

PARLIAMENT OF VICTORIA

**PARLIAMENTARY DEBATES
(HANSARD)**

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

Thursday, 21 June 2007

(Extract from book 9)

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Thursday, 21 June 2007

PAPERS

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

Laid on table by Clerk:

**PUBLIC ACCOUNTS AND ESTIMATES
COMMITTEE**

**Victorian Auditor-General's Office:
performance audit**

Mr DALLA-RIVA (Eastern Metropolitan) presented report on appointment of person to conduct performance audit, including appendices.

Laid on table.

Ordered to be printed.

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

That the Council take note of the report.

Briefly, this report falls out of the requirement that the Public Accounts and Estimates Committee appoint a person, pursuant to section 19 of the Audit Act 1984, to undertake a performance audit of the Victorian Auditor-General's Office at least once every three years. The selection process was undertaken by the subcommittee, comprising Bob Stensholt, the member for Burwood in the other place, Kim Wells, the member for Scoresby in the other place, and Janice Munt, the member for Mordialloc in the other place, and me. Following submissions to the various newspapers at various times and also writing to major accounting and consulting firms inviting tenders, we received five tenders for the performance audit. Pursuant to the process that was undertaken the recommendation as outlined in 2.8 was to appoint Mr John Phillips of Acumen Alliance with the remuneration as detailed in recommendation 2.

Again I place on record my appreciation of the committee officers, in particular Karen Taylor, who has been working under enormous pressure prior to the appointment of an executive officer and other research officers. I tip my hat to the work she and others in the committee do in providing support not only to the subcommittee but also to the parliamentary committee as a whole.

Motion agreed to.

Auditor-General —

Contracting and Tendering Practices in Selected Agencies, June 2007.

Managing Risk Across the Public Sector: Toward Good Practice, June 2007.

Members of Parliament (Register of Interests) Act 1978 — Summary of Variations notified between 27 February 2007 and 20 June 2007.

Parliamentary Committees Act 2003 — Minister's response to recommendations in the Economic Development Committee's Inquiry into the viability of the Victorian Thoroughbred and Standardbred Breeding Industries.

Planning and Environment Act 1987 — Notices of Approval of the following amendments to planning schemes:

Glenelg Planning Scheme — Amendment C30.

Manningham Planning Scheme — Amendment C61.

Melton Planning Scheme — Amendment C54.

Moorabool Planning Scheme — Amendment C30.

Moyne Planning Scheme — Amendment C28.

Pyrenees Planning Scheme — Amendment C10.

Subordinate Legislation Act 1994 —

Minister's exception certificate under section 8(4) in respect of Statutory Rule No. 47.

Minister's exemption certificate under section 9(6) in respect of Statutory Rule No. 50.

BUSINESS OF THE HOUSE

Adjournment

Mr LENDERS (Minister for Education) — I move:

That the Council, at its rising, adjourn until Tuesday, 17 July.

Motion agreed to.

MEMBERS STATEMENTS

Roads: South Eastern Metropolitan Region

Mrs PEULICH (South Eastern Metropolitan) — Mismanagement of our roads and public transport system has been a significant topic for members of the community as well as members in this chamber. The impact on the traffic and commuters in the South Eastern Metropolitan Region has been well

documented in some significant studies. Clearly some issues are not going to be easily resolved due to the eight years of mismanagement by the ministers responsible for roads and ports and public transport. Others, however, are more easily remedied and are in the hands of VicRoads.

Increasingly I have observed the tendency to close lanes for works which would be best managed out of peak-hour traffic times, which the works prolong. An example is the construction work on the Mordialloc Bridge, which is having a dramatic impact on peak-hour traffic right down the Nepean Highway. I have received a significant number of telephone calls from very frustrated commuters who are already tested.

The other example I have received significant calls on is the traffic on North Road, Ormond, where the construction of paving — by a local council contractor, I believe — has been allowed by VicRoads to block off an entire lane in peak-hour traffic. This is contributing to a significant amount of traffic backing up on North Road and affecting many commuters. This type of thing should be better managed by VicRoads to make sure that the chronic traffic problem is not made worse by simple mismanagement of these matters.

Dropping Off the Edge — The Distribution of Disadvantage in Australia

Mr SCHEFFER (Eastern Victoria) — I congratulate Jesuit Social Services and Catholic Social Services Australia on the publication this year of their research report *Dropping Off the Edge — The Distribution of Disadvantage in Australia*. The report was prepared by Professor Tony Vinson and his team from the faculty of education and social work at the University of Sydney. Using data gathered from a range of highly reliable sources such as the Australian Taxation Office, the Australian Bureau of Statistics and Centrelink, they produced a map of social disadvantage in Australia.

The report contains statistical information on a set of different factors of disadvantage as well as data analysis that offers perspective on how social disadvantage can become entrenched in the absence of positive interventions. For example, research can show the links between leaving school early, low job skills, long-term unemployment, court convictions and eventual imprisonment. The model that Professor Vinson and his team have developed can display such links for every population centre in the country. It is well known that standard community services have little positive impact in communities where disadvantage is entrenched and

intergenerational. To have an effect, special policies and programs need to supplement general services.

The maps presented in *Dropping Off the Edge* enable policymakers and service deliverers to identify localities that are characterised by entrenched intergenerational issues where critical mass is weakened. This is a fascinating and important report, and I congratulate Professor Vinson and his research team, as well as Jesuit Social Services and Catholic Social Services Australia, for developing this important tool that can help break the cycle of disadvantage.

Telstra: management

Ms PENNICUIK (Southern Metropolitan) — Last night I watched 'Tough calls', a *Four Corners* program on the management culture within Telstra. The program centred around the tragic suicides of two Telstra workers — a technician and a call centre worker — which medical evidence suggests were largely brought about by the pressures they were under at work. My heart goes out to the families and friends of those workers, whose pain and sense of loss must be terrible. The show also interviewed several other Telstra workers who have been traumatised.

In the program the bullying culture of Telstra's management was evidenced by chief executive officer Sol Trujillo, who was quoted as saying, 'We can't let individuals stand in the way'. Greg Winn, chief operations officer, said Telstra is an 'absolute dictatorship'. His answer for workers who may struggle under the excessive performance monitoring and unrealistic targets, which doubled in 12 months, was to 'shoot them and get them out of the way'.

The newspeak of John Rolland, executive director of sales and services, was chilling. He suggested that his workers who 'didn't get it' could 'find opportunities outside Telstra'. All new workers are forced onto AWAs that reduce their base salaries and superannuation, dependent on achieving targets. Behind all this is a mad and warped management system that refers to workers as 'savages', 'dragons' and 'submarines'.

'Help me understand' is one of the phrases that one team leader said was often used. I ask Telstra to help me understand when it is going to learn that management by bullying is totally unacceptable.

Brendan Keilar and Paul de Waard

Mr DALLA-RIVA (Eastern Metropolitan) — I rise in support of Victoria Police and their work in the community, ambulance officers and the citizens of

Melbourne in the events that occurred last Monday. I put on record my support for those in the community who are prepared to take up the challenge and confront issues that may be, as we have seen, unfortunately to their detriment. I put on record my gratitude to Brendan Keilar and the Dutch tourist Paul de Waard in their attempts in defending Ms Douglas as a result of that incident. I think it is fair to say that the outpouring of support from the community has been acknowledged.

I think it is important that this Parliament, which has already committed \$250 000 as part of the trust fund, leads the way in supporting the three Keilar children and the bereaved wife. I think the facts are that society has come out to show that it is compassionate at times of enormous crisis such as this. I am pleased that Victoria Police has apprehended the offender, that due process can now take place and that the fear in the community has now been allayed for another period.

Health: smoke-free venues

Ms MIKAKOS (Northern Metropolitan) — There are only nine days to go before 10 000 Victorian pubs and clubs will become smoke-free. This is going to be a great development in promoting the health of Victorians and also making their social life more enjoyable. Tobacco is the risk factor associated with the greatest burden of disease in Victoria and is responsible for nearly 4000 deaths annually in this state alone. It costs Victorians over \$5 billion in social costs.

I commend the Bracks government reforms banning smoking in workplaces, covered train station platforms, tram and bus stops and its further measures to prevent the sale of cigarettes to minors. Smoke-free pubs and clubs have the overwhelming support of the Victorian community, with a 2006 survey showing 86 per cent support. I congratulate the Minister for Health in the other place for ensuring that Victoria has led the way on tobacco reforms. As the granddaughter of someone who died tragically from emphysema, I also encourage Victorians who continue to smoke to do the best thing they can do for their health and quit.

Sport: TEAMelbourne

Mr ATKINSON (Eastern Metropolitan) — I wish to commend some of our leading sports organisations in Melbourne for coming together to form TEAMelbourne, which is a marvellous initiative for this city and indeed for the advancement of sport in Victoria. TEAMelbourne involves the Melbourne Football Club, Melbourne Storm, the Melbourne Tigers basketball club, the Melbourne Racing Club and Netball Victoria.

Netball Victoria is about to move into a new era involving an expanded national league which includes the New Zealanders. It is an exciting time for that sport. Interestingly enough, whilst it comes to TEAMelbourne without the financial resources of the other clubs that are part of the organisation, it brings in a tremendous number of women members from right across Victoria. I indicate women in particular, but I know some men, like me, also enjoy the sport of netball.

It is a tremendous concept. The only thing I hope is that Melbourne Victory soccer team also recognises the value of TEAMelbourne and comes on board. I note that it is not an initial member of the organisation despite being involved in the talks at an earlier stage. I hope it joins, because this is a marvellous opportunity for Victoria and the advancement of sport and tourism.

Yarra Valley Water: water-saving initiative

Mr ELASMAR (Northern Metropolitan) — I rise to inform the house of a wonderful water-saving initiative that was launched by Yarra Valley Water for its customers. The other day I was walking down High Street, Northcote, when I was approached by a neighbour who asked me, 'What have the water companies done to assist ordinary householders to save water?'. I must say I was happy to inform that person that Yarra Valley Water had recently advertised the fact that it was giving away up to two new shower heads per household on production of a water bill at the Yarra Valley kiosk in the Northland shopping centre.

The Methven Flexispray shower head that Yarra Valley Water is distributing has also been voted the second best shower head by *Choice* magazine, so it is a good-quality product which will not only feel great but more importantly will save householders water and energy costs. We are all working hard together to tackle the water crisis. It gives me great joy to see the corporate sector doing something constructive and worthwhile. I congratulate Yarra Valley Water for its community spirit and initiative.

Australian Council of Trade Unions: political strategy

Mr SOMYUREK (South Eastern Metropolitan) — Given all the bluster from Liberals across the nation and from across the chamber about the campaigning role of the Australian Council of Trade Unions (ACTU) in the upcoming federal election, I could not help but notice reports that Liberals are going to be organising and running the Business Council of Australia's pro-WorkChoices legislation campaign. Mark Textor is directing the campaign, and it has been suggested he

has up to \$10.5 million in his war chest. A former Victorian Liberal deputy director, Tony Barry, will be operations manager of the campaign.

There is actually nothing wrong with this. This is a functioning democracy, and if the Business Council of Australia wants to align itself with the Liberals and actively campaign during the election, it has every right to, just as the ACTU has every right to actively campaign for the ALP. I wonder if Liberals will continue to cry foul about union involvement in this federal campaign now that their fingerprints and the people who devise their campaigning strategies are all over the business council's message to the electorate.

I am proud to be involved in the Labor Party, which is formally linked to the unions, and I am proud that the Labor Party, both at state and federal levels, fights for the rights of working Australians. I trust the Australian public will make the right choice later this year and elect a Rudd Labor government so that their rights at work are protected and not eroded for little or no compensation, as the Liberal Party and the Business Council of Australia proudly advocate.

Dental services: eastern suburbs

Mr TEE (Eastern Metropolitan) — Today I would like to congratulate the Victorian government on providing a record \$103.6 million in funding for dental care. This has seen a welcome reduction of some 18 per cent in the dental waiting list, despite some 15 000 more dental patients being treated last year than in the previous year. In my electorate the wait for dental care is 24 months at the Knox Community Health Service, 17 months at Eastern Access Community Health, and 10 months at the Whitehorse Community Health Centre. Clearly the state government has done its part, but more needs to be done. I am hearing of people taking dental care into their own hands, and as the population ages there will be a greater need for public dental care in the electorate.

In view of the importance of this issue, I am appalled by the commonwealth's callous neglect — neglect that has seen the commonwealth axe \$27 million from Victoria's dental health budget. I challenge all members of Parliament representing the eastern suburbs to join with me to demand that the commonwealth play its part in delivering better dental outcomes. My challenge is to state and federal members, Liberal and Labor. The debilitating effects of dental pain justify an approach which is beyond politics, an approach based on cooperation, so that we get the best outcomes for those most in need.

Apollo Bay P-12 College: facilities

Ms TIERNEY (Western Victoria) — On Monday 4 June I represented the Minister for Skills, Education Services and Employment in the other place, Jacinta Allan, in opening the new and refurbished science and technology rooms at Apollo Bay P-12 College. The new facilities include new science rooms, a preparation storeroom, a music room, two music practice rooms, an art room, a materials technology room and an IT visual communications room. The state government contributed over \$1.8 million towards the cost of this work. The new physical infrastructure is impressive. It provides the best possible learning environment for the students at Apollo Bay P-12 College and complements the delivery of a wide range of pathway options that meet the needs of individual students.

I would like to thank Apollo Bay P-12 College acting principal, Liz Hanger, and the school council president, Klaus Holzer, as well as teachers, support staff, parents and students, for giving me the privilege of sharing the day with them. I would also like to thank the years 11 and 12 students with whom I spent quite a bit of time earlier in the day. I was quite impressed with their knowledge and well-thought-out questions. I am proud to be part of a government that is clearly committed to quality education for regional Victoria and is serious about providing opportunities for young people in western Victoria.

STATEMENTS ON REPORTS AND PAPERS

Victorian Child Death Review Committee: report 2007

Mrs COOTE (Southern Metropolitan) — I would like to continue speaking on the report on child deaths in this state and to reiterate to the chamber how unacceptable the death of any child in this state is, particularly a child who is under the care of child protection services. The report entitled *Annual Report of Inquiries into the Deaths of Children Known to Child Protection 2007* has been put out by the Victorian Child Death Review Committee.

I will explain once more just what the major findings of this report are. In 2006, 18 children who were known to child protection services died, which is a 60 per cent increase over the year before. Of those children, 10 were babies under six months of age, which is double the number for both 2004 and 2005, and 67 per cent of deaths were of children under one year of age. In 11 of the cases families presented with more than one of the characteristics known to reduce parenting capacity,

most commonly family violence, substance abuse and mental illness. This is certainly not acceptable.

A news article by David Rood, state political reporter, on page 4 of the *Age* of Friday 25 May states:

Problems with case closures were most common in situations involving chronic neglect, where families were subject to multiple notifications.

The review found child protection should 'ensure that community agencies are properly engaged' before places are closed.

This is an issue of particular concern to me, because I have been contacted by a number of people from across the child protection services sector who have said that many of these cases are closed far too prematurely, with the case workers being overridden by their supervisors. In many instances cases are closed against the better judgement of case workers, which is something that I hope the minister, who is now in the chamber, will have a closer look at.

I am sure the minister is not aware of this, but it is certainly something that needs to be investigated on a regional level because it is of major concern to the people at the coalface. That cases have been closed prematurely comes time and again in this report, and that is of major concern. We are dealing with difficult cases in which there are multiple problems, such as drug and alcohol abuse and domestic violence, but we are talking about little children here. That 10 children under 12 months of age died when under the supposed support of the department is totally unacceptable.

The recommendations in the report are worth noting because many of them need urgent action. I hope the minister will make certain this becomes a priority for his department, that it looks into these recommendations, and that he will come back to this chamber and explain what progress has been made.

Included in the recommendations is recommendation 1:

That the DHS Office for Children progresses the development of a revised protocol between child protection and disability services as a priority.

Many of these issues are multifaceted and it is vital that that link is there. I am absolutely surprised, and it is shameful that it has not been in place before.

Recommendation 4 is:

That the Child Protection and Family Services Branch, in collaboration with the Mental Health Services Branch, clarify roles and responsibilities for case planning in respect of joint clients who are inpatients of mental health facilities.

This is another glaringly obvious omission by the department, where it has not managed to have proper protocols in place to make certain that these children are well and truly cared for and protected. It should be made a matter of immediate urgency to make certain that these protocols are in place. It is not rocket science to get these people to work together. It should happen as a matter of course, and it should happen immediately so that people do not have to go through a whole heap of red tape and in the meantime place children at risk. It is unacceptable and it is shameful that it has got to this stage. I am certain the minister will have a close look at it.

Recommendation 7 is:

That the ... child protection and family services branch develops a special assessment guide as an attachment to the revised Victorian risk framework that incorporates the accumulation of harms ...

Once again, that is a glaringly obvious omission that should be tightened up as a matter of urgency.

Auditor-General: *Giving Victorian Children the Best Start in Life*

Ms PULFORD (Western Victoria) — I wish to make some remarks on the Victorian Auditor-General's report *Giving Victorian Children the Best Start in Life*. In its introduction the report states:

Early childhood services aim to meet the care, health, education and development needs of children. They broadly consist of universal services, which are for the whole population (maternal and child health services ... child care, kindergartens and school nursing); and secondary and tertiary, which are for children and families with special needs.

The report refers to the work the Department of Human Services (DHS) has been doing in recent years. It specifically details three major initiatives. They are: the Best Start program, which is focused on forging a partnership at local levels between service providers, service users and stakeholders to collectively identify and better meet local service needs; municipal early years plans, which are prepared by local government and aim to provide strategic direction for the development and coordination of educational, care and health programs for children up to the age of six; and children's centres, which provide single points of access to a range of services for children — children's hubs, as they are commonly known — where families can access services in a single or connected building in a family-friendly precinct.

The report acknowledges how vital the early years are to the development of children throughout their lives. It also acknowledges how investment in the early years

reduces the need for remedial education in later years. Not only does it make sense economically that investment levels are raised in early childhood but intellectual capacity is developed more acutely at a younger age, which builds the foundations for future education, which of course cannot be made up for later in life. I am sure all members would agree that the challenges they might face in learning a language or picking up a musical instrument for the first time are much greater now than the challenges they would have faced if they had been doing those things when they were only five years old and were able to learn a great many things very quickly.

These points are especially true when children from vulnerable backgrounds are affected. This is particularly so for children from homes where a parent has a disability, a substance abuse problem, suffers from a chronic illness or engages in or has been a victim of violence. These problems are interwoven, so taking a short-term approach to child care as one important area in early childhood development is certainly not the solution on its own.

Briefly on child care, there is a lack of adequately trained workers in the industry, with reports that 65 per cent of child-care trainees are failing to complete their courses. This is compounded by low wages and poor working conditions for many in child care. Many highly trained staff in early childhood education choose careers in preschools or primary schools instead of child care, which is of course a massive problem, resulting in high levels of staff turnover. It is limiting the ability of carers and children to develop strong attachments, and the ability of children to have strong relationships with stable caregivers which enhance their emotional and social development.

The report notes in its conclusion that some evidence, which was primarily qualitative, indicated that where successfully implemented, Best Start, the municipal early years plans and children's centres contributed to improved access and participation, although the report does make some comments in respect of insufficient quantitative data being available at the local level that shows directly how the initiatives are contributing to increased participation in maternal and child health and kindergarten services.

There are eight recommendations in the report and some of them deal with this issue. Recommendation 3 is that Department of Human Services, in partnership with service providers, establish a common statewide database system for early childhood services across the state, and recommendation 5 suggests that DHS develop a data collection framework for Best Start that

enables consistent local and statewide monitoring and evaluation.

The ACTING PRESIDENT (Mr Elasmr) — Order! The member's time has expired.

Legislative Council: production of documents

Mr O'DONOHUE (Eastern Victoria) — I am pleased this morning to speak about the opinion of Mr Bret Walker, Senior Counsel, relating to the power of the Legislative Council to order the production of documents. The Legislative Council of the 56th Parliament has established two select committees to examine different matters of public concern.

To clarify the process for the production of documents from the executive and others, the Leader of the Opposition moved a motion which was debated in this place on 14 March. That motion set out a process, inter alia, to settle any dispute regarding claims of executive privilege. The ensuing debate centred on the extent and capacity of the Council to call for the production of documents from the executive. To quote Mr Davis during that debate:

It is a matter for this house to govern itself and to make the rules that would best afford orderly conduct of the business of this chamber in undertaking its legislative function as well as its scrutiny of government function.

In support of this assertion Mr Davis cited the authorities of *Egan v. Willis* and *Egan v. Chadwick*.

To summarise the opposing view, Mr Pakula stated in his contribution:

... the decision in *Egan v. Chadwick* and the decision in regard to the Legislative Council of New South Wales are irrelevant to this debate. The latter is irrelevant because the New South Wales constitution does not have the same limitation by reference to the House of Commons in 1855 as the Victorian constitution.

At the centre of the debate is the effect of the decision of *Egan v. Willis* and *Egan v. Chadwick* on the Victorian Parliament and this chamber in particular.

Following the debate, the President of the Council, at the request of the government, sought advice from respected Senior Counsel Mr Bret Walker about the powers of the Council and, in effect, the applicability of the judicial authority. On 4 June Mr Walker provided that advice. Mr Walker found that the Council does have an inherent power to call for the production of documents and that it had the ability to adopt the sessional order on 14 March. Mr Walker's opinion states:

... a court would regard *Egan v. Willis* as binding and applicable judicial authority against the executive.

He went on to say that regardless of its express constitutional power the Council probably would have an implied power inherent in the nature of a parliamentary chamber, as was held for New South Wales.

If the power exists, as Mr Walker asserts, what does this mean in practical terms? With regard to executive privilege, the opinion states:

Where a document is not to be regarded as a cabinet document, there should be no public interest reason to keep it from the people's representatives, the legislators, in the Council.

With regard to commercial in confidence he states:

It is for the Council to determine, in its assessment of the public interest, how secrecy of this kind should be observed.

With regard to legal professional privilege, he states:

... it is for the Council to determine what if any delicacy it should apply in a particular case.

Mr Walker also clarified that, other than members and officers of the Assembly, the select committees possess an unfettered right to compel the attendance of all other persons, including ministerial advisers, to give evidence; that the select committees act on behalf of the Council, and, as a consequence, have the full capacity to use those powers of the Council delegated to them.

In summary, Mr Walker recognised the supremacy of this duly elected chamber and its capacity to regulate itself and make all necessary orders regarding its operation. This capacity comes from both the Victorian constitution and also the implied power inherent in the nature of a parliamentary chamber following the binding authority of *Egan v. Willis*. This gives the Council the capacity to demand from the executive the production of virtually all documents that are not cabinet-in-confidence documents.

Legislative Council: production of documents

Ms PENNICUIK (Southern Metropolitan) — I wish to speak briefly on the opinion of Mr Bret Walker, Senior Counsel, on the production of documents. In paragraph 8 of his opinion he stated that the general importance of the role of the Legislative Council:

... lies in its capacity to scrutinise the workings of government, and particularly those of the executive ...

He went on to say that this 'need not be elaborated' and that he regards it as 'beyond serious question'. He also

stated that the Council does have general powers to order papers and that there is no precedent for a successful claim on behalf of the executive to resist all or any orders for papers. The opinion states:

I confidently predict that a court would regard *Egan v. Willis* as binding and applicable judicial authority against the executive.

In paragraph 20 of his opinion Mr Walker was asked to comment on, as Mr O'Donohue has outlined in his statement, whether there were any reasons which might be claimed in support of the non-production of documents. In summary his opinion is that there are very few reasons that the executive could mount in support of not producing documents.

Paragraph 33 of Mr Walker's opinion says:

... a select committee acts on behalf of the Council with full capacity to use those powers of the Council delegated to it.

Paragraph 35 makes the interesting observation:

Arrangements of a familiar kind by which ministers, say, in the Council have allocated to them responsibility to answer questions in relation to portfolios whose ministers sit in the Assembly —

which is a provision we have introduced into the sessional orders of the Council —

were of some importance in the background to *Egan v. Willis* ... they are arrangements that recognise the significance of membership of a house in the compulsion of a minister to produce in answer to an order for papers.

In summary, I think Mr Walker's opinion is valuable in supporting the inherent, implied or actual right of the Council and committees of the Council to order the production of documents.

Anti-Cancer Council of Victoria: report 2005

Mr SCHEFFER (Eastern Victoria) — The report to the Victorian Parliament for the year 2005 of the Anti-Cancer Council of Victoria, which operates as the Cancer Council Victoria, is a no-nonsense, straightforward account of the objectives and activities of the council. I congratulate the council on its excellent work and for an excellent report.

The council has been in existence for 70 years, providing support to cancer patients as well as education and research programs. As the report points out, public surveys show that the work of the council commands a huge level of respect in the community. The report says the survey shows that 86 per cent of members of the Victorian population are aware of some aspect of the work of the council and indicate that they

believe the council is trustworthy and performs well. Some 64 per cent of respondents had made a donation to the council and understood that the council's services were available to cancer sufferers and their families.

The report naturally sets out some important figures that attest to the serious problem of cancer in the population. For example, by the age of 75 a third of Victorians can expect to have contracted a cancer other than melanocytic skin cancer. Nearly 29 per cent of Victorians die of cancer, making it the leading cause of death, ahead of heart disease. The good news is that the death rate is falling by about 1 per cent a year, and whereas 60 years ago only 25 per cent of people with a serious cancer survived, today nearly 60 per cent survive, which is a very impressive figure.

The report outlines a useful organisational structure that identifies the council's committee structure, the 12 programs undertaken by the council and the volunteer base of thousands who provide expert advice as well as assisting with fundraising and providing support to cancer patients. The council reports that it also funds biological and clinical research. In fact during 2005 the council funded 29 research projects into issues that included the mechanisms that control cell growth and death, immunology, genetic markers, the development of cancer treatments and the ways in which cancers spread through the body. In addition to these projects the council also funded 12 postgraduate scholarships, 7 postdoctoral fellowships, 4 major fellowships and 15 vacation studentships.

The report briefly touches on the wide range of activities that the council undertakes, including its tissue bank cooperative committee, which received a \$7 million grant from the Victorian government and the commitment of the Centre for Clinical Research in Cancer to facilitating clinical research across Victoria. The report also mentions the cancer trials management scheme, which awarded grants totalling three quarters of a million dollars to 18 cancer treatment centres. The council also conducts epidemiological and behavioural research through its Cancer Epidemiology Centre and the Centre for Behavioural Research in Cancer. The Cancer Epidemiology Centre monitors the incidence of cancer and survival and maintains the Victorian cancer registry. This population-based data enables trends to be monitored and new research projects to be formulated. The Centre for Behavioural Research in Cancer investigates the patterns of cancer risk behaviour in populations and the development of cancer-preventing and cancer-promoting behaviours.

Lung cancer is of course a major focus of the Victorian cancer council. The well-known Quit Victoria is a joint

initiative of the council, the Victorian Department of Human Services, National Heart Foundation Australia and VicHealth. The statistics on tobacco smoking contained in the report are arresting, notwithstanding the success achieved in reducing the level of tobacco smoking in the community. For example, in 2002, 13 per cent of secondary school students aged between 12 and 15 years had smoked in the week before they were surveyed. The council also supports the VicHealth Centre for Tobacco Control, SunSmart, PapScreen Victoria, breast cancer programs, cancer education in multicultural communities, bowel cancer screening, obesity prevention, the general practice program and the men's cancer program. The men's program focuses on prostate cancer, which is an important emerging issue. There is lots more in this report from one of Victoria's most remarkable and successful organisations. It is an excellent and useful document, and I commend it to the house.

Auditor-General: *Results of Audits*

Mrs KRONBERG (Eastern Metropolitan) — In rising to give an account of the Auditor-General's report on the results of audits, specifically for the purchase of contaminated land by the Melbourne Port Corporation (MPC) and also on the raising and collection of fees and charges by departments, June 2007, it needs to be stressed that the report reveals a number of systemic failures across government departments.

In July 2003 the Port of Melbourne Corporation (PMC) became the successor entity to the Melbourne Port Corporation. The MPC had previously purchased a contaminated industrial property in Yarraville for \$13.5 million. However, at the date of the audit the net value of this site was recorded as a mere \$500 000 by the PMC.

The audit examined whether the MPC had appropriate internal policies and procedures to evaluate property purchases and whether an adequate due diligence process was undertaken. The 10 hectare industrial site had previously been used for the manufacture and processing of acid, fertiliser and chemicals, and the storage of agricultural chemicals. The site had been contaminated as a result. Who in this chamber would have been surprised about that?

Estimates of the costs of remediation are substantial, and as a result the purchase site will have an adverse financial impact on the PMC. Further, it is concluded that this outcome primarily resulted from the MPC proceeding with the purchase of the property without sufficient knowledge of the environmental condition of

the site. To further dumbfound the reader, one took in further audit comment where they highlighted the fact that the MPC did not undertake a rigorous assessment of the associated costs, benefits and risks of the land acquisition. I do not know whether this is a Rip Van Winkle factor coming to the front again, as we have seen with other members of the government.

Remarkably, other key findings reveal that the MPC released the vendor from all responsibility for site remediation, thus exposing the MPC to significant future costs. During the due diligence process the Department of Treasury and Finance did not undertake a thorough assessment of the proposed purchase in accordance with government guidelines. If you already feel that beggars belief, compounding this series of poor decisions and practices, and a lack of diligence, the recommendations by the Department of Treasury and Finance's own environmental consultant to determine the condition of the property were not carried out.

On the question whether the MPC established appropriate internal policies and procedures to manage the property purchase, the auditor's conclusion was that the MPC had not established appropriate procedures and controls or conducted a thorough assessment of the proposed purchase. To the question as to whether the due diligence process was adequate prior to acquiring the site, the conclusion is that there was no evidence that the Department of Treasury and Finance recommended further assessment of the site or fully informed the MPC of the risks associated with the purchase.

I now turn to the second part of the report on the raising and collection of fees and charges by departments. Government departments raised over \$600 million annually from fees and user charges. The auditor examined five departments to assess their revenue-raising and collection performance. It was found that the departments had appropriate legal authority to raise fees and charges and generally maintained adequate systems and processes to support their administration. However, it is important to stress that \$6.6 million of user charges were challenged in terms of appropriate authorisation and validity. Is this the Robin Hood factor coming into its own again?

Departments questioned were unable to provide the necessary documentation to demonstrate that they had complied with the required legal processes to authorise the current rates charged. Furthermore the auditor was not able to conclude whether or not fees and charges examined were determined in accordance with government policy and guidelines.

Recommendations included ensuring the authorisation of all fees and charges in accordance with relevant legislative and regulatory requirements. In addition, the establishment of appropriate policies and procedures for costing, setting and annually reviewing fees and charges whilst ensuring that the — —

The ACTING PRESIDENT (Ms Pennicuik) — Order! The member's time has expired.

Auditor-General: Results of Audits

Ms HARTLAND (Western Metropolitan) — I also wish to speak today on the Auditor-General's report on the results of audits on the purchase of contaminated land by the Melbourne Port Corporation and the raising and collection of fees and charges by departments. I would like to acknowledge the importance of the Auditor-General's work.

This report shows what happens when due process is not followed, and how taxpayers will end up paying for the terrible judgement of the Port of Melbourne Corporation in buying toxic land. The Port of Melbourne Corporation bought toxic land for \$13.5 million; it is now worth \$500 000. The value of the clean-up bill is possibly up to \$70 million. It gets better. The corporation went to the extraordinary step of indemnifying the vendor against costs associated with contamination. This is not the usual practice when dealing with contaminated sites.

As a local of the area, I know the history of this toxic site at Yarraville. For 150 years it has been used for the making and storing of toxic substances. The land is contaminated, the groundwater is contaminated and the building contains asbestos. The only thing that is not on the site is a nuclear reactor.

Mrs Coote — Just wait!

Ms HARTLAND — No, the Greens will be picketing against any nuclear reactors.

This report tries to figure out why anyone would buy the site at all, let alone at an inflated price. The answer is that the corporation wanted the land for the port, it was paying for it with taxpayers money and it was prepared to take any necessary steps. These are the steps that the Port of Melbourne Corporation took to make this taxpayer-funded decision. Firstly, the corporation received a report from its own consultant who warned the corporation of the site's toxic legacy and major clean-up costs. Then the Department of Treasury and Finance received a report reminding it that there has been an Environment Protection Authority pollution abatement notice on the site for six

years and that the Port of Melbourne would be responsible for the clean-up costs. As I have stated, these costs are said to be between \$6 million and \$70 million. My experience tells me that it will cost closer to \$70 million. Then the consultant recommended quarantining some of the known toxic issues from the contract of sale. The consultant also recommended further investigations of the environmental condition of the site. Nothing was done.

The valuer-general weighed in and said that \$13.5 million, the price the land was bought for, was at least \$2 million above the market value, even if the cost of remediation was borne by the vendor. When the Port of Melbourne bought the land, it did not tell the valuer-general it had agreed to absolve the vendor of liability for contamination. The corporation failed to fully inform the valuer-general. It failed to get the approval of the land monitor. It failed to get the Treasurer's approval at the time, but then managed to get it retrospectively one week after the purchase. Why were the environmental issues swept under the carpet?

The port of Melbourne authority was desperate for this piece of land to expand the port of Melbourne. It is desperate to expand the port at all costs. That is also why the channel deepening inquiry is failing to consider the effect of more trucks in Yarraville.

There was a well-argued opinion piece in the *Age* of Tuesday this week. I work a great deal with the Maribyrnong truck action group; I respect the group's opinions. One of the group's members, Peter Knight, reminds us that the channel deepening process is being pushed ahead in a way that fails to consider the suburbs that will take the brunt of extra trucks.

The Port of Melbourne Corporation bought this land. It did not care how toxic it was. The corporation wanted the land so it could expand the port. In conclusion, we can only hope that this will not happen again, but I doubt that. In fact, yesterday I wrote to the Attorney-General's office asking it to investigate the site of the Melbourne Metropolitan Fire Brigade training college in Burnley because it has very similar issues as the site in Yarraville.

Victorian Law Reform Commission: assisted reproductive technology and adoption

Mr TEE (Eastern Metropolitan) — I rise to speak on the *Victorian Law Reform Commission — Final Report on Assisted Reproductive Technology and Adoption*. In many ways I am part of the in-vitro fertilisation (IVF) generation that has benefited enormously from IVF overcoming many infertility

problems. The procedures are invasive and the process, particularly for those desperate to have a child, can be an emotional ordeal. It is an ordeal that can take many months and one that has its fair share of success and despair. The IVF process is not for the faint-hearted.

This report looks at the legal and structural framework within which those desperate to have children operate. As if prospective parents do not have enough to deal with, this report concludes that assisted reproduction and adoption is fraught with legal ambiguity and complexity. It is often unnecessarily unfair and breaches federal legislation. For example, the Federal Court has found that provisions excluding single women and women in same-sex relationships from treatment are in breach of the federal Sex Discrimination Act. Of most concern is the finding that the governance arrangements may have lost sight of the most important consideration — that is, the best interests of the child. The report sets about righting these wrongs.

The report's recommendations have been carefully considered. They are, after all, the product of a process that has taken nearly four years. It has involved over a thousand written submissions, included well-attended public forums. A number of discussion papers have been produced along the way. The guiding light for the commission's review has rightly been the premise that the best interests of the child are the paramount consideration. Using this premise, a number of current practices need to change. The report recommends, for example, that people convicted of sexual or violent offences and people who have previously had a child removed should not have automatic access to treatment.

The report argues that excluding women from treatment because of their sexual orientation or marital status may not be in the best interests of the child. This is because the women may make private arrangements, which may not involve the donor being screened for genetic diseases.

The report also looks at the rights of children born to lesbian couples. The report finds that those children do not have the same rights and protections as other children. Having only the birth mother on the birth certificate means the other partner may escape obligations to ensure that the children are cared for financially and otherwise, are educated and are protected. The child also has no right to that parent's deceased estate. The report recommends that non-birth mothers should be registered as parents on the child's birth certificate.

The report makes a case for change in the interests of the child — a case for change that has been made successfully in other states, where changes in line with those recommended in this report have been made. In many ways the changes recommended in this report will bring us into line with other states.

I am pleased to see that the *Australian* reported in June that the Prime Minister sees merit in moving towards national consistency in IVF and adoption reform. I am sure the Prime Minister's support for the direction of the report will be welcomed by those involved in the report.

In summary, the report finds that the law in relation to assisted reproductive technology has fallen behind. It has fallen behind the federal laws and behind the laws of other states, and most critically, it has fallen behind in terms of defending the rights of children. This is a compelling, thorough and well-argued report. It correctly views this very contentious area through the eyes of the most vulnerable: the children.

South West Institute of TAFE: report 2006

Mr KOCH (Western Victoria) — I take this opportunity to speak to the South West Institute of TAFE annual report 2006. In doing so I would like to commend the institute on its long and proud history of vocational education under five entities over nearly 50 years, starting in 1958 when the former Warrnambool Technical College was formed. In 1969 the new entity, the Warrnambool Institute of Advanced Education, was formed. In 1984 TAFE officially became a separate entity and in 1990 the South West College of TAFE was established.

On 1 August 1995 the South West Institute of TAFE was further constituted, and in that period of time since its coming into being, major rebuilding has taken place. We are currently in the second of a two-stage development, the first one having been completed in 2005 and the second one to be completed in 2008. We look forward to that, which will then see the institute being a major TAFE provider throughout the south-west, serving an area of 23 365 square kilometres and a population of over 120 000 people.

The director's report was furnished by Barrie Baker. Barrie has been the chief executive officer and director of TAFE for some 22 years at Warrnambool — a fantastic effort — and a lot of these changes have taken place under Barrie's direction. In saying that, I point out that today there are 2 million student contact hours across 11 423 students from across this vast area. I have to say that through the colleges that TAFE supports in

the south-west we now have a staff complement of 292 staff members across four campuses, the major one being at Warrnambool with others at Portland, Hamilton and more recently Glenormiston.

At Hamilton, under Maurice Molan, an excellent opportunity has been offered to regional students. TAFE has had the capacity to offer opportunities to groups of students at outreach centres. I know that Maurice, through the Hamilton campus, has had an outreach centre at Coleraine, for instance, where a certificate IV in agriculture course held in the old shire buildings there has been well attended and has achieved good results. TAFE offers the opportunity to do this sort of course to regional students.

Amanda Hennessey at Portland has also done a marvellous job there in building up the TAFE centre to something that is now certainly recognised as a major campus of TAFE in the south-west, at the South West Institute of TAFE. The more recent one is at Glenormiston, which is being capably managed by Linda Wilkie Bell. This is the successor of what was run by Melbourne University in the past, where short courses were offered for regional education, especially in agriculture at Glenormiston, but I regret that both Glenormiston and Longerenong in Western Victoria have now changed hands to further successive bodies; and, as we appreciate, Glenormiston is now under the South West Institute of TAFE.

I turn to the major concern with Glenormiston. It is a marvellous campus, with a very proud history. It is set on some 400 hectares of land, which was a former dairy farm, and it has a marvellous horse course. Instead of using this campus and its facilities for a learning centre, the government plans to spend a further \$3 million on building further accommodation, which will only duplicate what is currently there.

As recently as last Saturday I was disappointed to read an article by the president of the South West Institute of TAFE council, Mr David Jones, where he expressed his concern at this duplication and waste of money, saying he believed that \$3 million could be expended far better across regional education in Victoria, no less than in the South West Institute of TAFE at Warrnambool.

I congratulate all those in Warrnambool, Portland, Hamilton and Glenormiston for their work over the last 12 months.

The ACTING PRESIDENT (Ms Pennicuik) — Order! The member's time has expired.

South West Institute of TAFE: report 2006

Ms TIERNEY (Western Victoria) — It is with great pleasure that I also rise to speak on the South West Institute of TAFE annual report 2006. When I looked at the report it became very apparent to me that the South West Institute of TAFE has a very well-established reputation. It is financially secure, it is committed to regional sustainability, and it will continue to grow and provide investment in the region. The institute is of critical importance in the south-west, particularly in relation to our being able to address the skill shortages that we currently face. It will keep us well equipped into the future.

With respect to the vocational education and training in schools program, the South West Institute of TAFE continues to be the main vocational provider for secondary schools in the south-west region and beyond. In 2006 a total of 773 students was enrolled in areas satisfying the Victorian certificate of applied learning and Victorian certificate of education requirements.

Training delivery in 2006 focused on a number of areas. Through the government-funded training plan we saw 11.3 per cent in general manufacturing, 11.2 per cent in business services, 10.7 per cent in community services and health, 10.1 per cent in tourism and hospitality, 9.6 per cent in cultural and recreation, 8.9 per cent in electorate technology and communications, 8.1 per cent in building and construction, 8.1 per cent in primary and forest and 6.1 per cent in metals and engineering.

It is clear that South West Institute of TAFE is absolutely an engine for skills development in the area and is a major contributor in getting young people to stay in the region so they can build businesses, create new prospects and bring up families. The institute also has a variety of campuses in the area that Mr Koch has mentioned: Portland, Hamilton, Warrnambool at the Timor Street campus, the Deakin University campus and of course Glenormiston.

In the 2006–07 Victorian budget approval was given for \$11 million for stage 3 of the building project at the Warrnambool campus. The plans for that are before the council, and we are waiting for the project to kick off to provide exceptional opportunities in Warrnambool. The Office of Training and Tertiary Education has contributed \$500 000 to be spread over a number of projects at the institute, including completion of works at the Deakin University site, where the institute runs trade programs. It is interesting to note that the institute spends an enormous amount of resources in the area of

student support, not just at its campuses but also out in the community.

I would like to pick up on the work conducted with the local indigenous communities and with the Koori education program. The report cites a number of successes the institute has had in this area, and this will grow as the popularity of the institute increases and trust is built up between the local indigenous communities and various institute campuses in the area. In short, the community links far outweigh what was originally expected, but a number of people in the institute have made sure it is a continuing, growing priority. I look forward to developing a very good working relationship with the new chief executive officer, Mr Piper. I commend this report.

Auditor-General: Promoting Better Health through Healthy Eating and Physical Activity

Mr DALLA-RIVA (Eastern Metropolitan) — I am pleased to make a contribution on the Auditor-General's report on promoting better health through healthy eating and physical activity. The report paints a very bad picture of the future of our community if successive governments do not take note of where we stand in respect of the health of children and adults alike. I know the government has been doing the best it can through the Go for Your Life program, and the report makes reference to that. It also talks about coordination between the federal and state governments in providing a better understanding among those in the community to ensure that obesity does not become an epidemic, which is a situation that is currently faced by many developed countries.

In an interesting program I watched the other night it was said that children in Australia are now the fourth worst in being overweight or obese. It is important to put on the record exactly what happens when that occurs. We know that major threats to good health are avoidable. The Auditor-General has made note of that. It is no use having road and other systems in place if the people who use those are sitting in hospital beds or are literally sick at home because of their physical condition. Physical inactivity, unhealthy eating and being overweight are the most important preventable causes of chronic disease. The report notes that unfortunately there has been a huge increase in the incidence of type 2 diabetes, heart disease and many types of cancer. Whilst a report from the Cancer Council Victoria mentions the decline in cancer, other types of illness are taking over. Type 2 diabetes is insidious, and its effect on the community has been quite significant in recent years.

Some figures might be of relevance to the discussion. The number of Victorians now living with diabetes increased by 55 per cent between 2001 and 2006, driven by the diagnosis of an additional 68 000 cases of type 2 diabetes. I have not included the figures for type 1 diabetes, which is an even worse disease. It is a stark fact that hospital admissions for diabetes complications have more than doubled over the same period. Of greater concern for the impact it will have on future budgets is the fact that the annual health cost of diabetes has risen from \$361 million in 2001 to \$637 million in 2006. The Auditor-General paints a very bad picture for the future. He says that on current trends, by 2015 costs will exceed \$1 billion just to treat type 2 diabetes, not including heart and other conditions.

The report goes into quite lengthy detail about the relationships that are occurring across the various agencies and departments. VicHealth, of which I am a board member, is obviously part of that, and it is looking forward to ensuring that those relationships are being dealt with.

I think the bottom line of the Auditor-General's report is in the recommendations within chapter 7 — that is, there needs to be more of a collective approach to the distribution of information about obesity and illnesses that are a direct result of unhealthy living. Clearly, great work is being done by the Department of Human Services, by VicHealth and by the Department for Victorian Communities to try to work together to solve the crisis confronting us.

I know some measures have been taken in schools, which have already been spoken about. I know areas have been identified where diabetes has a greater attack rate. Also, some of the approaches in disadvantaged areas and in Aboriginal health — —

The ACTING PRESIDENT (Ms Pennicuk) — Order! The member's time has expired.

Victorian Office of Multicultural Affairs: achievements in multicultural affairs 2004–05

Mr ELASMAR (Northern Metropolitan) — I rise with pleasure to speak about the Victorian government's achievements in multicultural affairs from a report spanning the years 2005–06. The first amazing fact that comes to light is that over 30 000 people settled in Victoria during 2005 and 2006 — almost a quarter of the migration intake for the whole of Australia. This is positive proof that Victoria is definitely the state to live in.

There are two ways that migrants can come to Australia: the migration program and the humanitarian program. The migration program has strict intake requirements for skilled workers, family migrants sponsored by current residents and citizens, and those people who have left our shores and wish to return on a permanent basis.

The humanitarian program is open to refugees in special humanitarian need. In conjunction with the humanitarian program, the Refugee Health and Wellbeing Action Plan was also established to facilitate the health, housing and social needs of those refugees who have fled from a war-torn country. A \$4.7 million refugee support package was introduced which incorporates two initiatives: the refugee brokerage package, which assists refugees to access services and increases their participation within the broader community; the refugee health nurses program saw the establishment of 4.5 full-time community-based nurses across six metropolitan and two regional locations to ensure increased access to health services by refugees.

Across many government agencies multilingual brochures were provided to migrants, informing them of their rights and obligations and also outlining available community services, together with information about interpreters, who are able to assist migrants of all languages in their endeavours to settle in their newly adopted country of choice.

Religious tolerance has been a key feature of programs organised by the Department for Victorian Communities. This is a crucial element in educating and promoting religious tolerance within our wider community in an effort to make migrants feel part of a welcoming society. Migrants bring diversity and culture with them when they reach our shores. The government has promoted and will continue to promote migrant programs that enrich the tapestry of Victorian life by an acceptance of the differences that make all of us special.

The government has invested many millions of dollars within our migrant population. Victorians may ask, 'What do we get out of all of this?'. The answer is simple: a harmonious, peaceful coexistence of people from all over the globe — working, living and growing Australia's economy together to make our state the place to be for many generations to come. I commend the multicultural affairs report to the house.

Auditor-General: *Promoting Better Health through Healthy Eating and Physical Activity*

Mr SOMYUREK (South Eastern Metropolitan) — My contribution today will be on *Promoting Better Health through Healthy Eating and Physical Activity*, the Victorian Auditor-General's report. The issue of healthy eating and physical activity is increasingly becoming important in our lifestyle. Our lifestyle, I think it is fair to say, over the last 30 or 40 years has gone through a rapid transformation. We are now far more sedentary; we certainly do not move around as much. More people have cars, and more people sit around all day, watching TV and playing computer games.

They have really been disincentives for people to go outside and partake in the physical activity that people used to do. Young children in particular are less likely these days to go outside and kick the football around or do some of the more traditional things that children used to do. Instead, they sit around the TV and play computer games all day. This is a bit of a problem that is hard to address. We are, after all, living in a democracy and our civil liberties are pretty important to us. It is hard for the state to regulate this type of behaviour, but what we can do as a society is put this issue on the agenda. To be fair, governments throughout Australia are increasingly promoting a healthier lifestyle.

This report has seven parts. The first is the executive summary containing the heading 'Background, scope and objectives'. The second part comes under the heading 'About health promotion — promoting physical activity and healthy eating'. The third part of the report has the heading 'Risks posed by physical inactivity and unhealthy eating'. I will get back to that particular section in a minute. The fourth section comes under the heading 'Health promotion for local communities'. The fifth section comes under the heading 'Health promotion for Aboriginal people'. This is also a very interesting section, but due to time constraints I will not be able to go into details here today, but I recommend members read that part. The sixth part of the report has the heading 'Health promotion for school students', and it is also a very interesting section. The seventh part has the heading 'Strengthening the approach to health promotion'.

I now turn to section 3 of the report. I will take the house through some of the key findings of this section. The risk factors of physical inactivity and unhealthy eating have grown in importance over the last 30 years, as I mentioned in my introduction, because of changes in society and how people have responded by adapting

their lifestyles. These behaviours have led to many adults and children putting on weight and greater numbers becoming overweight or obese. These trends are having a significant and growing impact on the number of Victorians with a chronic condition, particularly among more disadvantaged groups.

Urgent action is needed to prevent the continued escalation of the burden imposed by these preventable chronic conditions, which result in higher health-care costs and reduced productivity. I will be referring to a graph later on in my contribution.

Victoria currently allocates less than 1 per cent of its current health spending to health promotion, and the costs of treating chronic conditions is rapidly increasing — for example, the audit estimated that the direct cost of diabetes in Victoria has risen from \$361 million in 2001 to \$637 million in 2006, and on current trends it will reach \$1 billion within 10 years. It is the issue of diabetes to which I now turn.

Diabetes is covered in detail in section 3.4 of the report under the heading 'Need for urgent action to prevent the continued escalation of preventable chronic conditions'. The rise in type 2 diabetes and the need for urgent action was identified as a health priority in 1996.

The ACTING PRESIDENT (Ms Pennicuik) — Order! The member's time has expired.

CRIMES AMENDMENT (DNA DATABASE) BILL

Statement of compatibility

For Hon. J. M. MADDEN (Minister for Planning), Mr Lenders tabled following statement in accordance with Charter of Human Rights and Responsibilities Act:

In accordance with section 28 of the Charter of Human Rights and Responsibilities 2006, I make this statement of compatibility with respect to the Crimes Amendment (DNA Database) Bill 2007.

In my opinion, the Crimes Amendment (DNA Database) Bill 2007, as introduced to the Legislative Council, is compatible with the human rights protected by the charter. I base my opinion on the reasons outlined in this statement.

Overview of bill

The bill makes a range of largely technical amendments to the DNA provisions of the Crimes Act 1958 to enable Victoria to participate effectively in automatic national DNA data matching through the National Criminal Investigation DNA Database (NCIDD).

NCIDD has been in place since 2003. It was designed to enable jurisdictions to use a single national system to match DNA data across jurisdictions. While it was intended that the existing legislative framework would allow for the full use of NCIDD, various procedural and legislative difficulties have arisen in relation to the sharing of DNA information between Australian jurisdictions. These difficulties have led to delays in the full operation of the NCIDD system.

Currently, Victoria is able to engage in DNA matching with other jurisdictions on a bilateral basis. For example, Victoria can approach another jurisdiction requesting that a check be made to determine if there is a match between, say, a Victorian crime scene sample and another jurisdiction's offender samples. If such a match is made, Victoria can then ask for identifying information to be provided, if available, in relation to the other jurisdiction's sample.

What NCIDD offers is a streamlined and automated system that allows checks to be made across all participating jurisdictions simultaneously. The NCIDD system offers significant efficiencies that will assist in the early identification not only of suspects in criminal matters, but also missing persons and disaster victims.

While NCIDD contains DNA information, it does not contain any other identifying information, such as a person's name. Once a match has been made through NCIDD, it is incumbent on the jurisdictions involved to provide identifying information in relation to that match to each other in accordance with each jurisdiction's legislative framework.

In summary, the bill:

provides for the legal recognition of NCIDD as a separate legal entity and distinguishes it from the Victorian (and other states') databases

changes the matching table which governs which types of sample may be compared to other samples, to remove anomalies and broaden the range of permissible matches

broadens the Attorney-General's powers to enter into agreements with other jurisdictions in relation to the sharing of DNA information, ensuring such agreements are broad enough to allow NCIDD to operate to its full capacity and to match samples automatically

updates the oversight and enforcement powers

makes a range of consequential amendments to ensure that the balance of the legislation is consistent with the new arrangements.

Human rights issues

1. *Human rights protected by the charter that are relevant to the bill*

Section 13(a) of the charter provides that a person has the right not to have his or her privacy, family, home or correspondence unlawfully or arbitrarily interfered with.

While these amendments do not directly interfere with the privacy of individuals, they will allow for more efficient automatic DNA data matching with participating Australian jurisdictions. As such, these amendments are expected to result in more DNA matches being made than are made at

present. Arguably, therefore, the bill engages the 'privacy' aspect of this section of the charter.

To comply with section 13(a), the charter requires that a person's privacy must not be unlawfully or arbitrarily interfered with.

Unlawful interference

This aspect of the section provides that no interference with privacy can take place except if the law permits it.

The bill will allow for more matches to be made with samples in other jurisdictions than can currently be made. The precise details of the types of samples that can be matched (e.g. suspect versus a crime scene, or missing person versus a disaster victim) are set out in the legislation.

As indicated above, while NCIDD contains DNA information, it does not contain any other identifying information, such as a person's name. Accordingly, while the bill will facilitate a greater degree of matching between jurisdictions, it does not alter arrangements for what occurs once a match has taken place. Jurisdictions will still be required to exchange any identifying information in accordance with the existing legislative regime.

All of the existing safeguards in relation to the taking, storage, use and disposal of DNA samples remain unaffected by this bill.

The offence provisions in the legislation have been broadened by this bill so that they can apply to any misuse of information obtained from Victorian samples in other jurisdictions, as well as in Victoria.

Any 'interference' with privacy under this bill is therefore permitted by the law.

Arbitrary interference

This aspect of the section provides an additional requirement that no interference with privacy can take place if it is arbitrary.

This bill will assist in more efficient interjurisdictional use of DNA technology. As such, it may assist in resolving crime, in exculpating (as well as inculpating) suspects, and in identifying missing persons and disaster victims.

In providing clear parameters around the matches that can be made with other jurisdictions, with suitable safeguards in the form of offences for any breaches of what is permissible, the bill ensures that any interference with privacy will be reasonable in the particular circumstances.

Any 'interference' with privacy under this bill is therefore not arbitrary.

Conclusion

The Crimes Amendment (DNA Database) Bill 2007 is compatible with the Charter of Human Rights and Responsibilities on the basis that it does not provide for unlawful or arbitrary interference with a person's privacy, which is the only right in the charter that is potentially engaged by the bill.

JUSTIN MADDEN, MP
Minister for Planning

Second reading

Ordered that second-reading speech be incorporated on motion of Mr LENDERS (Minister for Education).

Mr LENDERS (Minister for Education) — I move:

That the bill be now read a second time.

Incorporated speech as follows:

This bill will enable Victoria to participate in national DNA data matching through the National Criminal Investigation DNA Database (NCIDD).

The NCIDD system, which enables DNA samples from participating jurisdictions to be automatically matched through a single database, has been partially operational since 2003. While it was intended that the existing legislative framework would allow for the full use of NCIDD, various procedural and legislative difficulties have arisen in relation to the sharing of DNA information between Australian jurisdictions. This bill will assist in addressing these difficulties.

In May 2006 a Standing Committee of Attorneys-General (SCAG) working group met and agreed on the amendments that needed to be made to commonwealth legislation to facilitate full interjurisdictional sharing of DNA information. The commonwealth has now passed the necessary amending legislation, the Crimes Act Amendment (Forensic Procedures) Act (No. 1) 2006. Other jurisdictions, such as New South Wales and South Australia, have also passed legislation to enable them to engage in matching through the NCIDD system.

Currently Victoria is able to engage in DNA matching with other jurisdictions on a bilateral basis. For example, Victoria can approach another jurisdiction requesting that a check be made to determine if there is a match between, say, a Victorian crime scene sample and another jurisdiction's offender samples. If such a match is made, Victoria can then ask for identifying information to be provided, if available, in relation to the other jurisdiction's sample.

What NCIDD offers is a streamlined and automated system that allows checks to be made across all participating jurisdictions simultaneously. The NCIDD system offers significant efficiencies that will assist in the early identification not only of suspects in criminal matters, but also missing persons and disaster victims.

While NCIDD contains DNA information, it does not contain any other identifying information, such as a person's name. Once a match has been made through NCIDD, it is incumbent on the jurisdictions involved to provide identifying information in relation to that match to each other in accordance with each jurisdiction's legislative framework.

In summary, the bill:

provides for the legal recognition of NCIDD as a separate legal entity and distinguishes it from the Victorian (and other states) DNA databases;

changes the matching table which governs which types of sample may be compared to other samples, to remove anomalies and broaden the range of permissible matches;

broadens the Attorney-General's powers to enter into agreements with other jurisdictions in relation to the sharing of DNA information, ensuring such agreements are broad enough to allow NCIDD to operate to its full capacity and to match samples automatically;

updates the oversight and enforcement powers;

makes a range of consequential amendments to ensure that the balance of the legislation is consistent with the new arrangements.

In enabling Victoria to commence using NCIDD, this bill provides an important practical step forward in pursuing DNA matches across Australia. As such, it will assist in solving crimes more efficiently, as well as offering better opportunities to identify missing persons and disaster victims.

I commend the bill to the house.

Debate adjourned for Mr RICH-PHILLIPS (South Eastern Metropolitan) on motion of Mrs Coote.

Debate adjourned until next day.

APPROPRIATION (2007/2008) BILL and BUDGET PAPERS 2007–08

Second reading

Debate resumed from 20 June; motion of Mr LENDERS (Minister for Education) and Mr LENDERS's motion:

That the Council take note of the budget papers 2007–08.

Mr THORNLEY (Southern Metropolitan) — I rise to support the budget that we are debating; sometimes we are debating two different budgets in this house. There has been a range of bizarre and hysterical, fact-free tirades from the other side. I have reviewed *Hansard* over the years and have found that the same bizarre, fact-free tirades are raised regardless of the content of the budget. I guess we will have to come to expect that.

When I saw the content of the budget it seemed pretty clear to me that it delivered on all the basics of a good budget. It has a strong surplus. Despite that, it also delivered important tax cuts. It increased investment in a very substantial way, and it delivered on the promises on which this government was re-elected, most notably a massive commitment to rebuilding schools and, perhaps for bonus points, we had a positive surprise in the sense of a massive commitment to social and public

housing of half a billion dollars beyond what people might have expected.

I have to say that I was expecting, when the budget was announced, that it would have some pretty strong and positive reviews as a general rule, and that is indeed what happened in the world outside this chamber. In the outside world, where people actually think about how these things affect their lives and whether or not we did what we said we were going to do, we got a pretty good run. Inside this chamber we got the same hysterical, fact-free tirades that we get regardless of what we do.

Just to confirm that let me just give some examples of the sorts of responses we got from the outside world. I will start at the prudential level, with the ratings agencies, which have the job of making sure that they are confident that the government can meet its obligations and is not putting itself in financial duress. Standard and Poor's said, contrary to the nonsense we have heard from the other side:

The strength of the government's forecast operating performance and balance sheet enables the state to comfortably manage a projected increase in net debt due to an expanded capital program.

It is not exactly World War III from Standard and Poor's; in fact it seemed to pass fairly comfortably through its screens.

Moving down to the next tier of commentary on the prudence or otherwise of a budget I suppose you would go to the business community. The Victorian Employers Chamber of Commerce and Industry (VECCI) had the following thing to say:

This year's budget maintains the government's commitment to responsible economic management ... this will assist in underpinning business and investor confidence going forward.

Further:

General government net debt will increase to fund major infrastructure projects ... equivalent to 2.9 per cent of gross state product (GSP). However, the level of net debt will remain below that experienced in recent times — 3.1 per cent in 1999 —

under the previous government —

and 15.9 per cent in 1995.

We did not seem to be hearing major concerns from VECCI. Indeed it also said:

The 10 per cent cut in WorkCover premiums will help the overwhelming majority of businesses, particularly those affected by the continuing drought, a relatively high Australian dollar and recent interest rate rises.

This budget is helping. Of course no-one can help the drought, and that is not helping anybody, but the relatively high Australian dollar and recent interest rate rises — and of course the two are related — are courtesy of the federal government. Unfortunately the only problems anyone can do anything about have come from Canberra, if you understand what VECCI is talking about.

Ray Cummings, a partner at Pitcher Partners, who obviously advises businesses and others on their obligations and opportunities, said:

Comparatively, land tax for properties up to \$4 million in Victoria is much better than other states, which is good news for small to medium-sized business enterprises.

When you hear the hysterical nonsense from the other side about telephone book numbers and the world coming to an end, that does not appear to be reflected in the outside world. Indeed the Australian Industry Group said:

This is a sound and prudent state budget that improves competitiveness in Victoria, builds new industrial capacity and invests in future productivity.

And one more for good measure, the Master Builders Association said:

We are also glad to note the government has used debt financing to invest in Victoria's substantial infrastructure backlog. In sound economic times, we support the government borrowing funds to build Victoria's future — a key recommendation in our pre-budget submission.

Those are some of the comments from the outside world on what observers thought of our budget. But it does not stop there — that is just the business community and the ratings agencies, although obviously they are critically important when looking at the economic responsibility of the budget — because the support for our budget was more broadly based. An editorial in the *Age* reports:

Business, unions and social welfare agencies generally welcomed the budget, but the opposition warned that Mr Brumby was pursuing a dangerous strategy by pushing the state further into debt.

However, the international ratings agency Standard and Poor's said last night that the projected increase in net debt ... posed no threat to Victoria's AAA credit rating.

Similarly, the *Australian Financial Review* carried the headlines 'Robust finances well managed' and 'Brumby budget a win for business', and so it went on.

I am not saying this is a perfect budget — no budget is. We live in the real world where we have a range of complex demands that have to be satisfied from limited

resources. We try to do that to the best of our ability and satisfy the promises on which this government was overwhelmingly re-elected. It seems that the outside world, after reviewing whether we have done what we have said we were going to do and whether what we are doing is prudent, has given us a big tick of approval.

Similarly, and importantly, according to Cath Smith from VCOSS (Victorian Council of Social Service), the community sector's peak body, 'Public and community housing is the winner in this year's budget'.

That is just a brief preview of the sorts of response that this budget has received out there in the real world. If you read *Hansard* it is difficult to comprehend why we have had such a hysterical response from the opposition, except perhaps that it is because of its misery at continuing to occupy the opposition benches, which they will continue to do until they do the work, look seriously at the challenges that this state faces and put forward detailed and thoughtful policy responses.

I have been listening to the economic gibberish from the other side, and I have been asking myself — I am new to this place; it is not always easy to work out how everything works — 'Do they really believe this nonsense or are they just trying to hoodwink the voting public?'. I have to say that to date I had given them the benefit of the doubt; I assumed they were just liars. But now I realise that I am wrong. I realise that they are true believers.

The PRESIDENT — Order! The member should correct me if I am wrong, but did he say they were liars?

Mr THORNLEY — I said that I thought they were, President, but that I now realise I was wrong, because I have just got hold of a hot story. There is a surprise leak from the Nobel prize committee in Stockholm. It tells us that not only are those on the opposite side true believers but that they will be awarded the next Nobel prize in economics for inventing a new science called Torynomics — that is right, Torynomics. Move over Milton Friedman and monetarism, move over James Buchanan and public choice theory, move over Gary Becker and human capital — after all, they do not believe in those on the other side. Torynomics is something that really is revolutionising — —

Mrs Coote — You can do better than this!

Mr THORNLEY — I was hoping to get a rise; thank you. Torynomics is revolutionising economics, and it is about to be recognised by the highest authority. I am happy to say that I can also reveal that professors

Guy, Davis and Peulich will be the winners of this year's Torynomics Nobel prize — outstanding stuff.

Honourable members interjecting.

Mr THORNLEY — I hear howls of outrage from members on the other side, who think it could not possibly be true that such fine thinkers would get a Nobel prize in economics, but it is. I would like to outline the three key precepts of Torynomics that have driven this outstanding award. The first one is this: the numbers always get bigger. I have to confess that initially this did not seem like news to me. I had noticed that numbers get bigger over time. You only have to look at house prices, wage levels, the size of the economy and share prices to realise that is the case.

On average numbers get bigger over time. I suppose most of us thought that was a normal thing but apparently that is not the case, apparently that is incontrovertible evidence of economic mismanagement. I must confess that I have only seen the citation; I have not seen the detail. But why it is evidence of economic mismanagement at a state level but not at a federal level is unclear to me; nevertheless, it is. Here was I thinking that the numbers go up by about 6 per cent a year, all things being equal, given 3 per cent growth and 3 per cent inflation, which means that they double about every 12 years, and that the real issue was what the composition of the numbers was and whether the proportions of things were getting bigger or smaller or whatever. But now I realise that just the simple fact of the numbers doubling every 10 or 12 years is evidence of mismanagement — or at least it is at one level of government, if not at another.

That was pretty interesting stuff for me. But I think the more interesting insight into Torynomics is the second one. It has a rather uncomfortable acronym that I do not think will be a good brand in the future — that is, OMGIDFI. When I spell it out in full you will understand why it has got lively attention from the Nobel prize committee. OMGIDFI stands for — and I think you have to say it with some drama — 'Oh my God, it's debt-funded investment!'. This discovery ranks alongside the discovery of nuclear fusion and is possibly the most shocking, frightening and irresponsible thing ever invented by humankind. Imagine the implications, imagine the screaming headlines, such as 'Family goes into debt to buy house'. What a shock! We have debt-funded investment. We have never heard of it before!

Mr Barber interjected.

Mr THORNLEY — Mr Barber raised a point about BHP Billiton. I think this is a serious concern! I think that up until this Nobel prize the shareholders of BHP Billiton would probably have been reasonably happy that their share prices had trebled in the previous five years, but once they understand, as Mr Barber quite rightly pointed out, that ‘Oh my God, it’s debt-funded investment!’, they are going to be rising in the streets. It will not be safe to come out of the company’s headquarters in Lonsdale Street.

I happen to have here copies of the summary financials from a few BHP Billiton annual reports. I looked at it and at first I could not believe it myself. I thought, ‘How can these guys do what they are doing? Let me see: revenue for the year ending June 2006 was about \$32 billion. And right there on the next page, as plain as the eye can see — I cannot believe that people have not seen this before — under non-current liabilities, there are interest-bearing liabilities of \$7.6 billion, and under current liabilities, a further \$1.368 billion in interest-bearing liabilities — some 28 per cent of revenue in debt’. It almost reminds me of Bolte’s Bolsheviks, which I spoke of yesterday. Bolte’s Bolsheviks had nearly 60 per cent of state GSP (gross state product) in debt at one stage. Fortunately for all of us they were not aware of the new science of Torynomics, which makes all of this apparently irresponsible.

I thought that maybe BHP was just losing its way lately, and that it had got a bit cocky as it was doing very well, that maybe it had just started piling on the debt when it lost its discipline, so I went back and checked. I looked at its 2002 annual report. It showed revenue of about \$15.9 billion. It is a little harder to read in the old format, but I take it that the non-current creditors, I presume of more than one year’s duration, were at just under \$6 billion. There was a further set of short-term creditors, but some of them were probably trade creditors. To be conservative, let me just take the long-term creditors — \$6 billion over \$15 billion. Lo and behold, five years ago the company’s debt level was higher. Five years ago it had a ratio of nearly 38 per cent debt — at least on that conservative reading of the accounts — to revenue. What happened? As Torynomics might predict, complete disaster occurred — the stock price trebled.

Mr Barber interjected.

Mr THORNLEY — It is not safe to be at the headquarters of BHP; its shareholders will be rioting in the streets. That is the second precept of Torynomics. The third one — —

Mr Leane interjected.

Mr THORNLEY — I am glad Mr Leane asked what the third precept is. The third precept is true innovation. Innovation is, as members well know, the application of knowledge from one field to another field and is not necessarily an invention. This is not an invention, but it is a very clever application of knowledge to another field. In this case it comes from the world of the marketing of soap powder and other things known as fast-moving consumer goods, or FMCGs, and it is the concept of branding. The thing about a brand is, as I know honourable members would know, that you can take a relatively bland thing and by adding a brand to it you add value to it. You can take soap that is made by the same factory in the same way, and if you put the no-name brand on it, you can sell it for a certain amount, and if you put some fancy brand on it, you can sell it for a lot more. The brand adds value.

The concept of branding is commonly understood and started with Sunlight Soap about 100 years ago. The Americans mastered this stuff and really still own the core competence in relation to it, but they may not have realised the capacity to use this knowledge in a different field — in this case, the otherwise arcane field of federal-state financial relations. Simply by adding a brand you can add enormous value to something. Who would have thought it? Members will see the genius of this in a moment, because this is really outstanding and innovative stuff that is certainly worthy of a Nobel citation.

The federal government has been collecting most of the tax in this country for longer than any of us have been alive, and it has fed a portion of it back to the states — there is not much news there. There is no-one out there in the real world who could tell you the no-name name it used to give the payments to the states, so they did not really miss them when they were gone. There were no howls of protest when the feds suddenly stopped paying the no-name payments to the states. Why were there no howls of protest? Because those no-name payments were replaced with a payment that had a brand name — something that everyone had heard of; it is called the GST. All of a sudden you would think this was the fiscal equivalent of the virgin birth. Suddenly the feds are paying a pile of money to the states, like that had never happened before. Suddenly the states are — I had better repeat the exact brand name to get this right — awash with cash, because they are getting the same amount as they always got, or actually a little bit less as a share of the pie, but it has got a brand name so it must be worth more.

I congratulate the Tories on understanding the power of branding — you convert a no-name payment to the states to a brand-name payment to the states, actually reduce it as a share of the total pie, and yet tell the world the states have got some fantastic new deal, and best as I can ascertain a good portion of the world is actually believing them. Unfortunately some of the former real economists, the people who lived in the world before the citation for Tonymomics, did not find this quite so convincing, but I am sure they will be set right once the Nobel committee has brought down its judgement in the formal proceedings.

There is a fellow called Rory Robertson from a little-known outfit called the Macquarie Bank, who seemed to think that the new brand-name deal did not really change the underlying economics, and I quote:

... the strongly rising tax base in recent years still means Costello almost certainly now holds the record as Australia's biggest taxing Treasurer. ... Canberra's revenue/GDP ratio appears to be at or around multi-decade highs, on any credible measure'.

... if we strip out the GST revenue the commonwealth is providing the states to compensate for their loss of other funding as part of tax reform earlier this decade, 'Canberra's effective funding of the states is only 5.1 per cent of GDP, a three-decade low'.

Fortunately Mr Robertson will be set right by the Nobel committee, seeing the wider brand of wisdom and the genius of the innovation of branding in the new world.

There are a number of other things that I want to take note of in getting back out into the real world, away from the black-tie events and the million-dollar prize for the Nobel peace prize. I want to start talking about what really happens out on the ground when a budget arrives and starts delivering on the promises that we made. In my own electorate of Southern Metropolitan —

Mrs Coote interjected.

Mr THORNLEY — Mrs Coote is interjecting vigorously and I am sure that she, like me, is pleased to see some of the important investments in the Southern Metropolitan Region — for example, the stage 2 redevelopment of Bentleigh Secondary College, which is a \$6.2 million commitment; a complete redevelopment of the facilities at Elsternwick Primary School, of which I have spoken before, which is a \$4.3 million commitment; the modernisation of the Roberts McCubbin Primary School, which is a \$6.19 million commitment; a range of new traffic lights in Ashburton — important stuff — at \$400 000; the whole Yarra bike trail and Gardiners Creek trail upgrades as part of a \$4 million initiative to support the

bike-riding community and that valuable health-giving and environmentally sustainable mode of transport; and obviously the very important stage 2 redevelopment of Caulfield General Medical Centre for \$28 million.

I admit these sorts of things may not be as much fun in this chamber, where we can have hysterical debates and earn ourselves Nobel prizes for new forms of economics no-one has ever heard of, but out there in the real world this is the nuts-and-bolts, grassroots stuff that governments deliver to their communities to enable them to live, work and raise a family in the most optimal conditions.

There are a few more general things I want to touch on in the budget that should not be neglected in terms of the policy details. The first one — and I have talked about some examples — is generally the commitment to rebuilding schools. It was very clear for me, and I think for many others, that the turning point of the last campaign — the point at which it was clear that this government was going to be re-elected with an overwhelming majority — was when we made the simple but profound commitment to rebuilding every school in the state. In giving life to that commitment, in actually moving ahead of the schedule that people may have expected, this budget delivers in spades on that commitment, and we are now seeing that out on the ground in a range of schools right throughout the state.

The second issue, and I suppose the main criticism — no budget is perfectly well received — from the external commentators was about water. I think the *Age* editorial said, 'Broadly it is a good budget, but what happened to water?'. Of course the government said, 'We are doing some serious work on water. We are going to make sure that we have got the right answer, and then we will come out and explain what that will be and how that will work but we are going to do that within the budget time frame, because we want to make sure we get the right answer'.

The government has now done that and, again, to howls of protest from those opposite. The main protest seems to be — and it is an interesting concern to have — that opposition members thought of it first. That has been the main line, 'We thought of a desalination plant first. You guys did not think of that first. We invented desalination, really'. It the opposition's version of 'We invented the internet'. No-one had ever heard of desalination before the Leader of the Opposition in the other house threw it out in the middle of an election campaign, and — shock, horror! — everyone said, 'My goodness, desalination! Never thought of that! That is an extraordinary idea!'. Apart from the fact that the issue has been raised before by the opposition's own

admission — and I cannot remember whether it was saying it was Bolte or Hamer, but it was 30 years ago — desalination has been around for a while, so I am not sure that claiming credit for it per se is okay.

But let us look at the rest of the substance of the argument that the government stole the opposition's policy. Apart from the notion of stealing an idea which has been around for 30 years and which has already been implemented in various parts of the world and in this country, it got the wrong size, the wrong location, the wrong power source — and I suspect it probably had the wrong technology too, but I do not know that it even knew what technology it was going to be using.

Members of the opposition got the wrong size. If we are going to rainwater-proof our water system, we need to have a mix of sources that includes a significant component that is not impacted by rainfall. We know that the catchment area run-off that we had last year was of the order of magnitude of less than 10 per cent of our long-term average, and that is a terrifying prospect. It is a reality of climate change that we have been focused on and talking about for a long time. About six months ago, as I recall, those opposite suddenly saw the light on the road to Damascus and discovered that that reality of climate change was an issue, and now they are fast playing catch-up to come up with something.

If they had discovered climate change only six months ago and then desalination, they might have considered that they had thought of desalination first. It is understandable that if they had not focused on the problem, they might have believed they thought of desalination first. I guess we all do that on occasions when we are new to a topic area. The joy of revelation springs upon us, and we think we are the first person in the world to ever think of something.

Members of the opposition may genuinely have thought they were the first people in the world to think of desalination, but unfortunately the plant was the wrong size and it was going to be in the wrong locations, at Werribee or in Western Port. In either case you would do irreparable damage to the marine environment, because you would not have an ocean outfall. There was no commitment to have renewable power to fire up a plant, so they were going to pump out more greenhouse gas emissions. In fact there was a parallel commitment to tear up the renewable energy target. Far from a commitment to having renewable energy powering the desalination plant, members of the opposition were going to tear up the existing commitment to having renewable power.

They had the wrong-sized plant in the wrong location with the wrong power source, but apart from that members of the opposition would have it that government members copied their policy verbatim, except for a question which I have asked a few of them but to which they do not seem to know the answer. I asked members of the opposition, 'Which technology were you going to use? Were you planning to use an uninterruptible power desalination plant, or not?'. I could not get an answer from any of them. They did not seem to know.

That is an important issue, because if you use an interruptible power plant, that enables you to switch the thing off for 3 per cent or 4 per cent of the year when the peak load is coming through the grid. It means you have a plant that is on for 97 per cent of the time as opposed to a peak-load electricity generation plant that is on for 3 per cent of the time. I do not recall them mentioning that part, but I guess again that the shock of revelation about climate change and desalination may have blinded them to the details.

The third element of the budget that I think cannot pass without further comment is the commitment the government has made to public and social housing. This is important at a whole range of levels, including at a social justice level and at an economic level. It tells us a profound thing or two about the nature of the different philosophies in this house and the different understandings of economics we have. The federal government — the only conservative government that we can look to for any advice as to what its current philosophy is, because it is the only one in government in Australia — has a very simple view of the world.

The federal government says, 'If there is a problem out there, what you do is give people cash and more cash to help them buy more of whatever it is they are buying'. Some of us with a pre-Torinomics understanding of the world would have thought that if all you do is add to monetary demand and you do not add to supply, all you are really going to do is put prices up. People would be no better off, and the owners of the assets would pocket the change and thank the taxpayer for the privilege. I guess maybe there will be another citation on this one too, to explain why that is not the case.

It is a pervasive thought. If there is a shortage of child care, you do not actually put the money into investing in new capacity, and you do not actually grow supply. You throw money at people and tell them they should go and buy more of it with more money from the same source. So you have the same supply, more money in people's hands, the price goes up and Eddie Groves and the ABC Learning boys make another couple of billion

dollars in market capital, their shareholders are happy, the taxpayers get stung and people seeking child care are no better off.

Mr Lenders interjected.

Mr THORNLEY — Who is on the board of ABC Learning? None other than Mr Anthony, the former federal member for Richmond, as I recall — —

Mr Barber interjected.

Mr THORNLEY — Indeed, he is a former federal Minister for Children and Youth Affairs. It is the same thing in housing: conservative politicians say to themselves, 'There is a problem with housing. What will we do? We should be throwing more money at it; that is the only answer. Give people bigger vouchers'.

We had the same thing in education. Conservative politicians ask themselves, 'There is a problem with literacy and numeracy. What are we going to do? Give people vouchers'. A voucher for this and a voucher for that — that is the Tory economic philosophy. They say, 'We take a pile of money out of your pocket with one hand and we give it back to you in branded cheques with the other hand so you can go and buy the things you could have bought anyway before we took the money off you. We do not actually build anything'.

Conservative politicians do not believe that the purpose of government is to take a share of the community's resources, aggregate it, get some scale and build things that last and which individuals cannot have. They say, 'We will give them vouchers to go and buy their own'. They say, 'You do not want a new national park! Here is a voucher. Go and buy a share of one. You do not need a new child care centre. Here is a voucher. Go and pay more for the same one that you already could not get into'.

With affordable housing, they say, 'We will give you more money. That is fantastic! Here is a bigger cheque. That's funny; all the people who showed up at the auction had the bigger cheques too, and funnily enough the price went up by the same amount'.

If you do not increase supply, you do not achieve a thing.

Mrs Coote interjected.

Mr THORNLEY — I am talking about the state issues. I am glad Mrs Coote has raised the state issue, because the state issue here is social and public housing. Here is the genius of it: not only do we provide low-cost housing for the people at the lower

end of the market, not only are we providing the investment in history to support people who have a limited capacity to pay for their housing but what do we think that does to the rest of the housing market? It increases supply, which increases affordability for everybody else; because we put the supply in at the bottom end of the market, that increases supply and helps make it more affordable at the next tier.

Fancy doing that! Fancy actually increasing supply and building things instead of writing people cheques with John Howard's photo on them and telling them that they should be grateful for getting their money back minus clipping the ticket on the way through — fancy adopting that approach!

Let me give another example of the interesting economics from the other side. Let us talk about WorkCover. Again, there has been a universally applauded reduction in WorkCover premiums for the fourth time in a row, is that not so?

Mr Lenders — Yes.

Mr THORNLEY — Thank you, Minister Lenders. For the fourth time in a row there has been a 10 per cent reduction in WorkCover, and what has caused this? It has been caused by a reduction in claims. What caused the reduction in claims? It was caused by a commitment to workplace safety and a reduction in accidents. When we started campaigning to ensure that people were safe at work, that they did not come home in a box, that they did not come home damaged and injured and that employers took responsibility for ensuring that for the very people who make their businesses prosper, we had howls of hysterical protest from the other side. What is the result? It is less injured workers, lower costs and reductions in premiums for business and everybody wins. That is the nature of investing in people: everybody wins.

That is the genius of our side of politics. We invest in human capital and in people, and when you do that you get social justice and prosperity. If you listen to a few of the other Nobel prize winning economists who have actually got the gong from Stockholm, that is what they will tell you. If you listen to Gary Becker, he will tell you that for every year that you increase compulsory schooling, you will see, on average, a 1 per cent increase in GDP (gross domestic product) for the subsequent decade. What was the greatest economic reform of the Hawke and Keating governments? It was increasing school retention rates from 33 per cent to 80 per cent in a decade. The subsequent decade saw the era of growth that was brought forward by that and all the other reforms.

What does James Buchanan say? What does James Heckman, another Nobel prize winning economist, say? Heckman says that early childhood represents the single greatest asset class that we can invest in and generates the single strongest returns. He cites the Perry child-care study from inner-city Chicago. In the late 1960s the Perry Preschool project took a group of very disadvantaged kids and gave them a real chance, gave them real support and gave their parents real support — intervening in a material way to improve their lives — and then kept track of them for 30 years. As good scientists, the researchers kept track of another group of kids who went their way without that assistance. What did they find? What does Heckman tell us they found? He tells us that for every \$1 you put in to helping those disadvantaged kids, you get \$9 back. If you had put it in the bank you would have got 5 per cent compound interest per annum; by investing in these kids, you got 16 per cent compound interest per annum for the 30 years. That is what it means to invest in people; that is what our business is about.

Thus we put forward a comprehensive plan to the federal government, and we got its support a year ago for the national reform agenda, the third wave of economic reform in this country. Unsurprisingly it was supported by all — by the Business Council of Australia, the Australian Industry Group and indeed by the Productivity Commission, which said, ‘Goodness me; if we really do this properly this could be worth up to 9 per cent of GDP over the next 25 years’ — which compares to the 2 per cent GDP benefit we got out of domestic competition policy, which was the second wave of reform.

The latter was an important wave of reform led by Labor governments which had a big and positive impact on the economy, but this is a much bigger prize, because if we invest in our people, if we give the most disadvantaged people a chance, not only is that good for them but guess what else happens? Productivity in the workplace and participation in the workforce go up, because you have taken people who are on the margins and given them a real chance to advance themselves. As a consequence, according to our understanding of the world, because we are all interconnected, when they are advancing themselves we are all benefiting.

We put forward a plan. The states delivered their plans as they all agreed to do at the Council of Australian Governments — and what did the Prime Minister have to say? Yes, the competition reforms are good — and they were; they were worth 2 per cent of GDP — but when it came to human capital investment, the Prime Minister was not as sure about that as he had been a year ago. He is not so sure now that that stuff really

works. He must have got the leak from Stockholm about the new Torynomics, because all the old Nobel prize winners, all the old Chicago schoolboys I am relying on, actually seemed to think that investing in human capital was really the most important thing you could do. This government relied on that idea and so did every other government, so did the Productivity Commission, so did the federal Treasury, so did everybody else — but not the team from Torynomics. They decided to give it up.

This is a good budget, and we have made major commitments to investing in our people through their schools, through their health care, through preventive health care and through things like workplace safety — a whole range of things where you put a dollar in and you get a lot more dollars out. You improve people’s lives and you build economic growth. The alternative from the other side is fourfold Torynomics, three parts of which got a Nobel prize earlier this morning and one part of which did not. It involves hysterical ranting about the fact that numbers get bigger regardless of what proportion they are, when we all know that the numbers get bigger and double about every 12 years.

We get endless lectures and endless telephone book numbers, such as: ‘This number was only \$5.37 billion a decade ago and now it is \$10 billion’, and, ‘Oh my God, the world is going to come to an end!’. You could give the same lecture on every set of numbers in the federal budget, because it is based on the same stuff — 3 per cent inflation, 3 per cent growth and 6 per cent compound growth. The numbers double about every 12 years. The new news is that it matters in terms of whether or not there is economic mismanagement. Although it seems to matter it is a bit postmodernist; there is no objectivity here anymore. It is all a text that needs to be deconstructed. It depends on who was doubling the numbers every 12 years as to whether it is economic mismanagement or not.

Mrs Peulich — It is about getting a bang for your buck. That is what all that was about.

Mr THORNLEY — We had the third function of Torynomic, which is branding, and I think that is really the coup de grace. You take a no-name payment, you give it a brand name and suddenly it is worth more. Suddenly the states are awash with cash, notwithstanding Rory Robertson.

I turn to the issue where I think we were most concerned and about which the shareholders are gathering. We are going to get some rabble-rousers, and I am sure Mr Barber will assist us in getting the rabble-rousers — the shareholders of BHP Billiton —

marching in the streets and barricading the doors. Fancy tripling your shareholder wealth by the simple expedient of debt-funded investment. Shocking stuff! Fancy a government ensuring that there was enough infrastructure investment through a sensible blend of public and private finance. Fancy that! Fancy investing in people, the single asset class that delivers more than any other. The voting public did fancy that, and it re-elected this government with an overwhelming majority.

The people in the outside world looked at the budget. They did not give it 100 per cent. They did not give it absolutely AAA, apart from the ratings agencies, which certainly did, but they said, ‘This is a pretty good budget, and if there is one thing we would like to see more of, it is water’ — and we came back with that. What we did not do was put the wrong plant of the wrong size in the wrong location with the wrong power source. I commend the budget to the house.

Mr VINEY (Eastern Victoria) — It is a pleasure to speak on the 2007–08 budget, a budget that continues the work of the Bracks Labor government in building Victoria, building for the future and creating an economic and social environment that Victorians can be proud of. I listened during the debate yesterday on the general business motion to the contribution of Mr Atkinson, who responded to Mr Thornley’s comments about the Kennett government by saying that every government exists in its time. He defended the Kennett government as a government that existed in its time and was constrained and controlled by the issues it faced at that time. That is an interesting defence.

What can be said of the Bracks government is that it is a government that has taken hold of the time it is in and made absolutely the best of it that it could. This is a government that came to office at a time — to use Mr Atkinson’s terms — when Victoria’s assets had been privatised or downgraded and when its human capital and human assets, to which Mr Thornley was referring, were not respected and not regarded.

That was the time this government came into power, that is what this government has responded to, and that is what is reinforced in this budget — a government that came in and said, ‘We need to protect the assets of the state and build on them’. We need to respect the human resources of the state and grab that opportunity of the immense ability of the human capital of this state and build on it for the future; invest in it and allow the human capital of the state to make the great advances that we have seen over the last seven or eight years under this government.

There have been decisions by the Bracks government to do things such as invest in our education system; invest in our health system; invest in our infrastructure; and invest in the community safety of the state. Those decisions have resulted in vastly improved outcomes and outputs for this state — decisions such as investing in community safety which has resulted in Victoria now having the lowest crime rate in Australia; investing in our education system that sees Victoria leading Australia in terms of retention rates, literacy and numeracy rates in our education system; and investing in our health system that has seen great results coming through with improved output measures.

That is in stark contrast to the approach taken by the other side of politics. While we sometimes refer on this side to the record of the Kennett government, and members opposite find it very difficult to listen to those little reminders every now and again, we can also say that it is not simply the record of the Kennett government that tells us what is the conservative approach to investing in this state and in this country but the record of the Howard government that goes to the difference between our approaches to budgets and investment.

This budget has seen one of the largest investments in capital infrastructure that the state has ever seen. You have to go back to some of the investments of governments 40 and 50 years ago to get to the equivalent levels of this sort of capital investment, such as \$3.3 billion for capital works with \$13 billion over the next four years; \$1.5 billion of savings to Victorian families and businesses in cuts to tax; \$904 million for a record boost to the state’s schools, delivering \$555 million for the first stage of the biggest school rebuilding program in Victoria’s history; \$872 million for major public transport upgrades; and \$1.9 billion for health services and hospitals.

One example in the area of health is the Frankston Hospital, which services the Mornington Peninsula, part of my electorate, where an additional \$45 million has been allocated for the next stage of works, adding to the 100-bed redevelopment of the hospital that started in 1999. Going to the heart of my original point; in 1998 when I was arguing for more beds and investment in the Frankston Hospital, at the same time the Kennett government was saying that it was not necessary, that they were not needed.

Coming back to the heart of the different approach that we take — a government on this side of politics that invests in people and in social infrastructure — that is what distinguishes this government from the other side of politics.

Mr P. Davis interjected.

Mr VINEY — I appreciate being given the opportunity to get on the record the kind of approaches the Kennett government took — glossy brochure after glossy brochure spruiking cuts and presenting the closure of schools as a quality provision process, sacking teachers and coppers —

Mr P. Davis — On a point of order, President, the member has just been attempting to mislead the house during the course of debate by making a claim about the Kennett government sacking teachers. The Kennett government did not sack any teachers; in fact the Kennett government offered voluntary redundancies.

The PRESIDENT — Order! Mr Davis knows he cannot debate during a point of order. I do not uphold the point of order.

Mr VINEY — Mr Davis's side of politics, in the lead-up to this debate we are now having, asked for me to follow Mr Thornley so that he could go last. Mr Davis will have plenty of time in his contribution to respond to anything I say. I was planning to respond to him, but through courtesy, I let that occur. I appreciate you, President, not letting him continue to interrupt my contribution.

It was the Kennett government that spent countless millions of dollars turning negatives into positives. Any public relations this government has been doing has been about spruiking the things that we are doing for Victorians, and they are countless. David Davis mentioned water. Here we have one of the biggest investments in securing Victoria's water supply in our history.

Mr P. Davis — How much did you spend on PR this week?

Mr VINEY — The last time an investment of this sort of magnitude occurred was when the Thomson Dam was built. This is the kind investment, and it goes to the heart of the difference, that this government puts into the social, community and physical infrastructure of this state. That is reinforced in this budget yet again — the biggest capital investment in this state's history over the next four years in the budget outlook.

What we are doing in this budget is a continuation of the process. As Mr Atkinson said in his contribution during a general business motion yesterday, every government exists in its time in defending the Kennett government.

This government exists in its time. It came to office when the Kennett government decided that it was going to run down the state's assets. That government was going to run down its investment in human resources of the state in order to build up a big surplus of \$100 billion. The Kennett government thought it was going to rule forever. It went to the 1999 election with a big surplus that it had not spent. It thought it would be able to spend that surplus in the subsequent period leading up to the next election so it could guarantee itself yet another term of office. But the people of Victoria saw right through that: they wanted a government which was genuine about investing in its people, investing in the community and investing in infrastructure.

We have made our biggest investment in the education system. Since we came to office in 1999 we have rebuilt schools in this state. There will now be the biggest investment ever in water infrastructure, and we will make massive investments in roads, hospitals, community safety and emergency services. An extraordinary number of police stations have been opened in this state. I will use Mr Atkinson's words about a government existing in its time and say that at this time we have a government that is investing in its people and its infrastructure. Philip Davis can complain all he likes about the information that the government ensures the community has, particularly in relation to water investment. Every Victorian is concerned about this issue, and the government that has looked at it carefully, thoroughly and comprehensively. The government has rightly decided to invest in projects like the connection of the whole of the state to the water grid and pipeline networks so that water can go where it is needed at the time it is needed. The government has taken a comprehensive and strategic approach to the issues facing the community. The government is committed to some serious approaches to climate change, unlike the climate change sceptics on the other side of the chamber.

Mr P. Davis — Name them!

Mr VINEY — I remember during the last Parliament Mr Davis coming into this chamber when we were talking about climate change and saying that Victoria did not need to do anything about greenhouse gases because anything we did would be overwhelmed in a day by China and India. I said at that time that his argument was morally bankrupt and that as a state we still had an obligation to address climate change. As a government we have been investing in those sorts of issues and responding comprehensively and strategically to the needs of the community. This budget continues that process.

I congratulate the Treasurer on another great budget. It is a budget that delivers capital infrastructure in a fiscally responsible way with a continuing operating surplus. I commend it to the house.

Mr P. DAVIS (Eastern Victoria) — Thank you, President, for the invitation to respond to Mr Viney, who has been enormously provocative. I will respond directly to some of the comments he made. Firstly, it is an absolute outrage for a member to persistently come into this chamber to pedal misinformation and spread lies about the policies of previous governments. For the record, the Kennett government offered voluntary redundancies to a number of public servants to deal with the budget crisis it inherited from the previous Labor government. The result of this was that 9000 teachers made their own choice and voluntarily departed the education system. Those 9000 teachers took voluntary departure packages, and not one of those teachers was forced to resign.

In his speech Mr Viney further misled the house in relation to the government's performance on water. Less than two months ago the member voted against a motion in this house to deal with the water supply crisis in Melbourne and Victoria. The Liberal Party proposed that we establish a select committee to deal with the augmentation of Melbourne's water supply by considering a desalination plant. The honourable member, who cannot bear to hear this criticism and will no doubt leave the chamber to avoid being embarrassed by it, not only voted against the motion but supported the government's election policy of opposing the development of a desalination plant. Having said that, I note that now the government is committed to spending \$1 million in 10 days on promoting its about-face in establishing a desalination plant.

The figure of \$1 million is an interesting one because of the government's priorities. This figure rang a bell: I had heard a \$1 million figure previously mentioned, and I remembered that it is the total sum earmarked in the budget for the government's commitment to establish two new selective entry schools. So \$1 million dollars is to be spent in 10 days on media advertising versus the \$1 million commitment to build two selective entry schools. This is a farce; the government is full of hypocrisy. The member is hypocritical in asserting that the government is committed to education, because the evidence is quite to the contrary.

The comments that I will make on the budget will be essentially about the education portfolio, because I want to highlight the inconsistencies of the government's education policies and the inconsistency of its approach to education in the budget. This is a budget of missed

opportunity. The government did not take the opportunity in this budget to fix the sliding standards in numeracy and literacy. The budget was an opportunity for the government to establish policies and programs to address the discipline crisis in schools and to eradicate the swelling maintenance backlog, which has doubled under Labor's watch. Instead the budget ignores these problems.

Since coming to government in 1999 Labor has systematically undermined the school system in Victoria and left education in a precarious position. Despite the unaccountability and lack of transparency of the government and the impossibility of obtaining information, even through the smoke and mirrors of freedom of information requests there remains statistical and anecdotal evidence that reveals the truly poor state of Victorian school education.

In 1999 Labor was elected on a pledge to put a cap on class sizes in government schools at 21, from prep to grade 2. It was a commitment that underpinned its entire education policy for that election. Eight years on and 63 per cent of schools recorded an average class size of above 21 between prep and grade 2. Eight years on and classes as large as 33 are not uncommon. Eight years on and 43 per cent of principals in government schools recorded average class sizes of between 26 and 29. What was the word I used before? Hypocrisy. It is writ large right across the Labor Party's manifesto.

Labor has failed to honour its pledge, but this is only the tip of the iceberg. There is a plethora of condemnatory evidence that more adequately reveals where Labor truly prioritises education policy. In key areas of maintenance, resources, literacy, numeracy, standards, student safety and discipline, Labor has failed whilst preaching education as its no. 1 priority.

There is no specific initiative in the budget to eradicate the schools maintenance backlog, which at 30 June 2006 was conservatively estimated at \$268 million. Since 1999 the maintenance backlog has doubled, from \$130 million. This is in sharp contrast to the Kennett government's handling of the backlog maintenance issue. The Kennett government inherited a maintenance backlog of \$670 million and reduced that figure to \$130 million over its seven years in office. Maintenance was identified as a major issue by the vast majority of school principals in Victoria. An Australian Education Union survey revealed that 77 per cent of principals had urgent maintenance needs at their schools. A senior lecturer in education at Deakin University, Dr Rod Maclean, when asked in the *Geelong Advertiser* about the state of school buildings in Victoria, responded:

Many ... are of Third World standard. Funding in the state budget is welcome, but there is a 25-year backlog.

Since taking the shadow education portfolio in December last year, I have been visiting a large number of schools, as I know the Minister for Education has been doing as well. I have seen, as I know he has, the dilapidated condition of classrooms and playgrounds in Victorian government schools. I have seen schools comprised solely of clapped-out portables, with rat-infested toilets and holes in walls. Without exception, I have noticed that the actual maintenance work needed to bring any of the schools visited to an acceptable standard is at least five times more than the figure the Department of Education quotes as the maintenance backlog figure. On that calculation, a rough estimate would put the maintenance backlog figure at closer to \$1.5 billion, yet the government has not made any commitment in the budget to eradicating the backlog.

The government's election policy platform, the Victorian Schools Plan, is worth considering. Instead of dealing with the backlog in maintenance the government has pledged to modernise 500 schools by 2010. But the question is: how seriously can we take the claim? Labor has failed to honour the Victorian schools plan election pledge by not funding in the forward estimates beyond 2008–09 the commitment it has made to upgrade 1600 schools over 10 years, or indeed 500 schools just in the forward estimates period. In fact, the only funding available in the budget is for 131 schools, and there is no funding available for the requirements of meeting the election policy commitment. We can only presume that Labor's failure to fund this project in the forward estimates is because such a commitment would add to Victoria's increasing debt or, worse still, Labor's lack of confidence in its economic management, which therefore explains its reluctance to publish a figure in the forward estimates — because it might look like it will run out of money.

The budget states that 131 schools will be modernised or rebuilt in the next two years, which leaves the government two more years to rebuild 369 schools. Labor was elected on a pledge to rebuild every school in 10 years, and it is already under challenge in regard to its commitment to meet that obligation. Under question from the opposition in Parliament the minister has said that by investing in rebuilding programs the government is 'removing the need for maintenance for a short time'. What needs to be ascertained is what the government believes to constitute a school rebuild.

The minister has acknowledged that there are, for instance, 40 schools listed in the budget that will receive as little as \$300 000. It appears that the government claims this will be part of the modernising and rebuilding program. More often than not \$300 000 would not even cover the basic maintenance costs, much less rebuilding a whole school. Again I refer to the description, I guess, that I use of the government's policy commitment — that is, hypocritical.

We can see in the sweeping promises and pledges made ahead of the election in respect of the Victorian Schools Plan the depths that the Labor Party will go to in electoral terms to secure voter support. There are many examples that I have seen personally, and which have been reported to me, about expectations of receiving financial support for redevelopment or modernisation programs and applications that had been nominally endorsed by regional officers, but in fact have been unfunded.

Examples are: Lloyd Street Primary School, Koroit Primary School, Darnum Primary School, Trafalgar Secondary College, Nar Nar Goon Primary School, Buln Buln Primary School, Doncaster Secondary College, Reservoir West Primary School stage 2, McKinnon Primary School, Tawonga Primary School, Surrey Hills Primary School and Greythorn Primary School stage 2 — and there are others; the list keeps growing. These schools were promised funding in this budget but in fact have missed out.

Labor's strategy is clear: wave a carrot in front of the donkey, secure the vote and then break the promise after the election. The strategy of benefiting Labor and letting students and communities down will bring the government into disrepute.

There is a further example of the mishandling of the redevelopment program in the Bendigo education plan. The people of Bendigo were promised a complete overhaul of secondary education in the Bendigo area. The project was supposed to be a centrepiece of the budget, but breathtaking mismanagement of the project has resulted in a project without a site and with a plan which is now down the drain. Even the Minister for Skills, Education Services and Employment in the other house, a local member in Bendigo, Jacinta Allan, has conceded that the failed deal will delay the school's opening in 2009. All of this demonstrates the lack of commitment and consistency in the program with regard to rebuilding and redeveloping our schools.

I will raise an issue which is of great concern to many communities — that is, the increasing reliance by the government and schools on funds raised by the

community. The budget puts pressure on families to pay additional voluntary fees, because there is a lack of sufficient funding to support programs in schools, which means that parents are forced to pay for services as basic as clothes lockers and access to first-aid officers. It is, I believe, totally inappropriate that parents are being put in a position by school principals, and indeed that school principals are put in that position, by their own need to provide appropriate services to pressure the school community to raise funds locally.

There is one example I will mention which I found horrific, frankly, when I was visiting a primary school. I found the prep to grade 2s all lined up in a very long row, gradually being walked through the teachers common room to pick up their box of chocolates that they were expected to sell to make a profit to raise money for the school. On the one hand we have a significant investment in healthy lifestyles and educating children about the issues of appropriate behaviour in terms of exercise and healthy eating; at the same time the pressures that are imposed on school communities are forcing them to put pressure on children to behave, frankly, inappropriately in regard to their own long-term understanding of their health.

There are some examples I have seen where schools have talked to me about the pressure on them to raise money through chocolate drives, debutante balls, fetes and so on, where each has to raise in the order of \$100 000 a year to ensure they can supplement the funds provided by government to enable them to deliver the adequate level of support within the schools.

Labor has failed in literacy and numeracy. Labor had an opportunity in the budget to attend to the appalling numeracy and literacy standards that have continued to decline since it took government eight years ago, but there is not a single initiative in the budget committed to addressing declining standards in our schools, and the evidence is overwhelming that across the board Victorian students are falling behind.

The most recent report of the Program for International Student Assessment — that is, PISA — recorded that Victoria was the worst performing state in mainland Australia in literacy and numeracy. Universities in Melbourne have been establishing remedial courses to properly educate students on how to write and spell because the standard is so appalling.

Instead of remedying the crisis, the state government is withholding information about the actual standard and falsely reassuring parents that Victorian children are performing well by publishing results from the AIM (achievement improvement monitor) tests. The

government uses the results of the AIM test, which record the percentage of students that pass an impossibly low standard — a standard that is agreed to by the educators in the Department of Education who are charged with the responsibility of making the government look good — and this misleads parents into thinking that all is well.

The evidence that families will not be fooled is in the drift from government schools to non-government schools. That is a very significant drift, which is increasing. Enrolments in government schools are declining while enrolments in non-government schools are increasing. The recently published ABS (Australian Bureau of Statistics) figures reveal that those numbers in 2006 were 518 students down in government schools compared to 4406 up in non-government schools.

There is certainly a lack of accountability in government schools because schools are under no obligation to publish the academic results of their students. As a result there is no simple, public disclosure about standards where interschool and intraschool comparisons can be made. Therefore parents are making decisions about the educational futures of their children without sufficient information to make an objective decision. In effect that removes the opportunity of choice. The threshold issue for parents is to make a judgement about where their child will be best suited to receive an education. Clearly an arrangement where the government required that all data in respect of school performances be transparent would enable all parents to make an appropriate choice and ensure that at the very least they had the opportunity to receive the most appropriate education for their child.

At the present time parents have no real idea about the schools they are sending their children to. They have no understanding about the disclosure of teaching standards, the resources and school values. It seems that the only choice therefore available to parents is to move their children from the government system to a non-government school. Many of those parents would not make that choice had they the data available to them to have confidence that state schools are great schools. It is truly something that we in this chamber aspire to achieve. I go back to my original proposition: where in the budget are the initiatives to address the drift, to improve accountability, to improve and provide for choice?

In respect to discipline, it is important to note a recently published KPMG audit into student discipline in Victorian government schools revealed that student suspensions resulting from serious incidents —

including bullying, violence against teachers and racial discrimination — has increased from 14 289 in 2002 to 16 549 in 2005.

Labor's record on student discipline in all schools makes for salutary reading. Between 2000 and 2004 alone, under a Labor government, substance abuse in Victorian schools rose 160 per cent; physical threats rose 317 per cent; sexual assaults rose 123 per cent; physical assaults rose 219 per cent; and assaults with a weapon rose 76 per cent. The government cannot be surprised by this file of shameful statistics when there is simply no specific initiative to tackle the crisis in student discipline.

Take, for example, drugs. The government's handling of recent high-profile incidents in various non-government schools revealed the great disconnect between government policy, the police, and the community expectation about drugs in schools. When questioned, both Premier Steve Bracks and the Minister for Education, John Lenders, said independent schools were under no obligation to report to the police any drug dealing on school grounds on the basis that independent schools operate like private businesses.

The deputy commissioner of Victoria Police, Simon Overland, has been quoted in the press on two occasions demanding that non-government schools immediately report incidents of drug use and drug dealing to the police. A 24-hour phone and online poll in the *Herald Sun* revealed that 90 per cent of respondents voted that private schools should be made to report school drug dealing to the police.

Police comments and community statements echo the opposition's substantive position that if schools are not required by the government to report incidents of drug-related crime, then schools will not disclose such incidents in order to protect their reputation — just like a private business. Regardless of where drug deals are conducted, it must be made a requirement by the government for private or public organisations to report such incidents to the police. This is particularly the case in a school environment where children are often afflicted with the scourge of illicit drug-taking, which can ruin or end their lives. Where in the budget, or indeed in policy, has the government set up a specific initiative or programs to deal with drug use, or, indeed, discipline in schools? And why will the government obdurately refuse to mandate reporting of drug deals on school grounds to the police?

I turn to the issue of teacher supply and demand. The *Teacher Supply and Demand Report* for 2006 makes an interesting read. We are in the midst of a teacher supply

and demand crisis. I am sure I will have no argument with the minister. The question is, what is Labor proposing to do to stem the rate of teacher attrition, which was at 4.2 per cent in 2005 in government schools, with new teaching staff requirements in Victorian schools forecast to average 3220 teachers each year over the next five years, with secondary teachers in greatest demand?

The age profile of our teachers continues to increase. The single biggest age group — 22.8 per cent — of government sector trained service staff is the age group between 50 and 54 years. This obviously has implications in terms of further attrition. The question arises: where in the budget is the initiative to retain quality teachers and boost enrolments in teaching education courses at university? Where in the budget is the initiative to implement a new salary structure for teachers that rewards and retains the best and ensures that teachers are encouraged to stay in the system? What incentive is there for quality teachers to remain in the job?

This is a disappointing budget, and it is a budget of missed opportunities. Notwithstanding its framework, in my view the budget highlights the incompetence of the government in regard to its fiscal management. In summary, spending is at a record level and has grown at an unprecedented rate under Labor, rising from \$18.2 billion in 1999 to an estimated \$33.9 billion in 2007–08 — an increase of over 86 per cent.

There is no substantial expenditure on infrastructure in the budget, particularly in water, yet we have had an announcement this week of a \$5 billion water package, which is apparently unfunded; it is certainly unfunded in the budget. The best the government can do is spend \$1 million promoting the policy announcement. It would appear to me that the state government is very good at spending money on marketing and promotional campaigns but less effective at dealing with the necessary investment in the long-term infrastructure to secure the future of the state.

The budget is not bad, though, on revenue. If we look at the basic data, we see that Labor has been able to record revenues from taxes over its term of office. Indeed it has unprecedented resources but still fails to deliver on services. Since 1999 revenues have grown by more than 80 per cent — from \$19 billion to an estimated \$34.3 billion in 2007–08. Victoria will have received more than \$57 billion in GST revenue by the end of 2007–08, with \$9.1 billion expected in that year alone. I remind members of how strongly the Labor Party campaigned against the introduction of the GST and the boring monotony of the commentary made in this place

in a previous Parliament by members of the Labor Party in respect of the federal government's initiative to rationalise Australia's taxation system.

Land taxes grew well over budget in 2006–07 to \$890 million, which is 135 per cent above the 1999 figure. Insurance taxes are estimated to have risen by \$114 million since 1999 to over \$1.1 billion in 2007–08. Stamp duties have skyrocketed 184 per cent, from \$1 billion to \$2.9 billion in 2007–08. Victoria still has the highest stamp duty of any state. Payroll tax will have jumped over 60 per cent, or \$1.4 billion, to \$3.6 billion in 2007–08. Police fines are to quadruple to over \$400 million from 1999. Gambling taxes are estimated to rise to over \$1.5 billion in 2007–08.

In conclusion, I make the point that this is a budget of lost opportunities, of cynicism and of hypocrisy. While the budget was being drafted the government was campaigning and railing against augmenting Melbourne's water supply with a desalination plant. The government voted in this place against a desalination plant and provided no capital funding for it in the budget. Then, not much more than a month later it has made a public policy announcement about the construction of the plant. I believe that in due course the government will be judged by the community of Victoria for its dishonesty, for its hypocrisy and for its incompetence. But in any event, public servants need to be paid, and I daresay the budget will pass.

APPROPRIATION (2007/2008) BILL

Second reading

Motion agreed to.

Read second time.

Third reading

Mr P. Davis — Great enthusiasm!

Mr JENNINGS (Minister for Community Services) — I thank the Leader of the Opposition for identifying my great enthusiasm to support the budget of the state of Victoria going forward. In so doing, by leave, I move:

That the bill be now read a third time.

Motion agreed to.

Read third time.

Remaining stages

Passed remaining stages.

BUDGET PAPERS 2007–08

The PRESIDENT — Order! The question is:

That the Council take note of the budget papers 2007–08.

Question agreed to.

VICTORIAN AUDITOR-GENERAL'S OFFICE

Performance audit

Message received from Assembly seeking concurrence with resolution.

Assembly's resolution:

That under section 19 of the *Audit Act 1994* —

- (1) Mr John Phillips of Acumen Alliance be appointed to conduct the performance audit of the Victorian Auditor-General's Office;
- (2) The level of remuneration for the performance audit be \$199 500, exclusive of GST, plus a 2 per cent administration levy; and
- (3) The terms and conditions of the appointment and payment of remuneration will be in accordance with appendix 2 of the report of the Public Accounts and Estimates Committee on the appointment of a person to conduct the performance audit of the Victorian Auditor-General's Office (parliamentary paper no 23, session 2006–07).

Resolution agreed to on motion of Mr JENNINGS (Minister for Community Services).

Sitting suspended 12.15 p.m. until 2.02 p.m.

QUESTIONS ON NOTICE

Answers

The PRESIDENT — Order! Philip Davis has written to me seeking my ruling in relation to a number of answers to questions on notice concerning expenditure on vocational, primary and secondary education in Victoria. Consistent with previous rulings I advise the house that it is not sufficient for a minister to answer a question on notice by advising that the information sought is the subject of a freedom of

information request. I therefore direct that questions numbered 191 to 197 be reinstated to the notice paper.

QUESTIONS WITHOUT NOTICE

Education: tendering process

Mrs KRONBERG (Eastern Metropolitan) — I direct my question to the Minister for Education, John Lenders. I refer to the Auditor-General's report on contracting and tendering practices. Two out of three Department of Education contracts that were audited were found to be deficient when assessed against good procurement practice. What has the minister done to rectify the serious deficiencies in the tendering process of the Department of Education, which is something he obviously missed doing when he was Minister for Finance four years ago?

Mr LENDERS (Minister for Education) — I knew this was coming; Philip Davis has his red tape tie on again today.

Mr P. Davis — Purple tape — on the Auditor-General's report.

Mr LENDERS — He has his red tape tie on again today. I will in good grace, as the minister representing the finance minister, take the question and refer to it as part of my role as Minister for Education, because the two do intertwine.

Firstly, Mrs Kronberg referred to the Auditor-General's report. Let us just put on the record that the reason the Auditor-General puts reports in place is that the Bracks government actually gave him teeth, the Bracks government actually restored his independence and the Bracks government made him an officer of the Parliament with powers enshrined in the constitution. As a consequence of that we get frequent reports from the Auditor-General which advise the government, as good auditors-general do, on how to better improve practice. We on this side of the house welcome Auditor-General's reports, because we are not afraid of an independent watchdog who advises on better practice.

Secondly, the Victorian Government Purchasing Board, which sets in place the procurement policy that departments and agencies follow, including the Department of Education, actually puts best practice in place. Again, what we have is an open, transparent and accountable system under which major contracts are put on the government website. That is something the Kennett government never dreamed of or, if it did, had nightmares about. What happens is that there is best

practice that goes across departments. Departmental procurement officials go through training and consult best practice manuals on how to get better procurement in place.

This government has a robust procurement system in place that gives discretion to accredited purchasing officers in departments, including Education, and is not tied up in red tape. I find it extraordinary that when I get a question specifically about procurement practices there is an implication in part of the question that we should have more red tape. I know that if there is one thing school bursars and business managers do not like, it is being tied up in red tape. They do not like red tape.

I welcome Mrs Kronberg's question. I welcome at any time a dialogue on how we can make our schools even better places. What I can say is that we have state-of-the-art procurement practices in Victoria. We will welcome any reports from the Auditor-General that suggest how we can do it even better, because we are all about making this place and our schools yet even better places to live, learn, work and raise a family.

Supplementary question

Mrs KRONBERG (Eastern Metropolitan) — I thank the minister for his answer. However, I have to say that the deficiencies in the Department of Education identified by the Auditor-General related to the quality of procurement and the monitoring of contract performance. What changes will be made to boost departmental capability in these areas?

Mr LENDERS (Minister for Education) — I would welcome Mrs Kronberg reading the blueprint on education, which is quite easily accessible and which she will find by merely going to the website at www.education.vic.gov.au. She will find in the blueprint on education a range of things in place that boost leadership in schools, the professional development of teachers and learning environments for students. There is in place a series of ways of doing that, including one of this government's commitments — that is, to reduce red tape.

We have done a range of things to assist with these issues. Some of them are simple, such as when the federal government requires reporting from schools — we have that information from the schools at the Department of Education — we put it in the template and give it back to the schools. We are improving on and streamlining our procurement practices, and we will always experiment. We have devolved to schools, because we are not into tying people up in red tape. We will give them best practice, we will give them

authority and we will empower them and devolve powers to them. We will work on these areas.

I welcome an ongoing dialogue with Mrs Kronberg. I am delighted that she is asking questions on education, because I have been waiting for them all week from the Liberal Party. I am delighted to have the question and have the dialogue, and I look forward to working with her to make schools even better places in Victoria.

Mornington Secondary College: sports stadium

Mr SCHEFFER (Eastern Victoria) — My question is to the Minister for Education. Can the minister inform the house how the Bracks government is working together with community organisations and local governments to build facilities at Victorian government schools that will benefit the whole of the community, making Victoria a better place to live, learn and raise a family?

Mr LENDERS (Minister for Education) — I thank Mr Scheffer for his question and his interest in education matters generally and particularly in education his great electorate of Eastern Victoria Region. Mr Scheffer asked about the things we can do. One of the great things I am proud to announce in the house today is that the Bracks government, together with the Mornington District Basketball Association and the school council, is building a \$2.3 million sports stadium at the Mornington Secondary College. This is a great investment, because it will benefit not just the school and the students but the entire community of the Mornington district.

We as a government are providing \$900 000 towards building the stadium, through our Community Facilities Fund. The Mornington District Basketball Association is contributing \$1.4 million, and in a true spirit of partnership, \$400 000 of that actually comes from the federal government. This is a partnership between local community organisations, schools — which obviously are local community organisations — and the state and federal governments. It can be done, but it is a joint initiative between governments and the community to get this happening.

The stadium will comprise three indoor basketball courts, a foyer, canteen, office-meeting rooms, referee-first aid room, storerooms, toilets, change rooms and a car park. The school will have access to this great facility during school hours, and it will have access on four other occasions free of charge, which is a great use of community facilities. The basketball association will be responsible for the operation and maintenance of the stadium, and the school council will

contribute 50 per cent towards the maintenance costs associated with it.

I could go on for hours about this great initiative and other initiatives of the government. I know Mr Scheffer is very interested in this, because he is a man who is committed to partnerships between community and government and is committed to solutions in local areas to get the best outcome for the entire community. This is just one of a number of initiatives in a range of other areas, whether they be in Swan Hill, Bayside or Leopold, where the Bracks government is committed to working with communities to get a great outcome.

This is a great outcome, because where different levels of government and communities work with each other, collaborate and share, we get great outcomes. However, in this case if the Mornington District Basketball Association had unilaterally gone out and made an announcement, it would not have worked; if the government had universally gone out and made an announcement, it would not have worked; and if the secondary college had unilaterally gone out and made an announcement, it would not have worked. Tragically that is usually what happens when the federal minister has a good idea. But we are working together. We have got results in making Mornington an even better place to live, work, learn, recreate and raise a family.

Exports: government targets

Mr KOCH (Western Victoria) — My question is to the Minister for Industry and State Development. I refer to the government's target of \$12 billion worth of food and fibre exports by 2010. Is the government still committed to this target?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I thank the member for his question and for his interest in this particular area. What I can say about our export targets is that we have decided on an overall export target of \$35 billion of exports out of the state going forward through to 2015. The state of Victoria is at the moment exporting around \$29 billion in goods and services. Of that \$29 billion, approximately \$11 billion is in services and the remainder is in goods. One big part of the goods exported is of course food and fibre, as the honourable member has identified. The government is committed to the targets that it has set itself going forward in all of those sectors. However, in general terms let me make it clear to the honourable member that the trends suggest there will be an increase in exports in the services sector. That has been the trend.

Mr D. Davis interjected.

Hon. T. C. THEOPHANOUS — I hasten to add, because of the attempted interjection by David Davis, that we are not abandoning one sector in response to the other. We are keen to continue to increase exports in all sectors, but we recognise that the trend line is moving up a great deal in relation to the services sector. A lot of that is in the education sector, where we now have approximately 100 000 students coming into Victoria. Those students generate approximately \$4 billion worth of economic activity in the state. That is counted as a big part of the export sector in the services industry.

We are committed to our target — \$35 billion by 2015. We are currently at \$29 billion. We are seeing strong growth in the services sector. In the export sector for goods in this state, notwithstanding comments that again have been made in the house by the opposition spokesperson, the trend line is that the value of goods has increased significantly.

Mr D. Davis — Not over the last five years.

Hon. T. C. THEOPHANOUS — Yes, they have. The value of goods has increased over the last five years, notwithstanding the half-truths and the misrepresentation that is put around by the opposition spokesperson. The value has increased, but the amount — in terms of the actual amount of product — has not increased at the same rate. The reason is that the amount is partly conditioned by the drought we have experienced, particularly in the sector that the member has asked me about — it has affected that. But overall, the actual dollar value has continued to increase, and we expect to meet our target.

Supplementary question

Mr KOCH (Western Victoria) — Acknowledging that the government has also abandoned the target of doubling the number of exporters by 2010, does this mean that any export targets set by the government are meaningless, because it simply abandons them as soon as they become challenging?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I reject the implications behind the member's question. I would go on to say that, in terms of encouraging export growth, we have done a great deal in this state, the most important of which is to make our businesses more competitive. We have done that because we have reduced inputs for our own businesses here. We have reduced land tax in this budget alone by \$508 million, and we have added a further 10 per cent reduction in WorkCover premiums worth \$688 million, and on it

goes. Payroll tax reductions continue to flow through to the economy.

We have also put in \$40 million to encourage export growth and help Victoria meet the challenges of the future. Key initiatives which I have mentioned before in the house include \$9.9 million to encourage export growth through the Opening Doors to Export program, \$9.3 million to assist small business through the Victorian small business commissioner, \$8.1 million to boost our strategic industry development program and \$2.1 million to create new tiger teams in industry to help us with exports abroad. It is a comprehensive program. There is a lot of effort going in from the government, and we are confident that we will reach the targets that we have set ourselves by 2015.

Schools: curriculum

Ms BROAD (Northern Victoria) — My question is to the Leader of the Government and Minister for Education, John Lenders. Can the minister inform the house how the Bracks government is developing a modern Australian curriculum in all Victorian schools?

Mr LENDERS (Minister for Education) — I thank Ms Broad for her question and for her interest in the development of a modern Australian curriculum in Victorian schools and what the Bracks government is doing towards this. To start answering Ms Broad's question, to develop a modern curriculum I guess we have to put into context where education starts and where we are going.

The earliest reference I found to education in any of my readings was in the Book of Proverbs 22:6. In the year 967 BC the great Israeli king, Solomon, basically said that if you teach a child correctly, what is learnt will last a lifetime. That is a very insightful thing. I should be careful saying this, because if I am not careful Julie Bishop will say that she thought of it before King Solomon — that is her style. Nevertheless, the first reference we have to education is by King Solomon.

I will move on for Ms Broad and move forward. We start off with a classical document, the Book of Proverbs, which of course is sacred to all of the three great monotheistic religions: Judaism, Christianity and Islam. They all pay it respect. If we are starting with history and developing a curriculum, we have to know where we have come from. So in answer to Ms Broad's question, we have some great traditions.

We also have long discussions about things. The Prime Minister has been lamenting the state of Australian history, so we have considered Australian history as

part of our Victorian essential learning standards. We will continue to work on those standards, but to get back to a biblical theme, the Prime Minister is back in the Book of Lamentations. He laments what he thought might have been there. He is in the Book of Lamentations; we are into the Victorian essential learning standards to move forward and come up with a better education system.

We also talk of other important areas. I know Ms Broad is certainly aware of our new document which we announced just recently entitled *The Future of Schooling in Australia*. We as a government, as did all other state and territory jurisdictions, went forward and said that certain things, like studies of society and environment, would go to more traditional subjects — history, geography and economics. But Ms Bishop of course then called out for geography! Now, back to the biblical theme, she is in the Book of Revelations! She has had a great revelation, and she suddenly said, ‘Hey! There is geography! It exists!’.

Back to Ms Broad’s theme of where are we going and what have we done. We have actually got the Victorian essential learning standards where we work through what is good curriculum to suit a modern Australian school. But what I would hope for is the assistance of the house, because I need to find a biblical reference for Mr Abbott wanting to restore corporal punishment in schools! He may be Leviticus, but he also may be a Jeremiah, because he sucks on the lemon!

What we are about and what we are serious about in this government is the best-possible form of schooling for our students: a highly developed curriculum that gives solid fundamentals in literacy and numeracy, and also that great thing where we teach students to be curious and solve problems. I have reflected on Ms Broad’s question, and I can assure her that with a sense of history we think we have learnt from the past and we think we are taking to the future. We just hope that Ms Bishop does not read too much of the Bible or she will claim credit for everything.

The PRESIDENT — Order! I am not going to allow the opportunity to pass without some comment. I have to say that the minister ought to be complimented on the way he was able to maintain relevance to the question with all of those biblical references without digressing too far. Might I be so bold as to suggest that it was an example that all might follow. Well done!

Essendon Airport: future

Mr FINN (Western Metropolitan) — I wish to ask a question of the Minister for Industry and State

Development. Does the Victorian government support the closure of Essendon Airport as proposed by the federal Labor Party?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I thank the member for his question and for his ongoing interest in the future of Essendon Airport. In response to the member’s question, one of the areas that I have responsibility for generally in Victoria is the aviation sector, and having responsibility for that means making sure that we work with all of our airports in ensuring that they are economically viable and capable of delivering a service.

Recently I announced that John Holland had decided to establish a long-term engineering capability at Melbourne Airport. That will involve an increase in the workforce there to about 500 and put to an end a whole range of unknown factors for the existing workforce there from the old Ansett facility. Thus, we are very pleased with the way in which the development of our aviation capabilities is going forward. This includes the fact that we have been able to attract Tiger Airways — and a range of other airlines that I have announced in the house as well — to come into Victoria.

Essendon Airport plays a very important role, particularly in the delivery of air services throughout regional Victoria. It is used extensively for that purpose, and it is used by the Victorian government on occasions for that purpose. It is a very important facility, and we expect it to continue in that role in the future.

Supplementary question

Mr FINN (Western Metropolitan) — Will the minister assure the 100 businesses based at Essendon Airport that the Victorian government will oppose any attempts by a federal Labor government to close that important facility?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — Members would know, of course, that the responsibility as owner of that facility rests with the federal government. The current federal government has been prepared to facilitate encroachment on that site, especially by the establishment of retail and other — —

Mr Finn — There is nothing wrong with that at all.

Hon. T. C. THEOPHANOUS — There may not be, but you would not want it to be extended too much further, Mr Finn, otherwise it might finish up compromising the capacity of Essendon to work as an

airport. This is within the area of responsibility of the federal government. It has chosen to adopt a policy of allowing extensive construction on that site. We think it is getting close to the point where it could compromise the capacity of the site to function. All that I would say is that from the point of view of the Victorian government, we think that it serves a very good function as an airport, and it should continue to operate in that function.

Planning: regional towns development

Ms TIERNEY (Western Victoria) — My question is to the Minister for Planning. The past seven years have seen a dramatic turnaround in the prosperity and future prospects of Geelong and south-western Victoria. The Bracks government has worked hard to attract jobs, people and investment to the region, and this has resulted in an increased demand for land supply and services in Geelong. I would like to know what actions the Bracks government is taking to address these issues.

Hon. J. M. MADDEN (Minister for Planning) — I thank Ms Tierney for her interest in this matter and in matters in the Geelong region and the south-west of the state. Members of the chamber should be aware, if they are not already, that we are currently seeing growth across regional areas that is faster than the rate of growth in Melbourne. For the first time since 1986–87 we have seen two consecutive years of growth in regional Victoria that is faster than the growth rate in Melbourne. Growth to 30 June 2006 has been at an average of 1.4 percent. That has come about because of what this government has done and will continue to do. It is about working hard and investing in regional economies across the state.

In particular we have been working hard in Geelong and the south-west over the past seven years to make sure that we create opportunities to help develop the city and to help develop sustainable growth. It is our priority. We have recently announced, as part of the government's regional town development plans program, that we will assist five key provincial Victorian centres with funding for future growth. That \$500 000 will provide assistance to Geelong, Ballarat, Bendigo, the Latrobe Valley and Wodonga in technology, training and land supply and demand assessment.

Last week I had the great pleasure of visiting Geelong and announcing that we would be handing over \$200 000 to the City of Greater Geelong to help fast track planning on some land to the south of Geelong known as Armstrong Creek, which is being opened up for residential development. This will ensure that the

City of Greater Geelong is assisted in finalising the structure planning, investigating the infrastructure needs and funding, and preparing the zoning proposals for the Armstrong Creek growth area. When it has been completed the Armstrong Creek development will provide in the order of 20 000 lots to accommodate over 50 000 people over the next 25 years or more.

The prospects of that growth in Geelong are very heartening. This, combined with the work that is currently taking place in relation to the ring-road, will see great growth in the region. It will also be complemented by the \$5.8 million for the Transit Cities program to revitalise the Geelong city centre, meaning that Geelong is on a fast-track curve to growth. We will see many people taking up the opportunity to make Geelong a great place to work, live and raise a family, complementing our strategy of investing in the regions and making Victoria an even better place to live, work and raise a family.

GJK Facility Services: Office of Housing contracts

Mr D. DAVIS (Southern Metropolitan) — My question is for the Minister for Industry and State Development. I refer to the Auditor-General's damning revelations today about slack government procurement processes in departments for which the minister has responsibility and departments for which he had responsibility in the past. I also refer to the Ombudsman's decision to investigate allegations that the minister influenced the awarding of cleaning contracts to GJK Facility Services, which is owned by his mate and donor, Mr George Stamas, and I therefore ask: will the minister now step aside until the Ombudsman's report is completed?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — The member's question contains within it a number of things which are both false and have been rejected by me on a number of occasions.

Mr Thornley — And by the house.

Hon. T. C. THEOPHANOUS — And by the house. I reject completely all the allegations which he makes in the comfort of this place and which I am sure he would not be prepared to say outside this house.

Secondly, when the debate occurred on this issue in this house, which was a general debate about the cleaning contracts that have been referred to, the government made it clear, through all speakers from the government side who took part in that debate, that we welcomed

any investigation of this issue by the Auditor-General, by the Ombudsman or by anyone else who was in a position to investigate it, because the government has absolutely nothing to hide in relation to this question.

In fact we look forward to that inquiry. It would once again show that there is absolutely no substance to an allegation which was made by a particular journalist from the *Age* newspaper, who made that allegation on the basis of unspecified and unknown sources which he has never been prepared to reveal. That allegation was made without any substance to it at all and despite its being rejected outright by me and anyone else, so far as I know, who has been associated with it.

The *Age* newspaper really needs to look at the way it presents its news. If you look at the history and at the way in which this was done by the *Age*, you will see the way the *Age* ramps up these sorts of allegations, which have no substance at the beginning and which are based on unknown sources, and then tries to pretend somehow they are really relevant to anything or that they are a matter of fact. I can say that some of the statements that have been made by the *Age* are absolutely malicious. The *Age* is aware of my views and is also aware of the options that have been put to it in relation to the unfounded, unfair and unsubstantiated allegations.

I think it is improper for a member of this house to come into the chamber when he knows these allegations are untrue and that they have no substance and when the house itself has rejected them. He has sought to do what he always does. He thinks that if he throws a bit of mud around that somehow it will advance his political career. I can tell Mr Davis that it will not advance his political career. It simply shows people in this house what a small person he is.

So far as the investigation is concerned, I understand it arises not in the terms that have been put by the member; it is something which the Ombudsman is examining purely and simply because he has been asked to do so by other companies that were involved in the tender process. It is obvious that if they had seen so many articles published in the *Age*, even though they are false, they would have raised the question. They did raise the question with the Ombudsman. As a result the Ombudsman has done the appropriate thing and said that he will investigate it.

It is a matter of fact that the director of the Office of Housing has put on the record that he is very happy to have this issue examined by the Auditor-General or anyone else. He has also indicated by way of letter to the *Age*, which was not printed as a matter of record,

that absolutely no interference has occurred in these tender processes, no political interference whatsoever; that the tender processes were overseen by proper probity officers and are absolutely pristine; and that the decisions that were made represent the best value for money for the government. I look forward to that being the conclusion reached by the Ombudsman.

Supplementary question

Mr D. DAVIS (Southern Metropolitan) — I note that the former Minister for Housing has not put on the record that she accepts the minister's position. I ask: given the minister's refusal to step aside despite this damaging investigation, will he explain to the house how businesses tendering for contracts in areas managed by his department can have confidence he will not improperly intervene in the awarding of these contracts?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I reject all the assertions behind the member's question.

Family violence: South Gippsland

Mr VINEY (Eastern Victoria) — My question is to the Minister for Community Services. Can the minister please inform the house of what the Bracks government is doing to support vulnerable families and children who are at risk of abuse and neglect in South Gippsland?

Mr JENNINGS (Minister for Community Services) — I thank Mr Viney for his concern about the wellbeing of children who may live in families that may be under some duress and may require some support and his concern about the wellbeing of all Victorian children. I will do my best to respond to not only Mr Viney's question but in a fashion which is consistent with Mr Viney's question and which addresses some of the matters raised by Mrs Coote this morning in her contribution to statements on reports and papers when she referred to the Victorian Child Death Review Committee report, which I tabled at the end of May.

It is totally appropriate for the chamber to be well versed in understanding the way in which we as a community in Victoria try to make families stronger, try to make them more resilient and try to support them to provide a secure and safe environment for Victorian children so that when children are at risk we can have some certainty that we have a service system that is responsive and mindful of their needs and addresses those needs.

Last week I launched a family support innovation program in Leongatha, which was one of 50 programs that are being rolled out throughout Victoria to provide for resilient families. We are bringing together a number of service providers that have expertise in the various aspects of family needs. In the case of the Leongatha alliance we have Kilmany Uniting Care, Anglicare, Berry Street Victoria and Bass Coast Regional Health. They have come together to form a partnership to support families. They find ways of verifying, through schools engagement, connections with community health centres and through a variety of support mechanisms, what families may be at risk without some additional support. They try to design a case management plan to address the holistic needs of those families so that they stay stronger.

This is a model which we think has been very successful and which we want to emulate throughout the rest of Victoria. What we have seen as a feature of this program, in which we have a significant investment of \$7.69 million in this budget going forward to specifically support it, is that on its track record it is successful in mitigating the notifications of child protection cases coming into Victoria. We have seen across Australia a high proliferation of child protection notifications in the last few years, but not so in Victoria. We have seen a fairly regular pattern of about 37 000 notifications in the state, which indicates that our early intervention family support programs, such as the family support innovation program, are working to make families more resilient and to provide for certainty and safety for our children.

The Victorian Child Death Review Committee report refers to a number of families who have, because of the coincidence of risk factors and because we have some very precious children who are unhealthy, as well as being within those family environments — —

Mrs Coote interjected.

Mr JENNINGS — I thank Mrs Coote for listening again. I am actually responding comprehensively to the issues she has raised. I am very happy to do that. I am very happy to be accountable; even though I did not actually get a question about this matter I am very happy to volunteer this information to the chamber.

Many of the families we are talking about that are at risk have unhealthy children. We have to make sure that family support — —

Honourable members interjecting.

The PRESIDENT — Order! If David Davis and Mr Theophanous want to continue their conversation,

they can do so outside. If they do not, they will remain silent.

Mr JENNINGS — I notice that with the exception of a couple of people, the majority of members are listening to the answer and have a concern about the wellbeing of Victorian children.

In the context of those vulnerable children who have complex health-care needs, the Child First program, which members have heard me refer to on a number of occasions, brings together a cluster of various agencies to provide holistic responses to the needs of those families and children. That response crosses over mental health concerns, drug and alcohol concerns, aspects of acute-care planning of health needs, and the health needs of those families in a more generic sense in dealing with their emotional wellbeing and functioning capacity, to provide a more responsive and timely intervention to support the needs of those children. That is one of the most important reforms that we have actually learnt about by reflecting on the previous intervention by child protection services, which has been a reactionary and tertiary response. We recognise that there is a need to be more involved in early intervention and preventive measures rather than waiting for the cumulative risk to be evident in the lives of these precious children.

One of the recommendations of the Victorian Child Death Review Committee was to deal with this question of cumulative neglect or cumulative risk in the lives of children. One of the lessons that I recognised when I first acquired the portfolio was that because of the processing, the analysis and the rigour that is applied to the child protection system in Victoria, it had sometimes taken a while to recognise the cumulative risk or cumulative harm that children were exposed to. Child protection services was dealing with notifications in isolation without the previous record of involvement with the child protection system. Now we have a regime in place where we do not wait for subsequent notifications to build up before we intervene.

Mrs Coote interjected.

Mr JENNINGS — Those protocols are now in place; they have been adopted and they will be standard practice from here on in. That is a very important lesson we have learnt, and it is at the beginning of the intervention of child protection services. At the end of the intervention of child protection services we are very mindful of what has been described as the potential for the premature closure of cases. After we have intervened in the lives of a family in the name of protecting a child we may make an assessment that that

family is functioning well and that the child is secure, but we may leave that family somewhat on its own, isolated and not well tapped into support services.

We are making a determined effort at the discharge planning end of child protection case management to provide for the ongoing case management by agencies such as those involved in the family support innovations program and the Child First program so that there will be an ongoing connection, not with child protection services but with the family support agencies that are in place to provide for the ongoing wellbeing of those families and those children. We are going to provide special care at the discharge planning end for the needs of these children going forward.

Mrs Coote interjected.

Mr JENNINGS — The fact that I am volunteering this information to members of the chamber is indicative of the fact that I am pretty concerned to make sure that we are vigilant in this regard, that we have these protocols in place, that we have appropriate case management in place and that we also have the appropriate intervention of specialist staff in the field to deal with the health and emotional wellbeing needs of children. We have introduced specialist infant primary health-care workers who have specialist expertise in the field. In fact we have quality assurance mechanisms that apply within regional catchments. We will be vigilant in making sure that we comply with those protocols and procedures and that we deliver the best holistic long-term care. But primarily our intervention will be focused on early intervention and prevention to make sure that families are strong, that children are not placed at a cumulative risk and that they are healthy and secure in the future.

Amniotic stem cell research: funding

Mr KAVANAGH (Western Victoria) — My question is to the Minister for Industry and State Development, but it also may be of interest to the Minister for Education in his capacity as the representative of the Treasurer. Without revisiting the embryonic stem cell debate, given the very recently revealed stupendous potential of amniotic stem cells, the demonstrated genius of Australian scientists in biomedical research and the government's intention to develop an embryonic stem cell research industry, apart from and in addition to that, what are the government's specific plans to fund or otherwise encourage amniotic stem cell research in Victoria?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I thank the

member for his question. I know he has a very strong interest in this area. I reiterate that the debate in this house on stem cells tested the conscience of every member of this house. That certainly was the case with me. I put to members of the house at that time my views about making difficult decisions.

As the Minister for Industry and State Development I can say that obviously the stem cell industry is expanding. It is an industry of considerable potential. Mr Kavanagh would know that there is potential regarding embryonic stem cell research and adult stem cell research. There have been recent breakthroughs in relation to adult stem cell research which will also be pursued in Victoria as part of the expansion of this industry.

The majority of responsibility for this matter rests with the Minister for Innovation in the other place, John Brumby, because this is one of those industries which involves quite a lot of innovation. He has taken the lead in relation to the development of this industry. However, I have an overview responsibility or function as well in my role as industry minister. I take the view that this is something on which a decision has been made by the Parliament. I have to respect the majority decision of the Parliament, like all other ministers, and I do respect that decision.

That decision was to allow this kind of research to take place. The Parliament having made that decision, it would then be inconsistent with that decision for the government not to pursue investment and industry opportunities arising out of that decision which were consistent with the safeguards that were agreed to within the context of the — —

Mr Finn interjected.

Hon. T. C. THEOPHANOUS — Mr Finn, Parliament made a decision.

Mr Finn — But we did not vote to exclude everything else.

Hon. T. C. THEOPHANOUS — There are a range of safeguards within that, of which Mr Finn is aware. Within the context of those safeguards obviously it is legal for these activities to take place, so we are not going to be in the business of trying to stop them. We will in fact be ensuring that we have a viable industry in this particular area of research in keeping with what has been agreed to by the Parliament and the government.

Supplementary question

Mr KAVANAGH (Western Victoria) — Does the minister understand that I was referring to a separate kind of research, on amniotic cells, which are quite different from embryonic cells?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I am sorry if the member was misled by my answer. I understand the distinction he is making, and the comments that I made equally apply. Whatever is pursued from a industry point of view would have to be within the context of what is allowed under the legislation. We cannot go further than that. Whatever has been allowed under the legislation would be allowed.

Manufacturing: It's Your Future program

Mr LEANE (Eastern Metropolitan) — Before I ask my question I would like to take the opportunity to do something that I am surprised a member of the opposition has not done yet. With last Monday's public holiday having come and gone, I would like to wish the Queen a happy birthday.

Mrs Coote — It was not her actual birthday.

Honourable members interjecting.

Mr LEANE — Long shall she rule England!

My question is to the Minister for Industry and State Development. Can the minister update the house on what the Bracks government is doing to encourage young people to consider a career in manufacturing?

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — I thank the member for his question. I know he has a considerable interest in the manufacturing industry. He might have seen some of the advertisements featuring Dave Hughes that we have put out recently trying to attract young people to go into the manufacturing industry.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — I am not sure that Shaun would be as attractive to young people as Dave Hughes.

Honourable members interjecting.

Hon. T. C. THEOPHANOUS — It might be a bit lineball, President!

The advertisements have been very well received. Members who have seen one would have seen that they

are done in a way that will appeal to young people, particularly those between 16 and 24 years of age, which is the group we are targeting. We did a bit of an analysis on this, and when we went out and had a look we found that there is a kind of negative image of manufacturing amongst parents and kids. They all think manufacturing is a great thing for Victoria to be doing, but when you ask them 'Do you want a career in manufacturing?' invariably they say, 'Not necessarily'.

The purpose of this campaign is to try to show people that manufacturing is a highly skilled area these days and that there are very good, highly skilled jobs and good careers in manufacturing. We were fortunate enough to get Dave Hughes. Members who have seen the ads will know what I mean when I say I think they are a real turn-on for young people. The young people I have spoken to certainly indicated that, and hopefully it will turn them on enough so they go to our website and have a look for further information. The campaign is called It's Your Future, and the advertisements direct young people to go to the website at www.itsyourfuture.com.au. I can report to the house that unlike David Davis's website, ours is up and running.

Can I say in conclusion how important this campaign is. We are very keen to maintain our manufacturing base here in Victoria. It is one of our competitive strengths. Despite the fact that some people think manufacturing is declining — there is a declining trend in the number of people in manufacturing — the value of the manufacturing sector is actually increasing. We need to get highly skilled people into manufacturing. It now employs 347 500 people in Victoria — 13.4 per cent of our workforce. It contributes a massive \$28.4 billion to our economy, and we have to find ways to make it attractive to young people. We are very pleased to have got Dave Hughes to do the advertisements, and we hope they have the desired outcome.

The PRESIDENT — By way of clarification to the house and as a point of edification for Mr Leane, I advise that the Queen's birthday was in April.

QUESTIONS ON NOTICE

Answers

Mr LENDERS (Minister for Education) — I have answers to the following questions on notice: 311, 312, 371, 372.

ADJOURNMENT

Mr LENDERS (Minister for Education) — I move:

That the house do now adjourn.

Fishing: Western Port commercial licences

Mr VOGELS (Western Victoria) — I raise an issue for the Minister for Agriculture in the other place concerning the Bracks government's decision to close down commercial fishing in Western Port.

Prior to the last election it was announced that if Labor won the election, it would make available \$5 million to pay out Western Port commercial fishermen. In regard to licence-holders whose business operations are naturally and directly affected by this closure, of those that have a history of fishing activity of at least seven years only those businesses that are substantially impacted with at least 30 per cent of the total fish value being caught in Western Port bay will be offered a voluntary licence buyback package and those businesses with less than 30 per cent of total fish value will be offered a fishing adjustment package to offset business practice changes.

I am informed that there are only eight licence-holders who fish Western Port who will be eligible for a voluntary licence buyback offer, having caught at least 30 per cent of the total fish value from Western Port over the designated period. I am informed there are another 40 licence-holders in total, the majority of whom commercially fish Port Phillip Bay, who are now also claiming an entitlement from the \$5 million package under the less-than-30 per cent fishing adjustment package.

When the government announced the buyback and compensation payment for Western Port commercial fishers, I do not believe it realised that the Western Port and Port Phillip Bay fishery access licence allowed you to pick either or both bays. Historically there is very little if any interchange, but legally commercial fishers could fish one or the other. Clearly, if commercial fishers from Port Phillip Bay are to be included in the package, then \$5 million is nowhere near enough to compensate those Western Port fishing families who have had their livelihoods taken away from them.

The action I seek from the minister is to ensure that those Western Port commercial fishers, those historic licence-holders whose business operations are directly impacted by being kicked out of Western Port, are the beneficiaries of the \$5 million package. If Port Phillip Bay commercial fishers want to get in on the act, the minister needs to look at a separate buyback package

for them. As I said, there are only eight commercial fishers affected who fish Western Port bay exclusively, but because of the way fishing licences are handed out, if you get a Western Port bay fishery licence, you are also entitled to fish in Port Phillip Bay. There is an anomaly there, which needs to be examined because \$5 million between eight commercial fishermen is a package they can accept; but if it is \$5 million between 48 commercial fishermen, the spread becomes very limited.

Consumer affairs: student art competition

Mr HALL (Eastern Victoria) — I wish to raise a matter for the attention of the Minister for Education. It concerns an art competition scam I believe is preying on the vulnerability of a number of Victorian school students. It has been brought to my attention that a Queensland-based company called Write 4 Fun is seeking to extract money from Victorian school students in what I believe is a substantial con job.

Students in at least one school in my electorate were encouraged to enter an art competition with the promise of prizes of cash, iPods or Nintendos. On receipt of the entries, the company in Queensland actually sent a personal letter, an invitation, back to each of the students who entered the competition, informing them that if permission were granted, their work would be included in a volume of artwork produced by a company called Aussie Art — also a Queensland-based company. The students were at the same time invited to pre-purchase a copy of the Aussie Art book for the special discount price of \$66 plus \$9.95 for postage and handling. They were also offered extras like notebooks, plaques and so on for the super-saver price of \$176. There is no doubt that this Queensland company was exploiting Victorian students for its own capital gain.

The school in my electorate was not sucked in and has reported the scam to Consumer Affairs Victoria for investigation. I am happy to forward to the Minister for Education some further details of companies, addresses, Australian business numbers and so on. The action I seek from the minister is to take steps to notify all Victorian schools of this marketing scam, despite the role consumer affairs may play in an investigation, so that the schools and parents who might not understand all that is involved will not be ripped off.

Infoxchange: funding

Ms HARTLAND (Western Metropolitan) — My adjournment matter tonight is for the Minister for Community Services, and it relates to Infoxchange, an internet service on social justice issues. It provides a

range of information communication technology services for individuals, not-for-profit groups and the community sector.

A good example is the website relating to housing and homelessness. The website has areas for housing news, community housing information and a reference service. Via the website, homeless people can contribute to *Parity*, the publication of the Council to Homeless Persons, which reaches 800 service agencies Australia wide. It has resources to help other members of the public understand people who are homeless. There are online discussion forums on the housing sector and the Victorian homelessness strategy.

However, I have been informed that the Victorian Department of Human Services has decided to cease funding for the website on 30 June. I ask the Minister for Community Services to reconsider that decision and to have the Victorian government ensure the continuation of the service provided through that website.

WorkChoices: effects

Mr TEE (Eastern Metropolitan) — My adjournment matter is for the Minister for Industrial Relations in the other house. I ask him to meet with the independent Victorian workplace rights advocate and to develop a strategy that will assist workers currently being employed in new businesses.

A report compiled by Monash University has found that agreements made by new businesses, before workers are employed, are providing a blank cheque for unscrupulous employers to cut wages and conditions. The advocate's report is called *Workplace Rights — Employer Greenfields Agreement under WorkChoices*. It looks at the impact of WorkChoices on rights for new employees.

It found that agreements made by new businesses are a means for employers alone to determine the terms and conditions under which workers will be hired. There is no negotiation with workers or their unions. In fact these agreements are made before workers have been employed. Once the workers are engaged they are confronted with employment conditions over which they have no say. Prospective workers are not even given the chance to see the contract before it is registered, much less agree to its contents. This is another damning condemnation of those responsible for WorkChoices — by any name. These agreements strip away protected award conditions and slash the pay of Victorian workers.

The report was commissioned by Victoria's workplace rights advocate — —

Mr Finn — On a point of order, President, it would seem that Mr Tee has well and truly ventured into the area of a federal matter. As I know this is of some concern to you, President, I suggest you call him to order.

The PRESIDENT — Order! The member is asking the minister to deal with a matter pertaining to workers in Victoria, and it has a direct relationship to the workplace rights advocate. I see no problem with his adjournment matter.

Mr TEE — The report by the Victorian workplace rights advocate — a body founded by this Parliament — found that 80 per cent of these agreements excluded protected award conditions. The report found that about 70 per cent of these agreements remove or reduce annual leave loadings, public holiday or weekend penalties, shiftwork loadings, casual leave loadings and overtime penalty rates.

These insidious agreements are nothing short of the Howard government reaching into the pockets of wage earners and taking away money that families need to pay the bills. There is nothing like this in any other Organisation for Economic Cooperation and Development country — only the Howard Government is prepared to leave workers stranded in this way. These agreements are nothing more than a blatant tool for driving down wages and conditions.

The PRESIDENT — Order! I note that Mr Tee has now finished his contribution. However, I remind members that there is no capacity to debate adjournment matters. I have to say that Mr Tee just about got there that time. I am making the house aware of that rule.

Water: Victorian plan

Mr D. DAVIS (Southern Metropolitan) — My adjournment matter is for the attention of the Minister for Water, Environment and Climate Change in the other place. It concerns the impact of the government's decision to build a number of large infrastructure projects nearly eight years into its term and the fact that these projects obviously will cost a significant amount of money.

The government has said in its announcements that there will be an average doubling of water bills over five years. I put it to the minister that the concept of 'on average' means that some water bills will be greater and some will be lesser. We need to understand this

because there is considerable concern and confusion in the community as to how these bills will change over time.

I have in my possession a Yarra Valley Water quarterly account for an average suburban house in Brooke Court, Ashburton. It looks at water usage between 3 January and 2 April. There are two blocks. There is a \$32.05 charge for water usage on one block and a \$7.53 charge for the water on the other block, at a rate of 0.9601 cents per kilolitre, coming to a total of \$39.58. There is a sewage disposal charge of \$27.65 for the same period, a service charge of \$52.24 and a drainage charge of \$19.08. There is also a concession of \$38.39, bringing the total bill to \$100.16. A doubling of the bill, on the surface, would see it go to \$200.32. But it seems that there is a lot of scope for price ranges and different applications of tariffs.

It is very important that the community understand quickly which part of this bill will change. Will it just be the metering of water that doubles, will it be the service charge that doubles or will there be a different ratio in each section of the bill? Suburban householders have every right to expect to be able to understand these matters, and I think the government has to explain. I am asking for the minister in the other place to explain in simple terms — not through an expensive advertising campaign but through simple statements — how this will impact on water bills, which parts will increase and when it will occur.

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

Housing: affordability

Mr DRUM (Northern Victoria) — My adjournment matter is for the Minister for Housing in the other place, Mr Wynne. It relates to housing affordability and the first home owner grants that are currently made available by the government. On 12 June the Treasurer, Mr Brumby, issued a statement bragging about the rising number of people claiming first time bonuses and first home owner grants. In his statement the Treasurer said that he was presenting the figures to answer criticisms from others — industry people, social service groups and housing associations. The criticism of the Victorian government is that state government stamp duties are actually pushing homeownership out of the reach of thousands of prospective buyers.

The Victorian Council of Social Service has indicated in a press release that 80 per cent of first home owner grants in Victoria are now going to the wealthier half of the population. The council has stated that the grant is

not actually helping those who are already struggling to get into their first home. It seems that under the current structure you have to already have the money before this government will give you a hand. In fact industry has stated that the misguided way in which this money has been handed out is actually fuelling the home affordability crisis by pushing up prices and thereby pushing up the debt levels of many people who are trying to achieve their dream. Banks are now allowing people to use this grant money in lieu of a deposit and then lending them the full amount of the property and more.

Just last month the Housing Industry Association called for a national summit of all levels of government to tackle the issue of home affordability in Australia. I call on the minister to implement a fairer system of housing assistance targeted at those Victorians whose incomes are in the bottom 50 per cent as opposed to wealthier Victorians, who are currently receiving 80 per cent of state government assistance in Victoria.

Southcity Clinic: funding

Ms PENNICUIK (Southern Metropolitan) — My adjournment matter is for the Minister for Mental Health in the other place, Lisa Neville. Last week I visited the Southcity Clinic in Elwood as part of Drug Action Week. Drug Action Week, which is an initiative of the Alcohol and Other Drugs Council of Australia, is a national week of activities to raise awareness and promote the achievements of those who work to reduce alcohol and other drug-related harm. It aims to promote public debate about evidence-based strategies for reducing alcohol and other drug-related harm.

Southcity Clinic has been operating since 1997. It is a service of Southcity GP Services, a division of general practice. The service provides specialist assessment and treatment services for patients with significant and complex medical, psychiatric or psychosocial problems. It provides consultancy and support services for health practitioners involved in providing methadone and other pharmacotherapy services. It provides continuing education for health practitioners involved in alcohol and other drug fields. It also provides comprehensive case management for every patient, acupuncture, and group programs such as creative writing and art therapy, which complement individual therapy.

As a result of my visit to Southcity Clinic I have become aware of the ongoing financial problems faced by this specialist service. Southcity is a stand-alone community service which is not embedded within a hospital or other large institution. However, the funding

model applied to Southcity is based on the assumption of a hospital-based service. This does not take into account the increased infrastructure costs of a stand-alone service, nor does it reflect accurately the actual staffing structure — for example, all clients attend community pharmacies to receive their methadone or buprenorphine. Southcity Clinic does not have an in-house or hospital pharmacy, so no income is derived that way, as is the case with other services. Members may not realise that it costs clients \$30 to \$35 a week for their methadone, and Southcity has about 120 active clients who are on substitute pharmacotherapy and attending the clinic at any given time.

The Department of Human Services has been very supportive, but each year there is a budget deficit of some \$60 000. My request to the minister is that she urgently review the funding base to ensure that a viable and more appropriate model is developed in order to maintain the continuity of specialist clinical services at Southcity Clinic.

Exports: data reporting

Mr THORNLEY (Southern Metropolitan) — My adjournment matter is for the minister in the chamber, the Minister for Industry and State Development, Mr Theophanous. I was wondering whether we could investigate stating future reporting of exports and other trade-related data not just in Australian-dollar terms but also in US-dollar terms and trade-weighted index terms. I would like to explain the reasons I think this is important.

An honourable member interjected.

Mr THORNLEY — No, to the contrary, the minister is doing an outstanding job. When you look at the value of Victoria's exports in terms of the people who are buying them, when you look at them in trade-weighted terms and when you look at them in US-dollar terms, you see they have been growing outstandingly well. What has happened to Victoria's exports —

An honourable member interjected.

Mr THORNLEY — That is the mining boom driving Victoria's manufactured exports.

The PRESIDENT — Order! I remind Mr Thornley we are not debating here.

Mr THORNLEY — The problem for Victoria's manufacturing exporters is that they are being murdered by a high Australian dollar — the highest Australian

dollar we have had in 18 years. That is true for our agricultural exporters as well. Not only does that make our exports more expensive for customers to purchase, but it also means that those purchases come back with less value in Australian dollars. If we are going to assess whether or not our exporters are performing effectively in global markets, whether they are winning the global market share and whether they are winning global customers, then we need to look at it in terms of our receipts in Australian dollars and in terms of the currencies that are actually paid by the customers. If we do that, then some of those opposite will be less inclined to continue to tar up our manufacturing industries and exports and realise what outstanding performance we in fact have.

Police: organised crime squad

Mr FINN (Western Metropolitan) — I wish to raise a matter for the attention of the Minister for Police and Emergency Services in another place. We all agree, whether we are on this side of the house or indeed on the other side, that the dreadful and tragic events of last Monday morning in the Melbourne central business district have highlighted a major problem that we have in our society right now — that is, the role of so-called bikie gangs in organised crime, particularly in the manufacture and distribution of illegal drugs.

My information is that amphetamine factories are quite common among a number of these gangs, and they bring in vast sums of money. In order to protect their drug empires these outlaws have absolutely no hesitation in resorting to violence at the drop of a hat.

Hon. T. C. Theophanous interjected.

Mr FINN — They are indeed a major blight on society and one that needs to be smashed, Mr Theophanous. Since the disbanding of the organised crime squad by Chief Commissioner Nixon a couple of years ago, unfortunately the eye has gone off the ball in relation to law enforcement on this particular issue.

I ask the minister to take responsibility for law and order in this state and to direct the chief commissioner to end her trial-by-video form of policing and focus the necessary resources on fighting this particularly insidious form of crime among gangs and eradicate this major threat to the community. I also ask the minister to direct the chief commissioner to reinstate the organised crime squad, if that is what is necessary.

Water: irrigators

Mr BARBER (Northern Metropolitan) — My adjournment matter is for the Minister for Water,

Environment and Climate Change in another place. By way of background, I inform the house that a group of farmers in western Victoria have formed the Orford water committee as a result of the dramatic loss of water from stock and domestic bores which has occurred in the area after the issue of large groundwater licences to irrigators. Those extractions are currently unmetered. This has led to a lack of water for households and stock and, as happened in one unfortunate case, when water is desperately need for emergency firefighting.

The committee has requested that no more licences be issued in the area, with 11 000 megalitres of the estimated 16 000-megalitre cap having already been issued, and that there be a designation of a water supply protection area. It brought a motion to this effect to the Victorian Farmers Federation state council today, but unfortunately it was not supported by the VFF. I am therefore asking the minister to intervene on its behalf by asking Southern Rural Water to freeze the issue of new licences, to engage directly with the group and to release to them and to me the data and studies on which Southern Rural Water is relying in this area.

Schools: Reality program

Mr LEANE (Eastern Metropolitan) — My adjournment matter is for the Minister for Education, John Lenders. An organisation called Anchor, which has as its main roles emergency and referred support for individuals and families facing homelessness and foster care for children under 18 years in the eastern region of Melbourne, has this week started what I believe is a very impressive program called ‘Reality’, which has recently been funded.

The Reality program involves Anchor personnel speaking to secondary school students in years 11 and 12 about the reality of what it would mean if they decided to leave home now. They talk about paying rent, paying bills, washing their clothes, cooking, cleaning, earning money to do those things and, if they stay in school, finding the time to study and attend class. If students are seriously thinking that it might be a cool idea to get their own pad, then they need to take these things into account, because if the problems they have at home are not too insurmountable and can be sorted out, it may be a much better idea for them to stay at home rather than face these issues or face the fact that if they fail, they could be homeless.

This program is now available in schools in the Yarra Ranges and Knox areas. I ask the minister to encourage schools to take up this program and make some time for

it in the curriculum. It takes only 2 hours, and I think it is very important.

Devilbend Reservoir: land sale

Mr O'DONOHUE (Eastern Victoria) — My adjournment matter this afternoon is for the Minister for Water, Environment and Climate Change in another place. It relates to the Devilbend Reservoir. Members may be aware that the Devilbend Reservoir, which was in operation throughout the 1960s, 1970s, 1980s, 1990s and into the new century, was decommissioned by the Bracks Labor government in 2000. Throughout the 1970s and 1980s the government brought up land around the Devilbend Reservoir for a potential expansion to triple its size to augment Melbourne's water supply. Ultimately that did not happen, and, as I said, the Bracks Labor government decommissioned the reservoir in 2000.

The reservoir occupies a site of 1057 hectares. Approximately a third of it is water, a third of it is natural bushland and a third of it is former farming land that desperately needs to be rehabilitated. The area has been in a state of limbo ever since 2000. There have been various proposals put forward by the government. At one stage the government was proposing to sell several hundred hectares of the reservoir land. It is now determined to sell 40 hectares of land. That is against the Mornington Peninsula community's wishes.

The Mornington Peninsula population has grown significantly over the last 10 to 20 years as it has become closer to Melbourne in terms of travel time.

Public open space is scarce on the Mornington Peninsula, and this 1057 hectares is a particularly precious part of the Mornington Peninsula's public open space, being right in the middle of the peninsula and having significant remnant native bushland and vegetation that should be preserved, not to mention the native fauna there.

Unfortunately the minister has determined that 40 hectares should be sold to facilitate the rehabilitation of some of that land. Given the explosion in revenue this government has enjoyed, given the way the population of the Mornington Peninsula has increased and given the environmental benefits of the Devilbend land, I ask the minister to expedite the appointment of a management plan advisory group. The land has been in limbo since the reservoir was decommissioned in 2000, and I ask the minister to expedite the rehabilitation of the park, including the eradication of feral animals, weeds and pests, and most importantly, to review the erroneous decision to sell 40 hectares of the Devilbend

park and recognise its importance to the open space and environment of the peninsula community.

Disability services: supported accommodation

Mrs COOTE (Southern Metropolitan) — The issue I raise on the adjournment this afternoon is for the Minister for Community Services, Gavin Jennings, and it concerns Ian and Jenny Radford and their twin 24-year-old disabled daughters. This is a family in total crisis. The parents are trying to juggle their own ill health, financial pressures and the care of their disabled daughters.

Months of pleading for help have failed to save this Gippsland family from the painful choice of relinquishing the care of their 24-year-old profoundly disabled twin daughters to the state of Victoria and a disability system that finds itself in crisis, with no suitable accommodation available. This family is caught between state and federal government bureaucracies, but this is a Victorian family which is under severe stress. The family itself believes that DHS (Department of Human Services) has not offered any lasting solution to its debt problems, and it has been pushed to the brink of despair.

The parents, who were in a great deal of financial difficulty, reluctantly had to put their children into DHS emergency respite care. This happened two weeks ago. They were desperate, and they had to relinquish their daughters to the department, which placed the girls into emergency care in a respite home and negotiated a return to the family with a commitment to resolving the debt cycle forcing the sale of the family home. But the family believes that DHS has not offered it any lasting solution. It is of great concern that they are being shuffled from one department to another. They have these twin girls who really are severely disabled, and it is important to help and support this family.

The DHS was in such strife with the emergency respite of these girls that it actually could not cope and had to send them back to the family for additional support, with the promise of helping the family to get out of this cycle. This has not happened, and the parents tragically have had to put their house onto the market. I have had a letter from Ian Radford in which he says:

We believe that the sale of our home is still our only way forward, unlike the state government department's suggestion we begin negotiating with the current debtors to make arrangements for them to wait until we are in a better financial position.

I ask the minister as a matter of urgency to immediately intervene to locate specific-purpose disability

accommodation for the Radford twins and for their family.

Electricity: pricing

Ms BROAD (Northern Victoria) — I wish to raise an adjournment matter with the Minister for Energy and Resources in the other place. I ask the minister to advise how small businesses and households that produce renewable energy can get information about the fair pricing of any electricity they feed back into the grid, and further, what action his department is taking to ensure that small businesses and households in country and regional Victoria get this information.

The Bracks government has acted to encourage more small renewable energy producers into the market by guaranteeing a fair price for energy fed into the power grid through proposed amendments to the Electricity Industry Act 2000. All producers with a renewable energy capacity of up to 100 kilowatts will be guaranteed a fair price for energy surplus to their own needs. The 100-kilowatt threshold has been chosen to cover small renewable producers who have little market power to negotiate to sell their own excess energy.

The fair-price provision in the rules will allow the government to review and judge the adequacy of the price offered by energy retailers. If the government believes the price is not fair, it will refer the price to an independent arbiter, the Essential Services Commission. The government will also look at whether more reforms are needed to encourage the uptake of renewable energy generation by households and small businesses in the future.

Planning: electronic conveyancing

Mr GUY (Northern Metropolitan) — In the last adjournment debate for these sittings I would like to raise a matter for the Minister for Planning that concerns the implementation of electronic planning and application systems in Victoria. The Streamlined Planning through Electronic Applications and Referrals (SPEAR) system is a very important contemporary project that is aimed to provide an online ability for land-related transactions to be performed over the internet. It is a project that has the Liberal Party's support, albeit it is concerned about the time it has taken to get to the stage we are currently at.

The project was launched some years ago with the intention of Victoria being the first state to implement such a program, although I note we have now been overtaken in that sense by south-eastern Queensland. Departmental information suggests that following

design and development work four years ago, the implementation of SPEAR commenced in late 2004 with the pilot of the system. In the following year the pilot consisted of 6 councils, 7 surveying firms and 27 referral authorities, with the rollout to all councils and surveyors in metropolitan and regional Victoria commencing in 2006.

The action I seek from the minister relates to the manner in which the SPEAR system will be funded. I have noted through a Department of Sustainability and Environment regulatory impact statement that the SPEAR system will indeed be funded courtesy of an increase in application fees. The planning and property industry in Victoria appears to be a never-ending cash cow for the Bracks government, and while the total amount collected from an increase in application fees will probably pale compared to the massive stamp duty haul of the government, the reality is it is another fee increase nonetheless.

It is a fee increase that is totally unnecessary and one that will hit people trying to do the right thing by lodging applications via the internet. Moreover, I believe it would be totally wrong for the government to raise these application fees and then to keep them at the pre-SPEAR levels. If this ends up being the case, which I suspect it might, the application fee increase will prove, I think, that it was put in place not to raise money to fund SPEAR but rather to be just another Bracks government tax increase.

I ask the minister to explain properly to me and to all Victorians exactly why application fees need to be raised to fund the online application system and, more to the point, if and when the implementation is complete, to nominate a date when the application fees will revert back to their pre-implementation levels.

Responses

Hon. T. C. THEOPHANOUS (Minister for Industry and State Development) — John Vogels asked me a question for the Minister for Agriculture in the other place, and I will pass that on.

Peter Hall asked me a question for the Minister for Education, and I will also pass that on.

Colleen Hartland asked me a question for the Minister for Community Services relating to a website for housing, homelessness and other matters, and I will pass that on to the Minister for Community Services for reply to her.

Brian Tee asked me a question for the Minister for Industrial Relations in the other place, and I will pass that on.

David Davis asked me a question for the Minister for Water, Environment and Climate Change in the other place concerning the doubling of water bills, and he mixed in questions about sewage disposal. I will get that question answered back to him.

Damian Drum asked me a question for the Minister for Housing in the other place about housing affordability and indicated to me that he could not stay for the response. I will pass that question on to the Minister for Housing for response.

Sue Pennicuik asked me a question for the Minister for Mental Health in the other place. It was in relation to alcohol-related and drug-related harm and the funding model specifically used to fund Southcity Clinic. I am happy to pass that on to the relevant minister for her response.

Evan Thornley asked a question of me specifically. It related to my investigating not only the reporting of export and receipts in Australian dollars but also the reporting of the trade-weighted figures and, in particular, reporting in United States dollars. He made some very important points about the fact that in relation to exports we in this state have been suffering because of the high Australian dollar relative to the United States dollar. Notwithstanding that, if you examined the trajectory you would see a very significant increase in exports in US dollar terms, which arguably is a good measure of the overall value of our exports in a world context. I also say in response to the member that although we would be happy to look at that reporting — and it is an important dimension — our own targets are based on Australian dollars, and we would not walk away from those export targets in Australian dollars. I again make the point that the trajectory is for increases in exports. Recently we have seen exports increase. There was a dip some time ago, but I am happy to say that the trajectory is back on the increase and that I am looking forward to being able to report ongoing increases until we reach those targets.

Bernie Finn raised a matter for the Minister for Police and Emergency Services in the other place in relation to tragic events and his concern about bikie gangs and how they are being dealt with by the police minister. He said he has some information. I am not sure whether that was a request by Mr Finn to go under cover and get more information, but I will pass his request on to the relevant minister.

Greg Barber asked a question about groundwater licences and referred to his concerns relating to them. He asked of the Minister for Water, Environment and Climate Change in the other place that there be a freeze on new licences. I will pass that on for response.

Shaun Leane asked a question relating to education and the Anchor organisation's Reality program, which is about providing information about the reality of leaving home. It is a very important program, and I am happy to pass that request on to the Minister for Education.

Mr O'Donohue raised a matter for the Minister for Water, Environment and Climate Change in relation to a reservoir augmentation and some land on the Mornington Peninsula. I will pass that request on for a response.

Andrea Coote raised a matter for the Minister for Community Services relating to a specific family with two daughters who are severely disabled. These circumstances are always very difficult for everyone, and I will be very happy to pass that request on to the minister to see whether he can be of further assistance.

Ms Broad raised a matter for the Minister for Energy and Resources in the other place. I will pass that question on for response.

Matthew Guy raised a matter for the Minister for Planning relating to the streamlined planning through electronic applications and referrals, or SPEAR, scheme and application fees which apply to that. I will pass that on for response.

The PRESIDENT — Order! The house now stands adjourned.

House adjourned 3.39 p.m. until Tuesday, 17 July.

