issue I will talk about is custodial community permits, which is dealt with in part 3. I understand this came out of the Comrie review. I thought it important to reflect on another success of the former corrections minister. This is an article dated Wednesday, 3 September 2003. I will read the heading, which probably says it all about the capacity of the government: 'Fourth prison escapee on the loose'. That was when we had four prisoners escaping within four days. What led to this review — the Comrie review, conducted by the former chief commissioner — was the fact that a convicted paedophile, Trevor Bransgrove, had been allowed out on day release to go shopping at the Ballarat mall. He was shopping there, and it was reported widely that he was buying runners. He ended up doing that — he bought the runners and ran. We might be flippant about it, but the reality is that a dangerous person, a convicted paedophile who had many years of his sentence left to serve, was being

allowed out for whatever reason. I will tell you the reason I think he was there: the prisons are so overcrowded that the government cannot manage them. It has these people going out because it wants to release them early. That is the idea.

If you look at the parole situation you see a 107 per cent increase in the number of parolees in the last five years under this government. If you look at the statistical growth of parolees released against the growth in the number of prisoners, you see a pretty average growth, but when Labor got into power the revolving door program came back into play. 'Oh, we cannot have people in jail. We are the Labor Party. We cannot have people who have been convicted of murder, rape and child-sex offences in jail. We have to put them out into the community'. Again, what you have done is —

**Mr Viney** — That is just outrageous nonsense. It is garbage.

**Hon. RICHARD DALLA-RIVA** — It is just outrageous, Mr Viney. The facts are you have an overcrowded prison system. You have closed two jails.

**The PRESIDENT** — Order! Through the Chair, Mr Dalla-Riva.

**Hon. RICHARD DALLA-RIVA** — President, they have closed two jails. They have not opened one new jail. The number of people on parole is absolutely out of control. You have introduced home detention. What else do you want to do? Why do you not just have the revolving door at the prison and let everyone roll through?

**Mr Viney** interjected.

**Hon. RICHARD DALLA-RIVA** — You have the prison system sitting at 25 per cent above capacity, and you sit there barking away, Mr Viney. You are talking about things you do not even know about. It would be better if you went back to your office and listened on the speaker; you might even learn something.

**The PRESIDENT** — Order! Mr Dalla-Riva will speak through the Chair!

**Hon. RICHARD DALLA-RIVA** — The realities are that you had the escape of Trevor Bransgrove and you had the Comrie review.

The reason we oppose the second part of the bill is that as part of that program the government has proposed legislation to bring in a variety of custodial permits. Three permits are being introduced. The first two are fine. There is the corrections administration permit,

which we see as appropriate, the rehabilitation and transition permit, which we also see as appropriate, but then the government wants to bring in a third one. This issue has been hidden in the legislation. I do not recall this as being an issue. Trevor Bransgrove was not out on day leave as a fine defaulter; he was in prison because he was a serious offender.

In this bill we see the soft-on-crime option again — the fine default permit. What is a fine default permit? The way we see it, it is about Labor letting repeat fine dodgers off the hook. That is what it is about. I do not recall any discussion anywhere about the fact that this government would bring in a type of provision that would mean consistent fine defaulters would be allowed out on the say-so of the department secretary. The interesting thing about the custodial community permit is that when prisoners are released under that permit they are no longer considered to be in custody, so essentially the government is saying, 'We will give repeat fine dodgers an easy way out; it might hurt this group over on the other side, but Victoria will miss out on hundreds of millions of dollars in revenue each year'.

Members opposite will come back with rhetoric. I am preparing for it, so I will just pre-empt the debate from the other side. They will say, 'Is Mr Dalla-Riva serious about putting fine defaulters in with convicted criminals?'. Well, if you did not have an overcrowded prison system that is so stuffed, you would have the capacity — you would have a purpose-built prison or a component or section of a prison that would hold fine defaulters all in the same area. But you cannot do that, because, as I indicated, the prison system is full — to 126 per cent of its capacity — and you have no option but to release people and say, 'Let us add serious repeat fine default offenders to home detention, to the many prisoners, to the massive increase in parole et cetera'.

That is why Liberal Party policy will be different at the next election. We are not going to allow this madness to go through this Parliament and go soft on crime, back to the old Cain and Kirner revolving door. I seem to recall that very much —

*Honourable members interjecting.*

**Hon. RICHARD DALLA-RIVA** — Again they have interjected! I love it. There are two issues in this debate that have upset them: the stacking of bunk beds — they do not like the word 'stacking' — and the revolving door. You know it must hurt them, because they interject. I love it when they do that because it means they are really feeling the heat. The people in the community can see exactly what this government is all

about. It is about looking after its mates, we know that, but it is not in looking after the community. The government is not interested in the community; it is more interested in looking after its mates. It does not care that we have serious criminals in our community being let off, and that is a disgrace. The opposition looks forward to the contribution from The Nationals but not from the Labor Party.

**Hon. P. R. HALL** (Gippsland) — As its title suggests, this bill deals with two distinct areas. First of all it provides a legal framework for the establishment of a new correctional facility to be called a transition centre — and I will talk a little bit about that terminology in a moment. It also establishes three separate types of custodial community permits.

The first thing I did when I heard the debate on this bill was wonder what this new term ‘transition centre’ actually meant, and what form of institution the government was talking about. So I went to the second-reading speech, thinking that would explain it fairly clearly. But if members look at some of the components of the second-reading speech, they will see that they seem to be all over the place. They give a garbled impression, certainly to my mind, about what is being proposed as a transition centre. The first page of the circulated copy of the second-reading speech refers to:

...a new correctional facility to be called a transition centre. The transition centre provisions will be the legislative framework used to support the establishment and operation of a 25-bed male community transitional unit (CTU) in West Melbourne.

So it is called a transition centre in the title and a community transition centre in the first paragraph of the second-reading speech. At the bottom of that page the second-reading speech says:

The CTUs were to be supported residential-style facilities that would fill the gap that currently exists between open camp prisons and release into the community.

Whether it is my ignorance not, I do not understand what this term ‘open camp prisons’ refers to. I have never heard a prison being described as an open camp.

**Ms Hadden** — Low security.

**Hon. P. R. HALL** — Low security or open camp? Is open camp an official term in the Corrections Act? I have never heard the term before in my life.

**An honourable member** interjected.

**Hon. P. R. HALL** — I have not heard that term used at all.

The second paragraph of page 2 of the second-reading speech says:

Residential transition services units or prerelease centres —  
now we can refer to them as prerelease centres —

similar to the proposed Victorian CTU have operated successfully interstate since early 1980, and internationally since early 1970. These precedents show that the provision of employment, accommodation and life-skills programs to suitable targeted male prisoners in a supported residential-style accommodation can have a positive effect on reducing reoffending.

Does this imply that these transition centres will provide employment opportunities? Certainly they will supply accommodation — we expect that — but will they also provide life-skills programs? What sort of programs are expected to be operated out of these transition centres?

At the bottom of page 3 of the second-reading speech it says:

The CTU will be a non-institutional correctional facility managed by Corrections Victoria that will provide safe and secure custody of its residents —

residents now, not prisoners —

while promoting positive behaviour change and responsible, supported engagement in the community.

I reckon that we have about four different definitions of what is being proposed with the transition centres. I am not sure whether prisoners will be locked up in these transition centres at night or whether they will be released under supervision to day programs, employment or life-skills programs. There simply is no clear definition in the second-reading speech of what a transition centre will be.

I thought we had a fairly extensive regime of prisons in the state. We have maximum security areas, high-security prisons, medium-security prisons, minimum security prisons and parole. I just wonder where this fits into that spectrum.

**Hon. J. M. McQuilten** — This place here!

**Hon. P. R. HALL** — This place here — is that a further definition of a transition centre? I do not know; that is what Mr McQuilten is suggesting to me.

We already have a fairly extensive regime of different classifications of prisons in Victoria, and I am left to wonder where this new concept of a transition centre fits into it. What is the difference between a transition centre and a minimum security prison? I am not sure; there is no clear definition.

What is the relationship between people held in the proposed transition centres and parole in this state? They are referred to as residents, not prisoners, in the second-reading speech. The terminology has not been made clear by the minister in the second-reading speech.

While the government is hell-bent on closing minimum security prisons — and Mr Dalla-Riva mentioned the two that have been closed in recent times in this state, being Beechworth jail and Won Wron prison farm — we in The Nationals simply cannot see the sense in expending \$4 million or \$5 million or thereabouts on the establishment of this new transition centre, or transition community unit as it is referred to in the second-reading speech, in West Melbourne. We have perfectly good facilities already existing, like the Won Wron prison. The government could utilise that money in bringing them up to a decent standard. It is ludicrous. The government is causing problems for itself in creating these new centres because I have never known a new prison to be a popular facility in any community. I am sure that, as Mr Dalla-Riva said — —

**Hon. J. M. McQuilten** interjected.

**Hon. P. R. HALL** — Castlemaine already had a prison. We built a new replacement prison at Castlemaine. It was a new prison. I am a Castlemaine person. I was born and grew up there. I was there when the new prison was built. Indeed the people who have prisons in their areas and have had them for a long time, such as Ararat and Castlemaine, accept them and appreciate the value of having a prison facility, just as the people in the Yarram district appreciate Won Wron. Why? Because at least there are 40 people directly employed as prison officers at that facility — or there were — and other people employed in supplying services to that prison. Of course having those people employed locally in turn had a multiplier effect in generating jobs.

In communities where prisons have existed for some time they are appreciated and wanted, but when you try to build a new prison anywhere in this state I have never known a community to welcome one with open arms. I say to the government that it is giving itself a few extra headaches and problems to solve by suggesting that we will establish at least one of these new transition centres and possibly more when there really is no need. As I said, I cannot see any significant difference between what is being proposed for a transition centre and minimum security prisons like those at Won Wron and Beechworth that we already have at the moment. We do not believe the government has made out a sound case for this new type of prison

classification. As I said, we believe it would be better off spending its money on upgrading existing facilities. That is one of the reasons why The Nationals will be opposing the bill. We simply cannot support the expenditure of that sort of money when there seems to be no logical case for the establishment of a new type of prison termed a 'transition centre'.

While the government claims in the second-reading speech that this is just to facilitate the framework for the proposed 25-bed transition centre in West Melbourne. Proposed section 11A, which is inserted in the Corrections Act by clause 5, says:

- (1) The Governor in Council may, by Order, appoint any premises or place to be a transition centre.

The first one will be in West Melbourne, but clearly by passing this legislation we are giving carte blanche approval to the Minister for Corrections to establish any number of these new transition centres wherever he likes without further scrutiny by this Parliament or indeed the public of Victoria. That is outrageous! That is certainly why we are not prepared to support the legislation and give the government of the day that sort of power without any commitment to consultation.

I read through proposed section 11A and thought, 'Surely there must be some guidelines before a place can be declared a new transition centre'. There are no criteria, guidelines, requirements or conditions upon the minister. He can just pick a place of his choosing, name it a transition centre and establish a transition centre. There is absolutely no requirement for consultation with the Parliament, public or anybody at all. It is outrageous to give the minister that sort of power. For those reasons — because we do not see any logic in establishing the new concept of transition centres, we see no significant difference between them and minimum security prisons and we do not know their relationship with the existing parole system — we are not happy giving the minister power to create as many of these as he or she may like. That is the strongest base we have for our opposition to this bill.

I shall deal quickly with the other part of the legislation, which deals with custodial community permits as outlined in clause 7. That very clearly says that there will be established three different types of custodial community permits. As Mr Dalla-Riva has already said, the three categories will be corrections administration permits, rehabilitation and transition permits, and fine default permits. Again The Nationals share the opposition's view that we really have no problem with those first two. There has always been a practice of prisoners being released on compassionate grounds to attend a relative's funeral or to receive health treatment,

which is perfectly reasonable and sensible. It is the same with rehabilitation and transition permits. They may have not have been called that — I am not sure what they were called in the past — but certainly the practice has been that prisoners have been given supervised or unsupervised leave to take part in programs that might assist their rehabilitation or programs of that sort. Again we think that is eminently sensible.

We share the concerns of the opposition with the third type of custodial community permit — that is, a fine default permit. It is interesting that this only applies if a fine defaulter has been jailed for the default. It has to be serious before one can be granted a custodial community permit under this particular criterion — that is, you have to appear before a magistrate and be locked up in jail for a serious offence before you can qualify for this. We simply do not understand the logic that where a magistrate has made an order that you should spend time in jail the secretary of the department can simply make an assessment of you as a prisoner and say, ‘Oh no, instead of going to jail we can put you on one of these custodial permits under the fine default permit category’. That undermines the role of the judiciary and makes a mockery of that part of our judicial system. There needs to be a greater separation of power between the government and the judiciary. We are playing with danger when essentially the Secretary of the Department of Justice can simply overrule what a magistrate has said and give a prisoner who has been jailed for a fine default — as I said, it must have been a serious offence for that person to end up in jail — a custodial community permit. We say that is not on; it is being far too lenient. That is the second reason we are opposing the bill.

That is the view of The Nationals on this legislation. As I said, there are a couple of aspects we can support, but overwhelmingly these concepts of a transition centre and custodial community permits for fine defaulters are simply not acceptable. That has brought The Nationals to the conclusion that we should oppose the legislation.

**Ms MIKAKOS** (Jika Jika) — I rise to speak in support of this bill which seeks to amend the Corrections Act 1986 to give legislative recognition to the establishment of a new correctional facility to be known as a transition centre. I will focus my remarks predominantly on the issue of the transition centre. It has been disappointing to hear the contributions of the speakers for both the opposition and The Nationals on this bill.

**Hon. Richard Dalla-Riva** — Predictable!

**Ms MIKAKOS** — The debate has been quite predictable. Mr Dalla-Riva’s contribution was entirely predictable. It is disappointing that after all this time as a member in this place he does not allow the facts to get in the way of a good headline. I will come to some of the assertions made by Mr Dalla-Riva shortly, but I want to outline for the record that the Bracks government is committed to enhancing community safety for all Victorians. We take a very strong view that one way of doing this is to reduce the cycle of reoffending. It is an important part of reducing the cycle of reoffending that we offer selected prisoners who are near the end of their sentences a supervised pathway back into the community.

The proposed Judy Lazarus transition centre will offer a supervised pathway to a maximum of 25 adult male prisoners at any one time. These prisoners will be carefully selected and will only include those who have been classified as very low risk. None of these very low-risk prisoners will be considered for the program if they pose an unacceptable risk to the community or other prisoners or staff, have a history of sex offences, have any outstanding criminal or prison disciplinary charges, or are known to be at significant risk of self-harm. Residency at the centre will require an offender to participate fully in the program and undertake a variety of activities that will assist him to find suitable employment and accommodation.

I note in this respect that employment and accommodation are fundamental issues facing many prisoners when they are released from correctional facilities. The research clearly indicates that stable accommodation and employment are key factors in eliminating the risk of reoffending.

Transition centres have been operating internationally for over 30 years. In Queensland transition centres have been operating since the early 1980s, and in New South Wales they have been in operation since 1996, and in both jurisdictions operating with great success. These centres have a proven record in reducing recidivism rates. They successfully achieve this because they assist prisoners in transition back into the community.

By preparing prisoners for release we are contributing to their rehabilitation and reintegration prospects, which is something that all the community would welcome. I note that the Judy Lazarus transition centre will be located in West Melbourne. It is another facility option for Corrections Victoria. I inform Mr Dalla-Riva that it is not a mini-prison; it is a facility one step down from an open camp prison which will have an emphasis on a normalised lifestyle and an extensive focus on rehabilitation. I note that prisoners will not be permitted



to come and go as they please. They will be supervised at all times and their movements will be restricted to activities for rehabilitation and transition purposes. There will be a single access point for prisoners, staff and visitors, and all movement out of the centre — for example, to undertake training programs or attend community programs — will need to be authorised. All prisoners will need to follow strict rules and regulations if they are to be able to continue at the centre, and a breach of the rules and regulations could lead to a person being returned to a correctional facility.

I note that the centre will be named after Judy Lazarus, the former head of the Victorian Association for the Care and Resettlement of Offenders, in recognition of her many years of dedicated work with prisoners' families and the rehabilitation of prisoners in Victoria, and I want to pay tribute to Judy for her work.

I clearly refute the argument that was put by Mr Richard Dalla-Riva that the government is proposing further centres. Despite recent reports in the *Hume Leader* and the *Melbourne Leader*, this is the only centre planned for Victoria and no further sites are under consideration. The success of the government's campaign to divert minimum security offenders from the prison system has meant that there are few offenders in the lower security category in prison.

I think it is important that Mr Dalla-Riva understand that the previous Kennett government itself had considered establishing and budgeted for 60 community-based beds in up to four small facilities as an alternative to prison. This comes back to the point I was making before, that Mr Dalla-Riva does not allow the facts to get in the way of a good headline because clearly the previous Kennett government itself had recognised that these types of facilities can work and are important in reducing recidivism.

The final point I want to address goes to Mr Dalla-Riva's claims about overcrowding in the prison system. He knows full well that this government has announced and budgeted for a correctional infrastructure that will deliver 1073 additional permanent beds in the corrections system. He would be aware that in May 1999, under the previous coalition government, the Victorian Auditor-General found there were critical shortages of beds in the corrections system. That is something that this government has worked to address. We have budgeted for \$334.5 million over four years for a major redevelopment of the state's correctional system. We have the new Beechworth Correctional Centre which was successfully completed in December of last year, on time and on budget, and we have a further two new

prisons: a 300-bed medium-security correctional centre at Lara adjacent to the Barwon prison and a 600-bed maximum security Melbourne remand centre at Ravenhall due for completion this year. So as the opposition spokesperson on corrections Mr Dalla-Riva needs to make sure that he sticks to the facts and does not misconstrue the situation in the way that he typically has in this debate.

With those words, I commend the bill to the house and urge members opposite to rethink their position. We need to find real, tangible solutions to reducing reoffending. This Judy Lazarus transition centre will make a contribution to reducing crime in this state.

**Mr SOMYUREK** (Eumemmerring) — I rise to speak on the Corrections (Transition Centres and Custodial Community Permits) Bill. My contribution will be brief. There are two parts to this bill. The first is about the transition centres. It is instructive, I guess, to keep my comments brief and to the transition centres, but before I do that, since the opposition in this house and the other house has waxed lyrical about law and order, I will confine my comments in the brief time available to me to law and order.

It is true that throughout history the opposition parties — the conservative parties in Victoria, and Australia and throughout the world really — have prioritised in favour of law and order. Law and order has been their domain, but I guess philosophically in they have been more motivated towards protecting property rights, whereas we on this side of politics, the social democratic side, have been more concerned about civil rights, human rights and workers rights. Full marks to the opposition, to the conservative parties throughout the world; as I said, they have been on about law and order for a long time.

But all that changed in Victoria in the 1990s when the previous Kennett government — and I know they do not like to talk about the previous Kennett government — defunded community safety along with health and education. Police numbers went downhill, police stations were closed and law and order really was decimated along with health and education. So when the opposition attempts to outflank us on law and order I do not think it succeeds. The Victorian people know. They lived through the 1990s. They lived through the Kennett era. They know that their community safety was compromised by the cuts in the 1990s. When we compare and contrast that with our position since 1999, we see that we have put hundreds of police back on the streets, on the beat, and opened dozens of police stations. This state is one of the safest states — —

**Ms Mikakos** — The safest.

**Mr SOMYUREK** — It is the safest state to be in — thank you, Ms Mikakos. I will get back to the bill. I did not say it before, but I will say it now: the transition centre will accommodate 25 selected minimum security male prisoners and provide a supervised pathway back into society for selected minimum security prisoners who are nearing the end of their sentences.

We need to try things that are different. We cannot say, 'Let's lock these people up and throw away the key, and then when their time comes let them out into society'. It does not work that way. We need to be tough on crime, but we also need to be smart about all of this. We need to start thinking outside the box. Transition centres have been tried and proven in other states and other parts of the world, so I commend this bill to the house.

**Motion agreed to.**

**Read second time.**

*Third reading*

**The PRESIDENT** — Order! The question is:

That the bill be read a third time and the bill do pass.

**House divided on question:**

*Ayes, 24*

Argondizzo, Ms	Madden, Mr
Broad, Ms	Mikakos, Ms
Buckingham, Ms	Mitchell, Mr
Carbines, Ms	Nguyen, Mr
Darveniza, Ms	Pullen, Mr
Eren, Mr ( <i>Teller</i> )	Romanes, Ms
Hadden, Ms ( <i>Teller</i> )	Scheffer, Mr
Hilton, Mr	Smith, Mr
Hirsh, Ms	Somyurek, Mr
Jennings, Mr	Theophanous, Mr
Lenders, Mr	Thomson, Ms
McQuilten, Mr	Viney, Mr

*Noes, 19*

Atkinson, Mr	Forwood, Mr
Baxter, Mr	Hall, Mr
Bishop, Mr	Koch, Mr
Bowden, Mr	Lovell, Ms
Brideson, Mr ( <i>Teller</i> )	Olexander, Mr
Coote, Mrs	Rich-Phillips, Mr
Dalla-Riva, Mr ( <i>Teller</i> )	Stoney, Mr
Davis, Mr D. McL.	Strong, Mr
Davis, Mr P. R.	Vogels, Mr
Drum, Mr	

**Question agreed to.**

**Read third time.**

*Remaining stages*

**Passed remaining stages.**

## NATIONAL ELECTRICITY (VICTORIA) BILL

*Introduction and first reading*

**Received from Assembly.**

**Read first time on motion of**

**Hon. T. C. THEOPHANOUS (Minister for Energy Industries and Resources).**

**Business interrupted pursuant to sessional orders.**

## ADJOURNMENT

**The PRESIDENT** — Order! The question is:

That the house do now adjourn.

### Road safety: road shoulders

**Hon. E. G. STONEY** (Central Highlands) — I have an issue for the Minister for Transport in the other place, the Honourable Peter Batchelor. It relates to the colour of gravel being used to upgrade shoulders on some of our main roads. A very well-known constituent of mine, Mr John Fogarty of Mansfield, raised this issue with me and used the example of Maroondah Highway between Mansfield and Maindample. He pointed out that some of the shoulders on this section of the highway are tar, some of them are black gravel and some of them are red gravel. He pointed out that when he is travelling along at night in heavy rain it is almost impossible to tell whether the shoulder that he is travelling beside is tar or black gravel.

He told me that these two types of shoulders handle differently and pointed out that it is a bit late when you have moved onto the shoulder. You do not really know until then whether if you move away from oncoming headlights or dodge something in heavy rain you will be moving onto black tar or black gravel on the shoulder. The black gravel is loose, and you have to be prepared to handle your car differently.

I ask the minister to review the use of black gravel on road shoulders to assist motorists to assess the type of shoulder they are moving onto, especially in difficult driving conditions.

### **Schools: governance review**

**Hon. S. M. NGUYEN** (Melbourne West) — I would like to raise a matter for the attention of the Minister for Education Services in the other place. Recently the minister announced a review of school governance to accompany a rewrite of Victoria's education laws. A discussion paper called for public submissions from students, parents and school staff on the membership, role and responsibilities of school councils.

The concept of the school council was introduced in 1976, and it is about time we reviewed and updated it. There are thousands of parents, principals, staff, students and members of the community who are members of more than 1600 government school councils throughout Victoria. School councils play a very important role in school governance by setting schools' educational policy direction and goals as well as ensuring public accountability.

In my role as a member of Parliament I have been approached by a number of parents concerned about their children's schools. The reason is that some members of newly arrived migrant communities who have settled in Australia are not aware of the role and responsibility of the parents. The school councils may have received a lot of support from other parents, but there are some parents who do not participate because they lack the understanding of cultural differences and tend not to participate, then they complain if something happens which does not meet their needs. These parents made a complaint to me.

This is a great opportunity to review the operation of school councils and I ask the minister to organise a public meeting between the various groups — especially those from the migrant communities — and her department, to receive a submission from them and enable those present to have a direct input. I am sure my office will assist the minister to organise the meeting in my area.

### **Ringwood: transit city consultation**

**Hon. A. P. OLEXANDER** (Silvan) — The minister I seek the assistance of this evening is the newly appointed Minister for Planning in the other place, the Honourable Rob Hulls, and the issue I raise is one of very great concern to the community of Ringwood and the surrounding region.

Ringwood has been designated under Melbourne 2030 as a transit city. This will potentially have enormous benefits for the city of Ringwood as well as

opportunities. It also will have an enormous impact on the character of the city into the future. It will impact on environmental values, public housing, public transport, small and medium-sized businesses and the business services and precincts which are involved in that planning process. The planning process proceeds.

The former planning minister, the Minister for the Arts in the other place, Mary Delahunty, appointed a committee which became known as the Ringwood Transit City Advisory Committee to advise her as minister on the direction in which the development of the city should proceed. Unfortunately many community organisations and groups were denied access to and representation on that committee — representation that they very much and legitimately wanted.

As a result of the minister's repeated denials of representation, the Ringwood Transit City Community Coalition was formed. It consists of a broad range of groups which include the Public Transport Users Association, the Croydon Conservation Society, the Victorian Network on Recreation and Disability, the Maroondah Residents and Ratepayers Association and a number of other community organisations. They recently held a very large and well-attended public meeting to talk about the future of their city. To this meeting they invited a representative from the state government, to represent the Ringwood Transit City Advisory Committee and talk to the residents and ratepayers of Ringwood.

Unfortunately, despite repeated invitations over a period of three weeks, no state government representative from the committee — that is, a member of the committee — actually attended the meeting. There is an enormous amount of angst and anger in the community over the lack of consultation and the promises of openness and transparency that the Bracks government gave people about the future of their city at the last election.

Will the minister ensure that the Ringwood Transit City Advisory Committee — a committee he appointed — openly consults with the community coalition and gives it full information on every aspect of the future development of Ringwood?

### **Aquatic centres: western suburbs**

**Hon. KAYE DARVENIZA** (Melbourne West) — I wish to raise a matter for the attention of the Minister for Sport and Recreation. This matter concerns the government's program for developing and improving aquatic facilities, particularly those that are used by my

constituents in Melbourne's west. It is a matter of fact that since 2000 the Bracks government has invested more than \$48 million in 90 different aquatic facilities across Victoria. In the west this includes the funding of major indoor aquatic centres at the Altona Sports and Leisure Centre, the Sunshine Swim and Leisure Centre, and the Ascot Vale Sports and Fitness Centre, as well as at Maribyrnong where a new aquatic centre project is under way. The government grants that have been committed to these projects are valued at almost \$12 million and improve the aquatic facilities in a range of different ways — by expanding swimming pools and improving change rooms and foyer areas as well as building or expanding cafes and administrative areas.

The specific request I make of the minister is that he investigate and confirm that the west is in fact the premier Victorian region in terms of aquatic facilities, and that following his investigation he also make this information available to opposition members, particularly those who have taken a very sudden interest in aquatic centres in the west.

### Land tax: Tulip Street Tennis Centre

**Hon. C. A. STRONG** (Higinbotham) — The issue I would like to raise tonight is for the Treasurer, and it deals with a letter which I am sure he has also received — certainly I have received one — from the Tulip Street Tennis Centre in Cheltenham in my electorate, which has written regarding the issue of land tax. Perhaps I can quote part of that letter:

Massive hardship has been forced on our business due to land tax, which has increased an outrageous 1940 per cent over the last seven years, from \$1443.50 per annum in 1998 to \$29 450.20 per annum in 2005.

The letter goes on to say:

Simply, businesses can't afford it. As we know, many businesses have already folded, and countless others are thinking of folding. No account at all is taken of the ability of business to pay the tax ...

...

Businesses buy land so they can employ ... people ... and help the economy ...

...

What about an even playing field? It's fine to exempt caravan parks. We agree with this. But what is the difference between a caravan park and our public hire tennis centre? Nothing! People rent a portion of our land and facilities for a period of time, so why should one type of business be exempt, and others forced —

to pay —

... It is simply not fair.

Particularly in the context of the mid-year financial report yesterday showing that the state had a net surplus for the last six months of \$2.3 billion, an increase of \$450 million from the reported half-year result for last year, it is simply not reasonable that the Treasurer continues to refuse to grant any form of land tax relief. So my question is: will the Treasurer use some of the massive budget surplus to provide tax relief to businesses like the Tulip Street Tennis Centre in Cheltenham in my electorate?

### Mildura college lease lands: report

**Hon. B. W. BISHOP** (North Western) — My adjournment matter tonight is directed to the Minister for Education and Training. This is about a recent review of the Mildura college lease lands by the well-known financial firm Ernst and Young.

Most members of the house are familiar with the vision of the Chaffey brothers, who joined with Alfred Deakin, who was the commissioner for water supply at the time and went on to become Prime Minister, to facilitate land to be set aside when the Mildura irrigation district was established, to fund the Mildura Agricultural High School that commenced in 1912. Evolution over the years sees 30 schools now sharing in the funding on a per capita basis. Given that this arrangement was put in place over 100 years ago, there have been a number of reviews of the system over the years. These have generally been driven by those seeking changes to the arrangement, and in fact changes have occurred, such as in 1995 when the minister was granted power to allow appropriate allotments to be sold.

Concern about this move was raised by the school beneficiaries as they recalled the Renmark experience where a similar scheme saw the land sold off and the money spent, with no ongoing payment system retained. I am pleased to say I was able to insert an amendment at the time that safeguards that, so any money from land sold goes into a special trust where the money earned is treated the same as lease revenue and is distributed to the schools on the same basis until further land is purchased.

As I said before, a number of reviews have been undertaken, the last one by Ernst and Young. It was completed about mid last year. A number of people, including the Mildura College Lease Landholders Association, have requested a copy. However, repeated attempts by my office have received what can only be described as fob-offs, like being told a number of times, 'Yes, it will be sent next week'. If the report contains names and that would be against privacy provisions,

okay, blank out the names and give the report out. But if the minister will not release the report, she should say why, so we can see where the government is coming from.

There is substantial interest in this issue, some from those who pay the lease costs and some from others who believe the trust could not only be more profitable but could also be restructured to meet the opportunities that exist in a rapidly expanding growth area such as Mildura. However, I suspect the majority of the beneficiary schools are satisfied with the security of the present arrangement. My request is for the minister to immediately release the Ernst and Young study report publicly so we can all see what the recommendations are for the future operation of the trust.

### **Tivendale Road–Princes Highway, Officer: traffic lights**

**Hon. G. K. RICH-PHILLIPS** (Eumemmerring) — I raise a matter for the attention of the Minister for Transport in the other place. It relates to the provision of traffic lights at the intersection of Tivendale Road and the Princes Highway in Officer. This issue has been of concern to the Officer community for a number of years now, and in 2001 more than 200 people submitted black spot funding applications to VicRoads to indicate to the government how important this issue is.

The intersection in question has been the site of a number of accidents. Tivendale Road is the location of Officer Primary School, there is a lot of vehicular as well as pedestrian traffic through that intersection. With the recent and planned growth for Officer and Pakenham it is very busy. Given the number of accidents it has seen, it is well deserving of traffic lights.

The Officer community has taken this issue to the member for Gembrook in another place, Ms Lobato, who has indicated by way of letter to Officer Progress Association representatives that her view is that the government should not fund these lights and that a future developer, who happens to be VicUrban, should fund these traffic lights. I have received advice from Cardinia Shire Council with respect to this development indicating, firstly, that what the member for Gembrook refers to is not proceeding at this time because it is outside the urban growth boundary and is therefore subject to possible changes through one of these Smart Growth committees. So there is no certainty that the development Ms Lobato is relying on will actually occur.

Secondly, I was advised that any developer contribution for that development is a matter for discussion between the council and the developer. As no such discussions have yet taken place between the council and the developer, it is not possible or appropriate for Ms Lobato to indicate that the traffic lights will be funded through the developer by way of a developer's contribution.

Given that it is clear that what Ms Lobato is advocating is completely impractical, I seek the intervention of the Minister for Transport in this issue to ensure the more than 200 residents who have submitted black spot applications for this intersection receive the funding they deserve.

### **Local government: fire service levy**

**Hon. J. A. VOGELS** (Western) — I raise an issue for the Minister for Police and Emergency Services. It concerns another the expected increase of another 11 per cent in the fire service levy for 25 metropolitan councils. Since the election of the Bracks government, according to the Municipal Association of Victoria (MAV), under state legislation this levy has increased by over 56 per cent. By allowing these exorbitant increases the Bracks government is successfully shifting the cost of running a large part of the Metropolitan Fire Brigade to local government through increased costs to its insurance premiums in addition to the fire service levy. The action I seek is for the minister to separate the cost of running the Metropolitan Fire Brigade (MFB) from ratepayers. The MFB's annual funding is derived from levies — insurance companies, 75 per cent; local government, 12.5 per cent; and state government, 12.5 per cent — which means that in effect ratepayers pay 87.5 per cent through their insurance premiums and rates.

We hear the Bracks government announcing new equipment, extra staff et cetera for the MFB because it is busily spending someone else's money. The minister needs to work closely with the MAV and investigate strategies which will shift the burden from ratepayers and also hold the MFB responsible for funding some of its wish list.

It must be the easiest thing in the world to put in funding requirements to government when the input required from that government is only 12.5 per cent. Since the election of the Bracks government rates have increased by approximately 60 per cent across Victoria, and a percentage of this is due to the increase in the fire service levy. I ask the minister to look into this issue and work closely with the Municipal Association of

Victoria and local government to see if this cost shift can be taken away from ratepayers.

### Responses

**Ms BROAD** (Minister for Local Government) — The Honourable Graeme Stoney raised a matter for the attention of the Minister for Transport in another place regarding the treatment of road shoulders, including those on the Maroondah Highway, and the safety of that treatment. I will refer that matter to the minister for his attention.

The Honourable Sang Nguyen raised a matter for the attention of the Minister for Education Services in another place. He requested that she consider arranging a meeting in his electorate to consult on the role of school councils. I will refer that request to the minister.

The Honourable Andrew Olexander raised a matter for the attention of the Minister for Planning in another place in relation to the future development of the city of Ringwood and consultation about that and the role of the Ringwood Transit City Advisory Committee in particular. I will refer that matter to the minister.

Ms Kaye Darveniza raised a matter for the attention of the Minister for Sport and Recreation. She requested that he investigate the status of aquatic facilities in the western region of Melbourne. I will refer that request to the minister.

The Honourable Chris Strong raised a matter for the attention of the Treasurer regarding land tax. I will refer that matter to the Treasurer.

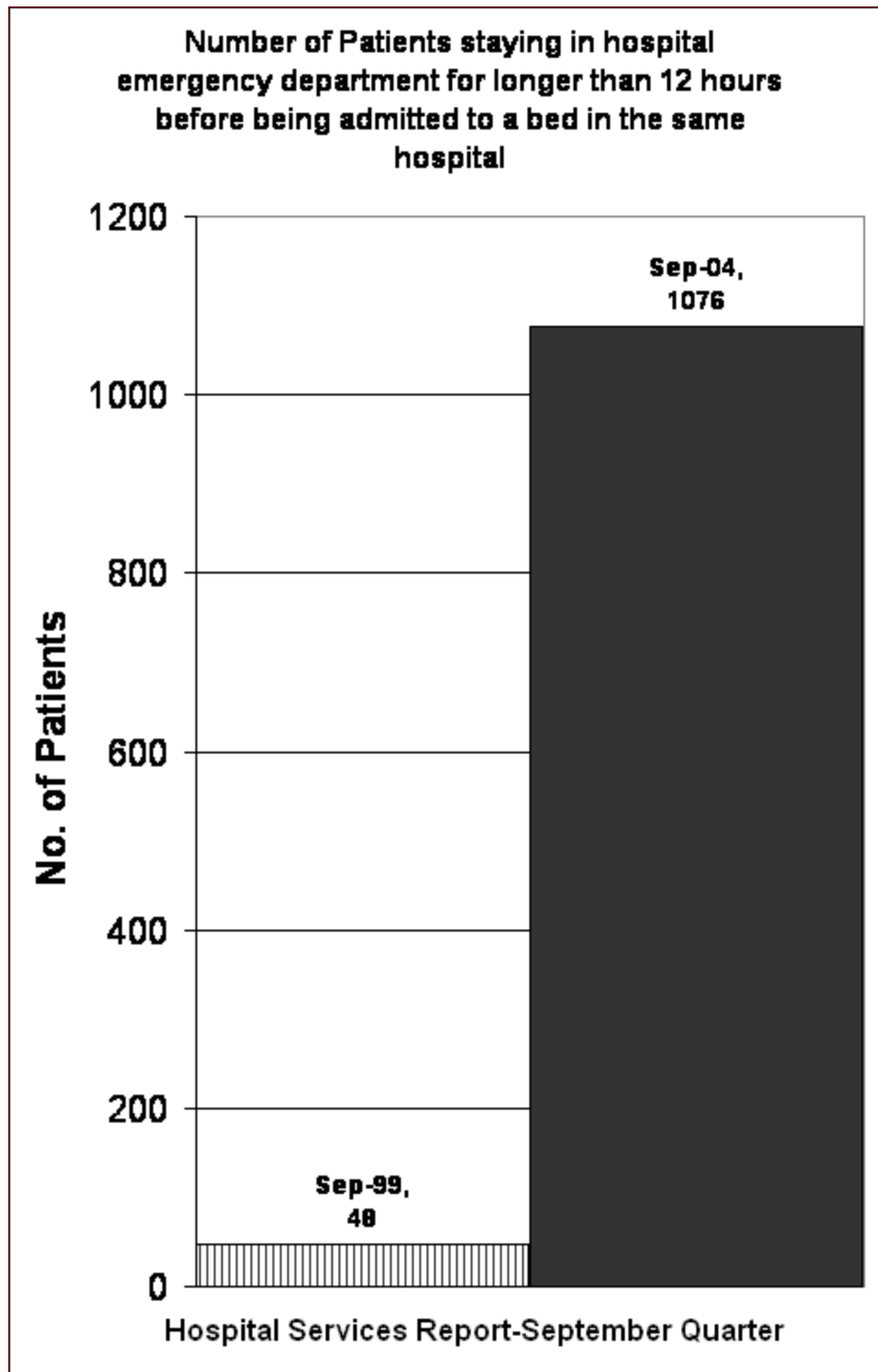
The Honourable Barry Bishop raised a matter for the attention of the Minister for Education and Training in another place in relation to the Mildura College Lands Trust and requested a copy of a report by Ernst and Young. I will refer that request to the minister.

The Honourable Gordon Rich-Phillips raised a matter for the attention of the Minister for Transport in another place concerning black spot funding applications for an intersection on the Princes Highway. I will refer that request to the minister.

The Honourable John Vogels raised a matter for the attention of the Minister for Police and Emergency Services in another place regarding increases in the fire service levy. I note that he has received representations from the Municipal Association of Victoria, as have I. I will pass on that request to the Minister for Police and Emergency Services.

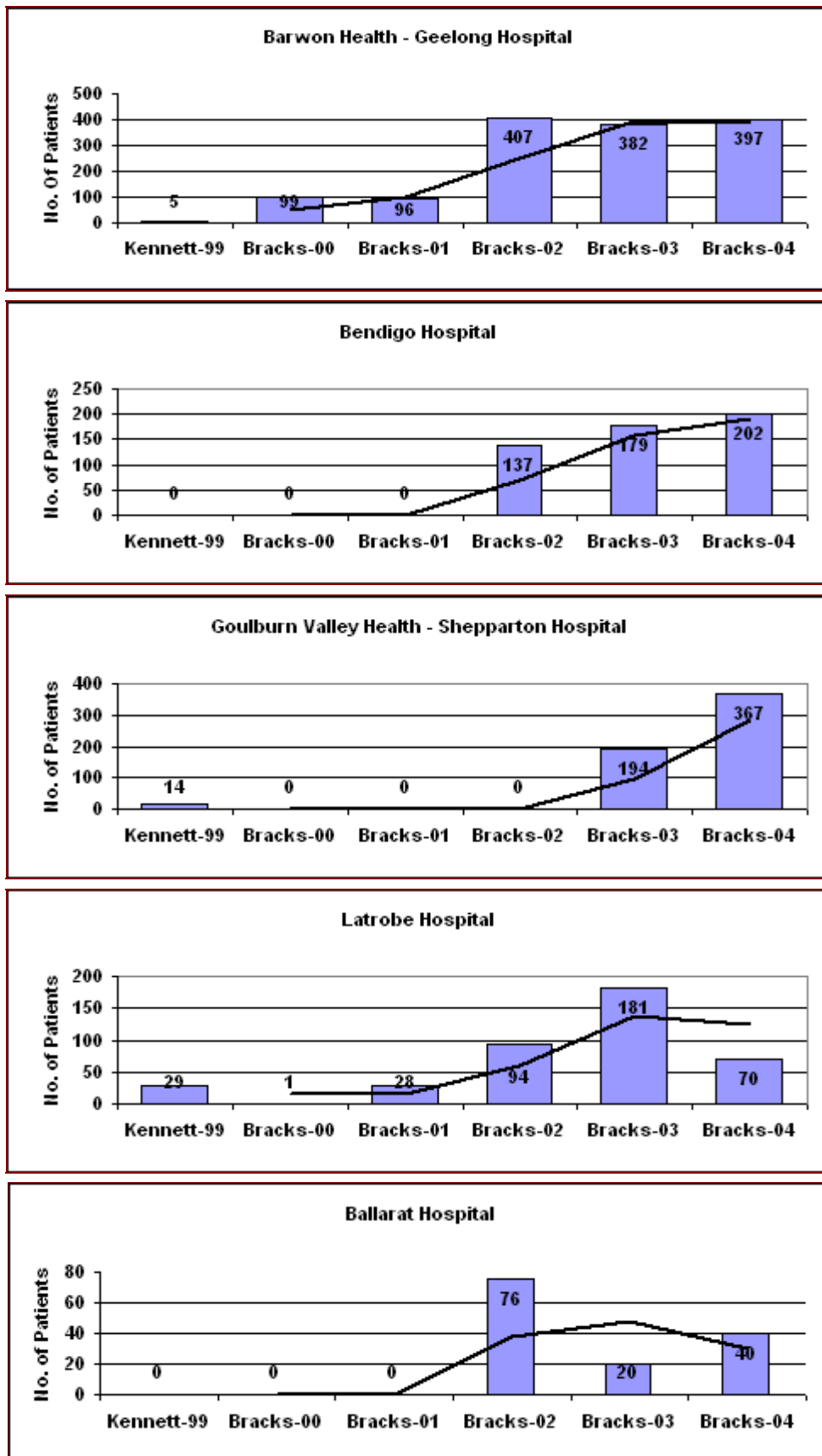
**The DEPUTY PRESIDENT** — Order! The house stands adjourned.

**House adjourned 10.25 p.m.**



Source: Department of Human Services, Quarterly Hospital Services Reports, September 1999, 2004

**The Bracks Record on Country Hospital Emergency Departments  
12 hour wait on a trolley before being admitted to a bed in the same hospital**



Source: Department of Human Services, Quarterly Hospital Services Reports, September 1999–2004.